

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0482.02 Caroline Martin x5902

**HOUSE BILL 26-1206**

**HOUSE SPONSORSHIP**

**Joseph and Gonzalez R.**, Boesenecker, Duran, English

**SENATE SPONSORSHIP**

**Lindstedt and Benavidez**,

**House Committees**

Finance  
Appropriations

**Senate Committees**

Finance  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING IMPROVED FUNDING TO SUPPORT AFFORDABLE HOUSING**  
102 **DEVELOPMENT.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill gives city and county housing authorities (housing authority) the power to provide for the levy of a sales tax, sales and use tax, or property tax within the jurisdiction of the authority, the resulting revenue of which will be directed to the housing authority, subject to the following conditions:

- The city or county has adopted a resolution determining

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
3rd Reading Unamended  
April 28, 2026

HOUSE  
Amended 2nd Reading  
April 27, 2026

that the levying of the tax will fairly distribute the costs of the housing authority's activities among the beneficiaries of the housing authority's activities and will not impose an undue burden on any particular group of people; and

- A ballot question has been submitted to a vote of the registered electors of the city or county and subsequently approved by a majority of such registered electors, and the ballot question describes the purposes for which the tax will be used by the housing authority and complies with section 20 of article X of the state constitution.

If a sales or sales and use tax is approved by the voters of a housing authority:

- The rate of the sales or sales and use tax must not exceed 1% on any transaction taxable by the state;
- The authority shall designate a liaison to coordinate with the department of revenue to implement the collection of the tax and to identify people eligible to collect the sales and use tax; and
- The tax revenue must be directed to a fund of the authority.

If an ad valorem property tax is approved by the voters of a housing authority:

- The rate of the ad valorem property tax must not exceed 5 mills on each dollar of valuation for assessment of the taxable property within the authority's jurisdiction;
- The board of county commissioners of the county in which the housing authority is located shall levy the ad valorem property tax upon the valuation for assessment of all taxable property within the authority's jurisdiction;
- The officials charged with collecting ad valorem property taxes for the county in which the housing authority is located shall collect the taxes at the time and in the form and manner and with like interest and penalties as other property taxes collected within the county;
- The property tax revenue must be directed to a fund of the authority; and
- All property tax revenue, together with interest thereon and penalties for default in payment thereof, and all costs of collecting the same shall constitute, until paid, a perpetual lien on and against the property taxed, and such lien shall be on a parity with the tax lien of other general taxes.

The bill gives county housing authorities the power to issue revenue or general obligation bonds and to pledge the authority's revenues and revenue-raising powers for the payment of such bonds.

The bill allows an urban renewal authority to enter into a shortfall guaranty contract with an urban renewal project developer (developer)

specifying that, if the tax increment revenue is insufficient to pay the indebtedness incurred by the authority that is due, the developer is obligated to make a direct payment covering the full amount of the insufficiency. A shortfall guaranty contract:

- Constitutes a lien on the urban renewal project property the same as, and equal in priority to, a tax lien;
- Has priority over any mortgage, lien that is not a tax lien, or other encumbrance;
- Constitutes a covenant running with the land for the term of the contract; and
- May be recorded against the real property upon which the urban renewal project is developed.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4 (a) Access to safe, stable, and affordable housing is essential for  
5 all Coloradans. Access to housing supports individual well-being, family  
6 stability, workforce participation, and long-term economic growth for the  
7 state.

8 (b) There is a severe housing supply shortfall in Colorado, which  
9 represents the gap between the number of homes needed and those  
10 available, estimated at approximately 106,000 units;

11 (c) Based on current population projections, to prevent further  
12 growth of the housing supply shortfall, developers would need to  
13 construct approximately 34,100 new homes annually in Colorado over the  
14 next decade;

15 (d) The housing supply shortfall is particularly acute for renters  
16 who earn an extremely low income (those who earn at or below 30% of  
17 Area Median Income), since Colorado has a deficit of roughly 134,000  
18 rental homes that are affordable for such households;

19 (e) Many households are cost-burdened, with 46.8% of renters and

1 21.5% of homeowners spending over 30% of their income on housing.  
2 Only 11% of renters could afford to purchase a typical home in Colorado  
3 as of 2025.

4 (f) The affordability gap is not solely due to low supply; housing  
5 prices and rents have increased faster than incomes, deepening the  
6 challenge of obtaining stable, affordable homes, particularly for working  
7 families, seniors, and other vulnerable populations;

8 (g) The work of public housing authorities and developers is  
9 essential to expanding the stock of deeply affordable housing. However,  
10 current financing tools and incentive structures do not sufficiently  
11 prioritize or support these entities.

12 (h) Allowing housing authorities to collect tax revenue within  
13 their jurisdictions will help these mission-driven entities more quickly  
14 expand the supply of deeply affordable housing.

15 (2) Therefore, the general assembly finds and declares that  
16 expanding and modernizing affordable housing funding tools:

- 17 (a) Is a matter of mixed statewide and local concern; and
- 18 (b) Will increase housing availability, affordability, and stability,  
19 promote equitable development, and strengthen the public benefit of  
20 development investments in Colorado communities.

21 **SECTION 2.** In Colorado Revised Statutes, **add 29-4-233 as**  
22 **follows:**

23 **29-4-233. Intergovernmental agreement for housing revenue.**

24 **(1) AN AUTHORITY AND A CITY MAY ENTER INTO AN**  
25 **INTERGOVERNMENTAL AGREEMENT TO PROVIDE FOR THE IMPOSITION OF**  
26 **A SALES TAX, SALES AND USE TAX, OR BOTH BY THE CITY UPON EVERY**  
27 **TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES OR**

1 USE TAX IS IMPOSED BY THE CITY. THE AUTHORITY SHALL USE THE  
2 REVENUE RAISED BY THIS TAX TO EFFECT THE PLANNING, FINANCING,  
3 ACQUISITION, CONSTRUCTION, RECONSTRUCTION, OR REPAIR,  
4 MAINTENANCE, MANAGEMENT, AND OPERATION OF HOUSING PROJECTS OR  
5 PROGRAMS PURSUANT TO THIS PART 2.

6 (2) AN INTERGOVERNMENTAL AGREEMENT ENTERED INTO  
7 PURSUANT TO THIS SECTION MUST ADDRESS:

8 (a) THE TYPE OF TAX TO BE IMPOSED PURSUANT TO THIS SECTION  
9 AND THE RATE OF THAT TAX;

10 (b) THE DURATION OF A TAX IMPOSED PURSUANT TO THIS SECTION  
11 AND OF THE AGREEMENT, BOTH OF WHICH MAY BE CONTINUED FOR A  
12 DEFINITE TERM OR UNTIL RESCINDED OR TERMINATED, AND THE METHOD,  
13 IF ANY, BY WHICH EITHER MAY BE RESCINDED OR TERMINATED; EXCEPT  
14 THAT NEITHER MAY BE RESCINDED OR TERMINATED SO LONG AS THE  
15 AUTHORITY HAS BONDS, NOTES, OR OTHER OBLIGATIONS OUTSTANDING TO  
16 WHICH THE AUTHORITY HAS PLEDGED REVENUE RAISED FROM THE TAX,  
17 UNLESS PROVISION FOR FULL PAYMENT OF THESE OBLIGATIONS, BY  
18 ESCROW OR OTHERWISE, HAS BEEN MADE PURSUANT TO THE TERMS OF THE  
19 OBLIGATIONS;

20 (c) THE DISTRIBUTION OF ALL OR PART OF THE REVENUE RAISED BY  
21 A TAX IMPOSED PURSUANT TO THIS SECTION TO THE AUTHORITY;

22 (d) THE IRREVOCABLE PLEDGE TO THE AUTHORITY OF ALL NEW  
23 TAX REVENUES RAISED BY A TAX IMPOSED PURSUANT TO THIS SECTION FOR  
24 THE PURPOSES SET FORTH IN THE APPROVED BALLOT QUESTION, EXCEPTING  
25 ANY COSTS OF ELECTIONS RELATED TO THE TAX OR THE ADMINISTRATION  
26 OR COLLECTION OF THE TAX;

27 (e) COMPLIANCE WITH SECTION 20 OF ARTICLE X OF THE STATE

1 CONSTITUTION;

2 (f) THE PAYMENT OF ANY COSTS OF ANY ELECTION RELATED TO A  
3 TAX IMPOSED PURSUANT TO THIS SECTION;

4 (g) THE RETENTION BY THE CITY OF AN AMOUNT OF THE REVENUE  
5 RAISED BY A TAX IMPOSED PURSUANT TO THIS SECTION NOT TO EXCEED  
6 THE COST OF THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF  
7 THAT TAX; AND

8 (h) ANY OTHER PROVISIONS DEEMED NECESSARY BY THE  
9 AUTHORITY AND THE CITY.

10 (3) (a) AN ACTION BY A CITY TO IMPOSE OR INCREASE ANY TAX OR  
11 TO PLEDGE REVENUES PURSUANT TO THIS SECTION DOES NOT TAKE EFFECT  
12 UNLESS FIRST SUBMITTED TO A VOTE OF THE REGISTERED ELECTORS OF  
13 THE CITY TO THE EXTENT REQUIRED BY SECTION 20 OF ARTICLE X OF THE  
14 STATE CONSTITUTION OR OTHER APPLICABLE LAW.

15 (b) A BALLOT QUESTION SUBMITTED TO A CITY'S REGISTERED  
16 ELECTORS PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION MUST BE  
17 SUBMITTED AT A GENERAL ELECTION OR ANY ELECTION TO BE HELD ON  
18 THE FIRST TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR AND IS  
19 ONLY APPROVED IF A MAJORITY OF THE REGISTERED ELECTORS VOTING ON  
20 THE BALLOT QUESTION AT THE ELECTION VOTE IN FAVOR OF THE BALLOT  
21 QUESTION.

22 (4) (a) THE AUTHORITY GRANTED PURSUANT TO THIS SECTION  
23 DOES NOT LIMIT THE POWERS OF GOVERNMENTS TO ENTER INTO  
24 INTERGOVERNMENTAL COOPERATION OR CONTRACTS, TO ESTABLISH  
25 SEPARATE LEGAL ENTITIES PURSUANT TO SECTION 29-1-203 OR ANY  
26 OTHER APPLICABLE LAW, OR TO OTHERWISE CARRY OUT THEIR INDIVIDUAL  
27 POWERS UNDER APPLICABLE STATUTORY OR CHARTER PROVISIONS.

1           (b) THE AUTHORITY GRANTED PURSUANT TO THIS SECTION DOES  
2 NOT LIMIT THE POWERS RESERVED TO CITIES AND TOWNS BY SECTION 2 OF  
3 ARTICLE XI OF THE STATE CONSTITUTION OR ARTICLE XX OF THE STATE  
4 CONSTITUTION.

5           **SECTION 3.** In Colorado Revised Statutes, 29-4-505, **amend** (1)  
6 introductory portion and (1)(g); and **add** (1)(h) as follows:

7           **29-4-505. Powers of authority.**

8           (1) A housing authority ~~shall constitute~~ CONSTITUTES a public  
9 body, corporate and politic, SHALL exercise public and essential  
10 governmental functions, and ~~have~~ HAS all the powers necessary and  
11 convenient to carry out and effectuate the purposes and provisions of this  
12 part 5; ~~(but not~~ EXCEPT FOR the power to levy and collect taxes or special  
13 assessments), including the following powers:

14           (g) To do all acts and things necessary or convenient to carry out  
15 the powers given AND THE PURPOSES DESCRIBED in this part 5 or the  
16 purposes hereof OF THIS PART 5; AND

17           (h) TO ISSUE REVENUE OR GENERAL OBLIGATION BONDS AND TO  
18 PLEDGE THE HOUSING AUTHORITY'S REVENUES AND REVENUE-RAISING  
19 POWERS FOR THE PAYMENT OF THESE BONDS. WHEN ISSUING BONDS  
20 PURSUANT TO THIS SUBSECTION (1)(h), THE AUTHORITY SHALL ISSUE THE  
21 BONDS ACCORDING TO THE TERMS AND SUBJECT TO THE CONDITIONS  
22 DESCRIBED IN SECTION 43-4-609.

23           **SECTION 4.** In Colorado Revised Statutes, **add** 29-4-510 as  
24 follows:

25           **29-4-510. Intergovernmental agreement for housing revenue.**

26           (1) AN AUTHORITY AND A COUNTY MAY ENTER INTO AN  
27 INTERGOVERNMENTAL AGREEMENT TO PROVIDE FOR THE IMPOSITION OF

1 A SALES TAX, SALES AND USE TAX, OR BOTH BY THE COUNTY UPON EVERY  
2 TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES OR  
3 USE TAX IS IMPOSED BY THE COUNTY. THE AUTHORITY SHALL USE THE  
4 REVENUE RAISED BY THIS TAX TO EFFECT THE PLANNING, FINANCING,  
5 ACQUISITION, CONSTRUCTION, RECONSTRUCTION, OR REPAIR,  
6 MAINTENANCE, MANAGEMENT, AND OPERATION OF HOUSING PROJECTS OR  
7 PROGRAMS PURSUANT TO THIS PART 5.

8 (2) AN INTERGOVERNMENTAL AGREEMENT ENTERED INTO  
9 PURSUANT TO THIS SECTION SHALL ADDRESS:

10 (a) THE TYPE OF TAX TO BE LEVIED PURSUANT TO THIS SECTION  
11 AND THE RATE OF THAT TAX;

12 (b) THE DURATION OF A TAX IMPOSED PURSUANT TO THIS SECTION  
13 AND OF THE AGREEMENT, BOTH OF WHICH MAY BE CONTINUED FOR A  
14 DEFINITE TERM OR UNTIL RESCINDED OR TERMINATED, AND THE METHOD,  
15 IF ANY, BY WHICH EITHER MAY BE RESCINDED OR TERMINATED; EXCEPT  
16 THAT NEITHER MAY BE RESCINDED OR TERMINATED SO LONG AS THE  
17 AUTHORITY HAS BONDS, NOTES, OR OTHER OBLIGATIONS OUTSTANDING TO  
18 WHICH THE AUTHORITY HAS PLEDGED REVENUE RAISED FROM THE TAX,  
19 UNLESS PROVISION FOR FULL PAYMENT OF THESE OBLIGATIONS, BY  
20 ESCROW OR OTHERWISE, HAS BEEN MADE PURSUANT TO THE TERMS OF THE  
21 OBLIGATIONS;

22 (c) THE DISTRIBUTION OF ALL OR PART OF THE REVENUE RAISED BY  
23 A TAX IMPOSED PURSUANT TO THIS SECTION TO THE AUTHORITY;

24 (d) THE IRREVOCABLE PLEDGE TO THE AUTHORITY OF ALL NEW  
25 TAX REVENUES RAISED BY A TAX IMPOSED PURSUANT TO THIS SECTION FOR  
26 THE PURPOSES SET FORTH IN THE APPROVED BALLOT QUESTION, EXCEPTING  
27 ANY COSTS OF ELECTIONS RELATED TO THE TAX OR THE ADMINISTRATION

1 OR COLLECTION OF THE TAX;

2 (e) COMPLIANCE WITH SECTION 20 OF ARTICLE X OF THE STATE  
3 CONSTITUTION;

4 (f) THE PAYMENT OF ANY COSTS OF ANY ELECTION RELATED TO A  
5 TAX IMPOSED PURSUANT TO THIS SECTION;

6 (g) THE RETENTION BY THE COUNTY OR THE DEPARTMENT OF  
7 REVENUE FOR TAXES COLLECTED BY THE DEPARTMENT OF REVENUE, OF AN  
8 AMOUNT OF THE REVENUE RAISED BY A TAX IMPOSED PURSUANT TO THIS  
9 SECTION NOT TO EXCEED THE COST OF THE COLLECTION, ADMINISTRATION,  
10 AND ENFORCEMENT OF THAT TAX; AND

11 (h) ANY OTHER PROVISIONS DEEMED NECESSARY BY THE  
12 AUTHORITY AND THE COUNTY.

13 (3) (a) AN ACTION BY A COUNTY TO IMPOSE OR INCREASE ANY TAX  
14 OR TO PLEDGE REVENUES PURSUANT TO THIS SECTION DOES NOT TAKE  
15 EFFECT UNLESS FIRST SUBMITTED TO A VOTE OF THE REGISTERED  
16 ELECTORS OF THE COUNTY TO THE EXTENT REQUIRED BY SECTION 20 OF  
17 ARTICLE X OF THE STATE CONSTITUTION OR OTHER APPLICABLE LAW.

18 (b) A BALLOT QUESTION SUBMITTED TO A COUNTY'S REGISTERED  
19 ELECTORS PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION MUST BE  
20 SUBMITTED AT A GENERAL ELECTION OR ANY ELECTION TO BE HELD ON  
21 THE FIRST TUESDAY IN NOVEMBER OF AN ODD-NUMBERED YEAR AND IS  
22 ONLY APPROVED IF A MAJORITY OF THE REGISTERED ELECTORS VOTING ON  
23 THE BALLOT QUESTION AT THE ELECTION VOTE IN FAVOR OF THE BALLOT  
24 QUESTION.

25 (4) THE AUTHORITY GRANTED PURSUANT TO THIS SECTION DOES  
26 NOT LIMIT THE POWERS OF GOVERNMENTS TO ENTER INTO  
27 INTERGOVERNMENTAL COOPERATION OR CONTRACTS, TO ESTABLISH

1 SEPARATE LEGAL ENTITIES PURSUANT TO SECTION 29-1-203 OR ANY  
2 OTHER APPLICABLE LAW, OR TO OTHERWISE CARRY OUT THEIR INDIVIDUAL  
3 POWERS UNDER APPLICABLE STATUTORY OR CHARTER PROVISIONS.

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5 **SECTION 5. Safety clause.** The general assembly finds,  
6 determines, and declares that this act is necessary for the immediate  
7 preservation of the public peace, health, or safety or for appropriations for  
8 the support and maintenance of the departments of the state and state  
9 institutions.