



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1001: HOUSING DEVELOPMENTS ON QUALIFYING PROPERTIES

Prime Sponsors:

Rep. Boesenecker; Mabrey
Sen. Exum; Gonzales J.

Fiscal Analyst:

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Published for: House Trans., Hous. & Local Gov.**Drafting number:** LLS 26-0046**Version:** Initial Fiscal Note**Date:** January 21, 2026

Fiscal note status: The initial fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires local governments to allow residential development on qualifying properties owned by certain non-profit organizations, school districts, state colleges or universities, housing authorities, or a transit district or transportation authority.

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

- Minimal State Workload
- Local Government
- Statutory Public Entity
- School Districts

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
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

On or after December 31, 2027, subject to an administrative approval process, the bill requires local governments to allow residential development on qualifying properties that do not contain an exempt parcel. A qualifying property can be private or public and is limited to five acres of land. Qualifying private property can be owned by a nonprofit organization that:

- has a demonstrated history of providing affordable housing;
- provides public transit; or
- is collaborating with a nonprofit with a demonstrated history of providing affordable housing;

Qualifying public property can be owned by:

- a school district;
- state college or university;
- housing authority; or
- a transit district or transportation authority.

In addition to residential use, qualifying properties may also offer child care and recreational, social, or educational services for neighborhood residents if such uses are permitted in the subject zone district.

The bill applies to local governments with a population greater than 2,000 people as of the last United States Census. Local governments can require confirmation of a nonprofit's demonstrated history of providing affordable housing and apply local building standards to the residential development. The owner of a qualifying property is required to notify the county assessor that a local government has allowed the residential development.

State Expenditures

The bill increase workload in the Department of Local Affairs (DOLA) and potentially reduces state expenditures on school finance beginning in FY 2027-28. It may also affect institutions of higher education that pursue residential developments on qualifying property.

Department of Local Affairs

The Division of Local Government DOLA will have an increase in workload to provide guidance and support to impacted local governments. DOLA's Division of Housing currently certifies and approves nonprofits and community housing development organizations, so to the extent that the bill increases the number of requests for these tasks, the division's workload will increase. This workload can be accomplished within existing appropriations.

School Finance

The bill potentially reduces state expenditures on school finance, assuming new housing developments on tax exempt land are built and become subject to local property tax. As property tax revenue for school districts increases, the state share of school finance will decrease. The state aid obligation may be paid from the General Fund, the State Education Fund, the State Public School Fund, or a combination of these funds.

Institutions of Higher Education

If state institutions of higher education choose to construct residential developments on their property, their expenditures will increase with a subsequent increase in revenue generated from the developments.

Local Government and Statutory Public Entities

Local Government

The bill increases workload for local governments to create or modify their administrative processes to comply with the bill's requirements and to coordinate with the Department of Local Affairs if necessary.

School Districts and Statutory Public Entities

To the extent that school districts and statutory public entities such as housing authorities and transportation districts construct residential developments, their expenditures will increase with a subsequent increase in revenue generated from the developments.

Property Taxes

The bill may result in taxable residential developments being built on land that is currently exempt from property taxes. If a property becomes taxable after development and the development would not have been built elsewhere, then the bill may increase property tax revenue to local governments.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Counties	Local Affairs
County Assessors	Personnel
Education	Regional Transportation District
Higher Education	Regulatory Agencies
Judicial	School Districts
Law	