



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 09-0292
Prime Sponsor(s): Sen. Carroll M.
 Rep. Peniston

Date: February 4, 2009
Bill Status: Senate SVMA
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING INCREASED ACCOUNTABILITY REQUIREMENTS FOR SPECIAL DISTRICTS.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
State Expenditures General Fund	\$13,675	
FTE Position Change	0.2 FTE	0.0 FTE
Effective Date: August 4, 2009, assuming the General Assembly adjourns sine die as scheduled on May 6, 2009, unless a referendum petition is filed.		
Appropriation Summary for FY 2009-2010: See the State Appropriations section.		
Local Government Impact: See the Local Government Impact section.		

Summary of Legislation

SB09-087 requires information about special district audits, budgets, and election results to be posted on the official website of the Division of Local Government in the Department of Local Affairs in a readily accessible form. The division may establish a standard form for the annual report that the board of directors of special districts may use when submitting the report.

The board of a metropolitan district would maintain a list of eligible electors of the district who have applied for permanent mail-in voter status. In an election conducted by the board, the board would mail a mail-in ballot to each eligible elector on the list. The board of a metropolitan district would annually provide notice to eligible electors that includes specified information about the special district and its elections.

Every five years, the board of a special district must prepare an application for a quinquennial finding of reasonable diligence within 60 days of receiving a request signed by the lesser of 100 voters, or 1 percent of the eligible electors of the special district.

Finally, the bill requires the seller of residential real property to provide a list of all special districts that are taxing authorities in which the property is located to the purchaser. Failure to do so would subject the seller to a civil penalty of \$500 payable to the purchaser.

State Expenditures

The Department of Local Affairs will require a one-time General Fund expenditure of \$13,675 in FY 2009-10 to implement the bill based on the following assumptions:

- that any staff costs for processing electronic information will be offset by an equivalent reduction in paper filing processes;
- that there will be a one time electronic storage hardware cost of **\$2,592** to store and appropriately back-up electronic information concerning the special district certifications of election results;
- that 260 hours will be required to define, document and program a database for election result storage and web publishing, and that 120 hours will be necessary to test and validate the storage and web publishing system; and
- the department will require **\$11,083 and 0.2 FTE** in FY 2009-10 for personal services.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 1.

Table 1. Expenditures Not Included Under SB09-087*		
Cost Components	FY 2009-10	FY 2010-11
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$1,369	\$0
Supplemental Employee Retirement Payments	323	0
TOTAL	\$1,692	\$0

**More information is available at: http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf*

Local Government Impact

The bill creates a number of requirements for special districts to submit information to the Department of Local Affairs, and to provide information to the district's residents either through an annual mailing or on the district's official website. The bill also provides authority for a resident driven initiative for re-evaluation of the special district's ability to pay for its financial obligations. In limited circumstances, this may require a special district to conduct financial reviews and public hearings every five years in cooperation with a board of county commissioners or the municipality that approved the special district. Increased legal and administrative costs may be incurred.

State Appropriations

The fiscal note implies that the Department of Local Affairs requires a General Fund appropriation of \$13,675 and 0.2 FTE in FY 2009-10 to implement the bill.

Departments Contacted

Judicial Local Affairs