



**Colorado
Legislative
Council
Staff**

HB17-1198

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 17-0955
Prime Sponsor(s): Rep. Gray
Sen. Gardner

Date: September 12, 2017
Bill Status: Signed into Law
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: INCREASING SPECIAL DISTRICT BOARD TO SEVEN MEMBERS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures		
Cash Funds	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload increase.		

Summary of Legislation

This bill allows a special district with a five member board of directors (board) to increase to seven board members. To increase the special district board to seven members, the board must hold a public meeting and adopt a resolution. The adopted resolution must then be filed with the county or municipality that approved the special district's service plan which has 45 days to notify the special district board if the board member increase is considered to be a material modification to the service plan. If the special district board is not notified by the county or municipality within 45 days, the board can then file the resolution with the clerk of the district court for an order establishing the number of board members. This court order must be filed with the county clerk. The bill also specifies the process for filling the two additional board positions. Any special district that increases to seven board members is not allowed to decrease the board to five members.

Background

Currently there are 2,172 special districts, most of which have a five member board. Special district board members receive compensation not to exceed \$100 per meeting and \$1,600 per year, plus reimbursement of expenses.

State Expenditures

Beginning in FY 2017-2018, this bill increases workload in the Judicial Department and the Department of Local Affairs as described below.

Judicial Department. Beginning in FY 2017-18, this bill increases trial court workload in the Judicial Department. Workload is increased for the clerk of the court to receive resolutions increasing the number of special district board members, and for the court to enter an order establishing the number of special district board members. Few special district boards are expected to increase to seven members; therefore, this increase in workload is expected to be minimal and can be accomplished within existing appropriations.

Department of Local Affairs. The Division of Local Government in the Department of Local Affairs provides guidance on the administration of special districts. This bill increases workload beginning in FY 2017-18 by a minimal amount for the division to assist special districts that choose to increase to seven board members. This workload can be accomplished within existing appropriations.

Local Government Impact

This bill increases costs in special districts that choose to increase to seven members. For these special districts, costs are increased by up to \$3,200 or \$1,600 for each new board member, plus the reimbursement of expenses. This analysis assumes that most five member special districts will elect to keep the same number of board members.

Workload also increases for any municipality or county that receives a resolution to increase the special district board to review the resolution and determine if the increase fits within the special district service plan. Workload also increases for the county clerk to record a certified copy of the district court order establishing number of board members. Because few special districts are expected to increase to seven board members, this workload increase is expected to be minimal.

Effective Date

This bill was signed into law by the Governor on April 6, 2017, and became effective on August 9, 2017.

State and Local Government Contacts

Counties
Judicial
Special Districts

County Clerks
Local Affairs

Information Technology
Municipalities