



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

**Drafting Number:** LLS 21-0649  
**Prime Sponsors:** Rep. Ricks  
Sen. Bridges

**Date:** March 11, 2021  
**Bill Status:** House Business  
**Fiscal Analyst:** Clare Pramuk | 303-866-2677  
clare.pramuk@state.co.us

**Bill Topic:** **REPORT TENANT RENT PAYMENT INFO TO CREDIT AGENCIES**

**Summary of Fiscal Impact:**

- |  |   |
|--|---|
| <input type="checkbox"/> State Revenue     | <input type="checkbox"/> TABOR Refund                       |
| <input type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government                   |
| <input type="checkbox"/> State Transfer    | <input checked="" type="checkbox"/> Statutory Public Entity |

This bill creates the Tenants' Rent Payment Information Pilot Program, funded by the Colorado Housing and Finance Authority. It will increase costs for the Colorado Housing and Finance Authority, which is a statutory public entity that does not receive state funds.

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

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

## Summary of Legislation

This bill creates the Tenants' Rent Payment Information Pilot Program to facilitate the reporting of participant tenants' rent payment information to consumer reporting agencies. On or before October 1, 2021, the Colorado Housing and Finance Authority (CHFA) is required to promulgate rules for the administration of the pilot program and contract with a third party program administrator. The program administrator is required to recruit no more than 10 landlords and at least 100 tenants to participate in the pilot program. Participation in the pilot program is voluntary and a participating tenant is required to complete a financial education course prior to a landlord reporting that tenant's rent payment information.

On or before January 1, 2024, CHFA and the program administrator will submit a final report on the pilot program to the House Transportation and Local Government Committee and the Senate Local Government Committee. The pilot program is repealed June 1, 2024.

## Background

CHFA was created in 1973 as a political subdivision of the state by the Colorado General Assembly to address the shortage of affordable housing in the state. In 1982, CHFA was authorized to also provide loans to businesses. It is governed by a board of directors and among its powers is the authority to borrow and loan money and issue bonds.

## Statutory Public Entity

CHFA will have an increase of \$205,000 in expenditures for the pilot program. These costs include:

- \$50,000 for a third-party administrator to set-up, operate, evaluate and report on the pilot program;
- \$150,000 in grants for participating landlords to cover expenses (10 landlords x \$15,000); and
- \$5,000 for financial education class offerings for tenant participants.

CHFA's cost to oversee the pilot project can be addressed within their current operational capacity. As a political subdivision, these expenditures are not obligations of the state.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State and Local Government Contacts

CHFA            Local Affairs