

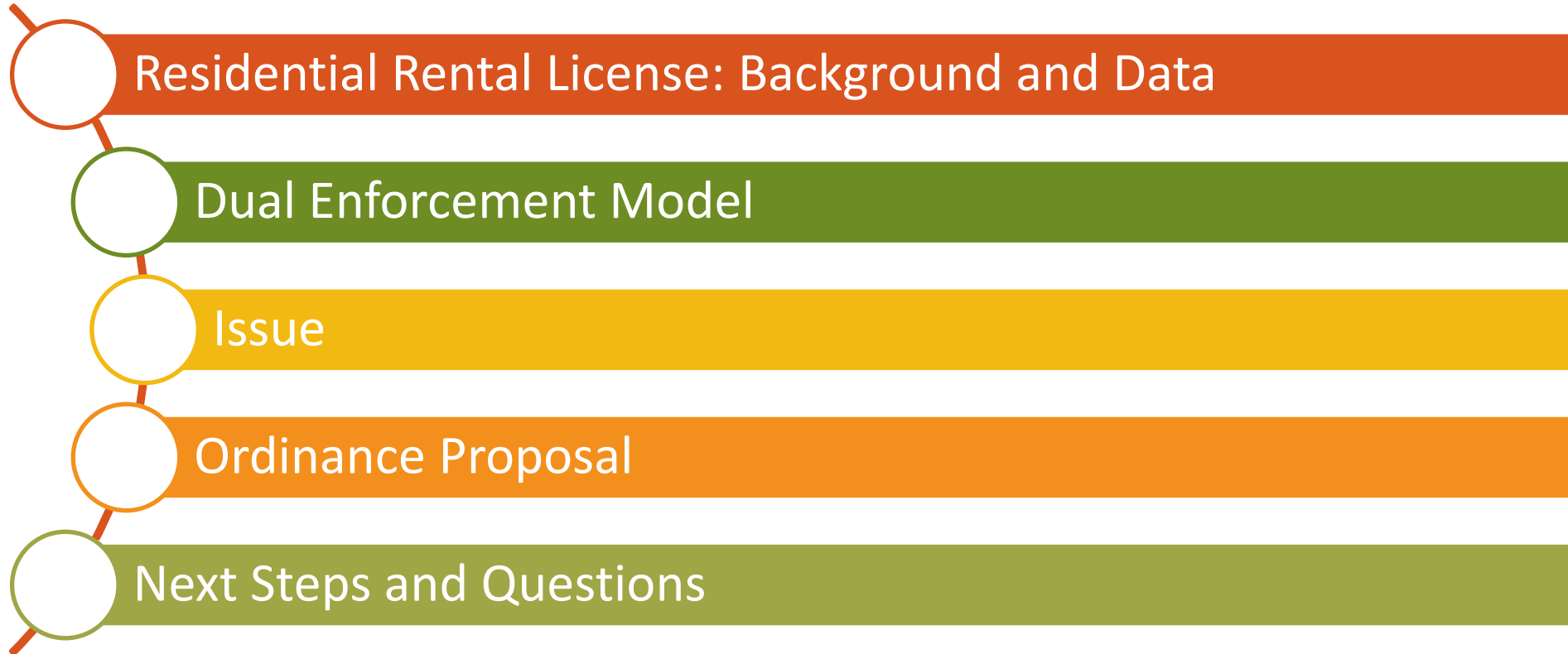
Residential Rental License Increase Maximum Fine Amount

A bill for an ordinance adding a new section establishing the maximum possible civil penalty for violations of Article VIII of Chapter 27 of the Denver Revised Municipal Code.

Finance & Business Committee

October 28, 2025

Roadmap



What is a Residential Rental Property ?

A residential rental property is any building, structure, or accessory dwelling unit that is rented or offered for rent as a residence for **30 days or more at a time.**

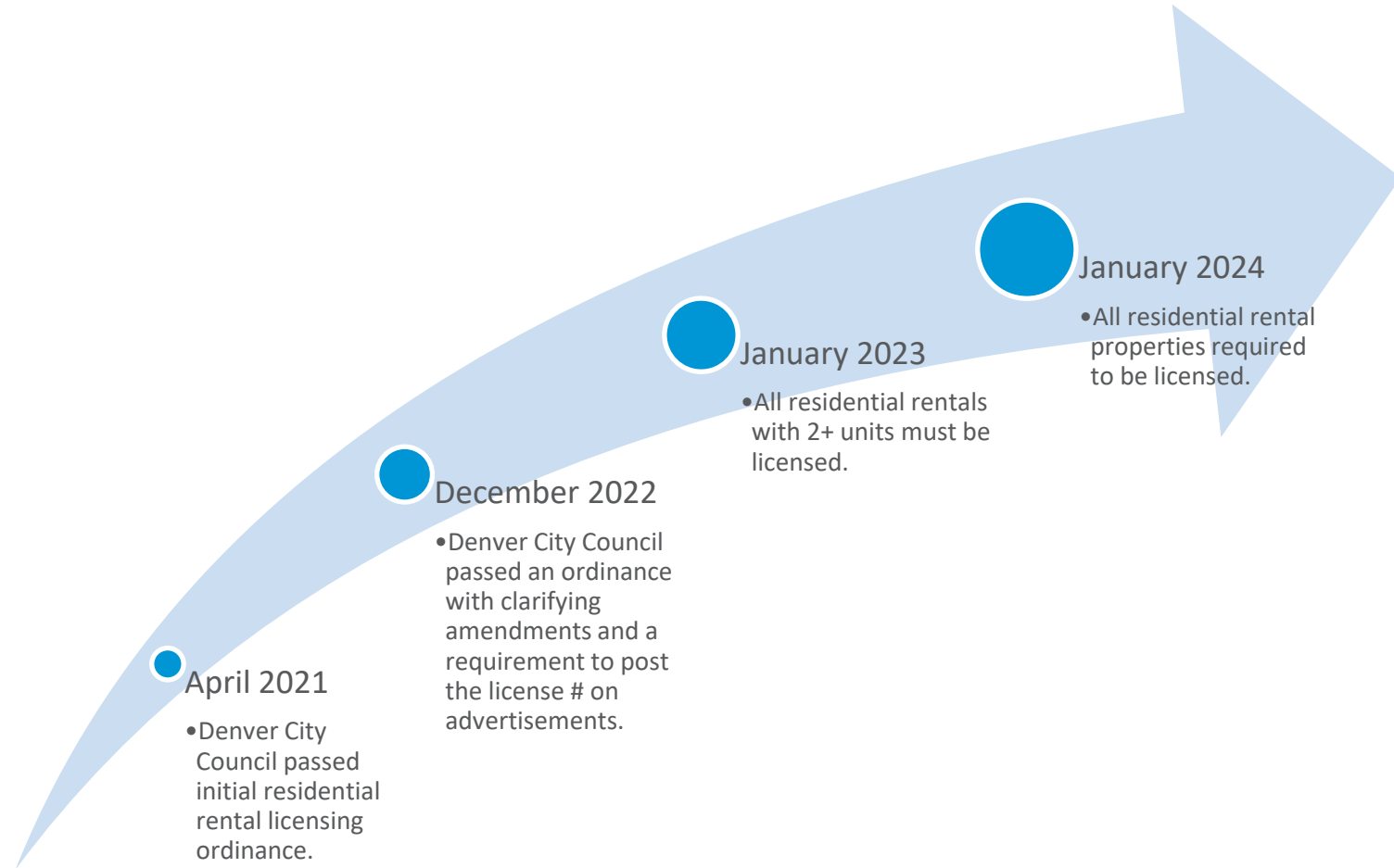
Any property owner who receives **any type of benefit from a tenant** is considered to be renting and must be licensed.

Accessory dwelling units and basement apartments with a separate entrance, kitchen, and full bathroom are **required to obtain a license.**

Property owners who live in the unit and rent space to a roommate are **not required to obtain a license.**

As of January 1, 2024, all residential rental properties need to be **licensed.**

Residential Rentals: A Quick History



Residential Rental Licensing Data

As of Oct. 20, 2025, there are **27,712** active + **157** pending licenses.

203K Total # of units rented	23K Income restricted units	8,980 ADA accessible units	89% Smoke-free
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By Number of Units

Units	Number
Single Dwelling Unit	21,585 (77%)
Multiple Dwelling Unit 2-10	4,646 (17%)
Multiple Dwelling Unit 11-50	995 (3%)
Multiple Dwelling Unit 51-250	460 (2%)
Multiple Dwelling Unit 251+	179 (1%)

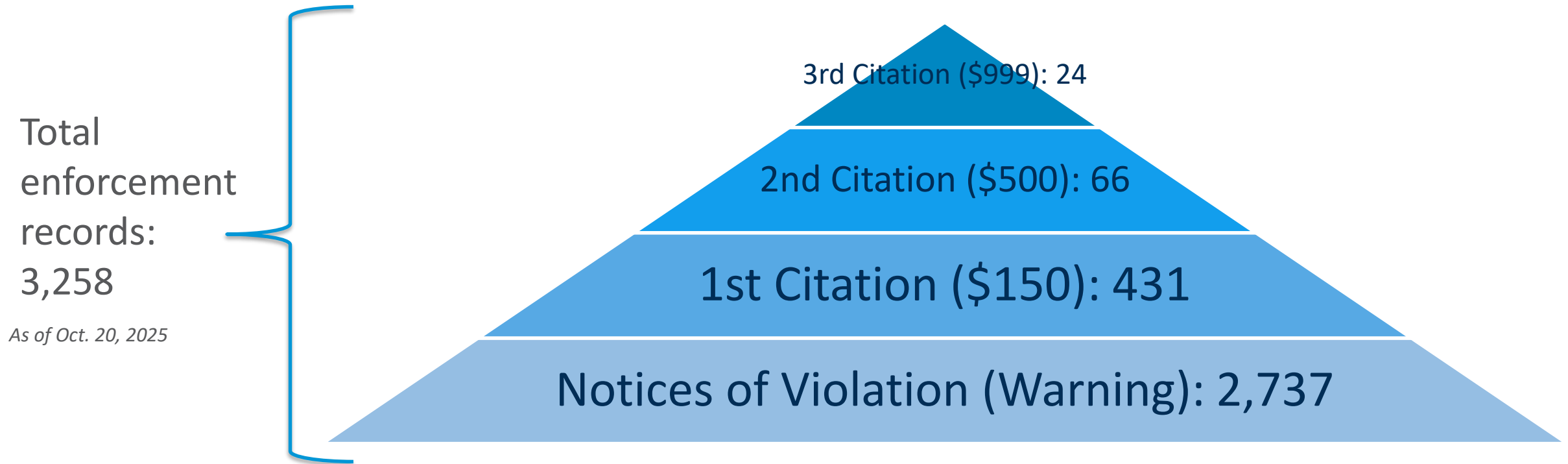
By Property Type

Property Type	Number
Single Family Home	12,425 (45%)
Rowhome/Townhome	5,796 (21%)
Condominium	5,013 (18%)
Apartment	4,323 (16%)
Basement Apartment	160 (0.05%)
Detached Accessory Structure	147 (0.05%)

Dual Enforcement Model

Dept. of Public Health & Environment (DDPHE)	Dept. of Excise & Licenses (EXL)
Enforces health violations of the housing code: • Pest infestations • Mold & water damage • Lack of heating/utilities/appliances • Sanitation issues • Methamphetamine contamination	Enforces residential rental license violations: • Failure to obtain a license • Failure to display valid license number on advertisement • Failure to provide smoke alarm, CO2 monitor, fire extinguisher • Provided appliances not in good working condition • Failure to provide a written lease and written notice of tenant rights & resources
Fining authority: • Up to \$5,000 per violation through administrative penalties (DRMC 24-5)	Fining authority: • Up to \$999 through administrative penalties (DRMC 2-293) • Up to \$5,000 through license show cause process

Enforcement Phase 1: Necessity to License



Since February 2023, EXL has issued a total of 3,258 warnings and administrative citations to unlicensed residential rental properties.

Enforcement Phase 2: Tenant Protections

License violations

- Failure to display valid license number on advertisement
- Failure to provide smoke alarm, CO2 monitor, fire extinguisher
- Provided appliances not in good working condition
- Failure to provide a written lease and written notice of tenant rights & resources



Issue: The current maximum fine of **\$999** does not align with the maximum fine of **\$5,000** that DDPHE can issue for violations of the housing code. Fine alignment is needed to incentivize compliance with all of Denver's critical tenant protections.

Proposal

Amend D.R.M.C. Chapter 27, Article VIII to **add a new section** specifying that any violations of this article are subject to a **civil penalty of up to \$5,000.**

Impact:



Align maximum fine amounts across EXL and DDPHE processes



Right-size fine amounts for health and license violations



Incentivize compliance

Ordinance Language

10 **Section 1.** Article VIII of Chapter 27 shall be amended by adding a new section 27-203 to
11 read as follows:

12 Sec. 27-203. – Administrative assessment of civil penalties.

13 (a) *Civil penalty.* In addition to any other penalties prescribed by this Code or other applicable
14 statutory authority, any person who violates any provision of Article VIII of Chapter 27 is also subject
15 to a civil penalty of not more than five thousand dollars (\$5,000.00) per violation, per day,
16 notwithstanding any provision in this Code. Such violations shall be considered property violations
17 for which the City may assess a lien against the property in violation pursuant to Article XII of
18 Chapter 2 of this Code. Enforcement actions are intended to be cumulative in nature. The city may
19 pursue one (1) or more civil, criminal, and administrative actions, fees, fines, sentences, penalties,
20 judgments, and remedies and may do so simultaneously or in succession.

21 (b) *Appeal procedure.* Any person who disputes a violation for which a civil penalty is
22 assessed may file a notice of appeal pursuant to Article XII of Chapter 2 of this Code and rules and
23 regulations adopted and promulgated by the director.

Next Steps

November 2025

- City Council process

November/December 2025

- Notify licensees of change
- Implement increased fine amount as part of a scaled enforcement approach

June 2026

- Annual program report to city council



Questions?