



# Legislative Council Staff

## Research Note

Version: Final

Date: 9/8/2016

### Bill Number

**House Bill 16-1354**

### Sponsors

***Representatives Mitsch Bush  
and J. Becker  
Senator Sonnenberg***

### Short Title

***Debt-free Schools Act***

### Research Analyst

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### Status

This research note reflects the final version of the bill, which became effective on May 17, 2016.

### Summary

This bill allows school districts to impose additional mill levies in order to fund capital construction and facility maintenance without borrowing money. Districts must create a capital construction and maintenance fund for the revenue, and the revenue may only be used for capital construction, technology, and facility maintenance. Funds may not be used to repay money already borrowed.

The bill allows charter schools to request that districts include their needs as part of the ballot question to approve the additional mill levy, and new revenue collected may exceed caps in current law on additional revenue raised from mill levy overrides and capital construction bonds.

### Background

Current law allows school districts to submit ballot questions regarding mill levy overrides to the voters in the district. Mill levy overrides are local property tax revenues that accrue to school districts' general operating budgets in excess of the district's total program funding allowed under the state's School Finance Act. Voters may not authorize a mill levy override equal to or greater than 25 or 30 percent of the district's total program funding under the state's School Finance Act, depending on the district. 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 district employees, or provide funding for full day kindergarten programs.

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## House Action

**House Education Committee (March 21, 2016).** At the hearing, representatives of Eagle County Schools, the Colorado Association of School Executives, the Rural Schools Alliance, and private citizens, spoke in support of the bill. The committee adopted amendment L.001, which restricted the fund to interest and income received as part of the mill levy override. The committee also adopted amendment L.002, which provided for the inclusion of charter schools. The committee referred the bill, as amended, to the House Committee of the Whole.

**House second reading (March 28, 2016).** The House Committee of the Whole adopted the Education committee report and passed amendment no. 2, which made technical changes to the bill. The House passed the bill, as amended.

**House third reading (April 1, 2016).** The House passed the bill with no amendments.

**House consideration of Senate amendments (April 29, 2016).** The House concurred with Senate amendments to the bill.

## Senate Action

**Senate State, Veterans, and Military Affairs Committee (April 18, 2016).** At the hearing, representatives of Eagle County Schools and the Colorado Association of School Executives testified in support of the bill. The committee adopted amendment L.006, which allowed the use of funds for technology and technology upgrades. The committee referred the bill, as amended to the Senate Committee of the Whole.

**Senate second reading (April 21, 2016).** The Senate Committee of the Whole adopted the State, Veterans, and Military Affairs committee report and passed the bill with no further amendments.

**Senate third reading (April 25, 2016).** The Senate passed the bill with no amendments.

