



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 21-0389	Date:	February 24, 2021
Prime Sponsors:	Rep. Jackson; Jodeh Sen. Gonzales	Bill Status:	House Business
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Bill Topic: RESIDENTIAL TENANCY PROCEDURES

Summary of Fiscal Impact:	<input 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

This bill increases eviction and tenancy protections for residential tenants. Beginning in FY 2021-22, this bill increases state and local expenditures on an ongoing basis.

Appropriation Summary: In FY 2021-22, this bill requires an appropriation of \$15,045 to the Judicial Department. The remainder of the costs under the bill will be paid from a continuously appropriated cash fund. See State Appropriations section.

Fiscal Note Status: This fiscal note reflects the introduced bills.

**Table 1
State Fiscal Impacts Under HB 21-1121**

		Budget Year FY 2021-22	Out Year FY 2022-23
Revenue		-	-
Expenditures	General Funds	\$15,045	\$16,413
	Cash Funds	\$8,000	-
	Centrally Appropriated	\$5,103	\$5,294
	Total Expenditures	\$28,148	\$21,707
	Total FTE	0.3 FTE	0.3 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill increases eviction and tenancy protections for residential tenants by:

- increasing the amount of notice landlords must give tenants prior to starting eviction proceedings from 10 to 14 days;
- extending the period for which the summons in a residential eviction action must be issued from 7 to 14 days before the court appearance;
- extending the period for residential evictions after a landlord wins an eviction judgement from 48 hours to 14 days;
- prohibiting landlords from increasing rent more than one time in a 12 month period;
- requiring that notice be served to a tenant in the same manner as any other civil procedure, rather than posting notice on the premises or leaving with a family member;
- extending the notice period for nonpayment of rent for a mobile home owner from 10 to 14 days; and
- extending the written notice period for raising rent or terminating a residential tenancy when there is no written agreement between the landlord and tenant from 21 to 60 days.

Assumptions

There were 38,183 eviction case filings in FY 2018-19 and 26,112 eviction case filings in FY 2019-20. This fiscal note assumes that FY 2018-19 numbers are a better estimate of future workload, as many eviction cases have been impacted by eviction moratoriums put in place during the Covid-19 public health crisis. Eviction case filings may increase in 2021 due to pandemic-related job loss and economic hardship.

State Expenditures

This bill will increase state expenditures in the Judicial Department and Department of Local Affairs (DOLA) by \$28,148 and 0.3 FTE in FY 2021-22 and \$21,707 in FY 2022-23. These costs, paid with General Fund and cash funds, are displayed in Table 2 and described below.

**Table 2
Expenditures Under HB 21-1121**

Cost Components	FY 2021-22	FY 2022-23
Judicial Department		
Personal Services	\$15,045	\$16,413
Centrally Appropriated Costs ¹	\$5,103	\$5,294
FTE – Personal Services	0.3 FTE	0.3 FTE
Judicial Subtotal	\$20,148	\$21,707
Department of Local Affairs		
Publications	\$8,000	-
DOLA Subtotal	\$8,000	\$0
Total	\$28,148	\$21,707
Total FTE	0.3 FTE	0.3 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Judicial Department. Starting in FY 2021-22, this bill will increase workload for the courts and may shift trial court caseload. Under current law, summons in a residential eviction action can be issued by the clerk of the court or by the attorney for the plaintiff. This bill requires that the summons be issued only by the clerk of the court, which will increase the number of summonses issued by court clerks. It takes a court clerk approximately one minute per case to issue a summons, and based on estimated eviction caseloads this will require an increase in 0.3 FTE for court staff to issue the additional summonses. The bill will also adjust the timing of eviction cases due to the extension of various deadlines in the legal process. It is assumed that any adjustment to appropriations for the courts, if needed, will be made through the annual budget process once any change or shift in case volume is known.

Department of Local Affairs. Landlords in mobile home parks will need to be updated on the new regulations in this bill, which will require DOLA to produce and distribute publications in English and Spanish to landlords. This is a one-time cost of \$8,000 from the Mobile Home Park Act Dispute Resolution and Enforcement Cash Fund, which is continuously appropriated to the department.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$5,103 in FY 2021-22 and \$5,294 in FY 2022-23.

Local Government

Denver County Court. The bill increases workload for the Denver County Court, which is managed and funded by the City and County of Denver, to issue summons as required by the bill.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2021-22, this bill requires an appropriation of \$15,045 to the Judicial Department.

The Mobile Home Park Act Dispute Resolution and Enforcement Program Cash Fund is continuously appropriated to the Department of Local Affairs

State and Local Government Contacts

Counties

Local Affairs

Sheriffs

Information Technology

Municipalities Personnel

Judicial

Regulatory Agencies