



Fair Housing Application Fees HB19-1106

Who we Are: 9to5 Colorado is a grassroots, memberbased, multi-racial, women's organization dedicated to working with impacted members to advocate for community-led solutions on the state and local level.

History: 9to5 conducted a survey of over 950 renters across the Denver Metro Area between 2015-2016. We found that over half of respondents answered that application fees were a barrier for them when trying to find a home. After looking into the problem deeper, we heard stories of people being charged \$150 or more per application. It also became clear that our state statute did not regulate these fees in any way and no state law existed that defined what an application fee is or how much it could be. It was even legal for landlords to accept application fees even when a unit was not open at the time.

Results from the 2019 Legislative Session: After 3 years of introducing a bill that would limit application fees so that landlords can't profit, a common sense bill called House Bill 19-1106 passed at the state legislature and was signed by the governor into law. The law will go into effect on August 2nd, 2019.

What it does and How it works:

1. This law defines application fees to be any amount charged that is non refundable for processing an application before a tenant moves in.
2. It requires landlords to either provide an estimate of the expenses that the fee will be used for or an itemization of the landlord's actual expenses to process the application
3. It limits application fees so landlords can't profit. The landlord could also provide an average fee they charge but would have to show how that average was determined. All the money charged would have to go directly to actually processing the application.
4. Once the application fee is charged, the landlord may provide an electronic receipt unless the applicant asks for a paper receipt. In that case the paper receipt must be provided.
5. Landlords are required to reimburse any fees or amounts that they do not spend on actually processing the application. They must return the money within 20 calendar days after processing the application. Calendar days means Saturdays, Sundays, and holidays are included in the 20 days.
6. Landlords cannot charge different fees to different applicants
7. Landlords cannot consider rental records or credit checks that go back beyond 7 years from the date of the application.
8. Landlords cannot consider an arrest record or conviction that occurred more than 5 years before the date of the application with these exceptions for an applicant with any criminal conviction record or are on probation for the following:
 - a. Crimes related to selling or creating methamphetamine
 - b. Crimes resulting in being obligated to register as a sex offender
 - c. Crimes involving homicide or related offenses

d. Crimes involving stalking

9. 5 years for convictions includes periods of incarceration, e.g. if someone is incarcerated for 5+ years, then upon reentry, their record may not be considered unless it is one of the four exceptions.
10. If a rental application is denied, the landlord has to give a written notice saying why the person was rejected. If the landlord doesn't have direct access to the specifics of the denial report because they used a third party screening company, the landlord has to provide a copy of the report. The report can be sent electronically unless the applicant requests a paper copy. This notice should be provided not more than 20 calendar days after making the decision to deny the application.

What to do if you suspect a landlord is violating your rights:

1. If the landlord does not follow this law, they could be subject to a lawsuit by a tenant. If they lose, they may have to pay for reasonable court and attorney fees and up to 3 times the amount of the application fee that was charged
2. If you decide to file a lawsuit, give the landlord in writing a notice 7 days in advance that you are going to file a lawsuit against them.
3. If the landlord corrects the violation not more than 7 calendar days after receiving the notice of the violation, the landlord is no longer liable for damages.

Legal Resources: Colorado Poverty Law Project: Legal clinics are the third Wednesday of every month from 4-6 at 2130 Stout Street Denver at the Stout Street Health Center.

Colorado Legal Services: [\(303\) 837-1313](tel:3038371313) For Adams County, call 720-595-4379. For Adams County or Broomfield email 17thevictioncllc@colegalserv.org

If you know of other helpful resources, please let us know so we can include them! Especially resources outside of the metro area