



Fiscal Note

Legislative Council Staff

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HB 26-1204: SENIOR COOPERATIVE HOUSING AUTHORITY PROJECTS

Prime Sponsors:

Rep. Garcia Sander; Boesenecker
Sen. Kirkmeyer

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Transportation, Housing, and Local Government Committee, and has been updated to reflect new information.

Summary Information

Overview. The bill exempts certain senior cooperative housing projects from property taxation.

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

- State Expenditures
- Local Government
- School Districts

Appropriations. For FY 2026-27, the bill requires an appropriation of \$65,000 for school finance. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures (School Finance)	\$65,000	\$170,000	\$230,000
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

State expenditures may be paid from the General Fund, the State Education Fund, the State Public School Fund, or a combination of these sources.

Summary of Legislation

The bill modifies the definitions of a local housing authority project and affordable rental housing project to include senior cooperative housing projects. Senior cooperative housing projects are defined as multi-unit housing complexes that are owned by a cooperative and occupied by individuals who are 62 years or older.

This allows senior cooperative housing projects that are owned or leased by a local housing authority, or owned or leased by an entity that is wholly or partially owned by a housing authority, to be exempt from property taxation. Additionally, it allows senior cooperative housing projects that a local housing authority constructs to be exempt from all state and local sales and use taxes.

Assumptions

The fiscal note identified 10 properties in Colorado that meet the criteria for senior cooperative housing projects, all owned by a single business. The fiscal note assumes that three properties will qualify for the exemption in property tax year 2026, growing to seven properties in 2027 and 10 properties in 2028. The fiscal note used prior year tax records to estimate the actual value of the properties, assuming actual values would appreciate in line with the December 2025 LCS Assessed Value Forecast. Projected actual values were used to compute the change in school assessed value and non-school assessed value.

Reduced assessed values are assumed to reduce property tax revenue for local governments that levy fixed mills, including most counties, municipalities, and special districts. School districts are assumed to experience reductions in revenue generated from their total program mills, as well as from override mills in districts where voters have approved fixed mill overrides. Some levies are not expected to generate less revenue from reduced assessed values. These include bond indebtedness mills for many local governments, metropolitan districts, and school districts.

State Expenditures

The bill increases expenditures for the state share of school finance by an estimated \$65,000 in FY 2026-27, \$170,000 in FY 2027-28, \$230,000 in FY 2028-29, and increasing amounts in later years.

School Finance

The bill decreases property tax collections from school district total program mills beginning with the 2026 property tax year, requiring an equivalent increase in the state share of total program funding for school finance beginning in FY 2026-27. The state aid obligation is

estimated to increase by \$65,000 in FY 2026-27, \$170,000 in FY 2027-28, and \$230,000 in FY 2028-29, under assumptions detailed in the Assumptions section. 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 sources.

Local Government and School Districts

The bill decreases revenue to local governments compared with current law, on net, beginning with 2026 property taxes payable in 2027. Property tax reductions are partially offset by state funds to school districts from state aid payments for school finance. Local government revenue impacts are summarized in Table 2.

Table 2
Change in Local Revenue Under HB 26-1204

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Local Property Tax Revenue	-\$205,000	-\$555,000	-\$800,000
State Share for School Finance	\$65,000	\$170,000	\$230,000
Total Revenue	-\$140,000	-\$385,000	-\$570,000

Property Tax Revenue

By reducing assessed values, the bill decreases local government property tax collections compared with current law by an estimated \$205,000 in FY 2026-27, \$555,000 in FY 2027-28, \$800,000 in FY 2028-29, and by increasing amounts in later years as property values appreciate. This includes property tax collections for school districts from total program mill levies, school district revenue from other mill levies, and property tax revenue to all other local governments.

State Share for School Finance

The School Finance Act requires the state to pay the difference between a district's property tax revenue collected from its total program mill levy, and the amount of total program funding calculated for the district. The bill decreases school district property tax revenue, thereby increasing the state share of school finance, as detailed in the State Expenditures section. Other mill levies assessed by school districts, such as override mills, are not reimbursed and are expected to generate less revenue as a result of the bill.

Local Government Expenditures

The bill will increase workload for county assessors for reclassifications and administering changes under the bill. Workload increases are expected to be minimal.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2026-27, the bill requires an appropriation of \$65,000 to the Department of Education for the state share of school finance. This appropriation may be made from the General Fund, the State Education Fund, the State Public School Fund, or a combination of these sources.

State and Local Government Contacts

Counties

Local Affairs

County Assessors

Municipalities