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RUBS Relief: Residential Landlords Can Still Use RUBS Under New Colorado Law

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On January 1, 2026, the new Colorado Consumer Protection Act (the **Act**) will go into effect. The Act implements sweeping changes to pricing disclosure requirements that will significantly impact how multifamily residential properties are marketed and leased. Real estate and utility companies have been concerned that the Act would effectively ban ratio utility billing system practices (**RUBS**)—a standard practice for allocating utility costs to tenants in multifamily residential properties. Eliminating RUBS would have required landlords of master-metered residential properties to install individual submeters for residential units, creating significant financial and logistical challenges. On November 24, 2025, the Colorado Department of Law issued a memorandum stating the Attorney General will not pursue legal actions against landlords that allocate utility costs among tenants using RUBS, provided the following requirements are met:

1. The aggregate amounts billed to all tenants do not exceed the total amount charged by the utility provider for the specific property;
2. The landlord does not apply a markup, surcharge, administrative fee, or other amount in excess of the actual charges from the utility provider, except as otherwise permitted under C.R.S. § 38-12-801(3)(a)(VI);
3. Utility costs for common areas or shared facilities are excluded from any tenant allocation; and
4. The landlord clearly and conspicuously discloses the reasonable and objectively fair method of allocation in the rental agreement and any disclosures otherwise required by law.

In addition, the memorandum states that the Act will not be applied retroactively and will only apply to leases amended, renewed, or entered into on or after January 1, 2026. The new Act still requires comprehensive disclosures and fee limitations.

Key Action Items for Residential Landlords:

- Update lease agreements and utility addendums to include RUBS disclosure language in a clear and conspicuous manner;
- Exclude common areas from RUBS calculations;
- Coordinate with utility providers to update utility addendums and reimbursement procedures; and
- Review and modify advertising materials, lease agreements, and

utility addendums to comply with other price transparency requirements and fee limitations.

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