

City of Boulder Interest on Security Deposits Calculation Formula 12-5-1985 through 12-31-2023

The City of Boulder has calculated the interest rate for tenant security deposits for the 2023 calendar year to be 2.0 percent, effective Jan. 1, 2023. This is the mathematical average of the one-year certificate of deposit from the top three financial institutions in Boulder based on market share data as of Dec. 15, 2022.

This calculation has been prepared in accordance with Ordinance 7320, which was adopted on Feb. 17, 2004. Relevant code language may be found in Chapter 12-2: Landlord-Tenant Relations of the Boulder Revised Code (sections 12-2-2 and 12-2-4 through 12-2-7).

The computation formula of the interest due for residential security deposits in the City of Boulder is:

Multiply the entire amount of the security deposit by the appropriate multiplier for that year, divide that number by 12 to obtain a monthly percentage amount due, and then multiply that monthly number by the number of months the deposit was in the landlord's possession, including the 30 or 60 days after the end of the lease. **The rate in effect at lease signing is in effect for that lease period, until termination or renewal for another period.** Month to month leases are considered renewed each month, so the interest rate due will change on the first of every calendar year for month-to-month leases.

Interest rates:	% rate	multiplier
prior to 12-5-1985	no % required	N/A
12-5-1985 through 3-18-2004	5.5%	.055
3-19-2004 through 12-31-2004	1.08%	.0108
1-01-2005 through 12-31-2005	1.85%	.0185
1-01-2006 through 12-31-2006	3.01%	.0301
1-01-2007 through 12-31-2007	3.89%	.0389
1-01-2008 through 12-31-2008	3.69%	.0369
1-01-2009 through 12-31-2009	1.88%	.0188
1-01-2010 through 12-31-2010	0.43%	.0043
1-01-2011 through 12-31-2011	0.35%	.0035
1-01-2012 through 12-31-2012	0.30%	.0030
1-01-2013 through 12-31-2013	0.25%	.0025
1-01-2014 through 12-31-2014	0.17%	.0017
1-01-2015 through 12-31-2015	0.16%	.0016
1-01-2016 through 12-31-2016	0.16%	.0016
1-01-2017 through 12-31-2017	0.16%	.0016
1-01-2018 through 12-31-2018	0.16%	.0016
1-01-2019 through 12-31-2019	0.75%	.0075
1-01-2020 through 12-31-2020	0.39%	.0039
1-01-2021 through 12-31-2021	0.07%	.0007
1-01-2022 through 12-31-2022	0.06%	.0006
1-01-2023 through 12-31-2023	2.00%	.02

Note: Interest is not due on last month's rent held by the landlord. All other refundable deposits including pet deposits should be included in the computation.

Example computations:

A. \$1,000 deposit on a 1-year lease starting on August 1, 2020, and ending July 31, 2021. Landlord received the deposit at lease signing on May 1, 2020, and is mailing it back on September 27, 2021. $\$1,000 \times .0039 = \3.90 (this equals one year's interest) divided by 12 = $\$.325$ (one month's interest) x 15 (number of months held by landlord) = $\$4.88$

B. \$2000 deposit on a 18.5-month lease which rolled over into a month-to-month tenancy after the initial 1-year written lease. Tenant moved in and paid the deposit on May 15, 2022, and moved out with proper notice on November 30, 2023. Landlord is returning the deposit on December 31, 2023. The 2022 interest rate of .06% applies through May 15, 2023 when the year lease expires and then changes to the new 2023 rate of 2%. $\$2000 \times .0006 = \1.20 divided by 12 = $\$.1$ (one month's interest rate until May 15, 2023) x 12 = $\$1.2$ plus $\$2000 \times .02 = \40 divided by 12 = $\$3.33$ x 7.5 months = $\$25$. Total interest due is $\$1.2 + \$25 = \$26.20$.