


 Colorado Legislative Council Staff Fiscal Note
LOCAL

CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 07-0128
Prime Sponsor(s): Rep. Liston
 Sen. McElhany

Date: January 11, 2007
Bill Status: House Education
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING THE AUTHORITY FOR A FAST-GROWING SCHOOL DISTRICT THAT HAS APPROVAL TO CONTRACT FOR BONDED INDEBTEDNESS TO ISSUE DEBT DURING THE THIRD FISCAL YEAR IN WHICH THE DISTRICT EXPERIENCES FAST GROWTH.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
NET TOTAL		
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor		
School District Impact: Under certain circumstances, the bill authorizes fast-growing school districts to contract for bonded indebtedness to issue debt one year earlier than currently authorized.		

Summary of Legislation

Under current law, a school district that satisfies the fast-growth requirements for three consecutive fiscal years is permitted to increase its bonded debt limitation to issue debt in the year following the third fiscal year. This bill changes the restriction so that a school district that meets the fast-growth criteria may increase its bonded debt limitation in the third year.

School District Impact

Under current law, Section 22-42-104, C.R.S., states that the limit on bonded indebtedness of a school district shall be the greater of: (a) 20 percent of the latest *assessed value* of the taxable property in the district; or (b) 6 percent of the most recent determination of *actual value* of the taxable property in the district.

Current law does provide an exception to the limit to allow school districts to increase the debt limit to 25 percent of assessed value under certain circumstances. If the Commissioner of Education certifies that for the preceding three fiscal years, the pupil enrollment or the funded count of a school district (whichever is applicable) has increased by: (a) 2.5 percent or more over each

preceding year for districts of at least 1,000 pupils; or (b) 25 or more pupils each year if the district enrollment or funded pupil count is less than 1,000 pupils, then the limit on bonded debt would be the greater of: (a) 25 percent of the latest assessed value (rather than 20 percent); or (b) 6 percent of the most recent determination of actual value of taxable property.

This bill allows a school district that has satisfied the fast-growth requirements for three consecutive fiscal years to increase its bonded debt limitation to issue debt during the third fiscal year in which the district experiences fast growth, rather than waiting until the fiscal year following the third fiscal year. Based on an analysis provided by the Department of Education, eight school districts currently meet the three-year fast-growth criteria identified in current law. These school districts are: Adams 12 and Brighton in Adams County, Vilas in Baca County, Douglas in Douglas County, Academy and Falcon in El Paso County, and Windsor and Johnstown in Weld County.

Voter approval is still required to authorize bonded debt. Since the bill merely authorizes increases in the bonded debt limit of these districts one year earlier than allowed in current law, the bill is assessed as having a local conditional fiscal impact.

Departments Contacted

Education