

HB24-1318 – Reasonable Modifications/Restoration

With the exception of rentals receiving federal financial assistance and governed by Section 504, if a disabled applicant or tenant makes a request to a landlord for a reasonable modification (“RM”), Federal and Colorado law currently allows the landlord to require the tenant to (1) pay for the RM, and (2) agree to restore the interior of the premises upon move-out if it is reasonable to do so. For example, if a disabled tenant requests to modify the bathroom to remove the tub and add a roll-in shower, the landlord may grant the request but require the tenant to pay for the RM and sign a restoration agreement that the tenant, at the tenant’s expense, will restore the bathroom to the way it was before the RM if the tenant moves out.

If the RM is outside of the premises or inside, but does not really impact the use and marketability of the premises (e.g., widening doorways), a landlord may still require the tenant to pay for the costs of the RM, but cannot ask the tenant to restore the premises upon move-out.

HB24-1318 would change C.R.S. § 24-34-502.2 by deleting statutory language that allows a landlord to condition approval of a RM on the tenant agreeing to restore the premises.

Note: The Bill also removes language from the statute about RMs being at the tenant’s expense; however, it does not specifically state that landlords are required to pay for the RMs.

1. How does this impact the client? If the Bill passes, landlords will be prohibited from requiring a tenant to agree to pay for restoration as a condition for approving a RM. If the tenant vacates the premises, the landlord will have to decide between leaving the interior modifications in place or absorbing the cost to restore the premises.

2. What is the impact of the Bill? Some interior RMs can be very extensive (e.g., installing lift systems). The passing of the Bill will require landlords to absorb the costs of restoration. With the cost of restoration being shifted to landlords, there may likely be an increase in extensive RM requests, which will have a financial impact on landlords. Apartment communities will have more restorations to pay for and smaller operators may not have the funds available.

Apartment communities that choose not to restore a modified unit may attract disabled tenants who desire the RMs. Landlords of single-family rentals that cannot afford the costs to restore the premises will be left with a less marketable property if the RMs make the premises less functional or aesthetically unappealing to prospects.

3. How will the Bill impact us? The passing of the Bill will have no impact on TS’s daily operations; however, TS will need to: (a) inform and educate its clients about the change in the law; (b) revise the TS Advanced Fair Housing webinar slideshow; and (c) remove any old TS articles from the website library regarding reasonable modifications because they will be obsolete.