



Legislative Council Staff
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Final Fiscal Note

Drafting Number:	LLS 24-0173	Date:	July 3, 2024
Prime Sponsors:	Sen. Gonzales; Exum Rep. Lindsay; Froelich	Bill Status:	Senate Local Govt. & Housing
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Bill Topic: **SAFE HOUSING FOR RESIDENTIAL TENANTS**

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

The bill modifies existing warranty of habitability laws. Starting in FY 2024-25, the bill minimally increases state and local revenue and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Current law presumes that every rental agreement between a landlord and a tenant carries an implicit guarantee that a residential property is fit for human habitation. This is referred to as a warranty of habitability. This bill makes numerous changes to current law regarding the warranty of habitability. Notable changes include:

- updating circumstances that constitute a breach of the warranty;
- modifying required remedies landlords must take, and the time frame for these remedies;
- changing the civil process for actions initiated by landlords or tenants regarding breaches;
- prohibiting landlords from retaliating against tenants for seeking remedies;
- allowing tenants to initiate civil actions in for remedies;
- applying the warranty of habitability to all residential premises, including lease-to-own; and
- allowing the Attorney General to independently initiate enforcement actions.

State Revenue

The bill may increase revenue to the Judicial Department from an increase in filing fees from civil case filings under the provisions of the bill. Revenue from filing fees is subject to TABOR. Additionally, the Attorney General may seek civil penalties in cases filed by their office. This fiscal note assumes that most landlords and tenants will follow the law, and any state revenue increase is minimal.

State Expenditures

Judicial Department. Trial courts in the Judicial Department may experience an increase in workload if additional civil cases are filed under the bill. The fiscal note assumes that most landlords and tenants will comply with the law and any increase will be minimal. No change in appropriations is required.

Department of Local Affairs. The Division of Housing in the Department of Local Affairs provides rental assistance statewide through local housing authorities and non-profit service organizations. The bill will minimally increase workload in the division to update information sources and provide guidance concerning the law to clients and partner service agencies. This effort does not require additional appropriations.

Department of Law. Workload in the Department of Law (DOL) will minimally increase to investigate and pursue enforcement actions. The DOL will prioritize enforcement actions as necessary within the overall number of actions it takes. No change in appropriations is required.

Local Government

Similar to the state, the Denver County Court may experience a minimal revenue and workload increase to the extent additional civil cases are filed under the bill. Further, local housing authorities and other local government programs will have a slight increase in workload efforts to adjust internal documents and assist housing clients with landlord-tenant disputes.

Effective Date

This bill was signed into law by the Governor and took effect on May 3, 2024.

State and Local Government Contacts

Judicial
Regulatory Agencies

Law

Local Affairs

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).