

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 13-0624.01 Gregg Fraser x4325

HOUSE BILL 13-1186

HOUSE SPONSORSHIP

Vigil, Court, Gardner

SENATE SPONSORSHIP

Schwartz,

House Committees
Local Government

Senate Committees
Local Government

A BILL FOR AN ACT

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

Bill Summary

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
March 18, 2013

HOUSE
3rd Reading Unamended
February 27, 2013

HOUSE
Amended 2nd Reading
February 26, 2013

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires a special district that provides domestic water or sanitary sewer services to hold a public meeting before fixing or increasing fees or other charges for its services. Notice of the meeting must be provided in a specified manner at least 10 days prior to the public meeting.

Special districts are required to record a public disclosure document against all property within the district. The statement must include the name of the district, the powers of the district, information regarding the district's service plan or statement of purpose, and a statement of the methods authorized by law for the district to raise revenues for capital needs and operations costs.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 32-1-1001, **add** (2)
3 as follows:

4 **32-1-1001. Common powers - definitions.** (2) (a) THE
5 GOVERNING BODY OF ANY SPECIAL DISTRICT FURNISHING DOMESTIC
6 WATER OR SANITARY SEWER SERVICES DIRECTLY TO RESIDENTS AND
7 PROPERTY OWNERS WITHIN OR OUTSIDE THE DISTRICT MAY FIX OR
8 INCREASE FEES, RATES, TOLLS, PENALTIES, OR CHARGES FOR DOMESTIC
9 WATER OR SANITARY SEWER SERVICES ONLY AFTER CONSIDERATION OF
10 THE ACTION AT A PUBLIC MEETING HELD AT LEAST THIRTY DAYS AFTER
11 PROVIDING NOTICE STATING THAT THE ACTION IS BEING CONSIDERED AND
12 STATING THE DATE, TIME, AND PLACE OF THE MEETING AT WHICH THE
13 ACTION IS BEING CONSIDERED. NOTICE MUST BE PROVIDED TO THE
14 CUSTOMERS RECEIVING THE DOMESTIC WATER OR SANITARY SEWER
15 SERVICES OF THE DISTRICT IN ONE OR MORE OF THE FOLLOWING WAYS:

16 (I) MAILING THE NOTICE SEPARATELY TO EACH CUSTOMER OF THE

1 SERVICE ON THE BILLING ROLLS OF THE DISTRICT;

2 (II) INCLUDING THE NOTICE AS A PROMINENT PART OF A
3 NEWSLETTER, ANNUAL REPORT, BILLING INSERT, BILLING STATEMENT,
4 LETTER, OR OTHER NOTICE OF ACTION, OR OTHER INFORMATIONAL
5 MAILING SENT BY THE SPECIAL DISTRICT TO THE CUSTOMERS OF THE
6 DISTRICT;

7 (III) POSTING THE INFORMATION ON THE OFFICIAL WEB SITE OF THE
8 SPECIAL DISTRICT IF THERE IS A LINK TO THE DISTRICT'S WEB SITE ON THE
9 OFFICIAL WEB SITE OF THE DIVISION; OR

10 (IV) FOR ANY DISTRICT THAT IS A MEMBER OF A STATEWIDE
11 ASSOCIATION OF SPECIAL DISTRICTS FORMED PURSUANT TO SECTION
12 29-1-401, C.R.S., BY MAILING OR ELECTRONICALLY TRANSMITTING THE
13 NOTICE TO THE STATEWIDE ASSOCIATION OF SPECIAL DISTRICTS, WHICH
14 ASSOCIATION SHALL POST THE NOTICE ON A PUBLICLY ACCESSIBLE
15 SECTION OF THE ASSOCIATION'S WEB SITE.

16 (b) THE POWER TO FIX OR INCREASE FEES, RATES, TOLLS,
17 PENALTIES, OR CHARGES FOR DOMESTIC WATER OR SANITARY SEWER
18 SERVICES IS A LEGISLATIVE POWER OF THE DISTRICT BOARD AND IS NOT
19 CHANGED BY THE PROVISIONS OF THIS SECTION.

20 (c) NO ACTION TO FIX OR INCREASE FEES, RATES, TOLLS,
21 PENALTIES, OR CHARGES FOR DOMESTIC WATER OR SANITARY SEWER
22 SERVICES MAY BE INVALIDATED ON THE GROUNDS THAT A PERSON DID NOT
23 RECEIVE THE NOTICE REQUIRED BY THIS SECTION IF THE DISTRICT ACTED
24 IN GOOD FAITH IN PROVIDING THE NOTICE. GOOD FAITH IS PRESUMED IF
25 THE DISTRICT PROVIDED THE NOTICE IN ONE OR MORE OF THE WAYS LISTED
26 IN PARAGRAPH (a) OF THIS SUBSECTION (2).

27 **SECTION 2.** In Colorado Revised Statutes, **add** 32-1-104.8 as

1 follows:

2 **32-1-104.8. Information statement regarding taxes and debt.**

3 (1) EVERY SPECIAL DISTRICT SHALL RECORD A SPECIAL DISTRICT PUBLIC
4 DISCLOSURE DOCUMENT AND A MAP OF THE BOUNDARIES OF THE DISTRICT
5 WITH THE COUNTY CLERK AND RECORDER OF EACH COUNTY IN WHICH THE
6 DISTRICT IS LOCATED THAT PROVIDES THE FOLLOWING INFORMATION:

7 (a) THE NAME OF THE DISTRICT;

8 (b) THE POWERS OF THE DISTRICT AS AUTHORIZED BY SECTION
9 32-1-1004 AND THE DISTRICT'S SERVICE PLAN OR, AS APPROPRIATE, THE
10 DISTRICT'S STATEMENT OF PURPOSE AS DESCRIBED IN SECTION 32-1-208,
11 CURRENT AS OF THE TIME OF THE FILING;

12 (c) A STATEMENT INDICATING THAT THE DISTRICT'S SERVICE PLAN
13 OR, AS APPROPRIATE, THE DISTRICT'S STATEMENT OF PURPOSE AS
14 DESCRIBED IN SECTION 32-1-208, WHICH CAN BE AMENDED FROM TIME TO
15 TIME, INCLUDES A DESCRIPTION OF THE DISTRICT'S POWERS AND
16 AUTHORITY, AND THAT A COPY OF THE SERVICE PLAN OR STATEMENT OF
17 PURPOSE IS AVAILABLE FROM THE DIVISION; AND

18 (d) THE FOLLOWING STATEMENT:

19 **[NAME OF THE DISTRICT] IS AUTHORIZED BY TITLE 32 OF**
20 **THE COLORADO REVISED STATUTES TO USE A NUMBER**
21 **OF METHODS TO RAISE REVENUES FOR CAPITAL NEEDS**
22 **AND GENERAL OPERATIONS COSTS. THESE METHODS,**
23 **SUBJECT TO THE LIMITATIONS IMPOSED BY SECTION 20**
24 **OF ARTICLE X OF THE COLORADO CONSTITUTION,**
25 **INCLUDE ISSUING DEBT, LEVYING TAXES, AND IMPOSING**
26 **FEES AND CHARGES. INFORMATION CONCERNING**
27 **DIRECTORS, MANAGEMENT, MEETINGS, ELECTIONS, AND**

1 **CURRENT TAXES ARE PROVIDED ANNUALLY IN THE**
2 **NOTICE TO ELECTORS DESCRIBED IN SECTION 32-1-809**
3 **(1), COLORADO REVISED STATUTES, WHICH CAN BE**
4 **FOUND AT THE DISTRICT OFFICE, ON THE DISTRICT'S WEB**
5 **SITE, ON FILE AT THE DIVISION OF LOCAL GOVERNMENT**
6 **IN THE STATE DEPARTMENT OF LOCAL AFFAIRS, OR ON**
7 **FILE AT THE OFFICE OF THE CLERK AND RECORDER OF**
8 **EACH COUNTY IN WHICH THE SPECIAL DISTRICT IS**
9 **LOCATED.**

10 (2) SPECIAL DISTRICTS EXISTING AS OF THE EFFECTIVE DATE OF
11 THIS SUBSECTION (2) SHALL RECORD THE SPECIAL DISTRICT PUBLIC
12 DISCLOSURE DOCUMENT REQUIRED BY SUBSECTION (1) OF THIS SECTION ON
13 OR BEFORE DECEMBER 31, 2014. THE DISCLOSURE DOCUMENT FOR ANY
14 DISTRICT ORGANIZED AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (2),
15 OR FOR ANY INCLUSION OF ADDITIONAL REAL PROPERTY WITHIN AN
16 EXISTING DISTRICT, SHALL BE RECORDED AT THE SAME TIME THE DECREE
17 OR ORDER CONFIRMING THE ACTION IS RECORDED AS REQUIRED BY
18 SECTION 32-1-105. THE REQUIREMENT TO RECORD THE DISCLOSURE
19 DOCUMENT MAY BE ENFORCED BY THE BOARD OF COUNTY COMMISSIONERS
20 OR THE GOVERNING BODY OF ANY MUNICIPALITY THAT HAS APPROVED THE
21 SERVICE PLAN OF THE DISTRICT IN THE SAME MANNER AS THE
22 ENFORCEMENT OF INFORMATION REPORTING REQUIREMENTS UNDER
23 SECTION 32-1-209. NOTWITHSTANDING ANY OTHER PROVISION OF THIS
24 SECTION, FAILURE TO RECORD A DISCLOSURE DOCUMENT DOES NOT
25 INVALIDATE THE ORGANIZATION OF, OR CHANGE THE BOUNDARIES OF, A
26 DISTRICT OR PROVIDE A CAUSE OF ACTION AGAINST THE DISTRICT OR ANY
27 OTHER PERSON, NOR DOES IT INVALIDATE OR REDUCE ANY DEBT ISSUED AT

1 ANY TIME BY THE DISTRICT, NOR DOES IT REDUCE FOR ANY PROPERTY THE
2 MILL LEVY OR ITS RESPONSIBILITY FOR THE PROPORTIONATE SHARE OF THE
3 DISTRICT'S OUTSTANDING DEBT.

4 (3) THIS SECTION DOES NOT APPLY TO ANY SPECIAL DISTRICT
5 WHILE IT IS ON INACTIVE STATUS UNDER SECTION 32-1-104 (4).

6 (4) NOTHING CONTAINED IN THE SPECIAL DISTRICT PUBLIC
7 DISCLOSURE DOCUMENT REQUIRED BY THIS SECTION CONSTITUTES THE
8 BASIS FOR A TITLE DEFECT OR CREATION OF AN UNMARKETABLE TITLE.

9 (5) RECORDING A SPECIAL DISTRICT PUBLIC DISCLOSURE
10 DOCUMENT AND MAP IS SUBJECT TO THE FEE PAYMENT REQUIREMENTS SET
11 FORTH IN SECTION 30-1-103 (1), C.R.S.

12 **SECTION 3.** In Colorado Revised Statutes, 32-1-104, **add** (3) (d)
13 as follows:

14 **32-1-104. Establishment of a special districts file.** (3) (d) A
15 SPECIAL DISTRICT SHALL NOT RETURN TO ACTIVE STATUS UNTIL IT HAS
16 FILED AN INFORMATION STATEMENT UNDER SECTION 32-1-104.8.

17 **SECTION 4. Act subject to petition - effective date -**
18 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
19 the expiration of the ninety-day period after final adjournment of the
20 general assembly (August 7, 2013, if adjournment sine die is on May 8,
21 2013); except that, if a referendum petition is filed pursuant to section 1
22 (3) of article V of the state constitution against this act or an item, section,
23 or part of this act within such period, then the act, item, section, or part
24 will not take effect unless approved by the people at the general election
25 to be held in November 2014 and, in such case, will take effect on the
26 date of the official declaration of the vote thereon by the governor.

1 (2) Section 1 of this act applies to fees, rates, tolls, penalties, or
2 charges fixed or increased on or after January 1, 2014.