

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0136
Prime Sponsor(s): Rep. Lebsack

Date: January 26, 2015
Bill Status: House Local Government
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BILL TOPIC: SPECIAL DISTRICT TRANSPARENCY REQUIREMENTS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload changes in multiple agencies. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill modifies current law regarding the organization of, and disclosure of information about, special districts. Specifically, the bill:

- requires a special district to include a copy of certain resolutions in its annual budget filing with the Department of Local Affairs (DOLA);
- changes the responsibility for electronically posting special district election results from the Secretary of State (SOS) to DOLA, eliminating statutory direction for the General Assembly to make appropriations to the SOS for this service;
- requires a court order of a special district name change to be filed with the county clerk for the name change to be effective;
- requires the governing board of a special district to call for nominations for a special election when the sitting board was appointed by the board of county commissioners due to vacancies;
- requires the special district to include its name within the name of any special improvement district it establishes as a sub-entity; and
- reorganizes provisions concerning the public disclosure of contact information, board members, meeting times, tax rates, and elections.

Background

Special districts are a form of local government in Colorado, authorized by Title 32 of the Colorado Revised Statutes. Special districts may be organized for a variety of specific purposes, ranging from the provision of water and sewer services, to recreation, to mosquito abatement. Common forms of special districts in Colorado include fire protection districts and metropolitan (multi-purpose) districts. There are an estimated 2,034 special districts in Colorado.

State Expenditures

The bill results in minimal workload changes to the DOLA, the SOS, and the Judicial Branch. For the DOLA and the SOS, the overall impact of the bill is a minimal reduction in workload. For trial courts in the Judicial Branch, the impact is a minimal increase in workload. No change in appropriations is required for any affected state agency.

DOLA — Division of Local Government. The effect of the bill on the Division of Local Government in DOLA will be a mix of increased and decreased workload. New responsibility for reviewing special district budget filings to ensure that resolutions have been included will increase workload by approximately 35 hours each fiscal year. Workload in the DOLA is reduced by approximately 75 hours by consolidating two annual reports received by the division into one and by eliminating workload to forward election results to the SOS. Overall, the bill reduces workload in the DOLA by an estimated 40 hours each fiscal year.

Secretary of State. By eliminating the SOS responsibility for posting special district election results, the bill reduces the SOS workload. The cost savings from this workload reduction is minimal and does not change overall appropriations to the SOS for elections.

Judicial Branch — Trial courts. A minimal workload increase will occur due to the statutory requirement that a court order is necessary to effect a special district name change. Such name changes are infrequent and may be subject to court order under current law. However, at least one judicial district in Colorado has declined to issue such an order without specific statutory authority to do so. For this reason, the bill is expected to occasionally result in new court filings for a name change.

Local Government Impact

The bill has a minimal impact on local government expenditures. Special districts will experience negligible overall change in workload and costs. The bill results in a minimal workload increase for county clerks.

Special districts. Workload will increase for special districts to include resolutions with required budget filings, pursue a court order for a name change, and include the district's name in the name of a sub-entity. Reductions in workload will also occur as special districts consolidate annual notice filings. Many special districts already comply with provisions in the bill (e.g, including resolutions with budget filings, including the district's name in the name of a sub-entity), and the majority of special districts are not expected to experience a significant change in workload.

County clerks. Under current law, county clerks receive and retransmit notifications concerning changes in special district organization and boundaries. The addition of name changes to this process is not anticipated to significantly increase workload.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Local Affairs
Special Districts
Municipalities

Secretary of State
Counties
State Auditor

Judicial Branch
County Clerks