



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1249: TENANT SECURITY DEPOSIT PROTECTIONS

Prime Sponsors:

Rep. Ricks; Bacon

Sen. Exum; Danielson

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0192

Version: Final Fiscal Note

Date: June 30, 2025

Fiscal note status: This final fiscal note reflects the enacted 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

| Type of Impact | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-------------------------|---------------------------|------------------------|
| 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 state law regarding the security deposits that landlords collect from tenants, including tenant payment through installments, scope of coverage, documentation of damages beyond normal wear and tear, and walk-through inspections, 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 was signed into law by the Governor on June 4, 2025, and takes effect on January 1, 2026, assuming no referendum petition is filed.

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](#).