



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 21, 2023)

Drafting Number: LLS 23-0478 Date: April 17, 2023
Prime Sponsors: Rep. Mabrey; Gonzales-Gutierrez Sen. Gonzales; Hinrichsen Bill Status: Senate Local Government Fiscal Analyst: John Armstrong | 303-866-6289 john.armstrong@coleg.gov

Bill Topic: JUST CAUSE REQUIREMENT EVICTION OF RESIDENTIAL TENANT

Summary of Fiscal Impact: [X] State Revenue [X] State Expenditure [] State Transfer [] TABOR Refund [] Local Government [] Statutory Public Entity

The bill prohibits landlords from evicting residential tenants unless they have just cause. The bill minimally increases state revenue and workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Summary of Legislation

The bill creates the "Just Cause Eviction Policy," which applies to all residential premises in the state, except short-term rental properties, owner-occupied properties, and mobile home spaces. Under current law, a tenancy may be terminated by written notice served within limited timeframes, depending on the length of the tenancy. This bill prohibits a landlord from evicting a tenant unless there is just cause. Just cause exists when a tenant is guilty of unlawful detention of property under certain circumstances in existing law or when the tenant qualifies for a no-fault eviction.

The bill establishes the conditions for a no-fault eviction to include:

- demolition or conversion of the property to non-residential or short-term rental use;
• substantial repairs or renovations; or
• the landlord or a family member assumes occupancy of the property.
• Withdrawal of the property from the rental market

No-fault evictions must give the tenant 90 days to relocate. Landlords must provide written notice to the tenant of a no-fault eviction in either English or the known primary language of the tenant. Mission-driven organizations that lose funding and landlords that intend to withdraw from the rental market are also eligible to proceed with no-fault evictions. Landlords must provide relocation

assistance in the form of two to three months' rent in the event of a no-fault eviction unless they qualify for certain exceptions.

Rental agreements may not include a waiver of any provision of the Just Cause Eviction Policy. Tenants may sue landlords who violate this new policy. A landlord's failure to comply is an affirmative defense for the tenant. The bill also adds conforming language to statutes regarding unlawful entry to a property and notice to quit for tenants for landlords and tenants that comply with the above provisions.

State Revenue

The bill may minimally increase state revenue from court filing fees if there is an increase in civil lawsuits against landlords who are not compliant with the provisions of the bill. Court filing fees are subject to TABOR.

State Expenditures

Courts may experience a small, absorbable increase in the number of civil suits as a result of the bill. Additionally, the Department of Law may process more consumer complaints as a result of the bill, which are assumed to be addressed within existing resources. This fiscal note assumes that most landlords will update their practices in order to avoid future litigation.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to all eviction proceedings made on or after that date.

State and Local Government Contacts

Judicial
Regulatory Agencies

Law

Local Affairs