

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0983

Date: April 17, 2013

Prime Sponsor(s): Rep. Moreno

Bill Status: House Local Government

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TITLE: CONCERNING A MODIFICATION OF THE REQUIREMENTS GOVERNING PROCEEDINGS TO CONSOLIDATE SPECIAL DISTRICTS.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: The bill takes effect August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed, and applies to proceedings for special district consolidation on or after the effective date.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Under current law, multiple special districts that seek to consolidate as a single special district must amend their service plan and obtain approval from affected cities and towns whenever consolidation occurs within the boundaries of an existing municipality, or within a 3 mile radius of the municipality. This bill requires that districts obtain approval only when the consolidation will provide new or different services entirely within the boundaries of a municipality, compared to the services currently provided by one or more of the consolidating districts.

State Expenditures

The Department of Local Affairs (DOLA) will experience minimal workload changes as a result of the bill. The DOLA may experience fewer flings of amended service plans due to district consolidations.

Local Government Impact

Since 2001, 12 special districts have consolidated. The frequency and number of consolidations may increase somewhat as up to 1,000 districts created since 2001 begin to reach development build-out and then seek administrative cost savings and economies of scale by

consolidating with other districts. Given the rarity of such events, the fiscal impact to local government entities is also anticipated to be minimal on a statewide basis. Specific impacts will only affect local governments in counties where multiple districts consolidate. Special district consolidation exempted from some pre-approval requirements will create cost savings for districts, including reduced expenses for notification, public hearings, and other legal and administrative costs associated with a boundary change and modification of service plans.

Departments Contacted

Counties

Local Affairs

Municipalities

Special Districts