Colorado Security Deposit Laws: Limits, Deductions and Deadlines

Summary for landlords and property managers. Last reviewed October 29, 2026. Full guide: https://www.generationadvisory.com/laws/colorado-security-deposit-laws

Colorado caps deposits at two months of rent. From January 1, 2026 landlords have 30 days, or up to 60 if the lease says so, to return the deposit with a written statement of the exact reasons for any deduction.

Key points

- A landlord may not require a security deposit larger than two months of rent.
- From January 1, 2026, the landlord must return the deposit within 30 days after the lease ends or the premises are surrendered, whichever is later, unless the lease allows a longer period of up to 60 days.
- Any amount kept needs a written statement of the exact reasons, sent with the balance, and the landlord must share photos, receipts or estimates on the tenant's written request.
- Wrongful withholding forfeits the right to keep any part of the deposit and, if the landlord does not pay within 7 days after the tenant's written demand, exposes the landlord to three times the amount withheld plus attorney fees and costs.

Colorado at a glance

Rule	Colorado	Law
Deposit limit	A landlord may not require a security deposit larger than two months of rent.	C.R.S. section 38-12-102.5
Deadline to return the deposit	From January 1, 2026, the landlord must return the deposit within 30 days after the lease ends or the premises are surrendered, whichever is later, unless the lease allows a longer period of up to 60 days.	C.R.S. section 38-12-103 (HB 25-1249)
Itemized deductions	Any amount kept needs a written statement of the exact reasons, sent with the balance, and the landlord must share photos, receipts or estimates on the tenant's written request.	C.R.S. section 38-12-103

Rule	Colorado	Law
Penalty for wrongful withholding	Wrongful withholding forfeits the right to keep any part of the deposit and, if the landlord does not pay within 7 days after the tenant's written demand, exposes the landlord to three times the amount withheld plus attorney fees and costs.	C.R.S. section 38-12-103

Mistakes to avoid

- Skipping a dated move-in condition report with photos, then having nothing to compare against at move out.
- Charging for normal wear and tear.
- Missing the return deadline, even by a few days.
- Not asking for a forwarding address before the tenant leaves.
- Losing track of deposit money by mixing it with operating funds without a ledger.

Verify current law

Laws named in this summary:

- C.R.S. section 38-12-102.5
- C.R.S. section 38-12-103 (HB 25-1249)
- C.R.S. section 38-12-103

Official sources:

- Colorado General Assembly: Colorado Revised Statutes and bills: https://leg.colorado.gov/colorado-revised-statutes
- Colorado Office of Legislative Legal Services: Renters' Rights law summary (November 2024): https://content.leg.colorado.gov/sites/default/files/renters_rights_-_colorado_law_summary.pdf
- Colorado Judicial Branch: https://www.coloradojudicial.gov/

> General information, not legal advice. Check current law and talk to a Colorado attorney before you act. Last reviewed October 29, 2026.