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Denver's New Rental Licensing Ordinance

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Presented by

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Overview: New Council Ordinance

In April, the Denver City Council adopted “an ordinance establishing a System of licensing and inspections of certain long-term residential rental properties.”

- This Ordinance is commonly referred to as “rental licensing.”*

Overview: Purpose of the Ordinance

The purpose of this Ordinance is...

...to license and regulate

...dwelling units

...offered for rent.

Overview: Purpose Beyond Licensing

In the future, the city intends to use this Ordinance to:

- Monitor efficiency standards in rentals
- Improve indoor air quality of rentals
- Reduce emissions at rental properties
- Ensure rental affordability for both tenants and landlords

The Ordinance reads, “In the future, efficiency standards for rental properties to ensure emission reductions, improved indoor air quality and affordability of rentals for tenants and landlords may be implemented into these provisions.”

Overview: Phases of the Ordinance

The Ordinance will take effect in three phases:

- Phase I: January 2022 (leases required)*
- Phase II: January 2023 (apartments)*
- Phase III: January 2024 (single family homes, condos, and rowhouses)*

Overview: Licensing Fees

The city of Denver will begin charging licensing fees for rentals:

- Payable every four years (or upon transfer)
- \$50 for a single unit
- \$100 for 2-10 units
- \$250 for 11-50 dwelling units
- \$350 for 51-250 units
- \$500 for more than 250 units

Overview: Important Definitions

Residential Rental Property

- "Any building(s), structure(s), or accessory dwelling unit that is rented or offered for rent as a residence"
- DOES NOT include campus housing, hotels, or boarding homes

The Department of Excise and Licenses

- Landlords must submit rental licensing applications to Denver's licensing bureau, the Department of Excise and Licenses

Overview: Rental License Required

Soon it will be unlawful to operate without a rental license in Denver.

- Final deadline is January 1, 2024
- Once single family homes phase in, every property has to be compliant
- Landlords must pass inspection in order to get a license

Overview: Home Inspections

Before the city can approve your rental licensing application, your unit must pass a successful inspection from a certified inspector.

- Home inspectors are vendors in the private sector with the required credentials:
 - Must be certified by The American Society of Home Inspectors, Inc., The International Association of Certified Home Inspectors, Inc., or The Master Inspector Certification Board, Inc.
 - Must be certified as a Combination Building Inspector by the International Code Council

Overview: Minimum Housing Standards

Inspectors will inspect units for compliance using a standard checklist.

- Based on Chapter 27 of the Denver Revised Municipal Code

Number of units required to be inspected:

- 10 percent of units
- One unit if less than 10 units

Overview: Additional Requirements

In addition to passing inspection to get a license, landlords must:

- Maintain property in accordance with Article 11 DMRC*
- Make sure that all appliances supplied are in good working condition*
- Contain functioning smoke and carbon monoxide detectors*

Overview: Additional requirements

Additional Non-Inspection Requirements:

- Owner shall provide a copy of an executed written lease to the tenant within seven days for all new tenancies exceeding 30 days.*

Overview: Additional requirements

Additional Non-Inspection Requirements:

- Owner shall provide tenants with a notice of "Tenant Rights and Resources" at lease signing and when serving a Demand for Rent or Possession*

Overview: License Denial

Grounds for license denial:

- *The issuance would violate any law*
- *Licensed premises do not pass any applicable code*
- *Failure to complete necessary inspections or obtain necessary permits*

Overview: License Suspension

The city can suspend or revoke licenses for:

- Any grounds that would support a denial*

Overview: Fines for Violation

Denver plans to fine landlords for violations.

- Denver can fine property owners \$1,000 per violation*
- Requires payment within 30 days*