



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**HB 19-1052**

**REVISED  
FISCAL NOTE**

(replaces fiscal note dated February 1, 2019)

**Drafting Number:** LLS 19-0319  
**Prime Sponsors:** Rep. McCluskie; Rich  
Sen. Rankin; Bridges

**Date:** February 28, 2019  
**Bill Status:** Senate Local Government  
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**Bill Topic:** EARLY CHILDHOOD DEVELOPMENT SPECIAL DISTRICT

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue ( <i>conditional</i> )	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input checked="" type="checkbox"/> Local Government ( <i>conditional</i> )
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill authorizes the creation of an early childhood development service district to provide both direct and indirect early childhood developmental services from birth to eight years of age. It increases state and local revenue and expenditures on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note has been revised to reflect the reengrossed bill.

**Summary of Legislation**

This bill authorizes the creation of an Early Childhood Development Service District to provide both direct and indirect early childhood developmental services. Early childhood developmental services are services provided from birth to the age of eight including, but not limited to, early care and education, health, mental health, and developmental services.

Any district created must be formed and governed in accordance with the Special District Act. The bill specifies the process and requirements for the organization of the district, district service plan, public hearing and approval process to create the district, and powers of a created district which include the right to levy sales and use and property tax upon receipt of voter approval.

**State Revenue**

Beginning in FY 2019-20, and conditional upon local approval of a district service plan, filing fee cash fund revenue in the Judicial Department will increase if petitions are filed with the court to create a new special district. The increase in filing fees is expected to be minimal. Filing fee revenue is subject to TABOR.

**State Expenditures**

Beginning in FY 2019-20, this bill increases state agency workload as described below.

**Judicial Department.** This bill increases trial court workload by a minimal amount for the courts to review and approve any petitions submitted to create a new special district. If petitions are filed challenging the creation of the district workload will further increase. Because a district court judge can handle 549 cases per year and between 2016 and 2018, there was an average of 85 special district petitions filed with the trial courts each year, this impact is assumed to be minimal.

**Department of Local Affairs.** This bill minimally increases workload in the Division of Local Government to update special district publications, provide guidance to any newly created early childhood development service district, and to collect financial reporting information from the district. This workload can be accomplished within existing appropriations.

**Department of Revenue.** Conditional upon the creation of a new special district and approval by voters of sales and use tax, this bill minimally increases Department of Revenue costs and workload to collect and enforce the tax and distribute it to the district on a monthly basis. This cost can be accomplished within existing appropriations.

**TABOR refunds.** The bill minimally increases state General Fund obligations for TABOR refunds by in FY 2019-20. Under current law and the December 2018 Legislative Council Staff forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21.

**Local Government**

Following the creation of an Early Childhood Development Service District, this bill increases special district revenue and costs. These impacts will vary based on the size of the district, voter authorized revenue, and services offered. Revenue is increased if district voters approve the collection of property or sales and use tax for the district. Costs, which could include staffing, contract, operating, and capital costs, are increased to hold an election and to provide early childhood development services.

**Effective Date**

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Counties	County Clerks	Judicial	Local Affairs
Municipalities	Revenue	Special Districts	