

# A First Look at Colorado Laws Signed This Session

Buying real estate is, you know, it's a lot like playing a really high stakes board game. You lock in your strategy, you invest your capital, and you start making your moves based on the rule book you studied. Yeah, but then the rules change.

Right, exactly. What happens when right in the middle of this massive play, the state legislature just kicks down the door, shreds the rule book, and dictates completely new mechanics for, well, how you collect rent, how you build, and how you get taxed? I mean, it forces an immediate pivot. In this industry, your strategy is entirely dependent on the regulatory environment.

So when the state changes the rules of engagement mid-stride like this, the players who don't adapt instantly are the ones who face massive liability, or worse, they miss out on entirely new avenues for development. Which is really the core focus of our discussion today. Welcome in, everyone.

It is Saturday, April 11th, 2026. We are right in the thick of the Colorado Legislative Session. And it has been a busy one.

Oh, absolutely. While all the political theater continues in the background, the governor has already signed a stack of bills into law that will fundamentally alter the state's real estate landscape. And our mission today is taking those dense legislative texts and translating them into the actual on-the-ground mechanics that will dictate your next move.

But before we map out the new terrain, we should probably clear the board of the phantom threats. Good call. Because tracking what fails is just as vital as tracking what passes, right? So you aren't wasting resources preparing for a shift that's not coming.

Right. So if you are out there bracing your property management teams for HB 26-1061, dealing with the community integration housing tax credits. Or HB 26-1106 with those sweeping eviction protections for tenants.

Yeah. You can stand down. Both of those bills were postponed indefinitely.

They were killed in committee. So scrub those from your immediate risk assessments. Exactly.

They won't be a factor this session. Okay. Let's unpack this.

We have five surviving laws today, and they share this fascinating, unifying theme. The state is aggressively redefining who has control over property and how resources are allocated. It really is a massive shift in control.

It is. Let's start with the most immediate friction point for anyone managing a multifamily building right now, which is utility costs. HB 26-10ZL13 brings a system called RUBS out of the gray area and into codified law.

Right. So RUBS stands for ratio utility billing system. And historically, allocating shared utility costs in older master metered buildings has been, well, fraught with legal ambiguity.

Oh, total headache. Yeah. But the state has now formally authorized landlords to use a mathematical formula to divide a single massive master utility bill proportionally among the individual tenants.

I love the restaurant analogy for this. It's like, you go out to dinner with a massive group of friends, some people order expensive cocktails and a steak, and others just get a side salad and water, but the waiter drops one single massive check on the table. And then the chaos starts.

Exactly. Figuring out who owes what without a fistfight breaking out is a nightmare. RUBS is the formula to divide that check.

But I have to ask, how does this stop landlords from just unfairly passing the buck or adding arbitrary convenience fees? Well, what's fascinating here is that the legislation anticipated that exact fear, which is why the guardrails are incredibly rigid. Okay, how so? The law explicitly mandates a one-to-one pass-through. The aggregate amount billed to all the tenants combined cannot exceed the actual amount charged by the utility provider.

So if the water bill is \$500, the landlord can only collect a total of \$500 across all units. Exactly. Furthermore, the landlord is strictly prohibited from applying any extra fee or surcharge on top of that.

So no administrative fees for doing the math, no convenience fees for processing the payment. Wow. Okay, so cost recovery is fine, but profit generation off of shared utilities is strictly illegal.

You got it. What about the communal areas though? Like if I live in apartment 2B, I shouldn't be paying the heating bill for the massive leasing office or the gym downstairs. And the law agrees with you.

The utility costs for common areas or shared facilities, they must be mathematically carved out and excluded from the charges passed on to the tenants. Yeah, that makes sense. Yeah, the formula has to isolate just the residential usage.

But there's a ticking clock attached to this, right? This isn't just a permanent permission slip to keep building master-metered buildings forever. Oh, far from it. RUBS is essentially a legally compliant bridge for the existing aging housing stock.

But the state is shutting the door on that architecture moving forward. So what's the deadline? For any residential premises constructed with permits applied for on or after July 1, 2027, the utility service must be metered directly by the utility provider or by a highly regulated sub-meter. Okay, so the era of the master-meter in new residential construction is officially ending.

It is. July 1, 2027. So if you are holding a multifamily property or managing one right now, your immediate call to action is auditing your lease agreements.

Like today. Absolutely. Because to utilize RUBS, landlords must clearly disclose the specific method of allocation right there in the rental agreement.

Right. If your lease just says something vague like, tenant pays utilities, without outlining the ratio formula, you are exposing yourself to massive liability under this new law. Yep.

So RUBS forces landlords to be incredibly precise with the resources inside existing buildings. But how the state is applying that exact same pressure to the land outside, that's really interesting. Forcing municipalities to unlock underutilized space to solve the housing crisis.

Exactly. And that brings us to HB 26-1001, the HOME Act. If RUBS is about managing what we have, the HOME Act is about forcing the creation of what we need.

That's a good way to put it. Thanks. Because this law effectively strips a layer of veto power from local jurisdictions.

Starting December 31, 2027, local governments must allow residential development on qualifying properties that are five acres or less. And the key here, they must do it through an administrative approval process. Right.

And that administrative approval is the real disruptor here, isn't it? Oh, massive disruptor. It bypasses the highly subjective, intensely political public hearing processes. You know, those city council meetings where a handful of vocal neighbors can stall a desperately needed housing development for years over, like, aesthetic complaints.

Yeah, the NMBY effects. Exactly. Administrative approval means if the blueprint checks the legal boxes, the city staff just has to stamp it.

But the actual owners of these qualifying properties, this is where it gets kind of wild. Yeah. We aren't talking about handing a fast pass to private mega developers, right? No, not at all.

The state is weaponizing institutions that typically hold dormant land. We're talking about nonprofits with a history of affordable housing, state colleges, housing authorities, public transit agencies. And even school districts.

Yes, even school boards. Picture a sprawling, half-empty parking lot owned by a regional transit authority or some overgrown, abandoned practice field owned by a local school board. Which usually sit empty for decades.

Right. Historically, those entities faced an uphill battle to rezone that land for housing. The HOME Act turns them into potential residential developers overnight.

Wait, wait. I can hear the local mayors panicking from here. Does this mean a local school board can suddenly act like a real estate developer and just drop a 10-story apartment complex into the middle of a quiet, single-family neighborhood and the city council can't stop them? Well, no.

The state didn't write a totally blank check. They implemented specific geographic and physical constraints. Okay, what kind of constraints? The local government cannot block the

development based on height, but only provided the tallest structure maxes out at three stories or 45 feet.

Or if it simply matches the height standards of a contiguous zoning district. Ah, okay. So you can't build a skyscraper in a subdivision.

Right. But a municipality can no longer arbitrarily declare a three-story building too tall if the neighborhood next door allows it. So they're basically establishing a floor for density.

Exactly the right way to frame it. The city also cannot block it based on density restrictions, nor can they weaponize bureaucracy by applying more restrictive standards for parking or setbacks than they would for standard housing in that exact same jurisdiction. And these developments don't even have to be pure housing, do they? Nope.

The law specifies that as long as it aligns with the baseline zoning, these institutional developers can weave in childcare facilities or recreational and educational services for the surrounding community. That's huge. But the piece of this legislation that I find absolutely brilliant is the mathematical incentive for affordable housing.

Ah, yes. The 1.1 multiplier mechanism. Yes.

Explain how that works. So each housing unit built on these qualifying properties that meets the state's affordable housing criteria doesn't just count as one unit. The state logs it as 1.1 newly constructed units for the purposes of the statewide affordable housing fund.

Which, I mean, that extra .1 might sound like a rounding error to some people, but it is a massive strategic advantage for local municipalities that are under heavy state pressure to hit their housing targets. It really is. So for brokers navigating the infill market, this legislation completely reshuffles the deck.

Like a four acre lot owned by a transit authority just became one of the most lucrative parcels in your market. Oh, absolutely. If you are writing purchase contracts right now, you need to recalibrate your entitlement timelines immediately because locked up parcels are about to become developable.

And that administrative approval bypass shaves years off the development cycle. Unlocking new inventory is the first step, but the inevitable next step in the real estate life cycle is taxation. Yes.

And the financial math of holding property is shifting right alongside the development rules. We have two critical property tax bills to dissect, starting with SB 26046, which overhauls the administrative procedures. On paper, administrative dates look incredibly dry.

Yeah, they really do. But practically, moving a date on a calendar disrupts the entire rhythm of the real estate industry. Let's look at the mechanics.

Let me just rapid fire the key dates here. The deadline to protest real property valuation has been pulled forward to June 1st. For personal property, assuming the county uses alternate procedures, it's July 31st.

Right. And they synced up the application dates for the senior primary residence exemption and the disabled veteran exemption to July 15th with late applications by August 15th. So by pulling the real property valuation protest deadline up to June 1st, the legislature is severely compressing the window that property owners and their brokers have to build a defense against their tax assessment.

You just have way fewer weeks in the frantic spring market to mount your case. Exactly. It forces investors to be far more proactive the moment those notices of value hit the mailbox.

Because if an investor is operating on last year's calendar and misses that June 1st deadline, they've forfeited their right to challenge an overassessment. That is a permanent hit to their net operating income for the year. Right.

But the bill isn't just punitive scheduling. There is a massive efficiency upgrade for the counties themselves. Oh, yeah.

The abatement threshold. Yeah. The legislation doubles the threshold for a board of county commissioners to recommend a tax abatement without needing to submit it to the state property tax administrator for review.

So it jumps from \$10,000 up to \$20,000. Which removes a massive layer of bureaucratic friction. Yeah.

If an abatement is under 20 grand, the county can just handle it locally and clear the backlog. And they paired that with modernizing the actual transmission of documents. The law reduces the number of copies required for certain abatements down to just one single copy and explicitly legalizes electronic transmission.

Paper or electronic. Finally dragging the process out of the paper-heavy dark ages. Exactly.

So the bureaucracy gets faster. But the actual definitions of what gets taxed are getting much, much stricter. Here's where it gets really interesting.

This brings us to SB 26010. This one is huge. It is.

The state is taking the literal, legal definition of a farm and a ranch and fundamentally rewriting it. And the stakes here are astronomical because agricultural land in Colorado is assessed at a fraction of the rate of residential or commercial land. Right.

The tax delta between a plot of dirt classified as residential versus agricultural, it can make or break a land investment. The state is essentially taking aim at the hobbyists. It's the difference between a gentleman farmer growing a few rows of heirloom tomatoes and a legitimate dirt-under-the-fingernails agricultural business.

So what's the new standard? The new standard dictates that to retain agricultural tax status, the parcel must be predominantly used for the primary purpose of obtaining a monetary profit. The profit motive is the new filter. Exactly.

You can no longer rely on a vague claim of agricultural use. You have to demonstrate that the land is an active enterprise designed to generate revenue. But the legislation gets even more granular when it redefines a ranch, doesn't it? Oh, yes.

Let's run a scenario. Let's say an investor buys 40 acres of rural land. They throw two cows onto a fenced-in dirt patch, buy a massive pallet of grain, and just feed those cows out of a bucket all day.

Under the old rules, that might have skated by as a ranch. What happens now? Under the new definition, that property instantly loses its agricultural status. Wow.

Instantly. Yeah. The law now mandates that a ranch must be a pasture-based operation.

The statutory language explicitly requires a method of livestock management where the animals have regular access to open pasture. Okay. And they have to derive the absolute majority of their diet through active grazing on that open pasture.

So a bucket of grain no longer buys you a tax shelter. The livestock must be predominantly pasture-grazed. Right.

The financial fallout of this for rural and landbrokers is staggering. The bottom line here, if you are listing a property that has historically enjoyed a low agricultural tax rate, and the new buyer's operation doesn't meet this strict profit or pasture-grazing threshold, the assessed value of that land is going to skyrocket. The moment the county assessor reviews it, yeah.

It demands an immediate escalation in your due diligence. You can't just pull the past three years of tax bills and project those forward anymore. No.

You must evaluate the actual, physical, day-to-day operation of the land against this new legal standard. Otherwise, your client is going to face a catastrophic tax surprise. Okay.

So we've covered the internal mechanics of utility billing, the external pressures of the HOME Act, and the financial gravity of shifting tax definitions. Let's look at the edge cases. What happens when real estate, property damage, and crime intersect? Right.

HB 26-1017. Yeah. This changes the rules of restitution by redefining who actually counts as a victim.

Historically, the definition of a victim in a criminal restitution case included anyone who suffered a loss due to a contractual relationship. Which created a big loophole for private insurance companies. A massive loophole.

Let's visualize this. Say someone breaks into a rental property, trashes the unit, and causes \$50,000 in damage. The property owner files a claim, and the insurance company pays out the 50 grand to fix it.

Right. Later, the vandal is arrested, convicted, and goes to the criminal court system. The insurance company would step into that criminal courtroom, claim they were a victim

because they lost 50 grand paying out the contract, and demand the judge order the vandal to pay them back directly through criminal restitution.

Exactly. The insurance companies were using the criminal justice system as a tax-cure-funded collection agency. Wow.

But HB 26-1017 explicitly severs that connection. It states that losses compensated by private insurance are entirely excluded from the definition of criminal restitution. Why make that change, though? What is the mechanism driving the legislature to protect the defendant from paying the insurance company in criminal court? Well, it's about untangling the purpose of the courts.

Criminal restitution is designed to make the immediate victim whole, and to serve as a punitive measure. Right. It is not designed to balance the ledger of a massive corporate entity that already collects premiums to assume that exact financial risk.

Oh, that makes sense. Yeah. So the law redirects the insurance companies to the civil courts.

They can still sue the vandal in civil court to recover their losses, but they can no longer clog up the criminal restitution line. However, the law carves out incredibly logical exceptions. An insurance company isn't entirely banned from criminal court.

No, because there are instances where the insurance company isn't just paying out a policy, they are the direct target of the crime. Like fraud. Exactly.

If someone commits insurance fraud by faking a claim, the insurer is the primary victim of that fraud. Likewise, if someone throws a brick through the window of the insurance company's corporate headquarters, their own physical property is damaged. In those direct scenarios, they absolutely retend their victim status.

What about the property owner's out-of-pocket costs? If I'm the landlord whose property was trashed, and I had to eat a \$2,000 deductible before my insurance even kicked in, am I forced to hire a civil lawyer just to get my deductible back from the vandal? The legislature protected the property owner there. The criminal court is explicitly authorized to award the true victim restitution for the exact amount of their insurance deductible. Okay, good.

So for property managers dealing with the fallout of vandalism or theft, this is a crucial situational awareness tool. You need to understand this new flow of funds. Right.

The recovery of your client's deductible will happen in the criminal court, while the massive fight over the bulk of the insurance payout shifts entirely to a civil lawsuit. Wow. So what does this all mean? We have dissected a massive amount of regulatory shifts in this discussion.

We really have. We explored the strict path-through mechanics of RUBS, the administrative bypass of the HOME Act, the compression of property tax deadlines, the stringent new pasture-graze standards for ag land, and the decoupling of insurance from criminal restitution. And you know, the through-line connecting all of these bills is adaptation.

The state has fundamentally altered the definitions and the timelines that govern the real estate life cycle. And staying current on these laws isn't just good trivia. Ignorance of these new mechanics is a direct violation of your fiduciary duty to protect your client's capital.

Absolutely. If you are an active broker, your mandatory supervision obligations are heavily tied to executing contracts based on the current law, not the laws that existed last year. Those obligations are covered extensively in the Broker Supervision Course.

And for those wanting to stay ahead, to dive even deeper into the granular application of these new rules, there is an APEX 2026 Colorado Legal Update webinar happening very soon. Oh, excellent. When is that? That webinar is on Friday, April 24th.

It is open to all APEX students and will thoroughly map out the operational impact of the laws we explored in this discussion. Where can they find that? You can secure your spot by visiting [learn.apexreschool.com slash url slash 2026legalupdatewebinar](https://learn.apexreschool.com/2026legalupdatewebinar). Perfect.

It is the most efficient way to ensure your strategies are perfectly aligned with the new rulebook. You know, as we close out our discussion, consider the sheer scale of the power dynamics we've analyzed today. In this discussion, we've seen the government literally redefine what a farm is, who gets to act as a developer, and who counts as a victim.

It makes you wonder, when you hold the deed to a piece of real estate, are you really buying the physical dirt, or are you just buying a temporary set of legislative rules that can change with the stroke of a governor's pen? That is a fascinating thought to mull over. It really leaves you with a haunting realization about the nature of property ownership itself. Keep questioning the rules, update your contracts, and keep learning.

Thank you so much for joining our discussion today, and we will see you on the next deep dive into the forces shaping your industry.

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