

**First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 09-0292.01 Ed DeCecco

SENATE BILL 09-087

SENATE SPONSORSHIP

Carroll M.,

HOUSE SPONSORSHIP

Peniston,

Senate Committees
State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING INCREASED ACCOUNTABILITY REQUIREMENTS FOR**
102 **SPECIAL DISTRICTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires information about special district audits, budgets, and election results to be posted on the official web site of the division of local government in the department of local affairs (division).

Permits the division to establish a standard form for the annual report that the board of directors of a special district (board) may use when submitting the report.

Requires the board of a metropolitan district to mail a mail-in

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

ballot to each eligible elector on the list of such eligible electors that the board is required to maintain. Requires the board of a metropolitan district to annually provide notice to eligible electors that includes specified information about the special district and its elections.

Permits a specified number of electors of a special district to request the board to prepare an application for a quinquennial finding of reasonable diligence. Requires copies of the application to be mailed to the electors' sole designated recipient and filed with the appropriate board of county commissioners or governing body of a municipality. Permits the board of county commissioners or governing body to make a determination based upon the application.

Requires a seller of residential real property to provide to a purchaser a list of all special districts that are taxing authorities in which the property is located, and establishes a civil penalty for failing to do so.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Part 1 of article 1 of title 32, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **32-1-104.5. Audit and budget requirements - election results**
6 **- description on division web site.** (1) THE DIVISION SHALL POST ON ITS
7 OFFICIAL WEB SITE IN A FORM THAT IS READILY ACCESSIBLE TO THE
8 PUBLIC:

9 (a) A GENERAL DESCRIPTION IN PLAIN, NONTECHNICAL LANGUAGE
10 OF THE REQUIREMENTS FOR A SPECIAL DISTRICT TO HAVE AN ANNUAL
11 AUDIT OF THE DISTRICT'S FINANCIAL STATEMENTS PREPARED IN
12 ACCORDANCE WITH THE "COLORADO LOCAL GOVERNMENT AUDIT LAW",
13 PART 6 OF ARTICLE 1 OF TITLE 29, C.R.S., AND INFORMATION ABOUT
14 WHERE A COPY OF THE AUDIT REPORT IS AVAILABLE FOR PUBLIC
15 INSPECTION;

16 (b) A GENERAL DESCRIPTION IN PLAIN, NONTECHNICAL LANGUAGE
17 OF THE PROCESS AND REQUIREMENTS FOR A SPECIAL DISTRICT TO ADOPT

1 AN ANNUAL BUDGET IN ACCORDANCE WITH THE "LOCAL GOVERNMENT
2 BUDGET LAW OF COLORADO", PART 1 OF ARTICLE 1 OF TITLE 29, C.R.S.,
3 AND INFORMATION ABOUT WHERE A COPY OF THE BUDGET IS AVAILABLE
4 FOR PUBLIC INSPECTION; AND

5 (c) ELECTION RESULTS CERTIFIED TO THE DIVISION PURSUANT TO
6 SECTION 1-11-103 (3), C.R.S.

7 **SECTION 2.** 32-1-207 (3) (d), Colorado Revised Statutes, is
8 amended to read:

9 **32-1-207. Compliance - modification - enforcement.**

10 (3) (d) Any special district created on or after July 1, 1991, shall annually
11 file the report specified in paragraph (c) of this subsection (3) with the
12 board of county commissioners or the governing body of the municipality
13 that has adopted a resolution of approval of the special district pursuant
14 to section 32-1-204.5 or 32-1-204.7 for five years after its organization
15 and for succeeding annual periods, if so requested by the board of county
16 commissioners or the governing body of the municipality. The annual
17 report shall also be filed with the division and with the state auditor. The
18 state auditor shall review the annual report and report any apparent
19 decrease in the financial ability of the district to discharge its existing or
20 proposed indebtedness in accordance with the service plan to the division.
21 In such event, the division shall confer with the board of the special
22 district and the board of county commissioners or the governing body of
23 the municipality regarding such condition. THE DIVISION MAY ESTABLISH
24 A STANDARD FORM FOR THE ANNUAL REPORT THAT THE BOARD OF A
25 SPECIAL DISTRICT MAY ELECT TO USE.

26 **SECTION 3.** 32-1-805, Colorado Revised Statutes, is amended
27 BY THE ADDITION OF A NEW SUBSECTION to read:

1 **32-1-805. Time for holding elections - type of election -**
2 **manner of election - notice - permanent mail-in voters.** (5) (a) THE
3 BOARD SHALL MAINTAIN A LIST OF ELIGIBLE ELECTORS OF THE SPECIAL
4 DISTRICT WHO HAVE APPLIED FOR PERMANENT MAIL-IN VOTER STATUS
5 EITHER BY FILING A REQUEST WITH THE COUNTY CLERK AND RECORDER IN
6 ACCORDANCE WITH SECTION 1-8-104.5 (1), C.R.S., OR BY RETURNING TO
7 THE BOARD THE APPROPRIATE PORTION OF A NOTICE SENT PURSUANT TO
8 SECTION 32-1-809.

9 (b) UPON REQUEST BY THE BOARD, THE CLERK AND RECORDER OF
10 A COUNTY IN WHICH THE SPECIAL DISTRICT IS WHOLLY OR PARTIALLY
11 LOCATED SHALL PROVIDE TO THE BOARD THE NAMES AND ADDRESSES OF
12 ELIGIBLE ELECTORS OF THE COUNTY WHO ARE ALSO ELIGIBLE ELECTORS OF
13 THE SPECIAL DISTRICT AND WHO HAVE APPLIED FOR PERMANENT MAIL-IN
14 VOTER STATUS IN ACCORDANCE WITH SECTION 1-8-104.5 (1), C.R.S.

15 (c) IN AN ELECTION CONDUCTED BY THE BOARD, THE BOARD SHALL
16 MAIL A MAIL-IN BALLOT TO EACH ELIGIBLE ELECTOR ON THE LIST
17 MAINTAINED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (5).

18 (d) THE PROVISIONS OF THIS SUBSECTION (5) SHALL ONLY APPLY
19 TO A METROPOLITAN DISTRICT.

20 **SECTION 4.** Part 8 of article 1 of title 32, Colorado Revised
21 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
22 read:

23 **32-1-809. Notice to electors.** (1) NO LATER THAN JANUARY 15
24 OF EACH YEAR, THE BOARD SHALL PROVIDE NOTICE TO THE ELIGIBLE
25 ELECTORS OF THE SPECIAL DISTRICT IN THE MANNER SET FORTH IN
26 SUBSECTION (2) OF THIS SECTION. THE NOTICE SHALL CONTAIN THE
27 FOLLOWING:

1 (a) THE ADDRESS AND TELEPHONE NUMBER OF THE PRINCIPAL
2 BUSINESS OFFICE OF THE SPECIAL DISTRICT;

3 (b) THE NAME AND BUSINESS TELEPHONE NUMBER OF THE
4 MANAGER OR OTHER PRIMARY CONTACT PERSON OF THE SPECIAL DISTRICT;

5 (c) THE NAMES OF THE MEMBERS OF THE BOARD, INDICATING EACH
6 MEMBER WHOSE OFFICE WILL BE ON THE BALLOT AT THE NEXT REGULAR
7 SPECIAL DISTRICT ELECTION;

8 (d) THE TIMES AND PLACES DESIGNATED FOR REGULARLY
9 SCHEDULED MEETINGS OF THE BOARD DURING THE YEAR AND THE PLACE
10 WHERE NOTICE OF BOARD MEETINGS IS POSTED PURSUANT TO SECTION
11 24-6-402 (2) (c), C.R.S.;

12 (e) THE CURRENT MILL LEVY OF THE SPECIAL DISTRICT AND THE
13 TOTAL AD VALOREM TAX REVENUE RECEIVED BY THE DISTRICT DURING
14 THE LAST YEAR;

15 (f) THE DATE OF THE NEXT REGULAR SPECIAL DISTRICT ELECTION
16 AT WHICH MEMBERS OF THE BOARD WILL BE ELECTED;

17 (g) INFORMATION ON THE PROCEDURE AND TIME FOR AN ELIGIBLE
18 ELECTOR OF THE SPECIAL DISTRICT TO SUBMIT A SELF-NOMINATION FORM
19 FOR ELECTION TO THE BOARD PURSUANT TO SECTION 32-1-804.3;

20 (h) A FORM THAT ALLOWS AN ELIGIBLE ELECTOR TO REQUEST
21 PERMANENT MAIL-IN VOTER STATUS PURSUANT TO SECTION 1-8-104.5,
22 C.R.S.; AND

23 (i) THE ADDRESS OF ANY WEB SITE ON WHICH THE SPECIAL
24 DISTRICT'S ELECTION RESULTS WILL BE POSTED.

25 (2) THE NOTICE REQUIRED BY SUBSECTION (1) OF THIS SECTION
26 SHALL BE MADE IN ONE OF THE FOLLOWING WAYS:

27 (a) MAILING THE NOTICE SEPARATELY TO EACH HOUSEHOLD

1 WHERE ONE OR MORE ELIGIBLE ELECTORS OF THE SPECIAL DISTRICT
2 RESIDES;

3 (b) INCLUDING THE NOTICE AS A PROMINENT PART OF A
4 NEWSLETTER, ANNUAL REPORT, BILLING INSERT, LETTER, VOTER
5 INFORMATION CARD OR OTHER NOTICE OF ELECTION, OR OTHER
6 INFORMATIONAL MAILING SENT BY THE SPECIAL DISTRICT TO THE ELIGIBLE
7 ELECTORS OF THE SPECIAL DISTRICT; OR

8 (c) POSTING THE INFORMATION ON THE OFFICIAL WEB SITE OF THE
9 SPECIAL DISTRICT IF THERE IS A LINK TO THE DISTRICT'S WEB SITE ON THE
10 OFFICIAL WEB SITE OF THE DIVISION.

11 (3) A SPECIAL DISTRICT SHALL:

12 (a) FILE A COPY OF THE NOTICE REQUIRED BY SUBSECTION (1) OF
13 THIS SECTION WITH THE CLERK AND RECORDER OF EACH COUNTY IN WHICH
14 THE SPECIAL DISTRICT IS LOCATED AND WITH THE DIVISION; AND

15 (b) MAKE A COPY OF THE NOTICE REQUIRED BY SUBSECTION (1) OF
16 THIS SECTION AVAILABLE FOR PUBLIC INSPECTION AT THE PRINCIPAL
17 BUSINESS OFFICE OF THE SPECIAL DISTRICT.

18 (4) SPECIAL DISTRICTS WITH OVERLAPPING BOUNDARIES MAY
19 COMBINE THE NOTICES MAILED PURSUANT TO PARAGRAPH (a) OF
20 SUBSECTION (2) OF THIS SECTION, SO LONG AS THE INFORMATION
21 REGARDING EACH DISTRICT IS SEPARATELY DISPLAYED AND IDENTIFIED.

22 **SECTION 5.** 32-1-1101.5, Colorado Revised Statutes, is
23 amended BY THE ADDITION OF A NEW SUBSECTION to read:

24 **32-1-1101.5. Special district debt - quinquennial findings of**
25 **reasonable diligence.** (1.7) THE BOARD OF A SPECIAL DISTRICT SHALL
26 PREPARE AN APPLICATION FOR A QUINQUENNIAL FINDING OF REASONABLE
27 DILIGENCE WITHIN SIXTY DAYS OF RECEIVING A REQUEST FOR SUCH AN

1 APPLICATION SIGNED BY THE LESSER OF ONE HUNDRED OR ONE PERCENT
2 OF THE ELIGIBLE ELECTORS OF THE SPECIAL DISTRICT. IN ADDITION TO THE
3 INFORMATION THAT IS REQUIRED TO BE IN AN APPLICATION PURSUANT TO
4 SUBSECTION (1.5) OF THIS SECTION, THE APPLICATION SHALL ALSO
5 INCLUDE ANY INFORMATION INCLUDED IN THE ORIGINAL SERVICE PLAN.
6 THE BOARD OF THE SPECIAL DISTRICT SHALL MAIL COPIES OF THE
7 APPLICATION TO THE ELECTORS' SOLE DESIGNATED RECIPIENT, WHOSE
8 NAME AND ADDRESS SHALL BE INCLUDED IN THE REQUEST TO THE BOARD
9 OF THE SPECIAL DISTRICT, AND FILED WITH THE BOARD OF COUNTY
10 COMMISSIONERS OR THE GOVERNING BODY OF THE MUNICIPALITY THAT
11 HAS ADOPTED A RESOLUTION OF APPROVAL OF THE SPECIAL DISTRICT
12 PURSUANT TO SECTION 32-1-204.5 OR 32-1-204.7. THE BOARD OF COUNTY
13 COMMISSIONERS OR THE GOVERNING BODY MAY ELECT TO ACCEPT THE
14 APPLICATION AND, IN SUCH CASE, THE PROVISIONS OF SUBSECTION (2) OF
15 THIS SECTION SHALL APPLY. ELECTORS MAY SUBMIT A REQUEST FOR AN
16 APPLICATION TO THE BOARD OF A SPECIAL DISTRICT AT ANY TIME, BUT THE
17 BOARD OF A SPECIAL DISTRICT SHALL NOT BE REQUIRED TO COMPLETE AN
18 APPLICATION MORE FREQUENTLY THAN EVERY FIVE YEARS.

19 **SECTION 6.** 38-35.7-101, Colorado Revised Statutes, is
20 amended BY THE ADDITION OF THE FOLLOWING NEW
21 SUBSECTIONS to read:

22 **38-35.7-101. Disclosure - special districts that are taxing**
23 **authorities - general obligation indebtedness.** (3) IN ADDITION TO THE
24 DISCLOSURE STATEMENT REQUIRED BY SUBSECTION (1) OF THIS SECTION,
25 THE SELLER OF RESIDENTIAL REAL PROPERTY SHALL PROVIDE TO THE
26 PURCHASER OF THE PROPERTY, NO LATER THAN THE TIME OF EXECUTION
27 OF THE CONTRACT FOR SALE, A LIST OF ALL SPECIAL DISTRICTS THAT ARE

1 TAXING AUTHORITIES IN WHICH THE PROPERTY IS LOCATED, AS OF THE
2 MOST RECENT TAX STATEMENT ISSUED PURSUANT TO SECTION 39-10-103,
3 C.R.S., OR INFORMATION ON HOW THE PURCHASER MAY OBTAIN A LIST OF
4 ALL SUCH SPECIAL DISTRICTS.

5 (4) A SELLER OF RESIDENTIAL REAL PROPERTY THAT FAILS TO
6 PROVIDE TO THE PURCHASER OF THE PROPERTY THE LIST OR INFORMATION
7 REQUIRED BY SUBSECTION (3) OF THIS SECTION SHALL BE SUBJECT TO A
8 CIVIL PENALTY OF FIVE HUNDRED DOLLARS PAYABLE TO THE PURCHASER.

9 **SECTION 7. Act subject to petition - effective date.** This act
10 shall take effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly that is
12 allowed for submitting a referendum petition pursuant to article V,
13 section 1 (3) of the state constitution, (August 4, 2009, if adjournment
14 sine die is on May 6, 2009); except that, if a referendum petition is filed
15 against this act or an item, section, or part of this act within such period,
16 then the act, item, section, or part, if approved by the people, shall take
17 effect on the date of the official declaration of the vote thereon by
18 proclamation of the governor.