



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1120: MOBILE HOME PROPERTY TAXATION

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**Prime Sponsors:**

Rep. Martinez; Velasco

Sen. Simpson; Kipp

**Fiscal Analyst:**

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**Version:** Initial Fiscal Note

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

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### Summary Information

**Overview.** The bill modifies and expands a property tax exemption for mobile homes and changes procedures for notification, collection, and enforcement of delinquent property taxes.

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

- State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

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**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures (School Finance)	\$0	\$1.1 million
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

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The state share of school finance costs may be paid from the General Fund, the State Education Fund, or the State Public School Fund, or a combination of these sources.

## Summary of Legislation

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The bill makes various changes related to mobile home property taxation and processes for collecting delinquent property tax. Specifically, the bill:

- changes the definition of “mobile home” for purposes of a property tax exemption to mean a single-family dwelling built on a permanent chassis designed for long-term residential occupancy, manufactured homes in a mobile home park, and tiny homes in mobile home parks;
- increases the property tax exemption threshold for mobile homes from an actual value of \$28,000 to an actual value of \$52,000 beginning in property tax year 2027, and adjusts the value threshold every two years for inflation;
- requires that notices of delinquent property taxes for mobile homes be provided in English and at least five additional languages that are most common in the county, or provided in English and the language of the mobile home owner if known;
- requires that notices of delinquent property taxes for mobile homes be sent by certified mail and personally delivered to the mobile home;
- requires county treasurers to sell or strike off tax liens for mobile homes starting July 1, 2026, rather than enforcing collection of delinquent taxes on mobile homes by seizing and selling the property or by commencing a court action for collection or using a collection agency;
- allows owners of tax liens to apply to county treasurers to take mobile home properties to public auction after a redemption period;
- extends the redemption period for mobile home owners to three years; and
- extends the redemption period for disabled mobile home owners to nine years.

## Background

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### Mobile Home Taxation Task Force

[Senate Bill 24-183](#) created the [Mobile Home Taxation Task Force in the Division of Housing in the Department of Local Affairs](#). The 17-member task force met between June and October 2024 to examine and make recommendations related to the distraint sale of mobile homes and collection of delinquent property taxes.

## Mobile Home Property Tax Exemption

The mobile home property tax exemption was created by [HB 22-1223](#). The bill exempted manufactured homes and mobile homes as defined in property tax statute. Under current law, the exemption applies to manufactured homes that, in summary, are defined as preconstructed building units that include electrical, mechanical, or plumbing services assembled off-site, are designed for residential occupancy, built to certain industry standards, do not have motive power, are not licensed vehicles, and are eligible for certificates of title for manufactured homes under state law. The exemption is for homes that are not affixed at a permanent location.

## Consumer Price Index

The consumer price index (CPI) is published by the U.S. Bureau of Labor Statistics and measures the price level and rate of change of prices, or inflation, in the economy. The bill requires the Division of Property Taxation to use the CPI for the Denver area to adjust the mobile home property tax exemption threshold every two years. Beginning in November 2026, the division will use the rate of inflation, or annual percentage increase, for the prior two calendar years to adjust the threshold, meaning the rate of inflation for 2024 and 2025. Based on the most recent data, the annual percentage increase was 2.3 percent for both 2024 and 2025, resulting in an increase of 4.6 percent total for the two-year period.

## Assumptions

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The fiscal note relies on county-level property data for about 40,000 taxable manufactured and mobile homes as classified by assessors under current law. Of these, about 14,900 are estimated to become newly eligible for the exemption under the bill based on the property value, assuming similar eligibility rules to those that apply under current law.

The definitional change of mobile homes in the bill both potentially expands and narrows the properties that may be eligible for the exemption. In some cases, the removal of manufacturing standards required for eligibility under current law may increase the number of eligible properties. The inclusion of tiny homes in mobile home parks in the bill may also expand the number of eligible properties. However, the bill also only includes manufactured homes as defined in current law that are in mobile home parks, a change that may narrow the number of properties eligible under the bill. Actual state and local impacts will depend on the determinations of assessors under the bill and individual property characteristics, and may vary from the estimates in this analysis.

Property tax impacts were estimated from PTY 2025 total program mill levies weighted by county and adjusted for mill levy equalization under House Bill 21-1164. Other school district mill levies, such as override mills, and those for local governments were estimated assuming weighted average mill levies by county for PTY 2024.

## **State Expenditures**

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### **School Finance**

The bill decreases property tax collections from school district total program mills beginning with the 2027 property tax year, requiring an equivalent increase in the state share of total program funding for school finance beginning in FY 2027-28. Thus, the bill increases state expenditures by an estimated \$1.1 million in FY 2027-28, and similar amounts in future years. In future reassessment cycles, the value of the exemption will depend on property value growth and changes in the consumer price index. 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.

### **Department of Local Affairs – Division of Property Taxation**

The bill minimally increases workload for the Division of Property Taxation (DPT) by requiring the division to update the Assessors' Reference Library with the exemption threshold under the bill, adding clarifying information about mobile homes eligible for the exemption, and calculating the inflation-adjusted exemption threshold every even-numbered year. Workload is also expected to increase for technical assistance to assessors. This increased workload can be accomplished within existing appropriations.

## **Local Government**

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### **Local Government Revenue**

The bill decreases revenue to local governments on net, beginning with 2027 property taxes payable in 2028. Property tax reductions are partially offset by state funds to school districts from state aid payments for school finance. Revenue impacts are summarized in Table 2.

**Table 2**  
**Local Government Revenue**

<b>Type of Impact</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Property Tax Revenue	\$0	-\$3.5 million
State Aid to School Districts	\$0	\$1.1 million
<b>Net Revenue</b>	<b>\$0</b>	<b>-\$2.4 million</b>

### Property Tax Revenue

The bill decreases local government property tax revenue by an estimated \$3.5 million in FY 2027-28, and similar amounts in future years, by expanding the mobile home property tax exemption threshold. In future reassessment cycles, the value of the exemption will depend on property value growth and changes in the consumer price index. Local impacts will vary depending on the share of mobile homes in each community. Larger decreases are anticipated in communities with higher numbers of manufactured and mobile homes. The bill will have greater proportional impacts in communities with a proportionally higher number of manufactured and mobile homes as a share of taxable residential property.

### State Aid to School Districts

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 aid requirement, as detailed in the State Expenditures section and shown in Table 2. Other mill levies assessed by school districts, such as override mills, are not reimbursed and may generate less revenue as a result of the bill.

### Local Government Expenditures

The bill will minimally increase workload for county assessors to administer changes under the bill, including evaluating the exemption status of properties under the new definition of manufactured or mobile homes.

### Effective Date

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

## State and Local Government Contacts

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Counties	Property Taxation
County Assessors	Revenue
County Treasurers	Secretary of State
Local Affairs	Special District Association
Municipalities	

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).