



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 23-0446	<b>Date:</b>	August 8, 2023
<b>Prime Sponsors:</b>	Rep. Woodrow; Lindsay Sen. Hinrichsen; Winter F.	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** PROHIBITED PROVISIONS IN RENTAL AGREEMENTS

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<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill prohibits written rental agreements from including certain provisions. The bill may minimally impact state and local revenue and expenditures on an ongoing basis.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the enacted bill.

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## Summary of Legislation

The bill prohibits written rental agreements from including the following:

- a waiver of the right to a jury trial unless agreed upon in a hearing to determine possession of a dwelling unit;
- a waiver of the ability to bring, join, litigate, or support collective claims and actions;
- a waiver of the implied covenant of good faith and fair dealing;
- a waiver of the implied covenant of quiet enjoyment, except that an agreement may specify that a landlord is not responsible for violations by a third party acting beyond landlord control;
- a provision that purports to affix fees, damages, or penalties for tenants' failure to provide notice of nonrenewal of a rental agreement, except for actual losses incurred by a landlord;
- a provision that defines any amount or fee other than the set monthly payment for occupancy, including utilities and service charges, as "rent," and would allow landlords to collect such fees through rental collection remedies, including eviction;
- a provision that requires tenants to pay for a service billed to landlords by third-party in an amount greater than 2 percent or \$10, but not both; and
- a provision that allows a provider operating under any local, state, or federal voucher or subsidy program to pursue an action for possession based solely on the nonpayment of utilities.

The bill applies to agreements executed on or after the effective date and does not exclude utility costs from inclusion in the calculation of housing costs eligible for reimbursement under any local, state, or federal voucher or subsidy program.

Finally, the bill does not apply to or limit other rights and remedies regarding occupancy of a mobile home in a mobile home park, or to duplexes, triplexes, or accessory dwelling units if the owner's primary residence is on the same residential premises.

## State Revenue and Expenditures

The bill primarily impacts contracts between private parties. To the extent that disputes arise, state revenue and workload may increase for the Judicial Department as a result of increased civil case filings with the trial courts; however, high compliance with the provisions of the bill is assumed, so any revenue and workload increase would be minimal.

## Local Government

Similar to the state, Denver County Court may have an increase in revenue and workload to the extent that additional cases are filed.

## Effective Date

The bill was signed into law by the Governor on June 5, 2023, and it took effect on August 7, 2023.

## State and Local Government Contacts

Counties  
Municipalities

Judicial  
Regulatory Agencies

Local Affairs