

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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, AS DEFINED IN
6 SECTION 29-35-103; OR

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

9 (3) "LIENHOLDER" MEANS THE HOLDER OF AN EVIDENCE OF DEBT.

10 (4) "LOT SPLIT" MEANS THE PROCESS OF SUBDIVIDING AN ORIGINAL
11 LOT INTO TWO NEW LOTS.

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 A LOT SPLIT OF AN ORIGINAL LOT INTO TWO NEW LOTS IF THE
21 FOLLOWING CONDITIONS ARE MET:

22 (a) THE LOT SPLIT DOES NOT CREATE A NEW LOT THAT IS SMALLER
23 THAN ONE THOUSAND TWO HUNDRED SQUARE FEET IN AREA;

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 THIRTY 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) IT IS FEASIBLE FOR:

5 (I) BOTH OF THE NEW LOTS TO BE ACCESSED DUE TO ABUTMENT TO
6 A PUBLIC OR PRIVATE STREET OR BY USE OF AN ACCESS EASEMENT, WHICH
7 MAY INCLUDE SHARED COMMON ACCESS;

8 (II) UTILITY EASEMENTS TO SERVE BOTH NEW LOTS; AND

9 (III) BOTH NEW LOTS TO MEET THE REQUIREMENTS OF ARTICLES
10 50, 51, 52, AND 53 OF TITLE 38;

11 (f) THE ORIGINAL LOT IS NOT AN EXEMPT LOT; AND

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

15 (2) IN ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION, A
16 SUBJECT JURISDICTION MAY ESTABLISH PROCEDURES TO REVIEW AND
17 ACCEPT INFORMATION RELATED TO A PROPOSED LOT SPLIT, INCLUDING LOT
18 INFORMATION RELATED TO:

19 (a) PROPERTY OWNERSHIP;

20 (b) PHYSICAL CHARACTERISTICS OF THE LOT, INCLUDING GEOLOGY
21 AND SOILS;

22 (c) PROPOSED NEW LOT LINES AND NEW LOT AREAS;

23 (d) ADEQUACY OF WATER SUPPLY, SEWER SERVICE, AND DRAINAGE
24 SYSTEMS TO SERVE THE NEW LOTS;

25 (e) ADEQUACY OF ELECTRIC POWER AND NATURAL GAS SERVICE
26 TO SERVE THE NEW LOTS;

27 (f) DEDICATION FOR SCHOOLS, PARKS, STREETS, AND OTHER

1 PUBLIC AREAS, OR PAYMENT OF MONEY IN LIEU OF SUCH DEDICATION; AND

2 (g) GUARANTEES OF NECESSARY PUBLIC IMPROVEMENTS.

3 (3) NOTHING IN THIS SECTION PREVENTS A SUBJECT JURISDICTION
4 FROM:

5 (a) APPLYING AND ENFORCING A LOCAL INFRASTRUCTURE
6 STANDARD, INCLUDING A STANDARD RELATED TO UTILITIES,
7 TRANSPORTATION, OR PUBLIC WORKS CODES;

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

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

13 (d) APPLYING AND ENFORCING A LOCAL REGULATION RELATED TO
14 DEVELOPMENT, INCLUDING STORMWATER, IMPERVIOUS SURFACE AREA,
15 AND BUILDING COVERAGE STANDARDS;

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

20 (f) REQUIRING A STATEMENT BY A WATER OR WASTEWATER
21 SERVICE PROVIDER REGARDING THE PROVIDER'S CAPACITY TO SERVICE A
22 PARCEL;

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

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

27 (4) A SUBJECT JURISDICTION:

1 (a) SHALL NOT APPLY A SETBACK STANDARD THAT REQUIRES A
2 SETBACK FROM THE LOT LINE ADJOINING TWO NEW LOTS CREATED
3 THROUGH A LOT SPLIT IN ACCORDANCE WITH THIS SECTION IF NO
4 STRUCTURE EXISTED ON THE ORIGINAL LOT IMMEDIATELY PRECEDING THE
5 LOT SPLIT; AND

6 (b) MAY APPLY A SETBACK STANDARD THAT REQUIRES A SETBACK
7 FROM THE LOT LINE ADJOINING TWO NEW LOTS CREATED THROUGH A LOT
8 SPLIT IN ACCORDANCE WITH THIS SECTION IF A STRUCTURE EXISTED ON
9 THE ORIGINAL LOT IMMEDIATELY PRECEDING THE LOT SPLIT AND IF THE
10 SETBACK IS EQUAL TO OR LESS THAN FIVE FEET.

11 (5) NOTHING IN THIS PART 5 SHALL BE CONSTRUED TO SUPERSEDE,
12 INVALIDATE, OR LIMIT THE ENFORCEABILITY OF PRIVATE COVENANTS,
13 CONDITIONS, OR RESTRICTIONS RECORDED AGAINST THE ORIGINAL LOT,
14 EXCEPT AS EXPRESSLY PROVIDED BY LAW.

15 **29-35-504. Consent of lienholder required prior to lot split.**

16 (1) IF AN ORIGINAL LOT OR ANY STRUCTURE BUILT ON THE
17 ORIGINAL LOT IS SUBJECT TO AN EVIDENCE OF DEBT, THEN PRIOR TO
18 APPROVING A LOT SPLIT IN ACCORDANCE WITH SECTION 29-35-503 (1), A
19 SUBJECT JURISDICTION SHALL VERIFY THAT THE LIENHOLDER HAS
20 RECEIVED NOTICE OF THE PROPOSED LOT SPLIT AND HAS CONSENTED TO
21 THE LOT SPLIT IN WRITING. THE LIENHOLDER MAY CONDITION CONSENT TO
22 THE LOT SPLIT ON THE SATISFACTION OF CONDITIONS SPECIFIED BY THE
23 LIENHOLDER.

24 (2) THE WRITTEN CONSENT OF THE LIENHOLDER MUST BE
25 EXECUTED IN A FORM THAT IS ELIGIBLE FOR RECORDING IN THE REAL
26 PROPERTY RECORDS OF THE COUNTY IN WHICH THE ORIGINAL LOT IS
27 LOCATED AND MUST INCLUDE THE FOLLOWING:

1 (a) THE NOTARIZED SIGNATURE OF THE LIENHOLDER OR THE AGENT
2 OF THE LIENHOLDER;

3 (b) THE NAME OF THE RECORD OWNER OR GROUND LESSEE OF THE
4 ORIGINAL LOT;

5 (c) THE LEGAL DESCRIPTION OF THE ORIGINAL LOT; ■

6 (d) THE IDENTITIES OF ALL PARTIES WITH AN INTEREST IN THE
7 ORIGINAL LOT AS REFLECTED IN THE REAL PROPERTY records, including
8 any easements and encumbrances.

9 (3) THE WRITTEN CONSENT OF THE LIENHOLDER MUST BE
10 RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY IN
11 WHICH THE ORIGINAL LOT IS LOCATED.

12 (4) IF THE LIENHOLDER DOES NOT PROVIDE WRITTEN CONSENT TO
13 THE LOT SPLIT IN ACCORDANCE WITH THIS SECTION, THE SUBJECT
14 JURISDICTION SHALL NOT APPROVE THE LOT SPLIT. A LOT SPLIT THAT IS
15 APPROVED BEFORE THE WRITTEN CONSENT OF THE LIENHOLDER HAS BEEN
16 OBTAINED AND RECORDED IS VOID.

17 **SECTION 2. Safety clause.** The general assembly finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety or for appropriations for
20 the support and maintenance of the departments of the state and state
21 institutions.