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Fiscal Note

Drafting Number: LLS 23-0344
Prime Sponsors: Sen. Rich
Rep. Taggart

Date: January 27, 2023
Bill Status: Senate Local Government
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Bill Topic: COUNTY TREASURER NO LONGER EX OFFICIO DISTRICT TREASURER

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

The bill removes the duty of county treasurers to be ex officio district treasurers for special purpose districts providing drainage and irrigation services. It may increase local revenue and expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill creates the role of a district treasurer for drainage districts, irrigation districts, and internal improvement districts (districts) that provide services related to drainage and ditches. Under current law, county treasurers are the ex-officio treasurers for these districts. The bill gives the duties previously held by the county treasurers to a district treasurer appointed by the board of directors of a district.

The bill removes the provision specifying the amount of the fee paid by irrigation and drainage districts to county treasurers, and clarifies that taxes are distributed in alignment with current law when collected by a county treasurer on a district's behalf.

Background

Currently, there are 14 drainage districts, 16 irrigation districts, and zero internal improvement districts operating in the state. In statute, county treasurers may issue and manage bonds for the districts and disburse them to the appropriate jurisdictions.

Local Government

Under current law, irrigation and drainage districts pay a fee ranging between \$25 to \$100 to a county treasurer for financial services. The bill removes this provision and requires any district utilizing the services of a county treasurer to pay a certain percentage of taxes received ranging from 1 to 5 percent depending on the county, or counties, in which a district resides.

The bill will create additional costs for individual districts where county treasurers have provided financial services. On average, county treasurers are receiving about \$160 collectively from irrigation and drainage districts within the county. The bill increases the amount a county treasurer will receive to provide financial services. Districts that use a county treasurer will incur additional costs, ranging from \$500 to \$50,000, which reflects a percentage of the taxes collected for the districts. A district that performs its financial services internally, without the assistance from the county treasurer, will not incur these increased costs; rather, the district will take on the workload performed formerly by the county.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

Local Affairs