First Regular Session Seventy-second General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 19-0937.01 Conrad Imel x2313

SENATE BILL 19-180

SENATE SPONSORSHIP

Winter, Court, Fenberg, Moreno, Rodriguez

HOUSE SPONSORSHIP

McCluskie,

Senate Committees

Judiciary Appropriations

House Committees

State, Veterans, & Military Affairs Appropriations

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF AN EVICTION LEGAL DEFENSE FUND, 102 AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill creates the eviction legal defense fund (fund). The state court administrator will award grants from the fund to qualifying nonprofit organizations (organizations) that provide legal advice, counseling, and representation for, and on behalf of, indigent clients who are experiencing an eviction or are at immediate risk of an eviction. The bill lists permissible uses of grant money awarded from the fund.

HOUSE nd Reading Unamended April 29, 2019

SENATE Amended 3rd Reading April 22, 2019

SENATE Amended 2nd Reading April 18, 2019

Shading denotes HOUSE amendment.

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

Organizations that receive a grant from the fund are required to report to the state court administrator certain information about services provided by the organization . The state court administrator is required to evaluate the use of grants from the fund every 5 years and submit that evaluation to the general assembly. The bill includes a legislative declaration.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

- (a) There is a disparity in the availability of legal counsel for low-income Americans. Eighty-six percent of low-income Americans were not represented or inadequately represented in civil cases nationally in 2017.
- (b) There is less than one civil legal aid attorney available for every thirty thousand people in poverty in Colorado, ranking Colorado ahead of only four other states: Idaho, Mississippi, Alabama, and South Carolina;
- (c) Our system of justice depends on having a fair chance to be heard, regardless of who you are, where you live, or how much money you have. Having access to justice means a person should be able to learn about his or her rights and then give effective voice to him or her in a neutral and nondiscriminatory, formal or informal process that determines the facts, applies the rule of law, and enforces the result. No one should face the loss of something as essential to well-being as housing without assistance navigating the legal system from an attorney.
- (d) There were nearly forty-five thousand evictions filed in Colorado in 2017. Most of these renters faced the loss of their housing without help from a lawyer. A 2017 report found that, in Denver eviction

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cases, landlords were represented nearly ninety percent of the time, while tenants were represented by counsel in fewer than one percent of cases.

- (e) Evictions contribute to extreme hardship, including negative health effects, higher housing costs, decreased housing quality, and an increased likelihood of future housing insecurity;
- (f) Evictions are especially detrimental to young children, who need reliable education and community ties for their emotional and mental development. Children who experience an eviction are more likely to suffer from poor academic performance, behavioral issues, or homelessness later in life.
- (g) Expanding the availability of legal resources for tenants saves taxpayers money. A study of the projected economic return for an eviction defense program in Philadelphia found that spending \$3,500,000 per year on legal defense would save \$45,200,000 by reducing shelter costs, hospital costs, mental health costs, and juvenile delinquency. A cost-benefit analysis published by the New York City bar association also showed an economic benefit to the city generated by expanding eviction legal resources for tenants.
- (h) Data from the eviction legal defense pilot program in Denver demonstrates that providing additional legal resources to tenants facing an eviction helps reduce the consequences of involuntary displacement; and
- (i) Legal counsel can provide significant help to renters who are facing an eviction. Counsel can be critical in facilitating a resolution that allows tenants to remain in their homes, arrange additional time to find another home, or keep a judgment off a tenant's record.
 - (2) Therefore, the general assembly declares that it is necessary to

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2	are experiencing an eviction or are at immediate risk of an eviction.
3	SECTION 2. In Colorado Revised Statutes, add 13-40-127 as
4	follows:
5	13-40-127. Eviction legal assistance - fund - rules - report -
6	definitions. (1) FOR THE PURPOSES OF THIS SECTION, UNLESS THE
7	CONTEXT OTHERWISE REQUIRES:
8	(a) "ADMINISTRATOR" MEANS THE STATE COURT ADMINISTRATOR,
9	APPOINTED PURSUANT TO SECTION 13-3-101.
10	(b) "Fund" means the eviction legal defense fund
11	ESTABLISHED IN SUBSECTION (2) OF THIS SECTION.
12	(c) "INDIGENT" MEANS A PERSON WHOSE INCOME DOES NOT
13	EXCEED TWO HUNDRED PERCENT OF THE FAMILY FEDERAL POVERTY
14	GUIDELINES, ADJUSTED FOR FAMILY SIZE, DETERMINED ANNUALLY BY THE
15	UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES.
16	$(d) \ "QUALIFYING ORGANIZATION" MEANS AN ORGANIZATION THAT: \\$
17	(I) HAS DEMONSTRATED EXPERIENCE AND EXPERTISE IN
18	PROVIDING FULL SERVICE CIVIL LEGAL SERVICES TO INDIGENT CLIENTS;
19	(II) IS BASED IN COLORADO;
20	(III) IS EXEMPT FROM TAXATION PURSUANT TO SECTION 501 (c)(3)
21	OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED; AND
22	(IV) Obtains more than $\underline{\text{TWENTY}}$ percent of its funding from
23	SOURCES OTHER THAN GRANTS FROM THE FUND.
24	(2) THERE IS ESTABLISHED IN THE STATE TREASURY THE EVICTION
25	LEGAL DEFENSE FUND. PURSUANT TO SUBSECTION (3) OF THIS SECTION,
26	THE STATE COURT ADMINISTRATOR IS AUTHORIZED TO MAKE GRANTS
27	FROM THE FUND TO QUALIFYING ORGANIZATIONS PROVIDING CIVIL LEGAL

expand the availability of legal assistance to help indigent persons who

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1	SERVICES TO INDIGENT RESIDENTS OF THE STATE OF COLORADO.
2	(3) THE ADMINISTRATOR SHALL AWARD GRANTS FROM THE FUND
3	TO QUALIFYING ORGANIZATIONS TO PROVIDE LEGAL ADVICE, COUNSELING,
4	AND REPRESENTATION FOR, AND ON BEHALF OF, INDIGENT CLIENTS WHO
5	ARE EXPERIENCING AN EVICTION OR ARE AT IMMEDIATE RISK OF AN
6	EVICTION. MONEY FROM THE FUND MAY BE USED FOR SERVICES THAT
7	INCLUDE:
8	$(a) \ Providing \ Legal \ Representation \ to \ in digent \ tenants \ for$
9	RESOLVING CIVIL LEGAL MATTERS RELATED TO AN EVICTION OR
10	IMPENDING EVICTION. SUCH REPRESENTATION MAY INCLUDE
11	REPRESENTATION IN ANY FORCIBLE ENTRY AND DETAINER PROCEEDING OR
12	ACTION FOR MONETARY DAMAGES RELATED TO NONPAYMENT OF RENT OR
13	OTHER LEASE VIOLATION, LEGAL ASSISTANCE PRIOR TO THE FILING OF AN
14	EVICTION, OR ANY OTHER JUDICIAL ACTIONS IN WHICH LEGAL
15	REPRESENTATION IS NECESSARY TO PROTECT THE INTERESTS OF AN
16	INDIGENT TENANT.
17	(b) ESTABLISHING CLINICS DESIGNED TO EDUCATE AND ASSIST
18	INDIGENT TENANTS IN EVICTION PROCEEDINGS, INCLUDING PROVIDING
19	INFORMATION RELATED TO THE RIGHTS AND RESPONSIBILITIES OF
20	LANDLORDS AND TENANTS;
21	(c) Providing legal information and advice to indigent
22	TENANTS;
23	(d) REFERRING CLIENTS TO APPROPRIATE PERSONS OR AGENCIES
24	THAT PROVIDE ASSISTANCE WITH ISSUES RELATED TO HOUSING; AND
25	(e) Providing mediation services for disputes between a
26	LANDLORD AND TENANT THAT COULD PREVENT OR RESOLVE THE FILING OF
27	AN EVICTION.

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1	(4) (a) A QUALIFYING ORGANIZATION SEEKING TO RECEIVE A
2	GRANT FROM THE FUND SHALL SUBMIT AN APPLICATION EACH YEAR TO
3	THE STATE COURT ADMINISTRATOR ON A FORM PROVIDED BY THE
4	ADMINISTRATOR. THE APPLICATION FORM MUST REQUEST ANY
5	INFORMATION THAT THE ADMINISTRATOR NEEDS TO DETERMINE WHETHER
6	THE APPLYING ORGANIZATION MEETS THE QUALIFICATIONS FOR RECEIPT
7	OF A GRANT.
8	(b) (I) On October 1, 2019, and on July 1 each year
9	THEREAFTER, THE ADMINISTRATOR SHALL DISTRIBUTE GRANTS FROM THE
10	FUND, SUBJECT TO AVAILABLE APPROPRIATIONS, TO A QUALIFYING
11	ORGANIZATION FOR EACH COUNTY OR CITY AND COUNTY IN PROPORTION
12	TO THE NUMBER OF FORCIBLE ENTRY AND DETAINER PETITIONS FILED IN
13	THE COUNTY OR CITY AND COUNTY.
14	(II) IF THERE IS MORE THAN ONE QUALIFYING ORGANIZATION
15	WITHIN A COUNTY OR CITY AND COUNTY, THE ADMINISTRATOR SHALL
16	DISBURSE THE GRANT FOR SUCH COUNTY OR CITY AND COUNTY TO EACH
17	QUALIFYING ORGANIZATION IN PROPORTION TO THE NUMBER OF CLIENTS
18	SERVED BY EACH QUALIFYING ORGANIZATION OR ITS PREDECESSOR IN THE
19	PRECEDING YEAR.
20	(c) EACH QUALIFYING ORGANIZATION THAT RECEIVES A GRANT
21	PURSUANT TO THIS SECTION SHALL SUBMIT AN ANNUAL REPORT TO THE
22	ADMINISTRATOR THAT INCLUDES THE FOLLOWING INFORMATION, TO THE
23	EXTENT POSSIBLE AND TO THE EXTENT THAT IT DOES NOT VIOLATE THE
24	PRIVILEGE AND CONFIDENTIALITY OF AN ATTORNEY CLIENT RELATIONSHIP:
25	(I) THE NUMBER OF CLIENTS SERVED BY THE ORGANIZATION;
26	(II) THE NATURE OF THE ASSISTANCE RENDERED TO EACH CLIENT,
27	SUCH AS PROVIDING INFORMATION, ADVICE, MEDIATION, OR

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I	REPRESENTATION;
2	(III) THE TYPE OF ALLEGED LEASE VIOLATION, IF ANY, FOR EACH
3	CLIENT;
4	(IV) THE AMOUNT OF RENT IN DISPUTE, IF ANY, FOR EACH CLIENT;
5	$(V)\ The \text{number of tenants the organization was unable to}$
6	SERVE;
7	(VI) DEMOGRAPHIC DATA FOR CLIENTS ASSISTED BY THE
8	ORGANIZATION WITH A GRANT FROM THE FUND, INCLUDING ZIP CODE,
9	HOUSEHOLD INCOME, FAMILY STATUS, RACE AND ETHNICITY
10	INFORMATION, AGE, AND DISABILITY STATUS;
11	(VII) THE NUMBER OF REFERRALS TO A RENTAL ASSISTANCE OR
12	MEDIATION PROGRAM PROVIDED TO CLIENTS; AND
13	(VIII) THE OUTCOME OF EACH CLIENT'S CASE, INCLUDING
14	WHETHER A CASE WAS DISMISSED, JUDGMENT FOR POSSESSION WAS
15	ENTERED, A STIPULATED AGREEMENT WAS MADE THAT PREVENTED ENTRY
16	OF A JUDGMENT FOR POSSESSION, A STIPULATED AGREEMENT WAS
17	MADE THAT PROVIDED THE CLIENT WITH AN OPPORTUNITY TO VACATE A
18	JUDGMENT FOR POSSESSION AT A LATER DATE, AND WHETHER THE CLIENT
19	HAD TO MOVE FROM THE RESIDENCE AND, IF SO, WHETHER THE CLIENT
20	RECEIVED ADDITIONAL TIME TO MOVE AND HOW MUCH TIME WAS
21	PROVIDED.
22	(5) (a) IN ADDITION TO ANY APPROPRIATION FROM THE GENERAL
23	FUND, THE ADMINISTRATOR MAY SEEK, ACCEPT, AND EXPEND GIFTS,
24	GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE
25	PURPOSES OF THIS SECTION. THE ADMINISTRATOR SHALL TRANSMIT ALL
26	MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE
27	TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

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1	(b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
2	ASSEMBLY, THE ADMINISTRATOR MAY EXPEND MONEY FROM THE FUND
3	FOR THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE
4	ADMINISTRATION OF THIS SECTION. THE STATE TREASURER SHALL CREDIT
5	ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT
6	OF MONEY IN THE FUND TO THE FUND.
7	(6) (a) On or before December 31, 2024, and on or before
8	DECEMBER 31 EVERY FIVE YEARS THEREAFTER, THE ADMINISTRATOR
9	SHALL EVALUATE THE USE OF GRANT MONEY AWARDED FROM THE FUND.
10	THIS EVALUATION MUST CONSIDER THE FOLLOWING METRICS, AND
11	WHETHER EACH HAS INCREASED OR DECREASED COMPARED TO THE YEARS
12	BEFORE THE FUND WAS ESTABLISHED:
13	(I) THE PERCENTAGE OF FORCIBLE ENTRY AND DETAINER FILINGS
14	THAT RESULTED IN JUDGMENTS ORDERED AGAINST <u>TENANTS</u> , <u>ORGANIZED</u>
15	BY WHETHER THE TENANT WAS REPRESENTED BY AN ATTORNEY;
16	(II) THE NUMBER OF WRITS OF RESTITUTION <u>ISSUED</u> , <u>ORGANIZED</u>
17	BY WHETHER THE TENANT WAS REPRESENTED BY AN ATTORNEY;
18	(III) THE RATE OF LEGAL REPRESENTATION AMONG
19	DEFENDANTS FACING EVICTION;
20	
21	(IV) THE NUMBER OF ANSWERS FILED IN RESPONSE TO FORCIBLE
22	ENTRY AND DETAINER PETITIONS, ORGANIZED BY WHETHER THE TENANT
23	WAS REPRESENTED BY AN ATTORNEY;
24	(V) BASED ON INFORMATION REPORTED TO THE ADMINISTRATOR
25	BY QUALIFYING ORGANIZATIONS, THE NUMBER OF INDIGENT CLIENTS WHO
26	HAVE BEEN REFERRED TO PROGRAMS THAT PROVIDE EMERGENCY RENT
27	ASSISTANCE OR MEDIATION SERVICES OR TO OTHER PUBLIC AND

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1	NONPROFIT RESOURCES THAT WILL BOLSTER THE ECONOMIC SECURITY OF
2	TENANTS AND THEIR FAMILIES;
3	(VI) BASED ON INFORMATION REPORTED TO THE ADMINISTRATOR
4	BY QUALIFYING ORGANIZATIONS, THE DISTRIBUTION OF INFORMATION TO
5	INDIGENT TENANTS CONCERNING STATE LAWS RELATED TO THE
6	LANDLORD-TENANT RELATIONSHIP; AND
7	(VII) BASED ON INFORMATION REPORTED TO THE ADMINISTRATOR
8	BY QUALIFYING ORGANIZATIONS, THE NUMBER OF INDIGENT CLIENTS WHO
9	WERE PROVIDED LEGAL ADVICE.
10	(b) AN EVALUATION PERFORMED PURSUANT TO THIS SUBSECTION
11	(6) MUST INCLUDE, AND CONSIDER, THE INFORMATION PROVIDED TO THE
12	ADMINISTRATOR BY QUALIFIED ORGANIZATIONS RELATED TO CLIENT
13	SERVICES PURSUANT TO SUBSECTION (4)(c) OF THIS SECTION.
14	(c) Notwithstanding section 24-1-136 (11)(a)(I), the
15	ADMINISTRATOR SHALL SUBMIT AN EVALUATION REQUIRED PURSUANT TO
16	THIS SUBSECTION (6) TO THE JUDICIARY COMMITTEES OF THE HOUSE OF
17	REPRESENTATIVES AND THE SENATE, OR ANY SUCCESSOR COMMITTEES.
18	SECTION 3. In Colorado Revised Statutes, 13-3-101, add (7.5)
19	as follows:
20	13-3-101. State court administrator - repeal. (7.5) THE STATE
21	COURT ADMINISTRATOR SHALL MAKE GRANTS FROM THE EVICTION LEGAL
22	DEFENSE FUND PURSUANT TO THE PROVISIONS OF SECTION 13-40-127.
23	SECTION 4. Appropriation. (1) For the 2019-20 state fiscal
24	year, \$750,000 is appropriated to the eviction legal defense fund created
25	in section 13-40-127 (2), C.R.S. This appropriation is from the general
26	fund. The judicial department is responsible for accounting related to this
27	appropriation.

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1	(2) For the 2019-20 state fiscal year, \$750,000 is appropriated to
2	the judicial department for use by the courts administration division. This
3	appropriation is from the eviction legal defense fund created in section
4	13-40-127 (2), C.R.S. To implement this act, the division may use this
5	appropriation for grants to qualifying organizations providing civil legal
6	services.
7	SECTION 5. Safety clause. The general assembly hereby finds,
8	determines, and declares that this act is necessary for the immediate
9	preservation of the public peace, health, and safety.

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