

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0624

**Date:** February 13, 2013

**Prime Sponsor(s):** Rep. Vigil  
Sen. Schwartz

**Bill Status:** House Local Government

**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING PROCEDURES FOR INCREASING TRANSPARENCY FOR CERTAIN SPECIAL DISTRICT BOARDS, AND, IN CONNECTION THEREWITH, REQUIRING THAT A PUBLIC MEETING BE HELD BEFORE A DISTRICT SETS OR CHANGES DOMESTIC WATER OR SANITARY SEWER SERVICE RATES AND REQUIRING THAT ALL SPECIAL DISTRICTS FORMED PURSUANT TO THE SPECIAL DISTRICTS PROVISIONS FILE A SPECIAL DISTRICT PUBLIC DISCLOSURE DOCUMENT TO BE RECORDED BY THE COUNTY CLERK AND RECORDER FOR ALL PROPERTIES INCLUDED WITHIN THE DISTRICT BOUNDARIES.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

This bill requires that a special district that provides domestic water or sewer service conduct a public meeting prior to fixing or increasing fees, rates, tolls, penalties, or charges. Notice of the meeting must be provided at least ten days in advance and may be provided by mailing a separate notice to each customer in the special district, by posting the notice on the special district's website if it is linked to the website of the Division of Local Government (DLG) in the Department of Local Affairs, or by posting the notice on the Special District Association's web site.

The bill also requires special districts to record a public disclosure document, and a map of the boundaries of the district, with the county clerk by December 31, 2014. The disclosure must include a statement that the district's service plan or the district's statement of purpose is available from DLG. A special district in inactive status may not regain active status unless it is in compliance with the disclosure requirement.

**State Expenditures**

The DLG currently records and maintains most special district service plans in an electronic archive. DLG can retrieve these documents upon request and is working to make these documents available on its website. The DLG will have increased costs to complete this work and to verify the status of inactive special districts for compliance with reporting requirements prior to regaining active status. Workload in the division is estimated to be minimal and can be absorbed within existing appropriations.

**Local Government Impact**

Special districts that provide domestic water and sewer services will have increased costs to comply with the bill's requirement that all meetings setting or modifying fees be conducted following a public notice. This requirement increases costs for administrative staff and legal services within each special district.

Further, special districts are required to record a disclosure statement and boundary map with county clerks and recorders. It is estimated that 1,951 special districts must file a total of 2,118 disclosures. The greater number of disclosure filings is due to some districts being located in more than one county. Assuming each disclosure with map is 3 pages and the clerk's recording fee is \$10 for the first page and \$5 for each additional page, a total of \$42,360 will be spent by special districts to comply with the disclosure filing ( $2,118 * \$20 = \$42,360$ ). These expenses are paid in fees to county clerks.

**Departments Contacted**

Counties  
Public Safety

Municipalities  
Special Districts

Local Affairs