



Colorado  
Legislative  
Council  
Staff

HB16-1354

REVISED  
FISCAL NOTE

(replaces fiscal note dated March 18, 2016)

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**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

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**Drafting Number:** LLS 16-0584  
**Prime Sponsor(s):** Rep. Mitsch Bush; Becker J.  
Sen. Sonnenberg

**Date:** April 5, 2016  
**Bill Status:** Senate SVMA  
**Fiscal Analyst:** Josh Abram (303-866-3561)

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**BILL TOPIC:** DEBT-FREE SCHOOLS ACT

### Summary of Legislation

This *reengrossed* bill authorizes a school district, with voter approval, to impose an additional mill levy for the sole purpose of cash funding its capital construction and facility maintenance needs without borrowing money. Revenue raised from such a mill levy and related interest earned must be deposited in a supplemental capital construction and maintenance fund of the district, and used for the sole purpose of paying for the capital construction and facility maintenance needs of the district. Districts may not pledge any of this revenue for the repayment of existing or new debt.

A charter school may request that the district include the charter school's capital construction needs as part of the ballot question to approve the additional mill levy for cash funding the capital construction and maintenance needs of the district.

The new property tax revenue collected as a result of this additional mill levy may exceed the caps in current law on additional local school district revenue raised from mill levy overrides and bonded capital construction.

### Background

Under current law, a school district that wants to raise and spend local property tax revenue in excess of the district's total program funding under the state's School Finance Act may submit a ballot question to the voters in that district for approval. These are referred to as mill levy overrides. The total additional local property tax revenue that may be authorized by voters may not exceed an amount equal to 25 percent of that district's total program funding. For some small rural districts, the limit is 30 percent of total program funding. This bill authorizes an additional mill levy that is not constrained by these limits.

In addition to a property tax mill levy override for the district's general operating budget, school districts may also raise property tax revenue to:

- buy back categorical funding provided by the state;
- provide a supplemental cost of living adjustment for the district; or
- to provide funding for full day kindergarten programs.

## School District Impact

The bill has a conditional impact on local school district revenue collected from property taxation. Should a local board of education place a ballot question for additional local revenue and the voters authorize the district to collect, keep, and spend that revenue, a district's local revenue for capital construction and maintenance is increased.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit a separate estimate of fiscal impacts within seven days of a bill's introduction. Estimates submitted by districts or BOCES for this bill can be found on the Legislative Council website at this address: <http://1.usa.gov/23AxLIT>

## Effective Date

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

## State and Local Government Contacts

Counties  
Law  
Secretary Of State

Clerk And Records  
Local Affairs

Education  
Property Tax