

CHAPTER 52

GOVERNMENT - SPECIAL DISTRICTS

SENATE BILL 23-110

BY SENATOR(S) Marchman and Zenzinger, Gardner, Winter F.;
also REPRESENTATIVE(S) Kipp and Taggart, Lindstedt, Bird, Bockenfeld, DeGraaf, Frizzell, Mauro, Ricks, Weinberg.

AN ACT

CONCERNING TRANSPARENCY FOR METROPOLITAN DISTRICTS.

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

SECTION 1. In Colorado Revised Statutes, 32-1-202, **add (2)(m) and (2)(n)** as follows:

32-1-202. Filing of service plan required - report of filing - contents - fee.

(2) The service plan shall contain the following:

(m) FOR A METROPOLITAN DISTRICT THAT SUBMITS A SERVICE PLAN TO ONE OR MORE BOARDS OF COUNTY COMMISSIONERS PURSUANT TO THIS SECTION ON OR AFTER JANUARY 1, 2024, THE MAXIMUM MILL LEVY THAT MAY BE IMPOSED FOR THE PAYMENT OF GENERAL OBLIGATION INDEBTEDNESS, AS DETERMINED BY THE BOARD OF COUNTY COMMISSIONERS OF EACH COUNTY THAT IS APPROVING THE SERVICE PLAN.

(n) FOR A METROPOLITAN DISTRICT THAT SUBMITS A SERVICE PLAN TO ONE OR MORE BOARDS OF COUNTY COMMISSIONERS PURSUANT TO THIS SECTION ON OR AFTER JANUARY 1, 2024, THE MAXIMUM DEBT THAT MAY BE ISSUED BY THE DISTRICT, AS DETERMINED BY THE BOARD OF COUNTY COMMISSIONERS OF EACH COUNTY THAT IS APPROVING THE SERVICE PLAN.

SECTION 2. In Colorado Revised Statutes, 32-1-204.5, **add (3)** as follows:

32-1-204.5. Approval by municipality. (3) IN THE CASE OF A PROPOSED METROPOLITAN DISTRICT THAT SUBMITS A SERVICE PLAN TO THE GOVERNING BODY OF A MUNICIPALITY OR MUNICIPALITIES PURSUANT TO THIS SECTION ON OR AFTER JANUARY 1, 2024, THE SERVICE PLAN MUST CONTAIN THE FOLLOWING:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(a) THE MAXIMUM MILL LEVY THAT MAY BE IMPOSED FOR THE PAYMENT OF GENERAL OBLIGATION INDEBTEDNESS, AS DETERMINED BY THE GOVERNING BODY OF EACH MUNICIPALITY THAT IS APPROVING THE SERVICE PLAN; AND

(b) THE MAXIMUM DEBT THAT MAY BE ISSUED BY THE DISTRICT, AS DETERMINED BY THE GOVERNING BODY OF EACH MUNICIPALITY THAT IS APPROVING THE SERVICE PLAN.

SECTION 3. In Colorado Revised Statutes, 32-1-903, **add** (6) and (7) as follows:

32-1-903. Meetings - definitions. (6) (a) BEGINNING IN THE 2023 CALENDAR YEAR, THE BOARD OF ANY METROPOLITAN DISTRICT THAT WAS DECLARED ORGANIZED BY A COURT PURSUANT TO SECTION 32-1-305.5 AFTER JANUARY 1, 2000, THAT HAS RESIDENTIAL UNITS WITHIN ITS BOUNDARIES, AND THAT IS NOT IN INACTIVE STATUS SHALL CONDUCT AN ANNUAL MEETING IN ADDITION TO ANY OTHER BOARD MEETINGS HELD PURSUANT TO THIS SECTION. THE BOARD SHALL NOT TAKE ANY OFFICIAL ACTION AT THE ANNUAL MEETING AND SHALL ENSURE THAT THE ANNUAL MEETING INCLUDES:

(I) A PRESENTATION FROM THE METROPOLITAN DISTRICT REGARDING THE STATUS OF THE PUBLIC INFRASTRUCTURE PROJECTS WITHIN THE METROPOLITAN DISTRICT AND OUTSTANDING BONDS, IF ANY;

(II) A REVIEW OF UNAUDITED FINANCIAL STATEMENTS SHOWING THE YEAR-TO-DATE REVENUE AND EXPENDITURES OF THE METROPOLITAN DISTRICT IN RELATION TO ITS ADOPTED BUDGET, AS AMENDED IF APPLICABLE, FOR THAT CALENDAR YEAR; AND

(III) AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ASK QUESTIONS ABOUT THE METROPOLITAN DISTRICT.

(b) AN ANNUAL MEETING REQUIRED BY THIS SUBSECTION (6) MUST BE HELD IN PERSON, VIRTUALLY, OR IN PERSON AND VIRTUALLY. AN ANNUAL MEETING THAT IS HELD SOLELY IN PERSON MUST BE HELD AT A PHYSICAL LOCATION THAT IS WITHIN THE BOUNDARIES OF THE METROPOLITAN DISTRICT, WITHIN THE BOUNDARIES OF ANY COUNTY IN WHICH THE METROPOLITAN DISTRICT IS LOCATED, IN WHOLE OR IN PART, OR WITHIN ANY OTHER COUNTY SO LONG AS THE PHYSICAL LOCATION DOES NOT EXCEED FIVE MILES FROM THE METROPOLITAN DISTRICT'S BOUNDARIES.

(c) NOTICE OF THE TIME AND LOCATION OF AN ANNUAL MEETING REQUIRED BY THIS SUBSECTION (6) MUST BE PROVIDED IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION AND MUST BE POSTED ON THE METROPOLITAN DISTRICT'S WEBSITE.

(7) THE BOARD OF A METROPOLITAN DISTRICT MUST PROVIDE A PUBLIC COMMENT PERIOD DURING THE MEETING AT WHICH THE BOARD ADOPTS THE ANNUAL BUDGET FOR THE METROPOLITAN DISTRICT AS REQUIRED BY SECTION 29-1-103.

SECTION 4. In Colorado Revised Statutes, 32-1-1101, **add** (7) as follows:

32-1-1101. Common financial powers. (7) (a) PRIOR TO ISSUING DEBT TO A DIRECTOR OF A METROPOLITAN DISTRICT OR TO AN ENTITY WITH RESPECT TO WHICH A DIRECTOR OF A METROPOLITAN DISTRICT MUST MAKE DISCLOSURE UNDER SECTION 24-18-109, THE BOARD OF THE METROPOLITAN DISTRICT MUST RECEIVE A STATEMENT OF A REGISTERED MUNICIPAL ADVISOR CERTIFYING THAT THE INTEREST RATE OF SUCH DEBT DOES NOT EXCEED THE LESSER OF:

(I) THE INTEREST RATE ALLOWED UNDER SUBSECTION (7)(b) OF THIS SECTION; OR

(II) THE CURRENT MARKET INTEREST RATE FOR THE DEBT BASED ON CRITERIA DETERMINED BY THE REGISTERED MUNICIPAL ADVISOR, INCLUDING THE STRUCTURE OF THE DEBT, THE MATURITIES, REDEMPTION PROVISIONS, THE REVENUE PLEDGED FOR REPAYMENT, AND OTHER TERMS OF THE DEBT, CONSIDERING THE FINANCIAL CIRCUMSTANCES OF THE METROPOLITAN DISTRICT.

(b) THE INTEREST RATE ON DEBT ISSUED BY A METROPOLITAN DISTRICT TO A DIRECTOR OF A METROPOLITAN DISTRICT OR TO AN ENTITY WITH RESPECT TO WHICH A DIRECTOR OF A METROPOLITAN DISTRICT MUST MAKE DISCLOSURE UNDER SECTION 24-18-109 MUST NOT EXCEED THE MUNICIPAL MARKET DATA "AAA" GENERAL OBLIGATION, THIRTY-YEAR CONSTANT MATURITY, OR SUCCESSOR INDEX IF REPLACED, PLUS FOUR HUNDRED BASIS POINTS, AS OF THE SEVENTH BUSINESS DAY PRIOR TO THE DATE OF ISSUANCE OF THAT DEBT AND MUST HAVE A MAXIMUM FINAL MATURITY OF NOT MORE THAN FORTY YEARS FROM THE DATE OF ISSUANCE.

(c) AS USED IN THIS SUBSECTION (7), "REGISTERED MUNICIPAL ADVISOR" MEANS A MUNICIPAL ADVISOR, AS DEFINED IN SECTION 15B OF THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934", THAT IS REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER SECTION 15B OF THE FEDERAL "SECURITIES EXCHANGE ACT OF 1934".

(d) THIS SUBSECTION (7) APPLIES TO DEBT, AS APPLICABLE, THAT IS ISSUED BY A METROPOLITAN DISTRICT ON OR AFTER JANUARY 1, 2024.

SECTION 5. In Colorado Revised Statutes, **add** 38-35.7-111 as follows:

38-35.7-111. Disclosure - metropolitan district website - residences within the boundaries of a metropolitan district. ON OR AFTER JANUARY 1, 2024, AN OWNER OF RESIDENTIAL REAL PROPERTY THAT IS LOCATED WITHIN THE BOUNDARIES OF A METROPOLITAN DISTRICT ORGANIZED ON OR AFTER JANUARY 1, 2000, THAT SELLS THE PROPERTY SHALL PROVIDE THE PURCHASER OF THE PROPERTY WITH THE OFFICIAL WEBSITE ESTABLISHED BY THE METROPOLITAN DISTRICT PURSUANT TO SECTION 32-1-104.5 (3). THE INFORMATION SHALL BE PROVIDED ON THE COLORADO REAL ESTATE COMMISSION APPROVED SELLER'S PROPERTY DISCLOSURE OR OTHER CONCURRENT WRITING.

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be

held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 3, 2023