

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 22-0417.01 Megan McCall x4215

**HOUSE BILL 22-1097**

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**HOUSE SPONSORSHIP**

**Valdez D.,** Gray, Lindsay, Sandridge, Van Winkle

**SENATE SPONSORSHIP**

**Simpson,**

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**House Committees**

Transportation & Local Government

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE AUTHORITY OF A BOARD OF COUNTY**  
102              **COMMISSIONERS TO FILE AN APPLICATION FOR DISSOLUTION OF**  
103              **A SPECIAL DISTRICT WITH THE SPECIAL DISTRICT'S BOARD OF**  
104              **DIRECTORS, AND, IN CONNECTION THEREWITH, ALLOWING A**  
105              **BOARD OF COUNTY COMMISSIONERS TO CONSENT TO**  
106              **DISSOLUTION BY COURT ORDER WITHOUT AN ELECTION OF A**  
107              **SPECIAL DISTRICT WITH NO OUTSTANDING FINANCIAL**  
108              **OBLIGATIONS OR DEBT.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unamended  
February 14, 2022

HOUSE  
Amended 2nd Reading  
February 11, 2022

<http://leg.colorado.gov>.)

Under current law, municipalities and regional service authorities are authorized to file an application for dissolution of a special district with the board of directors of the special district. The bill expands current law to authorize a board of county commissioners to file with the special district's board of directors an application for dissolution of the special district if the special district is wholly located in the boundaries of the county and to file jointly with another board of county commissioners a petition for dissolution of a special district located in 2 or more counties.

The bill also expands current law to allow a board of county commissioners and a special district that is wholly within the county's boundaries and that has no financial obligations or outstanding debt to mutually consent to dissolution of the special district via a court order dissolving the special district without an election.

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

2 **SECTION 1.** In Colorado Revised Statutes, 32-1-701, **amend** (5)  
3 and (6); and **add** (3.5) and (3.7) as follows:

4 **32-1-701. Initiation - petition - procedure.** (3.5) IF THE  
5 TERRITORY ENCOMPASSED BY A SPECIAL DISTRICT LIES WHOLLY WITHIN  
6 THE BOUNDARIES OF A COUNTY, THE BOARD OF COUNTY COMMISSIONERS  
7 OF ANY SUCH COUNTY MAY FILE AN APPLICATION WITH THE SPECIAL  
8 DISTRICT'S BOARD OF DIRECTORS TO DISSOLVE THE SPECIAL DISTRICT, AND  
9 THE SPECIAL DISTRICT'S BOARD OF DIRECTORS, PROMPTLY AND IN GOOD  
10 FAITH, SHALL TAKE THE NECESSARY STEPS TO DISSOLVE THE DISTRICT IN  
11 ACCORDANCE WITH THE PROCEDURES SPECIFIED IN SUBSECTION (2) OF THIS  
12 SECTION; EXCEPT THAT, IF MORE THAN EIGHTY-FIVE PERCENT OF THE  
13 TERRITORY ENCOMPASSED BY THE SPECIAL DISTRICT LIES WITHIN THE  
14 CORPORATE LIMITS OF ONE OR MORE MUNICIPALITIES, THE SPECIAL  
15 DISTRICT'S BOARD OF DIRECTORS SHALL NOT TAKE ANY ACTION ON THE  
16 APPLICATION UNLESS THE GOVERNING BODIES OF ALL SUCH  
17 MUNICIPALITIES HAVE CONSENTED TO OR JOINED THE APPLICATION.

1           (3.7) IF THE TERRITORY ENCOMPASSED BY A SPECIAL DISTRICT LIES  
2           WITHIN THE BOUNDARIES OF TWO OR MORE COUNTIES, THE BOARD OF  
3           COUNTY COMMISSIONERS OF EACH OF THE COUNTIES MAY JOINTLY FILE AN  
4           APPLICATION WITH THE SPECIAL DISTRICT'S BOARD OF DIRECTORS TO  
5           DISSOLVE THE SPECIAL DISTRICT, AND THE SPECIAL DISTRICT'S BOARD OF  
6           DIRECTORS, PROMPTLY AND IN GOOD FAITH, SHALL TAKE THE NECESSARY  
7           STEPS TO DISSOLVE THE DISTRICT IN ACCORDANCE WITH THE PROCEDURES  
8           SPECIFIED IN SUBSECTION (2) OF THIS SECTION; EXCEPT THAT, IF MORE  
9           THAN EIGHTY-FIVE PERCENT OF THE TERRITORY ENCOMPASSED BY THE  
10          SPECIAL DISTRICT LIES WITHIN THE CORPORATE LIMITS OF ONE OR MORE  
11          MUNICIPALITIES, THE SPECIAL DISTRICT'S BOARD OF DIRECTORS SHALL NOT  
12          TAKE ANY ACTION ON THE APPLICATION UNLESS THE GOVERNING BODIES  
13          OF ALL SUCH MUNICIPALITIES HAVE CONSENTED TO OR JOINED THE  
14          APPLICATION. THE APPLICATION MUST INCLUDE THE CONSENT OF SUCH  
15          COUNTIES TO ASSUME THE RESPONSIBILITIES FOR PROVIDING THE SERVICES  
16          THAT HAD BEEN PROVIDED BY THE SPECIAL DISTRICT IN THEIR RESPECTIVE  
17          JURISDICTIONS OR EVIDENCE OF AN AGREEMENT TO PROVIDE THE SERVICES  
18          ON A CONTRACTUAL BASIS.

19          (5) If the territory encompassed by a special district lies within the  
20          boundaries of two or more regional service authorities and if such service  
21          authorities provide the same service as that provided by the special  
22          district, the two or more service authorities may file jointly an application  
23          with the board to dissolve the special district, and the board, promptly and  
24          in good faith, shall take the necessary steps to dissolve such district in  
25          accordance with the procedures specified in subsection (2) of this section.  
26          The application ~~shall~~ MUST include the consent of such service authorities  
27          to assume the responsibilities for providing the service in their respective

1 jurisdictions or the consent of one regional service authority to provide  
2 the service on a contractual basis.

3 (6) Any application filed with the board to dissolve a special  
4 district under subsection (2), (3), ~~(3.5)~~, ~~(3.7)~~, (4), or (5) of this section  
5 ~~shall~~ MUST be accompanied by a cash bond in the amount of three  
6 hundred dollars to cover the expenses connected with the proceedings if  
7 the dissolution is not effected.

8 **SECTION 2.** In Colorado Revised Statutes, 32-1-702, **amend** (1)  
9 as follows:

10 **32-1-702. Requirements for dissolution petition.** (1) A petition  
11 for dissolution ~~shall~~ MUST generally describe the territory embraced in the  
12 special district, ~~shall~~ MUST have a map showing the special district, a  
13 current financial statement of the special district, and a plan for final  
14 disposition of the assets of the special district and for payment of the  
15 financial obligations of the special district, ~~shall~~ MUST state whether or  
16 not the services of the special district are to be continued and, if so, by  
17 what means, and ~~shall~~ MUST state whether the existing board or a portion  
18 thereof ~~shall~~ IS TO continue in office, subject to court appointment to fill  
19 vacancies. Said petition may provide for the regional service authority  
20 board, THE BOARD OF COUNTY COMMISSIONERS, or the governing body of  
21 the municipality to act as the board in accordance with ~~the provisions of~~  
22 section 32-1-707.

23 **SECTION 3.** In Colorado Revised Statutes, 32-1-704, **amend**  
24 (3)(b) as follows:

25 **32-1-704. Conditions necessary for dissolution - permissible**  
26 **provisions - hearings - court powers.** (3) (b) (I) Subject to the  
27 provisions of ~~paragraph (c) of this subsection (3)~~ SUBSECTION (3)(c) OF

1 THIS SECTION, the court shall enter an order dissolving the special district  
2 pursuant to section 32-1-707 without an election if the special district lies  
3 wholly within the corporate limits of the municipality, if the special  
4 district has no financial obligations or outstanding bonds, and if the  
5 special district board and the governing body of the municipality consent  
6 to the dissolution.

7 (II) SUBJECT TO THE PROVISIONS OF SUBSECTION (3)(c) OF THIS  
8 SECTION, THE COURT SHALL ENTER AN ORDER DISSOLVING THE SPECIAL  
9 DISTRICT PURSUANT TO SECTION 32-1-707 WITHOUT AN ELECTION IF THE  
10 SPECIAL DISTRICT LIES WHOLLY WITHIN THE COUNTY, IF THE SPECIAL  
11 DISTRICT HAS NO FINANCIAL OBLIGATIONS OR OUTSTANDING BONDS, AND  
12 IF THE SPECIAL DISTRICT BOARD AND THE BOARD OF COUNTY  
13 COMMISSIONERS CONSENT TO THE DISSOLUTION, AND, IF MORE THAN  
14 EIGHTY-FIVE PERCENT OF THE TERRITORY ENCOMPASSED BY THE SPECIAL  
15 DISTRICT LIES WITHIN THE CORPORATE LIMITS OF ONE OR MORE  
16 MUNICIPALITIES, THE GOVERNING BODIES OF ALL SUCH MUNICIPALITIES  
17 ALSO CONSENT TO THE DISSOLUTION.

18 **SECTION 4. Act subject to petition - effective date.** This act  
19 takes effect at 12:01 a.m. on the day following the expiration of the  
20 ninety-day period after final adjournment of the general assembly; except  
21 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
22 of the state constitution against this act or an item, section, or part of this  
23 act within such period, then the act, item, section, or part will not take  
24 effect unless approved by the people at the general election to be held in  
25 November 2022 and, in such case, will take effect on the date of the  
26 official declaration of the vote thereon by the governor.