

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0388	Date: March 25, 2015
Prime Sponsor(s): Rep. McCann Sen. Aguilar	Bill Status: House Business, Affairs & Labor Fiscal Analyst: Alex Schatz (303-866-4375)

BILL TOPIC: STATUTE OF LIMITATIONS RENT COUNTERCLAIM

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload reduction. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill repeals the current six-year statute of limitations for legal actions to collect unpaid rent. A three-year statute of limitations is enacted for all actions, including counterclaims and offsets, relating to unpaid rent.

Background

Landlord-tenant disputes. Legal actions for unpaid rent are one of several types of dispute involving landlord-tenant relations. Other issues litigated by landlords and tenants include eviction, security deposits and damages, and various contractual issues related to a lease agreement. Most residential landlord-tenant claims are filed in county court, though all state trial courts have subject matter jurisdiction over these cases. With the exception of Denver County Court, funded entirely by the City and County of Denver, all state trial courts, including county courts, are budgeted through the state Judicial Department.

Government agencies as landlord and tenant. State and local governments, as well as special districts, school districts, statutory public entities, and other public agencies serve as landlords or tenants in a variety of situations. For example, the state runs nursing homes and leases surface rights to oil and gas operators, and local governments may be landlords through a housing authority or to a concessionaire (e.g., coffee shop) in the public library. Many government agencies are tenants, leasing office space or other real estate. Based on standard leases and the current practices of government agencies in leasing arrangements, all disputes involving government agencies and unpaid rent are resolved within three years of the dispute arising.

State Expenditures

To the extent that state trial courts currently process cases for unpaid rent filed more than three years after the rent became delinquent but less than six years after this occurrence, the bill results in reduced workload for the courts. However, relatively few rent cases are currently brought within this extended time period, and landlords may adjust their practices to conform to the new statute of limitations. Thus, the overall reduction in workload for county courts and other state trial courts is minimal.

Local Government Impact

The bill results in a minimal workload reduction for the Denver County Court. As with other trial courts, the bill reduces the number of cases filed for unpaid rent by a minimal amount.

Effective Date

The bill takes effect July 1, 2015, applying to causes of action arising on or after that date.

State and Local Government Contacts

Judicial Department
Regulatory Agencies
Personnel and Administration
Higher Education

Natural Resources
Human Services
Transportation
Agriculture

Law
Local Affairs
Counties