

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0553.01 Richard Sweetman x4333

SENATE BILL 26-054

SENATE SPONSORSHIP

Catlin and Snyder,

HOUSE SPONSORSHIP

Ricks and Richardson,

Senate Committees
Local Government & Housing

House Committees

A BILL FOR AN ACT

101 **CONCERNING AN EXCEPTION TO THE STATUTORY LIMIT ON THE**
102 **AMOUNT THAT A LANDLORD MAY REQUIRE A TENANT TO**
103 **PROVIDE AS A SECURITY DEPOSIT IN CASES WHERE THE**
104 **LANDLORD AND TENANT HAVE EXECUTED A POST-CLOSING**
105 **OCCUPANCY AGREEMENT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law prohibits a landlord from requiring a tenant to submit a security deposit in an amount that exceeds 2 monthly rent payments.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
Amended 2nd Reading
February 18, 2026

The bill creates an exception to this prohibition for cases in which a buyer and a seller of residential real property have executed a post-closing occupancy agreement in connection with the sale. The exception takes effect November 1, 2026.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 38-12-102.5
3 as follows:

4 **38-12-102.5. Security deposits - maximum amount - exception**
5 **for post-closing occupancy agreements - rules.**

6 (1) ~~On and after August 7, 2023~~ EXCEPT AS DESCRIBED IN
7 SUBSECTION (2) OF THIS SECTION, a landlord shall not require a tenant to
8 submit a security deposit in an amount that exceeds the amount of two
9 monthly rent payments under the rental agreement.

10 (2) ON AND AFTER JANUARY 1, 2027, SUBSECTION (1) OF THIS
11 SECTION DOES NOT APPLY IF THE LANDLORD AND TENANT HAVE EXECUTED
12 A POST-CLOSING OCCUPANCY AGREEMENT PURSUANT TO A PURCHASE
13 CONTRACT WHEREBY THE LANDLORD PURCHASED THE RESIDENCE FROM
14 THE TENANT.

15 **SECTION 2. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly (August
18 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
19 referendum petition is filed pursuant to section 1 (3) of article V of the
20 state constitution against this act or an item, section, or part of this act
21 within such period, then the act, item, section, or part will not take effect
22 unless approved by the people at the general election to be held in

- 1 November 2026 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.