



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-006: INVEST. AUTHORITY OF TREASURER FOR AFFORDABLE HOUSING

Prime Sponsors:

Sen. Roberts
Rep. Rutinel; Bradfield

Fiscal Analyst:

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Bill Outcome: Signed into Law
Drafting number: LLS 25-0586

Version: Final Fiscal Note
Date: June 9, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill permits the State Treasurer to invest up to \$50 million in bonds at below market rates to create affordable housing.

Types of impacts. The bill potentially affects the following areas on an ongoing basis:

- Minimal State Workload
- State Revenue
- TABOR Refund

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	Decrease	Decrease
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	Decrease	Decrease
Change in State FTE	0.0 FTE	0.0 FTE

¹ The bill potentially reduces investment earning by the state. However, an exact estimate cannot be made at this time, as any impact depends on future investment decisions by the State Treasurer.

Summary of Legislation

The bill authorizes the State Treasurer to invest up to \$50 million in bonds issued by quasi-governmental agencies in order to create or finance new affordable, income-restricted, for-sale housing in the state that, without such investment, would not otherwise be available at similar rates and terms. The terms of the investment may be up to 45 years, and the treasurer must reinvest principal proceeds. The housing created with proceeds of the bonds must remain affordable long-term, and be available to borrowers earning no more than 140 percent of the statewide area median income. The bill allows these investments to be made at a below-market rate of interest, and allows the treasurer to reinvest money received from redemption of any investment.

State Revenue and Expenditures

The bill minimally increases workload for the treasurer to identify appropriate investments and to manage these deposits for affordable housing.

Allowing the State Treasurer to make investments at below market interest rates could reduce the amount of interest earnings on investments that could have been earned by investing at a higher rate or return. This change in revenue has not been estimated as it depends on future investment decisions made by the State Treasurer.

For informational purposes, an investment of \$50 million at one percent below market rate would result in \$0.5 million of lost revenue each year. Interest earnings on state investments are subject to TABOR, unless they involve money from a fund associated with a state enterprise. This revenue decrease is further compounded over time from the requirement that the treasurer reinvest all principal instead of returning the original principal into higher yield investments.

TABOR Refunds

The bill potentially decreases the amount of state revenue required to be refunded to taxpayers by an indeterminate amount through FY 2026-27. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27.

Because TABOR refunds are paid from the General Fund, decreased General Fund revenue will lower the TABOR refund obligation, but result in no net change to the amount of General Fund otherwise available to spend or save. If any below market investments are made using money held in cash funds, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

Effective Date

This bill was signed into law by the Governor and took effect on May 15, 2025.

State and Local Government Contacts

Treasury