

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.