



# 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

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**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

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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

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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

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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

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Judicial

Local Affairs

Law

Regulatory Agencies

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).