CHAPTER 133

GOVERNMENT - SPECIAL DISTRICTS

SENATE BILL 21-160

BY SENATOR(S) Gardner; also REPRESENTATIVE(S) Snyder, Bird, Exum, Ricks, Titone.

AN ACT

CONCERNING CERTAIN ADMINISTRATIVE CLARIFICATIONS TO LOCAL GOVERNMENT ELECTION CODES.

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

- **SECTION 1.** In Colorado Revised Statutes, 1-13.5-103, **amend** the introductory portion and (9) as follows:
- **1-13.5-103. Definitions.** As used in this article ARTICLE 13.5, unless the context otherwise requires:
- (9) "Property owners list" means the list of property owner names and addresses prepared by the county assessor in accordance with section 1-13.5-204 OR 1-13.5-1105 (2)(a) AND (2)(b).
 - **SECTION 2.** In Colorado Revised Statutes, 1-13.5-107, **amend** (2) as follows:
- **1-13.5-107.** Computation of time. (2) In computing time for any act OR EVENT to be done before any local government election, the first day is included EXCLUDED, and the last, or election, day is excluded INCLUDED. Saturdays, Sundays, and legal holidays are included, but, if the time for any act to be done or the last day of any period is a Saturday, Sunday, or a legal holiday, the period is extended to include the next day that is not a Saturday, Sunday, or legal holiday.
- **SECTION 3.** In Colorado Revised Statutes, 1-13.5-303, **amend** (3) and (5) as follows:
- 1-13.5-303. Candidates for special district or business improvement district director self-nomination and acceptance form. (3) The self-nomination and

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

acceptance form or letter must contain the name of the special district in which the election will be held, the county or counties where the special district is LOCATED, the special district director office sought by the candidate, the term of office sought if more than one length of a director's term is to be voted upon at the election, the date of the election, the full name of the candidate as it is to appear on the ballot, and whether the candidate is a member of an executive board of a unit owners' association, as defined in section 38-33.3-103, C.R.S., located within the boundaries of the special district for which the candidate is running for office. THE CANDIDATE AND WITNESS MUST PROVIDE THEIR RESPECTIVE RESIDENCE ADDRESSES, INCLUDING THE STREET NUMBER AND NAME, CITY OR TOWN, AND COUNTY, AND TELEPHONE NUMBERS, AND THE CANDIDATE MUST PROVIDE A CURRENT E-MAIL ADDRESS. Unless physically unable, all candidates and witnesses shall sign their own signature and shall print their names their respective residence addresses, including the street number and name, the city or town, the county, telephone number, and INCLUDE the date of signature on the self-nomination and acceptance form or letter.

- (5) (a) The self-nomination and acceptance form or letter must be verified and processed substantially as provided in section 1-4-908 THIS SUBSECTION (5)(a) AND SUBSECTION (5)(b) OF THIS SECTION, a protest on such a form or letter must be determined substantially as provided in sections 1-4-909 and 1-4-911, and cure of such a form or letter must be allowed substantially as provided for in section 1-4-912; except that AN INSUFFICIENT FORM OR LETTER MAY BE CURED BY SUBMITTING an amended self-nomination and acceptance form or letter may be accepted by TO the designated election official until BEFORE the normal close of business on the sixty-seventh day before an election.
- (b) Upon filing, the designated election official shall review the information in the self-nomination and acceptance form or letter and verify the information against the registration records, and, where applicable, the county assessor's records.
- (c) If, while verifying a signer's information against the registrations records in accordance with subsections (5)(a) and (5)(b) of this section, the designated election official finds that the signer provided his or her mailing address rather than his or her residence address as required under subsection (3) of this section, the designated election official may accept the self-nomination form if the designated election official is able to locate the signer's record in the statewide voter registration database and determine that the self-nomination form is otherwise sufficient.
- (d) After review, the designated election official shall provide notification of the sufficiency or insufficiency of the candidate.

SECTION 4. In Colorado Revised Statutes, **amend** 1-13.5-618 as follows:

1-13.5-618. Covered voters to receive mail ballots. Notwithstanding any provision of this article ARTICLE 13.5 to the contrary, the designated election official of a local government shall mail a ballot to every eligible elector of the local government who is a covered voter, as that term is defined in section 1-8.3-102, for

any election conducted under this article ARTICLE 13.5.

SECTION 5. In Colorado Revised Statutes, 1-13.5-1105, **amend** (4)(a) as follows:

1-13.5-1105. Procedures for conducting independent mail ballot election. (4) (a) Not sooner than twenty-two days before an election, and no later than fifteen days before an election, the designated election official shall mail to each active registered elector AND ANY ELECTORS WHO ARE AUTHORIZED TO VOTE PURSUANT TO SECTION 1-13.5-202 OR OTHER APPLICABLE LAW, at the last mailing address appearing in the registration records and in accordance with United States postal service regulations, a mail ballot packet marked "Do not forward. Address correction requested.", or any other similar statement that is in accordance with United States postal service regulations.

SECTION 6. In Colorado Revised Statutes, 32-1-103, **amend** (14.5) as follows:

- **32-1-103. Definitions.** As used in this article 1, unless the context otherwise requires:
- (14.5) "Property owners' owners list" means the list furnished by the county assessor in accordance with section 1-5-304, C.R.S. SECTION 1-5-304, 1-13.5-204, OR 1-13.5-1105 (2)(a) AND (2)(b) showing each property owner within the district, as shown on a deed or contract of record.

SECTION 7. In Colorado Revised Statutes, 32-1-104, **amend** (1) as follows:

32-1-104. Establishment of a special districts file. (1) The division shall promptly establish and maintain on a current basis, as a public record, a file listing by name all special districts, listing the names and addresses of all the members of the boards of the special districts, and recording all changes in the names or boundaries of the special districts. The file shall also list the names of the officers of each special district and a business address, a telephone number, and the name of a contact person for each district. Annually, the division shall compile and maintain a current and revised list of special districts for public inspection. Each special district shall register its business address, its telephone number, and the name of a contact person with the division when certifying the results of a district election pursuant to section 1-11-103 C.R.S. OR 1-13.5-1305 (1).

SECTION 8. In Colorado Revised Statutes, 32-1-305, **amend** (4) and (6) as follows:

- **32-1-305.** Court hearing election declaration of organization. (4) Except as otherwise provided in section 32-1-304.5, upon the hearing, if it appears that a petition for the organization of a special district has been signed and presented in conformity with this part 3 and that the allegations of the petition are true, the court, by order duly entered of record, shall direct that the question of the organization of the special district be submitted at an election to be held for that purpose in accordance with articles 1 to ARTICLE 13.5 of title 1. C.R.S.
 - (6) If a majority of the votes cast at said election are in favor of the organization

and the court determines the election was held in accordance with articles 1 to ARTICLE 13.5 of title 1, C.R.S., the court shall declare the special district organized and give the special district the corporate name designated in the petition, by which it shall thereafter be known in all proceedings, and designate the first board elected. Thereupon the special district shall be a quasi-municipal corporation and a political subdivision of the state of Colorado with all the powers thereof.

SECTION 9. In Colorado Revised Statutes, 32-1-401, **amend** (2)(d) and (2)(e) as follows:

32-1-401. Inclusion of territory - procedure. (2) (d) If the petition is granted or the resolution finally adopted, the board shall make an order to that effect and file the same with the clerk of the court. A municipality or county which has filed a written objection to the inclusion and which can provide adequate service to the real property described in the petition within a reasonable time and on a comparable basis may bring an action in the court, commenced within thirty days after entry of the order of the board, to determine whether the action of the board granting the inclusion was arbitrary, capricious, or unreasonable. The court shall direct that the question of inclusion of the area within the special district be submitted to the eligible electors of the area to be included and shall order the secretary to give published notice, as provided in part 2 of article 5 and article 13.5 of title 1, C.R.S., of the time and place of the election and of the question to be submitted, together with a summary of any conditions attached to the proposed inclusion. The election shall be held within the area sought to be included and shall be held and conducted, and the results thereof determined, in the manner provided in articles 1 to ARTICLE 13.5 of title 1. C.R.S. The ballot shall be prepared by the designated election official and shall contain the following words:

"Shall the following described area become a part of the district upon the following conditions, if any?

(Insert description of area) (Insert accurate summary of conditions)

For inclusion		
Against inc	clusion	'

(e) If a majority of the votes cast at the election are in favor of inclusion and the court determines the election was held in accordance with articles 1 to ARTICLE 13.5 of title 1, C.R.S., the court shall enter an order including any conditions so prescribed and making the area a part of the special district. The validity of the inclusion may not be questioned directly or indirectly in any suit, action, or proceeding, except as provided in article 11 of title 1. C.R.S.

SECTION 10. In Colorado Revised Statutes, 32-1-501, **amend** (4)(c)(I) and (4)(c)(II) as follows:

32-1-501. Exclusion of property by fee owners or board - procedure. (4) (c) (I) If the property to be excluded from the special district will be served by a fire protection district or county fire improvement district that has previously agreed to include the property as provided in subsection (1.5) of this section and that

has a higher mill levy than the special district and after the certified copy of the order of the board excluding the property from the district is filed with the clerk of the court, the court shall direct the question of excluding the area from the special district and including it in the fire protection district or county fire improvement district with a higher mill levy to the eligible electors of the area sought to be excluded. The court shall order the secretary to give published notice, as provided in part 2 of article 5 and article 13.5 of title 1, C.R.S., of the time and place of the election and of the question to be submitted, together with a summary of any conditions attached to the proposed exclusion. The election shall be held within the area sought to be excluded and shall be held and conducted, and the results thereof determined, in the manner provided in articles 1 to ARTICLE 13.5 of title 1. C.R.S. The ballot shall be prepared by the designated election official and shall contain the following words:

"Shall the following described area be excluded from t	he district,
which has a current mill levy of , ar	d become a part of the
district, which has a current mill levy of	and upon
the following conditions, if any?	•
(Insert general description of are (Insert accurate summary of condit	
For exclusion from	district and inclusion
in	district
Against exclusion from	district "

(II) If a majority of the votes cast at the election pursuant to subparagraph (I) of this paragraph (e) SUBSECTION (4)(c)(I) OF THIS SECTION are in favor of exclusion to become a part of another district and the court determines the election was held in accordance with articles 1 to ARTICLE 13.5 of title 1, C.R.S., the court shall enter an order with any conditions so prescribed excluding the area from the special district and including it in the fire protection district or county fire improvement district with a higher mill levy. The validity of the exclusion to become a part of another district may not be questioned directly or indirectly in any suit, action, or proceeding, except as provided in article 11 of title 1. C.R.S.

SECTION 11. In Colorado Revised Statutes, 32-1-502, **amend** (5)(a) as follows:

32-1-502. Exclusion of property within municipality - procedure. (5) (a) After the filing of a petition for exclusion under subsection (1) of this section, ten percent or one hundred of the eligible electors of the special district territory proposed for exclusion, whichever number is less, may petition the court for a special election to be held within the special district territory proposed for exclusion on the question of exclusion of the territory described in the petition for exclusion. If a petition for a special election is filed with the court and complies with this subsection (5), the court shall order a special election to be held only after it finds the conditions of paragraphs (a), (c), and (d) of subsection (2) SUBSECTIONS (2)(a), (2)(c), AND (2)(d) and, if applicable, of subsection (3) or (4) of this section are met. The election shall be held and conducted, and the results thereof determined, in the manner provided in articles 1 to ARTICLE 13.5 of title 1. C.R.S. The special district shall bear the costs of the election.

SECTION 12. In Colorado Revised Statutes, 32-1-602, **amend** (2)(e) as follows:

32-1-602. Procedure for consolidation. (2) Consolidation may be accomplished in the following manner:

(e) At the hearing, if the court finds that the consolidation resolution and the concurring resolutions have been properly filed and that the board of each special district desiring to be consolidated or desiring to have specified services consolidated has proceeded in accordance with this part 6, the court shall enter an order ex parte setting an election within each of the consolidating special districts for the approval of the consolidated district by the eligible electors affected by the consolidation at the next regular special district or special election, which shall be held and conducted pursuant to articles 1 to ARTICLE 13.5 of title 1. C.R.S. The order shall require publication of notice as required by section 1-13.5-510, C.R.S., specifying the name of the consolidated district; the names of the special districts to be consolidated or the name of the district into which specific services are to be consolidated and the names of the special districts presently empowered to provide the services; a summary of any special conditions that may attach to the consolidated district, including any preconsolidation agreements and the provisions included therein regarding the assumption of debt and the approval of any financial obligation, including accrued unfunded pension liability, as debt to remain payable by the taxpayers of the consolidating special district which incurred the obligation or maintained the pension plan to which the accrued unfunded liability attaches; if the consolidated district may be granted the powers of a metropolitan district, the effect of the change and the services a metropolitan district may provide, including any change in maximum mill levies set forth in section 32-1-1101 (1), or, if the mill levy is unlimited, the fact that there is no mill levy limit established by statute; and the area to be included within the consolidated district, which shall be all of the area originally contained within the organization order for each individual special district, together with all areas contained in any inclusions, the consolidated area not to include any area excluded by any special district being so consolidated or by the court pursuant to paragraph (d) of this subsection (2) SUBSECTION (2)(d) OF THIS SECTION. If two or more districts are to be consolidated and if the consolidated district is to assume metropolitan district powers, the court shall order that the eligible electors vote separately on the question of consolidation and the question of granting the consolidated district the powers of a metropolitan district. If the eligible electors approve consolidation but reject the granting of metropolitan district powers, the consolidated district shall have only those powers granted single-purpose districts providing the same services. If all or part of the outstanding bonded indebtedness of all of the consolidating special districts is to be assumed by the consolidated district, the court shall also order that the eligible electors vote separately on the question of consolidation and the question of assuming the indebtedness at the consolidation election. If the eligible electors approve consolidation but reject the assumption of indebtedness by the consolidated district, the outstanding bonded indebtedness shall remain the obligation of the special district which incurred the bonded indebtedness and shall be paid and discharged by the taxpayers having taxable property within the boundaries of the indebted special district. If a preconsolidation agreement provides that the consolidation shall be contingent upon assumption of debt by the consolidated district, then the consolidation shall not be approved unless the assumption of indebtedness is approved by the eligible electors. If any financial obligation of one or more of the

consolidating districts is to be submitted to the electors for approval as debt, the court shall also order that the electors vote separately on the question of consolidation and the question of approval of each financial obligation as debt, which issue shall be presented to the electors in accordance with the provisions of section 32-1-606.5. If the electors approve consolidation but do not approve the treatment of one or more financial obligations as debt, the financial obligations not so approved shall be assumed by the consolidated district in the same manner as other obligations of consolidating districts are assumed, unless a preconsolidation agreement providing that the consolidation shall be contingent upon the approval regarding treatment of the financial obligation as debt, in which case the consolidation shall not be approved. The area of the consolidated district after the election shall be the total area of the special districts consolidated existing as of the date of the court order. No appeal shall lie from any orders of the court.

SECTION 13. In Colorado Revised Statutes, **amend** 32-1-706 as follows:

32-1-706. Conduct of election. It is the duty of the secretary to administer the election, subject to court supervision. The election shall be conducted pursuant to articles 1 to ARTICLE 13.5 of title 1. C.R.S.

SECTION 14. In Colorado Revised Statutes, **add** 32-1-902.7 as follows:

32-1-902.7. Director districts. (1) The Board may adopt a resolution to DIVIDE THE DISTRICT INTO DIRECTOR DISTRICTS. A DISTRICT WITH A FIVE-MEMBER BOARD MAY BE DIVIDED INTO FIVE DIRECTOR DISTRICTS AND A DISTRICT WITH A SEVEN-MEMBER BOARD MAY BE DIVIDED INTO SEVEN DIRECTOR DISTRICTS. EACH DIRECTOR DISTRICT MUST HAVE, AS NEARLY AS POSSIBLE, THE SAME NUMBER OF ELIGIBLE ELECTORS AND SHALL BE AS CONTIGUOUS AND COMPACT AS POSSIBLE. IN MAKING THE DIVISION, THE BOARD SHALL CONSIDER EXISTING OR POTENTIAL DEVELOPMENTS WITHIN THE PROPOSED DIRECTOR DISTRICTS THAT, WHEN COMPLETED, WOULD, IN THE REASONABLY NEAR FUTURE, INCREASE OR DECREASE THE NUMBER OF ELIGIBLE ELECTORS WITHIN THE DIRECTOR DISTRICT. THE BOARD SHALL THEN SELECT FROM ITS MEMBERS A REPRESENTATIVE OF EACH DIRECTOR DISTRICT, AND IF POSSIBLE, THE REPRESENTATIVE SHALL BE AN ELIGIBLE ELECTOR FROM WITHIN A BOUNDARY OF THE DIRECTOR DISTRICT THEY ARE SELECTED TO REPRESENT. THEREAFTER, DIRECTORS MUST BE ELIGIBLE ELECTORS OF THE DIRECTOR DISTRICT THAT THEY REPRESENT. IF, AFTER A REASONABLE TIME, THE BOARD DETERMINES THAT IT IS IN THE BEST INTEREST OF THE DISTRICT TO REVERT TO A SINGLE DISTRICT FORMAT, THE BOARD MAY ELIMINATE THE DIRECTOR DISTRICTS AND THEREAFTER OPERATE AS A SINGLE DISTRICT BY ADOPTING A RESOLUTION.

(2) If a board divides a district into director districts pursuant to subsection (1) of this section, the board shall also designate whether the directors representing the director districts must be elected at large, or by the eligible electors within each director district. If, after a reasonable time, the board determines that it is in the best interest of the district, the board may reverse this designation by adopting a resolution.

SECTION 15. In Colorado Revised Statutes, 32-1-905, **amend** (2.5) as follows:

32-1-905. Vacancies. (2.5) If there are no duly elected directors and if the failure

to appoint a new board will result in the interruption of services that are being provided by the district, then the board of county commissioners of the county or counties which approved the organizational petition may appoint all directors from the pool of duly qualified, willing candidates. The board appointed pursuant to this subsection (2.5) shall call for nominations for a special election within six months after their appointment, which special election is to be held in accordance with the provisions of section 32-1-305.5 and articles 1 to ARTICLE 13.5 of title 1; C.R.S.; except that the question of the organization shall not be presented at the election. In the event a district is wholly within the boundaries of a municipality, the governing body of the municipality may appoint directors.

SECTION 16. In Colorado Revised Statutes, 32-1-1004, **amend** (5) as follows:

32-1-1004. Metropolitan districts - additional powers and duties. (5) The board of a metropolitan district has the power to establish, maintain, and operate a system to transport the public by bus, rail, or any other means of conveyance, or any combination thereof, and may contract pursuant to the provisions of part 2 of article 1 of title 29. C.R.S. The board of a metropolitan district may not establish, maintain, or operate such a system of transportation in a county, city, city and county, or any other political subdivision of the state empowered to provide a system of transportation except pursuant to a contract entered into pursuant to the provisions of part 2 of article 1 of title 29. C.R.S. The board of a metropolitan district not originally organized as having the power granted in this subsection (5) may exercise its power upon compliance with the provisions of part 2 of this article ARTICLE 1. Notwithstanding any other provision of this subsection (5), the board of a metropolitan district shall not exercise the power under this subsection (5) until approved by the district court in compliance with the provisions of part 2 of this article ARTICLE 1 and unless authorized, at a regular special district election or a special election held and conducted pursuant to articles 1 to ARTICLE 13.5 of title 1, C.R.S., by a majority of the eligible electors of the district voting on the question of whether the board should exercise such power. The board of a metropolitan district which exercises the power granted in this subsection (5) shall provide transportation services only in the county or counties within which the boundaries of the metropolitan district lie.

SECTION 17. In Colorado Revised Statutes, 32-1-1006, **amend** (2)(b) as follows:

32-1-1006. Sanitation, water and sanitation, or water districts - additional powers - special provisions. (2) (b) (I) After a hearing on the resolution, the court shall direct that the question of conversion of the special district be submitted to the eligible electors of the special district and shall appoint the secretary as the designated election official responsible for the calling and conducting of the election according to the provisions of articles 1 to ARTICLE 13.5 of title 1. C.R.S.

(II) If a majority of the votes cast at the election are in favor of conversion and the court determines the election was held in accordance with articles 1 to ARTICLE 13.5 of title 1, C.R.S., the court shall enter an order including any conditions so prescribed and converting the special district.

SECTION 18. In Colorado Revised Statutes, 32-1-1101, amend (1)(a) and (2)

as follows:

- **32-1-1101. Common financial powers.** (1) For and on behalf of the special district, the board has the following powers:
- (a) To levy and collect ad valorem taxes on and against all taxable property within the special district, which shall not be limited except as provided in section 39-10-111 (11) C.R.S., and in part 3 of article 1 of title 29. C.R.S. Any election on the question of an increased levy pursuant to section 29-1-302 C.R.S., shall be conducted as a special election in accordance with articles 1 to ARTICLE 13.5 of title 1. C.R.S.
- (2) Whenever the board determines, by resolution, that the interest of the special district and the public interest or necessity demand the acquisition, construction, installation, or completion of any works or other improvements or facilities or the making of any contract with the United States or other persons or corporations to carry out the objects or purposes of such district, requiring the creation of a general obligation indebtedness exceeding one and one-half percent of the valuation for assessment of the taxable property in the special district, the board shall order the submission of the proposition of issuing general obligation bonds or creating other general obligation indebtedness, except the issuing of revenue bonds, at an election held for that purpose. The resolution shall also fix the date upon which the election will be held. The election shall be held and conducted as provided in articles 1 to ARTICLE 13.5 of title 1. C.R.S. Any election may be held separately or may be held jointly or concurrently with any other election authorized by this article ARTICLE 1. If the issuance of general obligation bonds is approved at an election held pursuant to this subsection (2), the board shall be authorized to issue such bonds for a period not to exceed the later of five years following the date of the election or, subject to the provisions of section 32-1-1101.5, for a period not to exceed twenty years following the date of the election if the issuance of such bonds is in material compliance with the financial plan set forth in the service plan, as that plan is amended from time to time, or in material compliance with the statement of purposes of the special district. After the specified period has expired, the board shall not be authorized to issue bonds which were authorized but not issued after the initial election unless the issuance is approved at a subsequent election; except that nothing in this subsection (2) shall be construed as limiting the board's power to issue refunding bonds in accordance with statutory requirements.

SECTION 19. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 13, 2021