



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 22-0417
Prime Sponsors: Rep. Valdez D.
Sen. Simpson

Date: May 25, 2022
Bill Status: Signed into Law
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Bill Topic: **DISSOLUTION OF SPECIAL DISTRICTS**

Summary of Fiscal Impact:

- | | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill expands the authority to file applications to dissolve a special district to include boards of county commissioners, and also allows counties and special districts with no outstanding financial obligations or debt to mutually consent to dissolution via a court order. Beginning in FY 2022-23, the bill may increase state and local government expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

Under current law, municipalities and regional service authorities are authorized file an application for dissolution with a special district's board of directors. This bill expands that authorization to boards of county commissioners. The bill also expands current law to allow a board of county commissioners and a special district that is wholly within a county's boundaries and has no outstanding debt or financial obligations to mutually consent to dissolution via a court order without an election. Special districts with more than 85 percent of territory within the corporate limits of one or more municipality must obtain consent from the governing bodies of all such municipalities.

State Expenditures

Beginning in FY 2022-23, the Department of Local Affairs may have a reduced workload if potentially affected special districts no longer require administrative dissolution by the Division of Local Government pursuant to Section 32-1-710, C.R.S. In addition, trial courts within the Judicial Department may incur incremental workload if additional cases are filed. This fiscal note assumes the workload is absorbable within existing resources.

Local Government

Beginning in FY 2022-23, counties may have workload impacts to file applications for dissolution with special districts. If dissolution plans include transferring services previously provided by the special district to the county, then costs associated with providing those services will be incurred. In rare cases where the special district board does not consent to dissolution application filed by the board of county commissioners, election expenses will be incurred. These costs are not estimated in this fiscal note.

Effective Date

The bill was signed into law by the Governor on March 17, 2022, and takes effect on August 9, 2022, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

Municipalities

Judicial

Special Districts

Local Affairs