

HB 556: Tenancy in Common/E-Notary/Small Claims Changes

Preemption of Local Regulations Regarding Source of Income

- **What This Does:** Prohibits counties and cities from enacting or enforcing ordinances that prevents a rental housing provider from refusing to rent to a person because their source of income includes funding from a federal housing assistance program.
- **Why It Matters:** Ensures rental housing providers can continue to voluntarily participate in federal housing assistance programs. While many of these ordinances are well-intentioned to help combat affordability challenges, the burdensome regulations and administrative requirements make the federal program not financially feasible for many rental housing providers to participate.
- **Effective Date:** September 9, 2024 (date the bill became law)

Clarification of Day Rent is Late

- **What This Does:** Clarifies that rent is late after “five calendar days,” with the first day being the day after the rent is late.
- **Why It Matters:** Prior to this change, the law read that late fees may be charged if rent payment is “five or more days” late, which caused for inconsistent application of five days and whether that includes holidays, weekends, etc.
- **Effective Date:** September 9, 2024 (date the bill became law)

Authorized Fees, Costs, and Expenses in Summary Ejectment Cases to Discourage Frivolous Appeals

- **What This Does:** Allows for the rental housing provider to recover all actual reasonable attorneys’ fees if the court determines that the resident knew or should have known that the appeal was frivolous, unreasonable, without foundation, in bad faith, or solely for the purpose of delay. The rental housing provider may only recover these costs if they are the prevailing party.
- **Why It Matters:** This discourages residents from prolonging the legal process with frivolous defenses, knowing they may be liable for all actual reasonable attorneys’ fees for the rental housing provider if the provider is the prevailing party.
- **Effective Date:** September 9, 2024 (date the bill became law)

Clarification of Small Claims Appeals (NOTE: The same provision is included in SB 445)

- **What This Does:** Clarifies when the appeal period begins for small claims judgments, which includes summary ejectment cases. Resulting from the delays experienced in counties where e-courts has rolled out, this change ensures that the appeal window starts when a judgment is rendered rather than when it is entered into court records. This impacts how quickly rental housing providers can proceed with summary ejectments and manage appeals from residents.
- **Why It Matters:** Reduces confusion about appeal deadlines for both residents and the rental housing providers.
- **Effective Date:** October 1, 2025, and applies to judgements rendered on or after that date. *Please note that while HB 556 states the effective date to be October 1, 2024, the date change to October 1, 2025, was made in Session Law 2024-33.*