



**Colorado
Legislative
Council
Staff**

HB17-1167

FISCAL NOTE

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

Drafting Number: LLS 17-0499
Prime Sponsor(s): Rep. Leonard
Sen. Neville T.

Date: February 17, 2017
Bill Status: House Business
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: EXISTING BUSINESSES IN BUSINESS IMPROVEMENT DISTRICT

Summary of Legislation

Under current law, a municipality may include in a business improvement district (BID) geographic areas in which new businesses or new commercial development may occur, but in which no current business is located. This bill requires that any area included in a BID have existing businesses.

Background

A BID is a type of special district created within a municipality to manage and improve the local business environment with services such as marketing, maintenance, economic development, public safety, and planning. BIDs are self-financed from an ad valorem assessment and fees charged to the businesses within the district. BIDs are primarily self-governing, with the authority to incur debt and impose fees. Municipalities have oversight authority over BIDs via the requirement that a municipality approve each BID's operating plan and budget on an annual basis.

Local Government Impact

The bill does not change the expenditures or revenue of any state agency or local government. Excluding areas without existing businesses from inclusion in a BID does not lower the tax base available for a BID since those areas do not have taxable businesses. Additionally, the bill does not limit a municipality's ability to modify the existing boundaries of a BID to include additional areas once new businesses have been developed.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed. The bill applies to a BID established or modified on or after the effective date.

State and Local Government Contacts

Counties
Municipalities

County Assessors
Property Tax Division

Local Affairs
Special Districts