

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0492	Date: January 29, 2015
Prime Sponsor(s): Rep. Van Winkle Sen. Holbert	Bill Status: House Local Government
	Fiscal Analyst: Alex Schatz (303-866-4375)

BILL TOPIC: ANNEXATION OF LARGE COMMUNITIES SERVED BY METRO DISTRICTS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill adds a procedure for any municipality to annex unincorporated land area that is within the service area of a metropolitan district and has a population of at least 70,000 residents. Prior to the commencement of annexation proceedings, the municipality must obtain the approval of annexation by a two-thirds vote of the governing board of the metropolitan district.

Background

Metropolitan districts are a type of special district formed to provide multiple services to residents, both inside and outside the boundaries of municipalities. The largest metropolitan districts in Colorado are Highlands Ranch, with a population of over 90,000 in unincorporated Douglas County, and Pueblo West, with a population of approximately 30,000 in unincorporated Pueblo County.

Under current law, annexation may be initiated by the petition of land owners seeking to be included in an adjacent municipality, or by the municipality seeking to enlarge its geographic territory. State law requires notice, a hearing, an annexation report, and an election by affected land owners in most annexations. Any land owner or registered elector in the area to be annexed may contest the validity of the annexation in an expedited judicial proceeding.

State Expenditures

The bill results in a minimal potential workload increase for district courts. Due to the large population of a metropolitan district subject to the bill, it is reasonably likely that a person would challenge an annexation, if and when an annexation subject to the bill is proposed, using the expedited judicial process. The increase in workload caused by adding new grounds for an expedited annexation review is minimal and does not require new appropriations.

Local Government Impact

Municipalities and metropolitan districts affected by the bill incur a minimal increase in workload and costs. Organizing a vote of the metropolitan district governing board and communicating the result of the vote requires a small additional effort by the officials of both affected local governments.

Metropolitan districts under annexation pressure may also experience a reduction in costs. The metropolitan district board and administration may hold fewer meetings and respond to fewer resident concerns regarding potential annexation. The bill may reduce metropolitan district costs to study alternatives to annexation, such as incorporation.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Local Affairs
Counties
County Clerks

Judicial Department
Regulatory Agencies

Special Districts
State