



LOCAL FISCAL IMPACT

Drafting Number: LLS 12-0708**Prime Sponsor(s):** Rep. Vaad**Date:** February 16, 2012**Bill Status:** House Local Government**Fiscal Analyst:** Harry Zeid (303-866-4753)

TITLE: CONCERNING THE AMOUNT OF APPROVAL REQUIRED FOR CERTAIN SPECIAL DISTRICT ACTIONS, AND, IN CONNECTION THEREWITH, ALLOWING PERSONS WHO OWN PROPERTY THAT IS OUTSIDE THE BOUNDARIES OF A SPECIAL DISTRICT BUT WITHIN THE EXISTING OR PROPOSED SERVICE AREA OF THE SPECIAL DISTRICT TO VOTE IN SPECIAL DISTRICT ELECTIONS, ALLOWING A SPECIAL DISTRICT TO EXPAND ITS SERVICE AREA INTO A NEW COUNTY ONLY WITH THE APPROVAL OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY, AND INCREASING THE PERCENTAGE OF THE TAXPAYING ELECTORS OF A PROPOSED METROPOLITAN DISTRICT WHO MUST SIGN A PETITION FOR ORGANIZATION OF THE DISTRICT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: See the Local Government section.		

Summary of Legislation

Under current law, only a person who owns property within the boundary or proposed expanded boundary of a special district is eligible to vote in a special district election. The bill allows property owners within the *service area or proposed expanded service area* of a special district to vote in a special district election. The service area boundary (the geographic area where the special district services are provided) may be significantly larger than the special district boundary.

The bill allows a special district to expand its service area into a new county only with the approval of the board of county commissioners of the county where the expansion will occur. The bill describes the process by which a special district may obtain such approval. The bill also prohibits a board of county commissioners from approving a special district's expanded service plan that includes a property whose owner has not consented to the inclusion of his or her property in the expanded service area.

As part of the modified service plan application, the board of county commissioners may impose a processing fee on the special district, up to \$500. The fee is intended to reimburse the county for reasonable direct costs related to processing the modified service plan and conducting hearings. If a special review of the modified service plan is required, an additional fee of between \$500 and \$10,000 (but not more than one one-hundredth of one percent of the total amount of the debt to be issued by the special district) may be imposed by the county.

Local Government Impact

The bill imposes a processing fee on a special district that wishes to expand its service area. The fee is paid to the county to cover its costs related to reviewing the application. It appears that some water and sewer districts provide service outside of their legal boundaries. These districts and others that provide service outside of their legal boundaries will be impacted by the bill if they choose to further expand their service areas.

The bill allows a special district to expand its service area (as opposed to its special district boundaries) to include territory in one or more additional counties only if the board of county commissioners of the county where the plan will be expanded approves the change, by resolution, in the same manner in which the original service area was approved.

When the special district submits its modified service plan, the bill authorizes the board of county commissioners to impose a processing fee of up to \$500 on the special district. An additional fee of between \$500 and \$10,000 may be levied, if necessary, to reimburse the county for reasonable direct costs related to a special review. The bill allows the board of county commissioners to waive all or a portion of the additional fee.

The board of county commissioners must disapprove the modified plan for an expanded service area unless every owner of taxable real and personal property with the proposed expanded service area agrees by written consent to be included within the service areas or the board excludes the property of every nonconsenting owner from the service area.

Departments Contacted

Local Affairs