

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0681.01 Rebecca Bayetti x4348

HOUSE BILL 26-1300

HOUSE SPONSORSHIP

Woodrow and Soper,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ABILITY OF A HEALTH SERVICE DISTRICT TO**
102 **PROVIDE AFFORDABLE HOUSING SERVICES.**

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>.)

Under current law, a special district is required to conform to its approved service plan and must petition the governing body of the county or municipality that approved the formation of the special district for approval of any material modifications of its approved service plan. Material modifications include a change in services provided by the special district, a decrease in the financial ability of the district to

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
Amended 2nd Reading
March 30, 2026

discharge existing or proposed indebtedness, and a decrease in the existing or projected need for organized service in the district's service area. The court that approved the organization of the special district may enjoin any material departure from the district's service plan as originally approved or from the district's service plan as modified.

In the case of a health service district, a change in service by the district is not a material modification to or departure from the district's approved service plan, unless the change affects the license or certificate of compliance issued to the district by the department of public health and environment. The bill expands this provision to provide that the addition of affordable housing services to a health service district's service plan is not a material modification to or departure from the district's approved service plan so long as a majority of the board of directors of the district affirmatively votes to approve the addition of affordable housing services. With this change, a health service district is able to provide affordable housing services, which are defined as the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of affordable housing-related projects or programs, without needing to seek approval for a material modification to or departure from the district's approved service plan.

The bill also makes conforming amendments.

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

2 **SECTION 1.** In Colorado Revised Statutes, 32-1-207, **amend** (4)
3 as follows:

4 **32-1-207. Compliance - modification - enforcement.**

5 (4) (a) In the case of a health service district, a change in service
6 by the district is not deemed material unless the change affects the license
7 or certificate of compliance issued by the department of public health and
8 environment.

9 (b) IN THE CASE OF A HEALTH SERVICE DISTRICT, THE ADDITION OR
10 TERMINATION OF AFFORDABLE HOUSING SERVICES, AS DEFINED IN SECTION
11 32-19-102 (2), TO THE SERVICES PROVIDED BY THE DISTRICT IS NOT A
12 MATERIAL MODIFICATION TO OR DEPARTURE FROM THE DISTRICT'S
13 APPROVED SERVICE PLAN SO LONG AS A MAJORITY OF THE BOARD OF

1 DIRECTORS OF THE DISTRICT AFFIRMATIVELY VOTES TO APPROVE THE
2 ADDITION OR TERMINATION OF AFFORDABLE HOUSING SERVICES AND ANY
3 AFFORDABLE HOUSING SERVICES ARE CARRIED OUT IN COORDINATION
4 WITH LOCAL PUBLIC HOUSING ENTITIES, INCLUDING LOCAL PUBLIC
5 HOUSING AUTHORITIES, LOCAL HOUSING AGENCIES, AND THE LOCAL
6 GOVERNMENT ENTITY RESPONSIBLE FOR CONDUCTING AN APPLICABLE
7 REGIONAL OR LOCAL HOUSING NEEDS ASSESSMENT.

8 (c) A health service district is exempt from subsection (3)(b) and
9 (3)(c) of this section.

10 **SECTION 2.** In Colorado Revised Statutes, 32-1-1003, **amend**
11 (1)(c), (5) introductory portion, and (5)(a); and **add** (1)(b.5) as follows:

12 **32-1-1003. Health service districts - additional powers.**

13 (1) In addition to the powers specified in section 32-1-1001, the
14 board of any health service district has any or all of the following powers
15 for and on behalf of such district:

16 (b.5) TO PROVIDE AFFORDABLE HOUSING SERVICES, AS DEFINED IN
17 SECTION 32-19-102 (2);

18 (c) To draw warrants against health service district funds held by
19 the county treasurer for the purposes set forth in ~~paragraphs (a) and (b) of~~
20 ~~this subsection (1)~~ SUBSECTIONS (1)(a), (1)(b), AND (1)(b.5) OF THIS
21 SECTION;

22 (5) Any health service district that is created pursuant to this
23 article shall have the power, upon approval by the eligible electors of the
24 district, to levy and collect a uniform sales tax throughout the entire
25 geographic area of the district upon every transaction or other incident
26 with respect to which a sales tax is levied by the state pursuant to the
27 provisions of article 26 of title 39, ~~C.R.S.~~, excluding the sale of cigarettes,

1 subject to the following provisions:

2 (a) For purposes of this subsection (5), "eligible elector" ~~shall~~
3 ~~have~~ HAS the same meaning as set forth in ~~section 32-19-102 (3)~~ SECTION
4 32-19-102 (5).

5 **SECTION 3.** In Colorado Revised Statutes, 32-1-1003.5, **amend**
6 (5)(a) as follows:

7 **32-1-1003.5. Health assurance districts - additional powers -**
8 **legislative declaration - definitions.**

9 (5) Any health assurance district that is created pursuant to this
10 article 1 shall have the power, upon approval by the eligible electors of
11 the district, to levy and collect a uniform sales tax throughout the entire
12 geographic area of the district upon every transaction or other incident
13 with respect to which a sales tax is levied by the state pursuant to the
14 provisions of article 26 of title 39, excluding the sale of cigarettes, subject
15 to the following provisions:

16 (a) For purposes of this subsection (5), "eligible elector" ~~shall~~
17 ~~have~~ HAS the same meaning as set forth in ~~section 32-19-102 (3)~~ SECTION
18 32-19-102 (5).

19 **SECTION 4.** In Colorado Revised Statutes, **amend** 32-19-102 as
20 follows:

21 **32-19-102. Definitions.**

22 As used in this ~~article~~ ARTICLE 19, unless the context otherwise
23 requires:

24

25 (1) "AFFORDABLE HOUSING" MEANS HOUSING THAT:

26 (a) IS CONSTRUCTED, REHABILITATED, OR OTHERWISE SUPPORTED
27 BY A HEALTH SERVICE DISTRICT;

1 (b) MEETS DEMONSTRATED COMMUNITY NEEDS FOR PUBLICLY
2 FUNDED HOUSING AS IDENTIFIED IN THE COUNTY'S OR MUNICIPALITY'S
3 MOST RECENT HOUSING NEEDS ASSESSMENT CONDUCTED PURSUANT TO
4 PART 37 OF ARTICLE 32 OF TITLE 24 OR ANOTHER APPLICABLE REGIONAL
5 OR LOCAL HOUSING NEEDS ASSESSMENT FOR THE COUNTY OR
6 MUNICIPALITY IN WHICH THE HEALTH SERVICE DISTRICT IS LOCATED; AND

7 (c) IF APPLICABLE, IS SUBJECT TO A RECORDED RESTRICTIVE
8 COVENANT WITH AFFORDABILITY REQUIREMENTS FOR THE DURATION OF
9 ANY FINANCIAL ASSISTANCE PROVIDED FOR THE HOUSING.

10 (2) "AFFORDABLE HOUSING SERVICES" MEANS THE PLANNING,
11 FINANCING, ACQUISITION, CONSTRUCTION, RECONSTRUCTION, OR
12 REHABILITATION OF AFFORDABLE HOUSING OR THE PROVISION OF RELATED
13 SUPPORTIVE SERVICES.

14 (3) "Court" means the district court in any county in which the
15 petition for organization of the district was originally filed and which
16 entered the order organizing said district or the district court to which the
17 file pertaining to the district has been transferred pursuant to section
18 32-1-303 (1)(b).

19 (4) "District" means:

20 (a) A health assurance district created pursuant to this ~~article~~
21 ARTICLE 19 to organize, operate, control, direct, manage, contract for,
22 furnish, or provide, directly or indirectly, health-care services to residents
23 of the district who are in need of such services; or

24 (b) A health service district created pursuant to this ~~article~~
25 ARTICLE 19 that may establish, maintain, or operate, directly or indirectly
26 through lease to or from other parties or other arrangement, public
27 hospitals, convalescent centers, nursing care facilities, intermediate care

1 facilities, emergency facilities, community clinics, or other facilities
2 providing health and personal care services and may organize, own,
3 operate, control, direct, manage, contract for, or furnish ambulance
4 service.

5 ~~(3)~~ (5) "Eligible elector" means a person who, at the designated
6 time or event, is registered to vote pursuant to the "Uniform Election
7 Code of 1992", articles 1 to 13 of title 1. ~~C.R.S.~~

8 ~~(4)~~ (6) "Interested party" means a resident or eligible elector of the
9 district or a municipality located in the district.

10 **SECTION 5.** In Colorado Revised Statutes, 32-19-108, **amend**
11 (3) and (4) as follows:

12 **32-19-108. Public hearing on service plan - procedures -**
13 **decision - judicial review - modifications - enforcement.**

14 (3) The board of county commissioners of the county in which the
15 district will be located or the governing body of the municipality in which
16 the district will be located, whichever is applicable, shall conduct the
17 hearing pursuant to section 32-1-204 (1.5) and make its decision in
18 accordance with the requirements of section 32-1-204 (3) and (4). The
19 decision of the board or governing body, whichever is applicable, is
20 subject to judicial review in accordance with section 32-1-206; except
21 that, for purposes of judicial review, "interested party" ~~shall have~~ HAS the
22 ~~same~~ meaning as set forth in ~~section 32-19-102 (4)~~ SECTION 32-19-102
23 (6).

24 (4) Upon final approval by the court for the organization of a
25 district pursuant to section 32-1-304.5, the district shall conform as much
26 as possible to the approved service plan, and any material modifications
27 to the plan shall be approved in accordance with ~~section 32-1-207 (2)~~

1 SECTION 32-1-207 (2) AND (4). Any material departure from the plan may
2 be enjoined in accordance with section 32-1-207 (3); except that, for
3 purposes of enforcement of the plan, "interested party" ~~shall have~~ HAS the
4 ~~same~~ meaning as set forth in ~~section 32-19-102 (4)~~ SECTION 32-19-102
5 (6).

6 **SECTION 6.** In Colorado Revised Statutes, 32-19-110, **amend**
7 (2) as follows:

8 **32-19-110. Time for holding elections - persons entitled to vote**
9 **at district elections.**

10 (2) Notwithstanding the provisions of section 32-1-806, any
11 person who is an eligible elector as defined in ~~section 32-19-102 (3)~~
12 SECTION 32-19-102 (5) shall be eligible to vote in an organizational
13 election or any election conducted by the board of directors for a district.

14 **SECTION 7.** In Colorado Revised Statutes, **add** 32-19-116 as
15 follows:

16 **32-19-116. Construction of article - local government**
17 **authority.**

18 **NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO ALTER THE**
19 **AUTHORITY OF A LOCAL GOVERNMENT IN APPLYING AND ENFORCING**
20 **APPLICABLE ORDINANCES, DEED RESTRICTIONS, COMMUNITY BENEFIT**
21 **AGREEMENTS, DEVELOPMENT AGREEMENTS, OR OTHER AFFORDABLE**
22 **HOUSING POLICIES AND STANDARDS.**

23 **SECTION 8. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly (August
26 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act
2 within such period, then the act, item, section, or part will not take effect
3 unless approved by the people at the general election to be held in
4 November 2026 and, in such case, will take effect on the date of the
5 official declaration of the vote thereon by the governor.