



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

SB 26-054: SECURITY DEPOSITS & POST-CLOSING OCCUPANCY AGREEMENTS

Prime Sponsors:

Sen. Catlin; Snyder
Rep. Ricks; Richardson

Fiscal Analyst:

John Armstrong, 303-866-6289
john.armstrong@coleg.gov

Published for: Senate Local Govt. & Housing**Drafting number:** LLS 26-0553**Version:** Initial Fiscal Note**Date:** February 3, 2026**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates an exception for security deposit maximums if the landlord and tenant are in a post-closing occupancy agreement.

Types of impacts. The bill is projected to affect the following areas in FY 2026-27:

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, landlords may not require a security deposit that exceeds more than two months' rent. The bill creates an exception to this rule if the landlord and the tenant enter into a seller rent-back agreement following a real estate transaction. This type of post-closing occupancy agreement is used when a home buyer (i.e., the landlord) purchases a property and then agrees to rent the home back to the seller (i.e., the tenant) after the transaction is complete.

State Expenditures

The Division of Real Estate in the Department of Regulatory Agencies will revise the post-closing occupancy agreement [form](#) that it makes available to landlords and tenants to reflect the exception to security deposit maximums. This additional workload will be minimal and does not require any change in appropriations.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Local Affairs

Law

Regulatory Agencies