

# LOCAL GOVERNMENT

## Energy Conservation and Building Codes

**HB 09-1107** (Postponed Indefinitely)  
*Homeowners Associations Limits  
On Energy Efficiency Measures*

**HB 09-1149** (Enacted)  
*Solar Home Prewire  
and Consultation*

**HB 09-1247** (Postponed Indefinitely)  
*Homebuyers' Energy  
Right-To-Know Act*

**HB 09-1354** (Postponed Indefinitely)  
*New Homebuilder Offer Wind  
Electric Generation Option*

**SB 09-238** (Postponed Indefinitely)  
*Enforce Limited Local Fees On  
Solar Panels*

**SB 09-249** (Enacted)  
*HOA Apply New Law to Exempt  
Small CICs*

## Fire Districts / Volunteer Firefighters / Fire and Police Pensions

**HB 09-1030** (Enacted)  
*FPPA Pension Plan IRS Qualification*

**HB 09-1041** (Enacted)  
*Fire Protection District Board  
Authority*

**HB 09-1199** (Enacted)  
*Healthy Forests Vibrant  
Communities Act*

**SB 09-001** (Enacted)  
*Community Wildfire Protection Plans*

**SB 09-017** (Enacted)  
*FPPA Disability & Survivor Benefits*

**SB 09-020** (Enacted)  
*Wild Land-Urban Fire Chair  
Of Command*

**SB 09-021** (Enacted)  
*Incentives For Volunteer Firefighters*

**SB 09-180** (Vetoed)  
*Firefighter & Law Enforcement  
Collective Bargaining*

**SB 09-227** (Enacted)  
*Assistance To Old Hire FPPA Plans*

## Homeowners Associations

**HB 09-1220** (Enacted)  
*Permit Unit Owner To Promote  
Affordable Housing*

**HB 09-1359** (Enacted)  
*Common Interest Communities  
Homeowners Associations  
Governance Board Reserve  
Study*

**SB 09-249** (Signed into Law)  
*HOA Apply New Law to Exempt  
Small CICs*

## Local Taxes / Tax Revenues

**HB 09-1130** (Enacted)  
*Sales Tax Collection By  
County Government*

**HB 09-1135** (Postponed Indefinitely)  
*Adjust County Fees*

**HB 09-1259** (Postponed Indefinitely)  
*Local Impact Fees For Local  
Purposes*

**HB 09-1346** (Enacted)  
*Recovery & Reinvestment  
Financial Act Of 2009*

**SB 09-105** (Enacted)  
*Remove Limit On Property Tax  
To Fight Fires*

## Mineral Impact Revenue to Local Governments

**SB 09-232** (Enacted)  
*State Financial Assistance for Local  
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## LOCAL GOVERNMENT (Cont.)

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<p><b>HB 09-1106</b> (Postponed Indefinitely) <i>Pending Ordinance Doctrine and Land Use Approvals</i></p>	<p><b>HB 09-1201</b> (Postponed Indefinitely) <i>Land Use Planning and Military Installations</i></p>	<p><b>HB 09-1207</b> (Enacted) <i>Procedures To Enforce a Lien Related To Real Property</i></p>
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<p><b>HB 09-1350</b> (Postponed Indefinitely) <i>New Energy Jobs Creation Act</i></p>	<p><b>HB 09-1362</b> (Postponed Indefinitely) <i>Local Government Financial Assistance to Higher Education</i></p>	<p><b>SB 09-087</b> (Enacted) <i>Special Districts Accountability</i></p>
<b>Urban Renewal Authorities / Downtown Development Authorities</b>		
<p><b>HB 09-1013</b> (Postponed Indefinitely) <i>Tax Increment Financing Exception Emergency Services</i></p>	<p><b>HB 09-1070</b> (Postponed Indefinitely) <i>Lands Prohibited From Urban Renewal Authorities</i></p>	<p><b>HB 09-1327</b> (Postponed Indefinitely) <i>Urban Renewal Law Modifying Impacts On Taxing Entities</i></p>

### Energy Conservation and Building Codes

**Requirements on homebuilders.** The General Assembly considered several measures regarding energy conservation measures for homeowners. Two measures were enacted and four were postponed indefinitely. **House Bill 09-1149** requires homebuilders to offer energy efficient options to prospective buyers. Specifically, buyers will have the opportunity to have the residence's electrical or plumbing system include one of the following:

- a residential photovoltaic solar generation system or a residential solar thermal system;
- upgrades of wiring or plumbing or systems; or
- a chase or conduit constructed to allow ease of future installation of the necessary wiring or plumbing for such systems.

The offer must be made in accordance with the builder's construction schedule for the residence. Homebuilders are required to provide every buyer under contract with a list of solar installers who can assess the home's solar energy generation potential. The law also requires the Governor's Energy Office (GEO) to maintain a publicly available master list of Colorado solar installers. Finally, the GEO, or its designee is directed to offer periodic training sessions on residential photovoltaic solar generation systems or solar thermal system to homebuilders. The GEO may cover the cost of these training sessions through a registration fee to attend the trainings.

The requirements of House Bill 09-1149 would have been broadened under **House Bill 09-1354**, however the bill was postponed indefinitely in the House Committee on Transportation and Energy. Specifically, the bill would have required homebuilders to offer prospective buyers of a single-family detached residence the opportunity to have the residence's electrical or plumbing system constructed to accommodate renewable energy generation devices, including wind-electric generators. **House Bill 09-1149** only requires that this option be provided for solar electric generation or solar thermal systems. In addition, homebuilders would have been required to provide every buyer under contract with a list of renewable energy generation device installers and contractors, maintained by the Governor's Energy Office (GEO). The bill also specified that renewable energy generation devices or upgrades could have been financed to the same extent and under the same terms as the realty on which they were installed.

***Energy conservation and homeowner associations.*** Current law states that unit or homeowner associations can not prohibit home or unit owners from installing specified energy efficiency measures under the Colorado Common Interest Ownership Act. However, there was an exception for certain small communities with ten housing units or less that allowed these communities to prohibit the installation of such systems. **Senate Bill 09-249** requires these small communities to allow the installation or use of energy efficiency measures.

In 2008, House Bill 08-1270 prohibited unit owner association regulations, covenants, or deed restrictions that significantly increase the cost of renewable energy generation devices (such as solar panels) or significantly reduce their efficiency. **House Bill 09-1107**, which was postponed indefinitely by the House Transportation and Energy Committee, would have prohibited unit owner association regulations, covenants, or deed restrictions that increased the cost of renewable energy generation devices by more than 10 percent or \$500, whichever is less, or reduced their efficiency by more than 10 percent. In addition, HOAs would have been prohibited from denying the installation of energy efficiency measures (such as awnings, evaporative coolers, or outdoor solar lights) by increasing their cost by more than 10 percent or \$200, whichever is less, or reducing their efficiency by more than 10 percent.

***Disclosure of home energy usage.*** **House Bill 09-1247**, which was postponed indefinitely by the Senate Committee on Local Government and Energy, would have required the seller of an existing residence to provide the buyer with the property's energy billing and usage history for the 12-month period immediately preceding the listing of the property. The information would have had to be provided to the buyer within five days after entering into a sales contract. The requirement would have applied to residential land and residential improvements, including mobile homes and manufactured homes that are permanently affixed to a foundation. Hotels and motels were excluded from the requirement. Compliance with the disclosure requirements of the bill would have relieved the seller and the seller's real estate agent from liability for any damages resulting from an alleged inadequacy of the property's insulation or excessive energy consumption.

***Local fees on solar energy.*** **Senate Bill 09-238** postponed indefinitely by the Senate Committee on Local Government and Energy, was recommended by the Joint Select Committee on Job Creation and Economic Growth. The bill would have defined "permit fees" as the total compensation received by a county or municipality for approving the installation of an active solar energy device from any source or in any way connected with the installation. Such fees would have been limited to the local government's actual costs of issuing the permit, up to \$500 maximum. The bill also would have

established a private right of action for an individual against a local government that violated this limit and would have directed the court to award attorney's fees to the prevailing party in such an action.

## **Fire Districts, Volunteer Firefighters, and Fire and Police Pensions**

Several bills were considered by the General Assembly to address fire districts, volunteer firefighters and fire and police pensions.

***Community wildfire protection plans.*** Two bills specifically address community wildfire protection plans (CWPPs), which are plans developed with input from local, state, and federal government bodies, and other interested parties for identifying and mitigating fire hazards. **Senate Bill 09-001** requires the state forester to collaborate with representatives of the U.S. Forest Service, the Colorado Department of Natural Resources, county governments, municipal governments, local fire departments or fire protection districts, electric, gas, water utility providers, and state and local law enforcement agencies in order to establish guidelines for CWPPs by November 15, 2009. Counties developing their own CWPPs must consider the guidelines and criteria established by the state forester determine whether there are fire hazard areas within the unincorporated portion of the county by January 1, 2011. Counties must develop a CWPP within 180 days of identifying fire hazard areas.

**Senate Bill 09-020** establishes a unified command structure for the management of wild land fires in the state and the primary responsibilities of local and state entities. The bill urges cooperation between the sheriff, the fire chiefs, and the board of county commissioners should a county choose to adopt a county wildfire preparedness plan for the unincorporated area of the county.

The bill also requires that the first emergency response agency to arrive at the scene of a wild land fire must act as incident command and be responsible for the initial emergency action necessary to control the wild land fire or to protect life or property until the emergency response agency that has jurisdiction over the incident site arrives.

Under Senate Bill 09-020, fire department chiefs in each fire protection district in the state have the authority to supervise all fires within their district and to utilize mutual aid agreements with neighboring districts to suppress and control fires that cross or threaten to cross the district boundaries. County sheriffs are responsible for the planning and coordination of fire suppression efforts that occur in unincorporated areas of the county outside the boundaries of a fire protection district, or that exceed the capabilities of a fire protection district to control or extinguish. The bill allows for the transfer of authority from a fire chief to the county sheriff to coordinate fire suppression efforts for any prairie, forest, or wild land fire that exceeds the capabilities of the district.

***Fire protection districts.*** The Colorado Healthy Forests and Vibrant Communities Act of 2009 and the Healthy Forests and Vibrant Communities Fund was created under **House Bill 09-1199**. This omnibus bill makes several changes regarding the care, protection, and use of Colorado's forests. In relation to fire protection districts, the bill addresses the risk of wildfire in Colorado and the development of community wildfire protection plans (CWPPs) to bring together federal, state, and local interests, including nongovernmental entities, to address the risk of wildfire to life, property, and infrastructure in the state.

Specifically, the bill:

- ensures that communities and firefighters have sufficient resources, technical support, and training to adequately implement CWPPs for communities seeking to prepare, update, or implement a CWPP;
- supports communities in reducing wildfire risks by implementing risk mitigation treatments that focus on protecting lives, homes, and essential community infrastructure, and by improving inventory and monitoring of forest conditions through the implementation of cost-sharing grants in the wildland-urban interface;
- transfers \$50,000 cash funds for FY 2009-10 from the Wildland-Urban Interface Training Fund to the Department of Public Safety for courses to directors of fire protection districts. The Division of Fire Safety must coordinate with the Colorado State Forest Service to determine how to allocate state funding focused on firefighter training, and excess moneys in the fund must be used for firefighting training through existing wildland fire training programs; and
- requires a report be submitted on the use of moneys in the Healthy Forests and Vibrant Communities Fund to the Joint Budget Committee, the House Agriculture, Livestock, and Natural Resources Committee, and the Senate Agriculture and Natural Resources Committee.

The bill also directs the Air Pollution Control Division to work with key regulatory and management entities to evaluate existing prescribed fire permit program rules and implement such rules for appropriate responsible use of, and increase where possible, prescribed fire as a land management tool. Regulatory and management entities include the forest service, local agencies, and private land managers. The implementation of such program rules must consider the balance between of national ambient air quality standards and the achievement of federal and state visibility goals, and the division must provide a report to the Air Quality Control Commission by June 30, 2010.

Finally, **House Bill 09-1041** allows a fire protection district board to charge fees for certain emergency safety services provided when assisting emergency medical services. Under the bill, fire protection districts are authorized to charge a fee for: services provided prior to the arrival of an ambulance; rescue or extrication of trapped or injured parties; and lane safety or blocking provided by district equipment.

***College tuition for firefighters.*** **Senate Bill 09-021** creates the Volunteer Firefighter Tuition Voucher Fund to provide volunteer firefighters with college tuition vouchers up to three credits per academic year for attendance at a college within the state system of community and technical colleges or at a local community college. A volunteer firefighter may receive a voucher valued up to three credit hours per academic year. In order to be considered for a voucher, a volunteer firefighter must be a full- or part-time student, complete at least 36 hours of training each year, and agree to serve as a volunteer firefighter for at least four years after graduation.

***Fire and police pensions bills.*** Firefighter and police officer pensions are governed by state and federal law, but their funding comes primarily from contributions by employees and local government employers. The largest pension plan is administered by the Fire and Police Pension Association of Colorado (FPPA), while some plans are administered locally.

Two bills specifically addressed old hire pension plans, which provide retirement benefits to police officers and firefighters hired prior to April 8, 1978. **House Bill 09-1030** clarifies that old hire pension plans in Colorado must comply with the federal Internal Revenue Code (IRC). The act eliminates specific statutory provisions intended to make the plans qualify under the IRC and grants the governing board of each affected entity the power to adopt any revisions necessary to comply.

The act also allows the board of directors of the FPPA of Colorado to create a model plan to submit to the Internal Revenue Service for a determination as to whether the model plan complies with the IRC. Each affected entity could then choose to adopt the model plan or seek IRS approval for its own plan.

Under current law, the state is obligated to pay part of the unfunded liability of old hire pension plans. Payments are made annually from the General Fund Exempt Account to the FPPA, which administers the plan. **Senate Bill 09-227** suspends the state contribution to the FPPA for old hire pension plans for three years, beginning with FY 2008-09. The bill reduces the amount appropriated from the state General Fund for FY 2008-09 through FY 2010-11 by \$25,321,079. The expenditures will resume in FY 2011-12 and continue through FY 2014-15 or until the plans are fully funded.

The bill also extends the amortization period for cities and municipalities that do not contribute payments to their underfunded old hire pension plans, so that the period does not exceed the lesser of 20 years or the number of years equal to the average remaining life expectancy of the pension fund's members. The bill grants local governments additional time to meet their financial obligations for these pension plans.

**Senate Bill 09-017** modifies the benefits available to certain retired firefighters and police officers and their dependents by:

- repealing the earned income offset for retirees with an occupational disability;
- repealing the requirement that a dependent child between age 19 and 23 remain in school to be eligible for benefits;
- repealing the termination of benefits for surviving spouses of members who remarry;
- permitting the board of the FPPA to give a disability benefit to a member injured on-duty who has either a permanent or a temporary occupational disability; and
- offsetting disability or survivor benefits by the amount of payments from a statewide defined benefit pension plan.

The bill also modifies an employer's obligation to make contributions to a retirement plan while a member is receiving temporary occupational disability payments. Finally, the act repeals the authority of the FPPA to implement the supplemental disability benefit program, a program that was never implemented.

***Collective bargaining rights for firefighters.*** **Senate Bill 09-180**, which was vetoed by the Governor, would have given firefighters the right to form a union and bargain collectively concerning compensation, hours, and terms and conditions of their employment or to address grievances. Once designated, a union would have been given the authority to act as the exclusive representative of firefighters. The bill applied to public employers, including municipalities, home rule municipalities,

special districts, fire authorities, or county improvement districts, that offer fire protection services. The bill did not apply to volunteer firefighters or public employers that employ fewer than 50 firefighters. Finally, the bill would have prohibited firefighters from striking.

## Homeowner Associations

**Common interest communities.** The General Assembly considered three measures modifying the Colorado Common Interest Ownership Act (CCIOA). Under **Senate Bill 09-249** certain small communities previously exempt from the provisions of CCIOA must allow:

- the display of American flags, service flags, and political signs;
- the parking of emergency vehicle by residents employed as first responders;
- the trimming of vegetation for fire mitigation purposes;
- modifications required for accessibility by a resident with disabilities; and
- the installation or use of energy efficiency measures.

**House Bill 09-1220** amends the CCIOA to allow a unit owner to specify or restrict:

- the sale price, rental rate, or lease rate of a unit; or
- occupancy or other requirements designed to promote affordable or workforce housing.

The provisions of House Bill 09-1220 only apply in towns with a population of less than 100,000 and that have a licensed ski lift, but do not apply to a declarant-controlled community, or phased community where a group of homeowners share a common interest or plan for the community and retain development rights. The act amends the CCIOA, and, regardless of current homeowner association rules, a person who purchases a property under a specification or restriction authorized under the bill may lift the specification or restriction as long as the conditions are transferred to a similar property in the same common interest community.

Additional changes were made to CCIOA concerning the operation and management of homeowner associations. Under **House Bill 09-1359**:

- homeowner associations are required to adopt policies concerning the preparation, implementation, and funding of reserve studies;
- members of an association's governing board must have equal access to information related to responsibilities and operation of the association that is obtained by any other member of the board; and
- persons who preside over a committee of an association must meet the same qualifications as the governing board of the association.

## Local Taxes / Tax Revenues

**County sales tax collection.** The General Assembly passed several measures concerning local taxes and tax revenue. **House Bill 09-1130** allows the Department of Revenue to enter into an intergovernmental agreement (IGA) with counties to facilitate the collection of sales taxes, but does not

require such agreements. The IGAs, which may also involve municipalities, could include provisions for the sharing of costs, information, and responsibilities related to sales tax collections. The bill also requires the department to report to the House and Senate Finance committees on any IGAs it has entered into and how such agreements improved the sales tax collection process.

***Bonding for public projects.*** Bond finding options are available to local governments, including counties, municipalities, school districts, and special districts through the recently-enacted federal stimulus package to finance certain types of public construction projects. The American Recovery and Reinvestment Act of 2009 (ARRA) provides new federal funds to state and local governments to subsidize the interest payments on stimulus-related bonds issued by public entities to lower the borrowing costs for certain types of public construction projects.

The federal stimulus package includes numerous bond mechanisms, some taxable, some tax-exempt, and some that offer a tax credit to either the bondholder or the issuer. Each offers a different type and level of federal subsidy. **House Bill 09-1346** defines these stimulus bonds to include traditional bonds, for which voter approval is required, as well as lease-purchase agreements paid through certificates of participation, which are not subject to voter approval.

***Removing property tax to fight fires.*** Currently, a board of county commissioners is authorized to levy a special property tax, with the approval of county voters, for the cost of preventing, controlling, or extinguishing fires in the county. The current limit on the amount that may be raised is 1 mill or \$500,000 per year, whichever is less. **Senate Bill 09-105** removes the statutory limit on the amount that a county can raise by a special property tax for the purpose of fighting both forest and prairie fires. Under the bill, voters could approve a higher property tax rate to fund the costs of fighting fires in the county.

***County fee adjustments.*** **House Bill 09-1135**, which was lost in the House, would have increased the amount of specified fees collected by county treasurers, clerk and recorders, and sheriffs. The executive director of the Department of Local Affairs would have had the authority to adjust such fees every other year to reflect changes in the Consumer Price Index (CPI). The bill would have allowed approximately 62 different fees to be adjusted biannually up to the next fifty-cent increment. Finally, the department would have had to maintain a public schedule of these various fees and make the schedule available on the department's web site.

***Impact fees.*** Under current law, impact fees may be charged to assist a local government with the costs of capital facilities needed to serve new development. **HB 09-1259**, which was postponed indefinitely by the House Finance Committee, would have permitted local governments to charge impact fees for capital facilities and for service programs that encouraged the efficient use of energy, preserve natural resources, or provide social services.

## **Mineral Impact Revenue to Local Governments**

**Senate Bill 09-232**, recommended by the Joint Select Committee on Job Creation and Economic Growth, transfers \$17 million from the Local Government Permanent Fund to the Local Government Mineral Impact Fund to finance local government capital construction projects. All of the transferred money must be distributed to communities impacted by the production of energy resources on federal

mineral lands. The bill requires that priority be given to grant applications from communities that are most directly and substantially impacted by energy production and applications submitted by multiple local governments or that seek funding for a multi-jurisdictional project.

## **Property and Land Use**

The General Assembly considered several bills concerning foreclosures and local land use authority.

***Foreclosures.*** The foreclosure process begins when a lender files a notice of election and demand with the Public Trustee's Office in the county where the property is located. Under **House Bill 09-1276**, the lender must also file a document notifying the public trustee that the property referred to in the notice of election and demand is property that requires a posting of a notice related to foreclosure deferment and that the property has received a posting. The posted notice must contain:

- a description of the foreclosure deferment opportunity and the procedures an eligible borrower may follow to seek a foreclosure deferment;
- the number of the Colorado Foreclosure Hotline and the address of the United States Housing and Urban Development website identifying approved housing counselor agencies in Colorado; and
- the date the notice was posted and the deadline by which an eligible borrower seeking a foreclosure deferment must contact a foreclosure counselor.

An eligible borrower may be eligible to defer a foreclosure for 90 days if the borrower contacts a foreclosure counselor within 20 days after the posting of the notice of deferment by the lender. A foreclosure counselor will determine whether an eligible borrower qualifies for a foreclosure deferment by calculating whether, considering the eligible borrower's household expenses and gross monthly income, the nature of the loan, any written loan modification agreement between the eligible borrower and the lender entered into during the preceding 12 months, and any other relevant factors, there is a reasonable likelihood that the lender and eligible borrower can achieve a mutually acceptable agreement to avoid foreclosure. In making a determination, the housing counselor must determine:

- what the eligible borrower is able to pay in monthly housing expenses, including principal, interest, taxes, insurance, and any applicable homeowners association dues on a sustainable basis; and
- whether the lender would be likely to receive greater revenue from the modification necessary to achieve such a monthly payment than it would be likely to receive from a completed foreclosure.

An eligible borrower will not qualify for a foreclosure deferment if he or she:

- has abandoned the property;
- provided materially false information to obtain credit;
- has engaged in gross waste of the property, has been cited for major code violations, or has used the property for illegal purposes;

- is currently in a bankruptcy proceeding in which the property subject to the notice of election and demand is property of the bankruptcy estate or within the preceding 24 months has been discharged from a chapter seven bankruptcy in which the property subject to the notice of election and demand was property of the bankruptcy estate; or
- within the immediately preceding 24 months, been discharged from a chapter 13 bankruptcy with a modified loan agreement for which the property subject to the notice of election and demand is the security.

A borrower is only eligible for one foreclosure deferment on the same property. The act went into effect on June 2, 2009, and applies to all foreclosures that are commenced 60 days after June 2.

**House Bill 09-1207** makes a number of changes related to real estate foreclosures, primarily affecting the operations and procedures of the public trustee and associated parties involved in foreclosure proceedings and the enforcement of a lien. The bill also authorizes public trustees to require a deposit of up to \$650, or the amount of the fees and costs incurred by a public trustee's office, whichever is greater.

**Local land use authority.** The General Assembly considered a variety of unsuccessful land use measures, including:

- **House Bill 09-1106** would have given local governments more regulatory flexibility over land use decisions;
- **House Bill 09-1258** would have limited the authority of a home rule municipality to condemn property located outside of its territorial boundaries;
- **House Bill 09-1235** would have allowed local governments to reduce costs of removing rubbish, weeds or other nuisances from unoccupied properties by accepting the aid of volunteers and providing civil action immunity from dangerous conditions on the property due to negligence; and
- **House Bill 09-1201** would have required local governments to address adverse effects of development in close proximity to military installations through land use planning.

## Special Districts

**Special districts.** Special districts are quasi-municipal corporations and political subdivisions approved by the governing body of a municipality or property owners to provide public services such as a fire and police protection, parks and recreation, and libraries, or for the purpose of public improvements or management of public facilities for district residents. Once created by the property owners, special districts have the power to levy taxes, charge fees, and own property. Board members are elected by the residents of the special district.

**House Bill 09-1005** allows special districts to create a special improvement district to finance the costs of specific improvements within its boundaries. Such improvements must be authorized in the special district's service plan, statement of purpose, or be approved by the county or municipality that approved the special district's service plan. If a special district is established, assessments may only be levied with the approval of 100 percent of property owners of the property to be assessed, or a majority vote of the eligible electors within the special improvement district. Specific examples of special

improvements in state law include: sidewalks, curbs, gutters, grading, paving, renewable energy improvements, and energy efficiency improvements.

**Senate Bill 09-087** requires that certain information about special districts be up to date and accessible to the public. The bill requires that audit, budget, and election information is required to be posted on the official website of the Division of Local Government in the Department of Local Affairs. Further, the bill requires a special district to file a current and accurate map of its boundaries with the county clerk and recorder in each of the counties in which the special district is located on or before January 1, 2010, and each year thereafter.

The bill also requires a board of any metropolitan district with more than \$25,000 of annual revenue or with total authorized debt of more than \$1,000 per elector, to maintain a list of eligible electors of the district who have applied for permanent mail-in voter status. The board of a metropolitan district must provide annual notice to eligible electors with specified information about the special district, its elections, as well as distribute mail-in ballots when elections are conducted by the board.

**House Bill 09-1072**, modifies statutory provisions addressing the governance of library districts in the state. Specifically, the bill addresses issues that arise in connection with the formation of a county library or library district regarding the need to provide written notice of the formation of the district. The bill also requires that a copy of the library district's bylaws be filed with the legislative body of each participating governmental unit, as well as with the Colorado State Library.

**Local improvement districts.** Under state law, counties may fund local improvements through the creation of local improvement districts (LID). Property and sales within a LID may be taxed for specific improvements, including those related to roads and urban drainage. **House Bill 09-1217** permits counties to use LIDs to finance service improvements such as gas, electric, and telecommunications. Under the bill, service improvements are exempt from:

- competitive bidding;
- preliminary planning and design specification;
- supervision of construction by the county engineer; and
- the form and contents of construction contracts.

**House Bill 09-1362**, which was postponed indefinitely by the Senate Local Government and Energy Committee, would have authorized the governing bodies of at least two counties or municipalities to form a community college service area district and impose additional sales or property taxes, with voter approval, to fund community or state colleges within the district. Such districts would have been able to place a limit on the amount of revenue that could be received and to use the revenue for either community or state colleges to:

- assist residents in the district to defray tuition expenses;
- provide supplemental funding for current or future programs;
- construct new or renovate existing facilities;
- provide funding for technology enhancement and supplemental equipment; and/or
- perform other functions jointly agreed upon by the district and the state board.

**House Bill 09-1350** was lost in the House on second reading. The bill would have created a new special district in Title 32, New Energy Improvement Districts, to administer and finance a new energy improvement program for home energy efficiency and renewable energy improvements. Such improvements would have been financed by bonds issued by the district and paid by special assessments levied on homes that choose to participate in the program. The district's payment for an energy improvement, either to a homeowner or contractor, could not have exceeded \$25,000, and the total principal amount of bonds that could have been issued by the district would have been limited to \$250 million and the duration of the bonds could not have exceeded 20 years.

### **Urban Renewal Authorities / Downtown Development Authorities**

The General Assembly considered three significant bills on urban renewal authorities and the use of tax increment financing for community development projects. Tax increment financing (TIF) is a method of using revenue from property or sales taxes to fund redevelopment projects in blighted areas. State law authorizes urban renewal authorities (URAs) and downtown development authorities (DDAs) to issue and repay redevelopment bonds by using the "increment" of increased taxes collected within the TIF district after improvements are made. For each taxing entity in the TIF district, tax revenue remains the same until the incremental revenue pays off the redevelopment bonds. Thus, local taxing jurisdictions are unable to receive any of the additional revenue from improvements until TIF bonds are paid off.

**House Bill 09-1013**, which was lost on second reading in the House, would have authorized special districts and metropolitan districts that provide emergency services to retain property and sales tax revenue that would otherwise be diverted to debt for urban renewal projects funded by TIF. The bill would have only affected those special districts that provide emergency services, such as ambulance and fire protection districts, whose boundaries are within or overlap urban renewal projects. For metropolitan districts that provide emergency services, the bill would have only increased the portion of property or sales tax revenue that is specifically allocated to the provision of the district's emergency services.

**House Bill 09-1070**, which was postponed indefinitely by the House Local Government Committee, would have made several modifications to the procedures followed by urban renewal authorities. The bill specified that an area designated as an urban renewal area could contain agricultural or vacant land unless:

- the area was a "brownfield" site designated by the United States Environmental Protection Agency;
- each public body that levies ad valorem property taxes on the area agreed to the inclusion of the area within the urban renewal area;
- the area was included in an approved urban renewal plan prior to the bill's effective date; or
- the area was previously developed and became vacant as a result of demolition, destruction, or acts of nature.

**House Bill 09-1327**, which was postponed indefinitely by the Senate Local Government and Energy Committee, would have modified the distribution mechanisms of TIF. Currently, a URA and any taxing entity located within the urban renewal project may enter into an intergovernmental

agreement to determine the future location of property taxes. However, if an intergovernmental agreement does not exist after five years after the adoption of an urban renewal plan, House Bill 09-1327 would have required the incremental property taxes collected to be divided. Specifically, the bill would have committed 50 percent of the incremental property taxes collected to pay bonds and loans and the remaining 50 percent of incremental property taxes collected would have been allocated to all of the taxing entities in the urban renewal area in proportion to the property taxes levied, resulting in school districts to receiving more property tax revenue than they were entitled to under current law.

The bill would have also made several changes to the approval and modification process with regard to an urban renewal plan.