

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0911.02 Pierce Lively x2059

SENATE BILL 25-313

SENATE SPONSORSHIP

Amabile and Bridges, Kirkmeyer

HOUSE SPONSORSHIP

Bird and Sirota, Taggart

Senate Committees

Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE PERMISSIBLE USES OF STATE INCOME TAX REVENUE**
102 **RAISED IN CONNECTION WITH PROPOSITION 123.**

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/>.)

Joint Budget Committee. Among other things related to affordable housing, Proposition 123, which was approved by the voters at the 2022 statewide election, created the affordable housing support fund (fund) and continuously appropriated money from the fund to the division of housing within the department of local affairs (department) for enumerated uses relating to an affordable home ownership program and

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.

a program serving persons experiencing homelessness and to the division of local government, also within the department, for enumerated uses relating to a local planning capacity development program. A specified percentage of money from the fund is allocated for the implementation of each program, and from each allocated percentage the division of housing or the division of local government, as applicable, is permitted to use up to 5% to pay for the direct and indirect costs of administering each program.

Beginning in state fiscal year 2026-27, the bill makes the expenditure of up to 5% of the money from each program's allocation of funding for administration of each program subject to annual appropriation by the general assembly and clarifies how that 5% amount is calculated.

The bill also allows the division of housing, subject to annual appropriation by the general assembly, to expend money under the program serving persons experiencing homelessness for:

- Capital needs at 2 state-owned supportive residential communities for persons experiencing homelessness (supportive residential communities); and
- Direct and indirect costs of operating the 2 supportive residential communities.

Proposition 123 also included a prohibition on the general assembly appropriating funds from the fund and the affordable housing financing fund to supplant other state support for affordable housing projects. The bill clarifies when appropriations from the fund and the affordable housing financing fund would violate this prohibition.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-32-103, **amend**
3 (1) as follows:

4 **29-32-103. Transfers of money - permitted uses of the fund -**
5 **continuous appropriation.** (1) (a) The affordable housing support fund
6 is hereby created in the state treasury. The support fund ~~shall consist~~
7 CONSISTS of money deposited into it under subsection (3) of this section.
8 The division of housing shall administer the support fund and expend the
9 money in the support fund only for the purposes set forth in ~~sections~~
10 SECTION 29-32-104 (3)(a) and (3)(b). The division of local government

1 in the department of local affairs created in section 24-32-103 shall
2 expend the money in the support fund only for the purposes set forth in
3 section 29-32-104 (3)(c). All money not expended or encumbered, and all
4 interest earned on the investment or deposit of money in the support fund,
5 ~~shall remain~~ REMAINS in the support fund and ~~shall~~ DOES not revert to the
6 general fund or any other fund at the end of any fiscal year. EXCEPT AS
7 OTHERWISE PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION AND
8 SECTION 29-32-104 (3)(b)(II), all money transferred to the support fund
9 pursuant to subsection (3) of this section is continuously appropriated to
10 the division of housing for the purposes set forth in ~~sections~~ SECTION
11 29-32-104 (3)(a) and (3)(b) and, to the extent allocated by the division of
12 housing, to the division of local government for the purposes set forth in
13 section 29-32-104 (3)(c).

14 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
15 ASSEMBLY, BEGINNING IN STATE FISCAL YEAR 2026-27, AND SUBJECT TO
16 THE LIMITATIONS SET FORTH IN SECTION 29-32-104 (3)(a), (3)(b), AND
17 (3)(c), THE DIVISION OF HOUSING OR THE DIVISION OF LOCAL GOVERNMENT
18 MAY EXPEND MONEY FROM THE FUND FOR DIRECT AND INDIRECT COSTS OF
19 ADMINISTERING THE PROGRAMS SET FORTH IN SECTION 29-32-104 (3)(a),
20 (3)(b), AND (3)(c).

21 **SECTION 2.** In Colorado Revised Statutes, 29-32-104, **amend**
22 (3) as follows:

23 **29-32-104. Permissible expenditures - affordable housing**
24 **programs - report - definitions.** (3) The division of housing and the
25 division of local government shall expend the money transferred to the
26 support fund in section 29-32-103 (1) to support the following programs
27 only:

1 (a) An affordable home ownership program administered by the
2 division or one or more contractors of the division. The program shall
3 offer home ownership down-payment assistance to first-time homebuyers
4 and shall prioritize assistance, to the extent practicable, to first-generation
5 homebuyers. The assistance shall be provided to households with income
6 less than or equal to ~~120%~~ ONE HUNDRED TWENTY PERCENT of the area
7 median income of households of that size in the territory or jurisdiction
8 of local government or tribal government in which the housing is located,
9 as calculated and published for a given year by the United States
10 department of housing and urban development, and the cost of the
11 monthly housing payment ~~towards~~ TOWARD mortgage principal, mortgage
12 interest, property taxes, mortgage and homeowner's insurance,
13 homeowner association fees, land lease fees, and metropolitan district
14 fees shall not cost more than ~~35%~~ THIRTY-FIVE PERCENT of monthly
15 household income. The program shall also make grants to ~~non-profits~~
16 NONPROFIT ORGANIZATIONS, local governments, tribal governments,
17 community development financial institutions, and community land trusts
18 to support affordable home ownership. The program shall also make
19 grants or loans to groups or associations of mobile home owners and their
20 assignees to assist them with the purchase of a mobile home park
21 pursuant to section 38-12-217. Said grants and loans shall be used to
22 support affordable home ownership for households with income less than
23 or equal to ~~100%~~ ONE HUNDRED PERCENT of the area median income of
24 households of that size in the territory or jurisdiction of local government
25 or tribal government in which the households are located, as calculated
26 and published for a given year by the United States department of housing
27 and urban development, and the cost of the monthly housing payment

1 ~~towards~~ TOWARD mortgage principal, mortgage interest, property taxes,
2 mortgage and homeowner's insurance, homeowner association fees, land
3 lease fees, and metropolitan district fees shall not cost more than ~~35%~~
4 THIRTY-FIVE PERCENT of monthly household income. All principal and
5 interest payments on loans made under this ~~paragraph (a)~~ SUBSECTION
6 (3)(a) shall be paid to the division and used by the division for the
7 purposes set forth in this subsection (3). Up to ~~50%~~ FIFTY PERCENT of
8 ~~monies~~ MONEY transferred to the support fund annually may be used for
9 the program. The division shall determine how much of the available
10 funding shall be allocated to each aspect of the program. The division
11 may utilize up to ~~5%~~ FIVE PERCENT of the funds it ~~allocates~~ RECEIVES
12 from the fund for the program ~~each state fiscal year~~ to pay for the direct
13 and indirect costs of administering the program.

14 (b) (I) A program serving persons experiencing homelessness to
15 be administered by the division. The program shall provide rental
16 assistance, housing vouchers, and eviction defense assistance, including
17 legal, financial, and case management, to persons experiencing
18 homelessness or at risk of experiencing homelessness. The program shall
19 also make grants or loans to ~~non-profit~~ NONPROFIT organizations, local
20 governments, tribal governments, or private entities to support the
21 development and preservation of supportive housing for persons
22 experiencing homelessness, and other homelessness related activities the
23 division determines contribute to the resolution of or prevention of
24 homelessness, including housing programs paid for by ~~non-profit~~
25 NONPROFIT organizations, local governments, tribal governments, or
26 private entities on a ~~pay for success~~ PAY-FOR-SUCCESS basis, meaning an
27 organization, local government, tribal government, or private entity would

1 receive financial support from the program upon achieving objectives
2 contractually agreed upon with the division. All principal and interest
3 payments on loans made under this ~~paragraph (b)~~ SUBSECTION (3)(b)(I)
4 shall be paid to the division and used by the division for the purposes set
5 forth in this subsection (3). Up to ~~45%~~ FORTY-FIVE PERCENT of ~~monies~~
6 MONEY transferred to the support fund annually may be used for the
7 program. The division may utilize up to ~~5%~~ FIVE PERCENT of the funds it
8 ~~allocates~~ RECEIVES from the fund for the program ~~each state fiscal year~~
9 to pay for the direct and indirect costs of administering the program.

10 (II) THE PROGRAM SET FORTH IN SUBSECTION (3)(b)(I) OF THIS
11 SECTION MAY ALSO:

12 (A) BEGINNING IN STATE FISCAL YEAR 2025-26 AND SUBJECT TO
13 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, PROVIDE FUNDING
14 TO THE STATE OR ANY OTHER ENTITY FOR CAPITAL CONSTRUCTION NEEDS
15 AT THE RIDGE VIEW SUPPORTIVE RESIDENTIAL COMMUNITY AND THE
16 FORT LYON SUPPORTIVE RESIDENTIAL COMMUNITY; AND

17 (B) PROVIDE FUNDING TO THE STATE OR ANY OTHER ENTITY FOR
18 DIRECT AND INDIRECT COSTS OF OPERATING TO THE RIDGE VIEW
19 SUPPORTIVE RESIDENTIAL COMMUNITY AND THE FORT LYON SUPPORTIVE
20 RESIDENTIAL COMMUNITY AND, BEGINNING IN STATE FISCAL YEAR
21 2026-27, PROVIDE SUCH FUNDING SUBJECT TO ANNUAL APPROPRIATION BY
22 THE GENERAL ASSEMBLY;

23 (III) AS USED IN SUBSECTION (3)(b)(II) OF THIS SECTION:

24 (A) "FORT LYON SUPPORTIVE RESIDENTIAL COMMUNITY" MEANS
25 THE PORTION OF THE FORT LYON PROPERTY THAT IS DESIGNATED BY THE
26 DIVISION FOR PROVIDING HOMELESSNESS-RELATED ACTIVITIES THAT THE
27 DIVISION DETERMINES CONTRIBUTE TO THE RESOLUTION OF OR

1 PREVENTION OF HOMELESSNESS.

2 (B) "RIDGE VIEW SUPPORTIVE RESIDENTIAL COMMUNITY" MEANS,
3 AS SET FORTH IN SECTION 24-32-730 (2)(a), THE RIDGE VIEW CAMPUS
4 THAT, AFTER JULY 1, 2022, IS DESIGNATED BY THE DIVISION FOR
5 PROVIDING HOMELESSNESS-RELATED ACTIVITIES THAT THE DIVISION
6 DETERMINES CONTRIBUTE TO THE RESOLUTION OF OR PREVENTION OF
7 HOMELESSNESS.

8 (c) A local planning capacity development program administered
9 by the division of local government. The program shall provide grants to
10 local governments and tribal governments to increase the capacity of local
11 government and tribal government planning departments responsible for
12 processing land use, permitting and zoning applications for housing
13 projects. Up to ~~50% of monies~~ FIVE PERCENT OF MONEY transferred to the
14 support fund annually may be used for the program. The division of local
15 government may utilize up to ~~50%~~ FIVE PERCENT of the funds that the
16 division of housing allocates from the fund for the program ~~each state~~
17 ~~fiscal year~~ to pay for the direct and indirect costs of administering the
18 program.

19 **SECTION 3.** In Colorado Revised Statutes, 29-32-106, **amend**
20 (1); **add** (3); and **repeal** (2) as follows:

21 **29-32-106. Appropriation requirement for affordable housing**
22 **projects - definition.** (1) For any state fiscal year in which money is
23 appropriated from the financing fund or the support fund in accordance
24 with the requirements of this ~~article~~ ARTICLE 32, any such money
25 appropriated must supplement and shall not supplant the level of ~~general~~
26 ~~fund and cash fund appropriations~~ STATE FUNDING SUPPORT for affordable
27 housing programs for the state fiscal year 2022-23.

1 (2) ~~For purposes of determining the appropriations for affordable~~
2 ~~housing programs for the state fiscal year 2022-23, cash fund~~
3 ~~appropriations do not include any appropriations of money that originated~~
4 ~~from money the state received from the federal coronavirus state fiscal~~
5 ~~recovery fund.~~

6 (3)(a) THE GENERAL ASSEMBLY VIOLATES SUBSECTION (1) OF THIS
7 SECTION ONLY IF, FOR A STATE FISCAL YEAR FOR WHICH THE LEGISLATIVE
8 COUNCIL STAFF FORECAST FOR THE MARCH IMMEDIATELY PRECEDING THE
9 STATE FISCAL YEAR PROJECTED THAT STATE REVENUE IN THE STATE
10 FISCAL YEAR WOULD EXCEED THE STATE FISCAL YEAR SPENDING LIMIT
11 IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE
12 GENERAL ASSEMBLY APPROPRIATES MONEY FROM THE FINANCING FUND OR
13 THE SUPPORT FUND IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
14 ARTICLE 32 FOR AFFORDABLE HOUSING PROGRAMS AND THE TOTAL
15 AMOUNT OF STATE FUNDING SUPPORT FOR AFFORDABLE HOUSING
16 PROGRAMS IS LESS IN THAT STATE FISCAL YEAR THAN THE TOTAL AMOUNT
17 OF STATE FUNDING SUPPORT FOR AFFORDABLE HOUSING PROGRAMS
18 DURING THE 2022-23 STATE FISCAL YEAR.

19 (b) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
20 OTHERWISE REQUIRES, "STATE FUNDING SUPPORT" MEANS, FOR A STATE
21 FISCAL YEAR, THE TOTAL OF:

22 (I) THE AMOUNT OF STATE MONEY APPROPRIATED FOR
23 AFFORDABLE HOUSING PROGRAMS BY THE GENERAL ASSEMBLY IN THAT
24 STATE FISCAL YEAR THAT ARE NOT APPROPRIATIONS OF MONEY:

25 (A) FROM THE SUPPORT FUND OR THE FINANCING FUND;

26 (B) THAT ORIGINATED FROM THE CORONAVIRUS STATE FISCAL
27 RECOVERY FUND;

1 (C) FROM THE GENERAL FUND THAT WERE REFINANCED IN HOUSE
2 BILL 24-1466;

3 (D) THAT THE STATE TREASURER TRANSFERRED TO THE HOUSING
4 DEVELOPMENT GRANT FUND PURSUANT TO SECTION 24-22-118 (2);

5 (E) THAT THE STATE TREASURER TRANSFERRED FROM THE
6 AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND TO THE
7 TRANSFORMATIONAL AFFORDABLE HOUSING REVOLVING FUND PURSUANT
8 TO SECTION 24-32-731 (9)(d); OR

9 (F) THAT THE GENERAL ASSEMBLY APPROPRIATED FROM THE
10 AFFORDABLE HOUSING AND HOME OWNERSHIP CASH FUND PURSUANT TO
11 SECTION 24-32-721.3.

12 (II) THE REDUCTION IN STATE REVENUE FOR THE STATE FISCAL
13 YEAR THAT IS ATTRIBUTABLE TO TAX EXPENDITURES CONCERNING
14 AFFORDABLE HOUSING PROGRAMS THAT THE OFFICE OF STATE PLANNING
15 AND BUDGETING PROJECTS DURING THE MARCH REVENUE FORECAST THAT
16 IMMEDIATELY PRECEDES THE STATE FISCAL YEAR WILL BE CLAIMED IN THE
17 STATE FISCAL YEAR; AND

18 (III) THE REDUCTION IN STATE REVENUE FOR THE STATE FISCAL
19 YEAR THAT IS ATTRIBUTABLE TO TAX EXPENDITURES CONCERNING
20 AFFORDABLE HOUSING PROGRAMS, IS NOT INCLUDED IN THE PROJECTION
21 DESCRIBED IN SUBSECTION (3)(b)(II) OF THIS SECTION, AND IS DESCRIBED
22 IN FISCAL NOTES PROVIDED BY THE LEGISLATIVE COUNCIL OF THE GENERAL
23 ASSEMBLY PURSUANT TO SECTION 2-2-322.

24 **SECTION 4. Safety clause.** The general assembly finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, or safety or for appropriations for

- 1 the support and maintenance of the departments of the state and state
- 2 institutions.