



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1249: TENANT SECURITY DEPOSIT PROTECTIONS

---

**Prime Sponsors:**

Rep. Ricks

**Fiscal Analyst:**

Brendan Fung, 303-866-4781

brendan.fung@coleg.gov

**Published for:** House Business Affairs & Labor

**Drafting number:** LLS 25-0192

**Version:** Initial Fiscal Note

**Date:** February 18, 2025

**Fiscal note status:** This fiscal note reflects the introduced bill.

---

### Summary Information

**Overview.** The bill modifies security deposit requirements between landlords and tenants.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- Minimal State Revenue

**Appropriations.** No appropriation is required.

---

**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
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

---

The bill makes several changes to current law regarding the security deposits that landlords collect from tenants, including the amount of upfront deposit that a landlord may request, tenant payment through installments, scope of coverage, documentation of damages beyond normal wear and tear, walk-through inspections, and deposit returns and transfers, among others.

## State Revenue and Expenditures

---

The bill minimally impacts revenue and workload in the Judicial Department and Department of Regulatory Agencies (DORA) beginning in FY 2025-26, as described below.

### Judicial Department

If landlords and tenants bring action against one another for violating security deposit provisions, revenue will increase from civil case filing fees and workload will increase for trial courts in the Judicial Department. The fiscal note assumes that landlords and tenants will have similar levels of compliance as under current law and any increase will be minimal. Revenue from filing fees is subject to TABOR.

### Department of Regulatory Agencies

Workload in the Division of Real Estate in DORA will minimally increase to conduct outreach and educate real estate licensees about security deposit requirements. This workload can be accomplished within existing appropriations.

## Effective Date

---

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to conduct occurring on or after this date.

## State and Local Government Contacts

---

Counties

Local Affairs

Judicial

Regulatory Agencies

---

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](#).