

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0047.01 Caroline Martin x5902

HOUSE BILL 26-1308

HOUSE SPONSORSHIP

Boesenecker and Woodrow,

SENATE SPONSORSHIP

Amabile and Ball,

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING LOT SPLITTING APPROVAL BY SUBJECT JURISDICTIONS.

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 provides that, on or after December 31, 2027, subject to an administrative approval process, a subject jurisdiction shall approve the split of an original lot into 2 new lots if the following conditions are met:

- The area of the original lot is 2,000 square feet or greater before the split;
- If the 2 new lots are not equal in area, the area of the smaller of the 2 new lots is equal to or greater than 40% of

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.

1 PROSPECTIVE HOMEBUYERS. ADMINISTRATIVE LOT SPLITTING CAN
2 PROVIDE EXISTING HOMEOWNERS WITH THE FLEXIBILITY NEEDED TO
3 ADAPT TO CHANGING LIFE CIRCUMSTANCES SUCH AS AGING IN PLACE,
4 MULTIGENERATIONAL LIVING, AND OTHER CHANGES IN FINANCIAL NEEDS
5 WHILE MAINTAINING HOMEOWNERSHIP. LOT SPLITTING, PARTNERED WITH
6 A LOW MINIMUM LOT SIZE, CAN EXPAND ATTAINABLE HOMEOWNERSHIP
7 OPPORTUNITIES FOR FIRST-TIME HOMEBUYERS AND HOMEBUYERS WITH
8 MODERATE-INCOMES;

9 (b) THE NEED FOR ADDITIONAL HOUSING UNITS ACROSS THE STATE
10 REMAINS URGENT. ACCORDING TO THE COLORADO STATE DEMOGRAPHY
11 OFFICE IN ITS SEPTEMBER 2025 RESEARCH BRIEF TITLED "COLORADO'S
12 HOUSING SHORTFALL: AN ESTIMATE AND REVIEW OF EXISTING STUDIES,"
13 THE STATE'S HOUSING SHORTFALL IS ESTIMATED AT APPROXIMATELY ONE
14 HUNDRED SIX THOUSAND UNITS. BASED ON THE MOST RECENT POPULATION
15 PROJECTIONS BY THE COLORADO STATE DEMOGRAPHY OFFICE, THE STATE
16 MUST ADD APPROXIMATELY THIRTY-FOUR THOUSAND ONE HUNDRED NEW
17 HOUSING UNITS ANNUALLY OVER THE NEXT DECADE TO PREVENT AN
18 INCREASE IN THE EXISTING HOUSING SHORTFALL;

19 (c) ACCORDING TO DATA FROM THE FEDERAL HOUSING FINANCE
20 AGENCY AND THE U.S. BUREAU OF ECONOMIC ANALYSIS, HOUSING COSTS
21 IN COLORADO HAVE RISEN AT A RATE THAT OUTPACES INCOME GROWTH,
22 SUCH THAT IN 2023, HOME PRICES WERE APPROXIMATELY TWO HUNDRED
23 TWENTY-THREE PERCENT ABOVE THEIR 2000 VALUES, WHILE MEDIAN
24 INCOMES INCREASED BY ONLY ONE HUNDRED FORTY-FOUR PERCENT
25 DURING THE SAME PERIOD;

26 (d) ABSENT FROM SUSTAINED STRATEGIC ACTION TO INCREASE
27 HOUSING PRODUCTION AND ADDRESS SUPPLY BARRIERS, THE GAP BETWEEN

1 HOUSING SUPPLY AND DEMAND WILL CONTINUE TO WIDEN, ADVERSELY
2 AFFECTING AFFORDABILITY, ECONOMIC STABILITY, WORKFORCE
3 RETENTION, AND COMMUNITY WELL-BEING THROUGHOUT THE STATE;

4 (e) ENTRY-LEVEL STARTER HOMES SERVE AN ESSENTIAL FUNCTION
5 IN THE HOUSING MARKET. STARTER HOMES, TYPICALLY UNDERSTOOD AS
6 HOMES WITH LESS THAN ONE THOUSAND FOUR HUNDRED SQUARE FEET,
7 ENABLE HOMEOWNERS TO BUILD EQUITY, ESTABLISH LONG-TERM
8 STABILITY, AND SHELTER HOMEOWNERS FROM SOME INFLATIONARY
9 PRESSURES, THEREBY CONTRIBUTING TO COMMUNITY RESILIENCE;

10 (f) THERE IS A CRITICAL NEED TO INCREASE THE PRODUCTION AND
11 AVAILABILITY OF STARTER HOMES. AS REPORTED BY THE PEW RESEARCH
12 CENTER, NATIONAL TRENDS INDICATE THAT THE REDUCTION IN NEW
13 HOUSING DEVELOPMENT HAS BEEN MOST PRONOUNCED AMONG STARTER
14 HOMES. ACCORDING TO THE FEDERAL HOME LOAN MORTGAGE
15 CORPORATION IN A RESEARCH BRIEF TITLED "HOUSING SUPPLY: A
16 GROWING DEFICIT," THE SHARE OF ENTRY-LEVEL HOMES IN OVERALL
17 RESIDENTIAL CONSTRUCTION HAS DECLINED FROM APPROXIMATELY FORTY
18 PERCENT IN THE EARLY 1980S TO APPROXIMATELY SEVEN PERCENT IN
19 2019;

20 (g) ACCESS TO AFFORDABLE HOMEOWNERSHIP GENERALLY YIELDS
21 BENEFITS BEYOND PROVIDING SHELTER. ACCORDING TO HABITAT FOR
22 HUMANITY, CHILDREN IN FAMILIES THAT OWN THEIR HOMES ARE MORE
23 LIKELY TO COMPLETE HIGH SCHOOL AND PURSUE POST-SECONDARY
24 EDUCATION COMPARED TO THEIR PEERS IN FAMILIES THAT RENT HOMES.
25 ADDITIONALLY, HOMEOWNERSHIP CORRELATES WITH GREATER CIVIC AND
26 SOCIAL ENGAGEMENT, INCLUDING INCREASED LIKELIHOOD OF VOTING IN
27 LOCAL ELECTIONS AND PARTICIPATING IN NEIGHBORHOOD AND

1 COMMUNITY ASSOCIATIONS; AND

2 (h) LAND COSTS ARE AN IMPORTANT CONTRIBUTOR TO OVERALL
3 HOUSING COSTS, AND ENABLING LARGER LOTS TO BE SUBDIVIDED AND
4 SHARED BETWEEN MULTIPLE HOMES SUPPORTS THE CREATION OF STARTER
5 HOMES AND LOWER-COST HOUSING.

6 (2) THEREFORE, THE GENERAL ASSEMBLY FINDS, DETERMINES, AND
7 DECLARES THAT:

8 (a) THE AVAILABILITY OF AFFORDABLE HOUSING IS A MATTER OF
9 MIXED STATEWIDE AND LOCAL CONCERN;

10 (b) COLORADO HAS A LEGITIMATE STATE INTEREST IN MANAGING
11 POPULATION AND DEVELOPMENT GROWTH AND ENSURING A STABLE
12 QUALITY AND QUANTITY OF HOUSING FOR ALL COLORADANS, AS THIS IS
13 AMONG THE MOST PRESSING PROBLEMS CURRENTLY FACING COMMUNITIES
14 THROUGHOUT THE STATE; AND

15 (c) LOCAL GOVERNMENT POLICIES THAT LIMIT THE CONSTRUCTION
16 OF A DIVERSE RANGE OF HOUSING IN AREAS SERVED BY INFRASTRUCTURE
17 EFFECTIVELY CREATE HOUSING SUPPLY SHORTFALLS AND UNSUSTAINABLE
18 DEVELOPMENT PATTERNS, AND THEREFORE REQUIRE A STATEWIDE
19 SOLUTION.

20 **29-35-502. Definitions.**

21 AS USED IN THIS PART 5, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (1) "EVIDENCE OF DEBT" HAS THE MEANING SET FORTH IN SECTION
24 38-38-100.3 (8).

25 (2) "EXEMPT LOT" MEANS A LOT THAT IS:

26 (a) NOT SERVED BY A DOMESTIC WATER AND SEWAGE TREATMENT
27 SYSTEM, AS DEFINED IN SECTION 24-65.1-104 (5);

1 (b) SERVED BY A WELL THAT IS NOT CONNECTED TO A WATER
2 DISTRIBUTION SYSTEM, AS DEFINED IN SECTION 25-9-102 (6);

3 (c) SERVED BY A SEPTIC TANK, AS DEFINED IN SECTION 25-10-103
4 (18);

5 (d) LOCATED WITHIN AN AIRPORT INFLUENCE AREA; OR

6 (e) A HISTORIC PROPERTY THAT IS LOCATED OUTSIDE OF A
7 HISTORIC DISTRICT.

8 (3) "HOLDER" MEANS THE HOLDER OF AN EVIDENCE OF DEBT
9 CONSTITUTING A RESIDENTIAL MORTGAGE LOAN.

10 (4) "RESIDENTIAL MORTGAGE LOAN" HAS THE MEANING SET FORTH
11 IN SECTION 12-10-702 (21).

12 (5) "SUBJECT JURISDICTION" MEANS A MUNICIPALITY THAT:

13 (a) HAS A POPULATION OF ONE THOUSAND OR MORE, AS REPORTED
14 BY THE STATE DEMOGRAPHY OFFICE; AND

15 (b) IS WITHIN A METROPOLITAN PLANNING ORGANIZATION.

16 **29-35-503. Lot splitting approval by subject jurisdictions.**

17 (1) EXCEPT AS PROVIDED IN SECTION 29-35-504, ON OR AFTER
18 DECEMBER 31, 2027, SUBJECT TO AN ADMINISTRATIVE APPROVAL PROCESS
19 AND IN ACCORDANCE WITH THIS PART 5, A SUBJECT JURISDICTION SHALL
20 APPROVE THE SPLIT OF AN ORIGINAL LOT INTO TWO NEW LOTS IF THE
21 FOLLOWING CONDITIONS ARE MET:

22 (a) THE AREA OF THE ORIGINAL LOT IS TWO THOUSAND SQUARE
23 FEET OR GREATER BEFORE THE SPLIT;

24 (b) IF THE TWO NEW LOTS ARE NOT EQUAL IN AREA, THE AREA OF
25 THE SMALLER OF THE TWO NEW LOTS IS EQUAL TO OR GREATER THAN
26 FORTY PERCENT OF THE AREA OF THE ORIGINAL LOT;

27 (c) THE ORIGINAL LOT WAS NEVER SUBJECT TO ANOTHER LOT SPLIT

1 APPROVED THROUGH AN ADMINISTRATIVE APPROVAL PROCESS IN
2 ACCORDANCE WITH THIS SECTION;

3 (d) RESIDENTIAL USE IS ALLOWED ON THE ORIGINAL LOT;

4 (e) THE ORIGINAL LOT IS NOT AN EXEMPT LOT; AND

5 (f) THE ORIGINAL LOT IS NOT LOCATED WITHIN A COMMON
6 INTEREST COMMUNITY, AS DEFINED IN SECTION 38-33.3-103 (8), THAT WAS
7 CREATED ON OR BEFORE DECEMBER 31, 2027.

8 (2) NOTHING IN THIS SECTION PREVENTS A SUBJECT JURISDICTION
9 FROM:

10 (a) APPLYING AND ENFORCING A LOCAL INFRASTRUCTURE
11 STANDARD, INCLUDING A STANDARD RELATED TO UTILITIES,
12 TRANSPORTATION, OR PUBLIC WORKS CODES;

13 (b) APPLYING AND ENFORCING A LOCAL LIFE SAFETY CODE,
14 INCLUDING A BUILDING, FIRE, UTILITY, OR STORMWATER CODE;

15 (c) APPLYING AND ENFORCING A REGULATION RELATED TO HUMAN
16 AND ENVIRONMENTAL HEALTH AND SAFETY, INCLUDING OIL AND GAS
17 SETBACKS, FLOODPLAIN REGULATIONS, AND AIRPORT INFLUENCE AREAS;

18 (d) APPLYING AND ENFORCING A LOCAL REGULATION RELATED TO
19 DEVELOPMENT, INCLUDING STORMWATER, IMPERVIOUS SURFACE AREA,
20 AND BUILDING COVERAGE STANDARDS;

21 (e) ADOPTING GENERALLY APPLICABLE REQUIREMENTS FOR THE
22 PAYMENT OF IMPACT FEES OR OTHER SIMILAR DEVELOPMENT CHARGES, IN
23 ACCORDANCE WITH SECTION 29-20-104.5, OR FOR THE MITIGATION OF
24 IMPACTS IN ACCORDANCE WITH PART 2 OF ARTICLE 20 OF THIS TITLE 29;

25 (f) REQUIRING A STATEMENT BY A WATER OR WASTEWATER
26 SERVICE PROVIDER REGARDING THE PROVIDER'S CAPACITY TO SERVICE A
27 PARCEL;

1 (g) ENACTING OR APPLYING A LOCAL LAW CONCERNING A
2 SHORT-TERM RENTAL, AS DEFINED IN SECTION 29-35-402 (19); OR

3 (h) APPLYING THE DESIGN STANDARDS AND PROCEDURES OF A
4 HISTORIC DISTRICT TO A PARCEL LOCATED WITHIN A HISTORIC DISTRICT.

5 **29-35-504. Consent of holder of an evidence of debt**
6 **constituting a residential mortgage loan required prior to lot split.**

7 (1) IF AN ORIGINAL LOT OR ANY STRUCTURE BUILT ON THE
8 ORIGINAL LOT IS SUBJECT TO AN EVIDENCE OF DEBT CONSTITUTING A
9 RESIDENTIAL MORTGAGE LOAN, THEN PRIOR TO APPROVING THE SPLIT OF
10 THE ORIGINAL LOT IN ACCORDANCE WITH SECTION 29-35-503 (1), A
11 SUBJECT JURISDICTION SHALL VERIFY THAT THE HOLDER HAS RECEIVED
12 NOTICE OF THE PROPOSED LOT SPLIT AND HAS CONSENTED TO THE LOT
13 SPLIT IN WRITING. THE HOLDER MAY CONDITION CONSENT TO THE LOT
14 SPLIT ON THE SATISFACTION OF CONDITIONS SPECIFIED BY THE HOLDER.

15 (2) THE WRITTEN CONSENT OF THE HOLDER MUST INCLUDE THE
16 FOLLOWING:

17 (a) THE SIGNATURE OF THE HOLDER OR THE AGENT OF THE
18 HOLDER;

19 (b) THE NAME OF THE RECORD OWNER OR GROUND LESSEE OF THE
20 ORIGINAL LOT;

21 (c) THE LEGAL DESCRIPTION OF THE ORIGINAL LOT; AND

22 (d) THE IDENTITIES OF ALL PARTIES WITH AN INTEREST IN THE
23 ORIGINAL LOT AS REFLECTED IN THE REAL PROPERTY RECORDS.

24 (3) THE WRITTEN CONSENT OF THE HOLDER MUST BE RECORDED IN
25 THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN WHICH THE
26 ORIGINAL LOT IS LOCATED.

27 (4) IF THE HOLDER DOES NOT PROVIDE WRITTEN CONSENT TO THE

1 LOT SPLIT IN ACCORDANCE WITH THIS SECTION, THE SUBJECT JURISDICTION
2 SHALL NOT APPROVE THE LOT SPLIT.

3 **SECTION 2. Safety clause.** The general assembly finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety or for appropriations for
6 the support and maintenance of the departments of the state and state
7 institutions.