

## **New Law:**

# **REQUIRES Copies of Leases and Receipts for Rent**

Starting in August 2018, all Colorado landlords will be required to provide their tenants with a copy of a lease and provide tenants with a receipt for rent received. Senate Bill 18-010 was signed by the governor creating new Colorado Revised Statutes (C.R.S.) §38-12-801 and C.R.S. §38-12-802. Read a copy of the new law here [tinyurl.com/THS-SB18-010](http://tinyurl.com/THS-SB18-010). These are requirements for all landlords, there is no exception for properties managed by an individual owner. So from a big company managing one thousand units to owners managing one unit, this new law will apply to you.

### **Copies of Leases C.R.S. §38-12-801**

This is an example of a law that should have a minor impact on the industry, especially with regard to responsible landlords. It is difficult to imagine a situation where a landlord and tenant would execute a lease agreement and the tenant would not be provided with a copy of the agreement. However, surely a tenant ran into this scenario and voiced their concern to their legislator. A landlord is allowed to provide an electronic copy of the lease agreement to their tenant. The copy must be provided within one week of execution. The law does not address a requirement for the landlord to provide additional copies of the lease agreement later in the lease term.

### **Mandatory Receipts C.R.S. §38-12-802**

Landlords will have to provide receipts for rent. The timing of the receipt varies by how the tenant makes their payment.

If a tenant makes an in-person payment to the landlord with cash or a money order, a receipt must be provided immediately.

If a tenant makes a payment that is not delivered in person with cash or a money order, if requested by the tenant the landlord must provide a receipt within seven days of the request for a receipt.

The statute goes on to define what must be included on a receipt; **1)** the amount paid by the tenant **2)** the recipient of the payment **3)** and the date of the payment.

However, like many rules there is an exception to the receipt requirement, if there is already an existing procedure to provide the information that is required on a receipt, an additional receipt is not required. For example, if there is an online portal that provides a record of this payment, with the receipt requirements, a separate receipt is not necessary. Landlords can provide an electronic receipt unless a tenant requests a paper copy in which case the landlord must produce a paper copy.

There is no clear penalty that was adopted in this statute. That does not mean that failing to comply would be without any consequences to a landlord. A landlord that does not comply with the law of leases or receipts will not be making a positive impression on a judge in the event

they have to go to litigation. In addition, the consequences for a licensed real estate broker could be more severe. An argument could be made that a licensee that fails to comply with the law regarding receipts could be subjected to discipline. Now it is unlikely that a real estate broker is going to lose their license over failing to provide receipts, but if a licensed broker is not complying with this law, chances are an investigation into their practices may reveal other more serious license violations.

There is a continued movement towards using electronic invoices or online bill payment portals throughout the rental industry. The legislature did consider this trend and allows for providing tenants with an electronic receipt, but the law requires the production of a paper receipt upon request of the tenant. After hearing about the law several seasoned property managers pointed out some practical concerns regarding delivery of the receipt. The law is silent about whether or not a landlord has to mail a receipt to a tenant. For most multi-family complexes there is an onsite office, however, most managers of single-family homes may be several miles away from the home they are managing. It appears that making the receipt available for the tenant to pick up would be acceptable if it is not being provided in an electronic format.