



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23-022 **Date:** August 23, 2023
Prime Sponsors: Sen. Marchman; Zenzinger **Bill Status:** Signed into Law
Rep. Kipp; Taggart **Fiscal Analyst:** Colin Gaiser | 303-866-2677
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Bill Topic: **TRANSPARENCY FOR METROPOLITAN DISTRICTS**

Summary of Fiscal Impact:

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

The bill makes changes to service plan requirements submitted for proposed metropolitan districts and establishes new rules to increase transparency around outstanding projects and debt. The bill minimally increases local government workload.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

This bill requires that:

- an organizing metropolitan district include a maximum mill levy and maximum debt issuance in a service plan submitted for approval to municipalities and counties;
- beginning 2023, active metropolitan districts that have residential units and were organized after January 1, 2020, conduct an annual meeting with information about outstanding projects and debt, and allow for questions from the public;
- prior to issuing debt to a director of a metropolitan district on or after January 1, 2024, a registered municipal advisor certifies that the debt's interest rate, prior to issuing debt, is the lesser of the current market interest rate or the AAA general obligation municipal bond rate plus 400 basis points; and
- sellers of residential property located within a metropolitan district provide the property's purchaser with the official website established by the metropolitan district.

Local Government

The bill impacts local governments by setting requirements for metropolitan district service plans and establishing new transparency measures for metropolitan districts.

Metropolitan districts will have workload to develop procedures to comply with the bill, including additional workload when developing a compliant service plan, and to conduct an annual meeting and public presentation. The districts will also have costs to engage a registered municipal advisor before issuing debt to a director of the district, or to any entity that is subject to the rules of conduct of local government officials.

Effective Date

The bill was signed into law by the Governor on April 3, 2023, and it took effect on August 7, 2023.

State and Local Government Contacts

Counties	County Clerks	District Attorneys
Information Technology	Judicial	Local Affairs
District Attorneys	Revenue	OEDIT
Municipalities		