



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1253: DISCONNECTION FROM STATUTORY MUNICIPALITY

Prime Sponsors:

Rep. Slaugh

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Version: Initial Fiscal Note

Date: March 4, 2026

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill includes urban renewal authorities and special districts among the types of local governments that must be notified when the owner of agricultural property seeks to disconnect the property from a municipality, and prohibits disconnection for certain agricultural properties that lie within the boundaries of an urban renewal authority or special district.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Minimal State Workload
- State Revenue
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Under current law, the owner of agricultural land within and adjacent to the boundary of a municipality may request that the governing body of the town disconnect the property via ordinance. This bill requires that the applicant inform all relevant government jurisdictions, including any urban renewal authority (URA), of the request to disconnect.

The board of county commissioners, the board of any affected special district, or the commissioners of an affected URA may request a meeting with the property owner to discuss possible negative impacts of the disconnection, including any change in the level or extent of services being provided to the applicable tract of land by a special district.

When a tract of agricultural land is 20 or more acres, mostly surrounded by the corporate limits of a town, and the outer boundary of which is adjacent to or contiguous with the border of the town, a property owner may petition the district court in the applicable county to have the land disconnected. This process is not available for any tract of land that is included within the boundaries of a URA or a special district, and any petition to the district court must contain an allegation that the tracts of land are not located within these local governmental boundaries.

State Revenue and Expenditures

In the limited instances where a property owner seeks a disconnection in district court, revenue from filing fees and workload in the courts increase minimally. Revenue from filing fees in the Judicial Department is subject to TABOR.

Local Government

The bill includes URAs and special districts among the types of local governments that must be notified when a property owner seeks to disconnect agricultural land via municipal ordinance, or by district court petition. This creates a minimal workload increase for these local governments to be involved with the consideration of applications or petitions to disconnect; however, given the rarity of these proceedings, any increase in local government workload is assumed minimal.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to applications for disconnection or petitions for disconnection made on or after that date.

State and Local Government Contacts

Local Affairs

Special District Association

Municipalities