



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1169: HOUSING DEVELOPMENTS ON FAITH AND EDU LAND

Prime Sponsors:

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

Fiscal Analyst:

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Published for: House Trans., Hous. & Local Gov.**Drafting number:** LLS 25-0029**Version:** Initial Fiscal Note**Date:** February 14, 2025**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires local governments to allow the construction of residential developments on properties owned by faith-based organizations, school districts, or state colleges or universities.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis beginning FY 2026-27:

- State Expenditures
- Local Government
- School Districts

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
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

Beginning December 31, 2026, local governments must allow the construction of residential developments on properties owned by faith-based organizations, school districts, or state colleges or universities. The bill does not prevent a local government from enforcing local infrastructure standards, codes, or requirements.

The bill prevents a local government from:

- disallowing construction of a residential development on a qualifying property if the height of the development's tallest structure is less than three stories or 45 feet tall and complies with height-related standards for the zoning district;
- disallowing construction based on the number of dwelling units the development will contain; and,
- applying standards that are more restrictive than those applied to similar housing constructed in the local government's jurisdiction.

Local governments must allow residential developments on qualifying property to be used for child care and recreational, social, or educational services provided by community organizations for use by local residents. Local governments may require these uses to be on the ground floor (or no more 15 percent of the ground floor area) of structures in a residential development.

When a local government allows the construction of a residential development on a qualifying property, the faith-based organization, school district, or state college or university that owns the property must notify the county of the development's construction.

State Expenditures

The bill increase workload in the Department of Local Affairs (DOLA) and potentially reduces state expenditures on school finance beginning in FY 2026-27.

Department of Local Affairs

The bill increases workload in DOLA to develop compliance guidance for local governments, provide courtesy reviews of local code modifications, respond to inquiries from local governments, and update its template for land development codes. DOLA can accomplish this workload increase with existing resources.

School Finance

The bill potentially reduces state expenditures on school finance, assuming new housing developments on tax exempt land owned by faith-based institutions, school districts, and institutions of higher education 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.

Local Government – School Districts

The bill increases workload for local governments to update and modify local codes to comply with the bill's requirements. It may also increase workload for any school district building a residential development to notify their respective county when proceeding with construction.

Property Taxes

The bill may result in taxable residential developments being built on land that is currently exempt from property taxes. If these residential developments would not have been built elsewhere, 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
Education	Personnel
Law	Regulatory Agencies
Judicial	