

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 19-0235.01 Julie Pelegrin x2700

SENATE BILL 19-183

SENATE SPONSORSHIP

Priola and Todd, Bridges, Crowder, Moreno, Tate

HOUSE SPONSORSHIP

Michaelson Jenet and Wilson,

Senate Committees

Education

House Committees

Education

A BILL FOR AN ACT

101 **CONCERNING CREATION OF A VOLUNTARY ALTERNATE PROCESS FOR**
102 **DISSOLUTION AND ANNEXATION OF THE TERRITORY OF A**
103 **SCHOOL DISTRICT UNDER SPECIFIED CIRCUMSTANCES.**

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

HOUSE
2nd Reading Unamended
April 5, 2019

SENATE
3rd Reading Unamended
March 20, 2019

The bill creates an alternate process for the dissolution and annexation of a school district. Pursuant to the bill, if a school district meets specified criteria, the board of education of the school district (local school board) may seek dissolution and annexation of the school district by convening an organization planning committee (committee)

SENATE
2nd Reading Unamended
March 19, 2019

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.

that consists of representation from the local school board of the dissolving school district and the local school boards of the contiguous school districts. The local school board of the dissolving school district must notify the commissioner of education (commissioner) when a committee is formed. The committee must create a proposed plan of organization (plan) that dissolves the convening school district and annexes the territory of the dissolved school district to one or more of the contiguous school districts. The bill specifies the issues that the committee must consider in creating the plan.

After adopting the proposed plan, the committee must submit the proposed plan to the commissioner and the local school boards of the affected school districts and provide notice of public hearings on the proposed plan. After holding public hearings, the committee must work with the commissioner to develop and adopt a final plan of organization. Within a set time after the final plan is adopted, the local school board of each affected school district must adopt the final plan by written resolution. If a local school board does not adopt the plan and there are only 2 affected school districts, or if the plan is not approved by at least 2 of the affected school districts, the committee is dissolved. If fewer than all but at least 2 of the affected school districts approve the plan, the committee may continue and prepare a new plan that involves only the school districts of the local school boards that approved the final approved plan.

Following approval of a final plan by the local school boards of all of the affected school districts, the county clerk and recorder for each affected county must file a map and legal description of the annexing school districts with the commissioner. The final plan takes effect on the date specified in the plan, and the final plan must be available for public review upon request. If the dissolved district has a certain level of indebtedness that is not bonded indebtedness, an annexing school district, after the effective date of the annexation and subject to voter approval, may levy a temporary tax of a specified amount on the annexed property to retire the indebtedness.

The bill clarifies that, if the dissolving school district has bonded indebtedness existing as of the date of the dissolution and annexation and the annexing school district or school districts do not vote to assume the amount of the bonded indebtedness, the bonded indebtedness continues to be paid by the existing levy against the property of the dissolved school district, collected by the annexing school district or school districts.

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

2 **SECTION 1.** In Colorado Revised Statutes, 22-30-103, **amend**

1 the introductory portion and (6); and **add** (13.5) as follows:

2 **22-30-103. Definitions.** As used in this ~~article~~ ARTICLE 30, unless
3 the context otherwise requires:

4 (6) "Dissolution and annexation" means the discontinuance of a
5 school district and annexation of its territory to ~~another~~ AN existing school
6 district OR SCHOOL DISTRICTS.

7 (13.5) "SCHOOL DISTRICT BOARD OF EDUCATION" OR "LOCAL
8 SCHOOL BOARD" MEANS THE ELECTED BOARD OF EDUCATION OF A SCHOOL
9 DISTRICT.

10 **SECTION 2.** In Colorado Revised Statutes, **add** 22-30-129 as
11 follows:

12 **22-30-129. Dissolution and annexation - exemptions from the**
13 **school district organization planning process.** (1) NOTWITHSTANDING
14 ANY PROVISION OF THIS ARTICLE 30 TO THE CONTRARY, A SCHOOL
15 DISTRICT BOARD OF EDUCATION AND ONE OR MORE OF THE CONTIGUOUS
16 SCHOOL DISTRICTS' BOARDS OF EDUCATION MAY FOLLOW THE PROCEDURES
17 AND REQUIREMENTS SPECIFIED IN THIS SECTION FOR THE DISSOLUTION AND
18 ANNEXATION OF THE TERRITORY OF THE SCHOOL DISTRICT IF AT LEAST ONE
19 OF THE FOLLOWING CONDITIONS EXIST:

20 (a) THE STATE BOARD, PURSUANT TO THE PROVISIONS OF SECTION
21 22-11-209, DECLARES THE SCHOOL DISTRICT IS NO LONGER ACCREDITED
22 OR DIRECTS THE SCHOOL DISTRICT TO REORGANIZE;

23 (b) THE SCHOOL DISTRICT DOES NOT PROVIDE WITHIN THE SCHOOLS
24 OF THE SCHOOL DISTRICT A FULL TWELVE-GRADE EDUCATIONAL PROGRAM;
25 OR

26 (c) THE SCHOOL DISTRICT ENROLLS FEWER THAN FIFTY STUDENTS.

27 (2) THE LOCAL SCHOOL BOARD OF THE SCHOOL DISTRICT TO BE

1 DISSOLVED AND ANNEXED SHALL FORM AN ORGANIZATION PLANNING
2 COMMITTEE CONSISTING OF REPRESENTATION FROM THE LOCAL SCHOOL
3 BOARD OF THE DISSOLVING SCHOOL DISTRICT AND THE LOCAL SCHOOL
4 BOARDS OF EACH SCHOOL DISTRICT THAT IS CONTIGUOUS TO THE
5 DISSOLVING SCHOOL DISTRICT. THE LOCAL SCHOOL BOARD OF THE
6 DISSOLVING SCHOOL DISTRICT SHALL NOTIFY THE COMMISSIONER WHEN
7 AN ORGANIZATION PLANNING COMMITTEE IS CREATED PURSUANT TO THIS
8 SECTION. WITHIN SIXTY DAYS AFTER CONVENING, THE ORGANIZATION
9 PLANNING COMMITTEE SHALL ADOPT A PROPOSED PLAN OF ORGANIZATION
10 THAT DISSOLVES THE SCHOOL DISTRICT AND ANNEXES THE TERRITORY OF
11 THE SCHOOL DISTRICT TO ONE OR MORE OF THE CONTIGUOUS SCHOOL
12 DISTRICTS.

13 (3) A PLAN OF ORGANIZATION ADOPTED PURSUANT TO THIS
14 SECTION MUST AT A MINIMUM ADDRESS THE FOLLOWING ISSUES:

15 (a) THE EDUCATIONAL NEEDS OF STUDENTS IN THE AFFECTED
16 SCHOOL DISTRICTS, INCLUDING THE CONVENIENCE AND WELFARE OF
17 STUDENTS;

18 (b) THE PROVISION OF DIVERSE EDUCATIONAL OPPORTUNITIES FOR
19 STUDENTS;

20 (c) FACILITY USE;

21 (d) ESTABLISHMENT OF BOUNDARIES BY LEGAL DESCRIPTION FOR
22 THE SCHOOL DISTRICTS THAT ANNEX PORTIONS OF THE DISSOLVING
23 SCHOOL DISTRICT PURSUANT TO THE PLAN OF ORGANIZATION;

24 (e) EQUITABLE DISTRIBUTION OF THE PROPERTIES AND CASH
25 ASSETS OF THE DISSOLVING SCHOOL DISTRICT TO THE ANNEXING SCHOOL
26 DISTRICTS. IN CONSIDERING AN EQUITABLE DISTRIBUTION OF THE
27 PROPERTIES AND CASH ASSETS OF THE DISSOLVING SCHOOL DISTRICT, THE

1 COMMITTEE SHALL CONSIDER:

2 (I) THE OUTSTANDING GENERAL LIABILITIES AND OBLIGATIONS OF
3 THE ANNEXING SCHOOL DISTRICTS;

4 (II) THE NUMBER OF STUDENTS ATTENDING PUBLIC SCHOOL IN
5 EACH ANNEXING SCHOOL DISTRICT BEFORE AND AFTER THE DISSOLUTION
6 AND ANNEXATION;

7 (III) THE VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY IN
8 EACH AFFECTED SCHOOL DISTRICT;

9 (IV) THE AMOUNT OF OUTSTANDING BONDED INDEBTEDNESS OF
10 EACH AFFECTED SCHOOL DISTRICT;

11 (V) THE PURPOSE FOR WHICH THE BONDED INDEBTEDNESS IN EACH
12 AFFECTED SCHOOL DISTRICT WAS INCURRED; AND

13 (VI) THE VALUE, LOCATION, AND DISPOSITION OF ALL REAL
14 PROPERTIES LOCATED IN THE DISSOLVING SCHOOL DISTRICT.

15 (f) THE PLAN OF REPRESENTATION FOR THE MEMBERS OF THE
16 LOCAL SCHOOL BOARDS OF THE ANNEXING SCHOOL DISTRICTS; AND

17 (g) IF THE DISSOLVING SCHOOL DISTRICT HAS BONDED
18 INDEBTEDNESS OBLIGATIONS OR LIABILITIES, DESIGNATION OF EACH
19 ANNEXING SCHOOL DISTRICT AS A SUCCESSOR FOR THE PURPOSE OF
20 ADMINISTERING PAYMENT OF THE BONDED INDEBTEDNESS OBLIGATIONS
21 OF THE DISSOLVED SCHOOL DISTRICT. THE LOCAL BOARD OF EACH
22 DESIGNATED SCHOOL DISTRICT HAS THE SAME POWERS, RIGHTS, DUTIES,
23 AND RESPONSIBILITIES OF THE BOARD OF EDUCATION OF THE DISSOLVING
24 SCHOOL DISTRICT FOR ADMINISTERING PAYMENT OF THE PORTIONS OF THE
25 OUTSTANDING BONDED INDEBTEDNESS OBLIGATIONS AND LIABILITIES OF
26 THE DISSOLVING SCHOOL DISTRICT THAT PERTAIN TO THE PROPERTY
27 ANNEXED BY THE DESIGNATED SCHOOL DISTRICT. THE LOCAL BOARD OF

1 EACH DESIGNATED SCHOOL DISTRICT SHALL HOLD IN TRUST ALL REVENUE
2 THAT ACCRUES FROM THE TAX LEVIES TO SATISFY THE OBLIGATIONS AND
3 LIABILITIES, AND ALL INTEREST THAT MAY ACCRUE TO THE REVENUE AS A
4 RESULT OF INVESTMENTS AUTHORIZED BY LAW, FOR THE SOLE PURPOSE OF
5 SATISFYING THE BONDED INDEBTEDNESS OBLIGATIONS AND LIABILITIES OF
6 THE DISSOLVING SCHOOL DISTRICT.

7 (4) AFTER THE ORGANIZATION PLANNING COMMITTEE ADOPTS THE
8 PROPOSED PLAN OF ORGANIZATION AS PROVIDED IN SUBSECTION (2) OF
9 THIS SECTION, THE COMMITTEE SHALL COMPLY WITH THE REQUIREMENTS
10 OF SECTION 22-30-115 CONCERNING FILING A COPY OF THE PROPOSED
11 PLAN OF ORGANIZATION WITH THE COMMISSIONER AND THE LOCAL SCHOOL
12 BOARDS OF THE AFFECTED SCHOOL DISTRICTS AND GIVING NOTICE OF AND
13 HOLDING PUBLIC HEARINGS ON THE PROPOSED PLAN. AFTER THE PUBLIC
14 HEARINGS, THE ORGANIZATION PLANNING COMMITTEE SHALL COMPLY
15 WITH THE REQUIREMENTS SPECIFIED IN SECTION 22-30-116, AND THE
16 COMMITTEE AND THE COMMISSIONER SHALL WORK TOGETHER TO DEVELOP
17 A FINAL PLAN OF ORGANIZATION THAT IS MUTUALLY ACCEPTABLE TO BOTH
18 PARTIES AS PROVIDED IN SECTION 22-30-116. THE ORGANIZATION
19 PLANNING COMMITTEE AND THE COMMISSIONER SHALL FINALLY ADOPT
20 THE PLAN OF ORGANIZATION WITHIN SIXTY DAYS AFTER THE LAST PUBLIC
21 HEARING HELD PURSUANT TO THIS SUBSECTION (4) AND SHALL DESIGNATE
22 THE PLAN AS THE FINAL PLAN OF ORGANIZATION.

23 (5) WITHIN SIXTY DAYS AFTER THE FINAL PLAN OF ORGANIZATION
24 IS DESIGNATED, THE LOCAL SCHOOL BOARDS OF THE AFFECTED SCHOOL
25 DISTRICTS MUST EACH ADOPT THE DESIGNATED FINAL PLAN OF
26 ORGANIZATION BY WRITTEN RESOLUTION. IF A LOCAL SCHOOL BOARD
27 DOES NOT ADOPT THE FINAL PLAN OF ORGANIZATION:

5 (b) THE PLANNING COMMITTEE MAY CONTINUE AND PREPARE AND
6 SUBMIT TO THE COMMISSIONER A NEW PROPOSED PLAN OF ORGANIZATION
7 INVOLVING ONLY THOSE SCHOOL DISTRICTS THAT APPROVE THE FINAL
8 PLAN OF ORGANIZATION IF THE FINAL PLAN OF ORGANIZATION INVOLVES
9 THREE OR MORE EXISTING SCHOOL DISTRICTS AND IS APPROVED BY THE
10 LOCAL SCHOOL BOARDS OF AT LEAST TWO OF THE AFFECTED SCHOOL
11 DISTRICTS.

1 COMMISSIONER PURSUANT TO SUBSECTION (6) OF THIS SECTION. THE
2 ANNEXING SCHOOL DISTRICTS CONTINUE AS BODIES CORPORATE IN THE
3 SAME MANNER AS BEFORE APPROVAL OF THE ORGANIZATION PLAN.

4 (8) IF A SCHOOL DISTRICT THAT IS DISSOLVED AND ANNEXED
5 PURSUANT TO THIS SECTION HAS A WARRANT INDEBTEDNESS OR
6 OUTSTANDING LIABILITY, OTHER THAN BONDED INDEBTEDNESS, IN EXCESS
7 OF THE EQUIVALENT OF ONE-HALF MILL ON THE TOTAL VALUATION FOR
8 ASSESSMENT OF THE DISSOLVING SCHOOL DISTRICT, THEN THE LOCAL
9 SCHOOL BOARD OF A SCHOOL DISTRICT THAT ANNEXES ALL OR ANY
10 PORTION OF THE DISSOLVING SCHOOL DISTRICT, AFTER THE EFFECTIVE
11 DATE OF THE DISSOLUTION AND ANNEXATION AND SUBJECT TO VOTER
12 APPROVAL, MAY LEVY A SPECIAL TAX, NOT TO EXCEED ONE MILL, AGAINST
13 THE TAXABLE PROPERTY OF THE DISSOLVING SCHOOL DISTRICT THAT IS
14 ANNEXED BY THE SCHOOL DISTRICT, THE REVENUE FROM WHICH MUST BE
15 APPLIED TO THE RETIREMENT OF THE WARRANT INDEBTEDNESS OR
16 OUTSTANDING LIABILITIES OF THE DISSOLVING SCHOOL DISTRICT. WHEN
17 THE WARRANT INDEBTEDNESS OR OUTSTANDING LIABILITIES ARE RETIRED,
18 THE ANNEXING SCHOOL DISTRICT SHALL DISCONTINUE THE LEVY. THE
19 PROCEDURES TO BE FOLLOWED PURSUANT TO THIS SUBSECTION (8) ARE
20 THE SAME AS PROVIDED IN THIS TITLE 22 FOR RETIREMENT OF BONDED
21 INDEBTEDNESS.

22 **SECTION 3.** In Colorado Revised Statutes, 22-30-124, **amend**
23 (2) as follows:

24 **22-30-124. Existing bonded indebtedness.** (2) Whenever two
25 or more old school districts, or portions of such school districts, have
26 been reorganized and included within a new school district and whenever
27 an old school district has been dissolved and ~~included in any other~~

1 ANNEXED INTO A school district or school districts, under the provisions
2 of this ~~article~~ ARTICLE 30, and, at the time of such reorganization or
3 dissolution and ~~inclusion~~ ANNEXATION, one or more of ~~said~~ THE old
4 school districts has outstanding bonded indebtedness, which indebtedness
5 has not been assumed by ~~said~~ THE new school district OR ANNEXING
6 SCHOOL DISTRICT pursuant to section 22-30-125, the following duties and
7 responsibilities shall be performed by the following officers:

8 (a) The board of education of ~~such~~ THE new school district OR
9 ANNEXING SCHOOL DISTRICT shall certify to the board of county
10 commissioners under separate headings: ~~the following:~~

11 (I) The numbers of all old school districts ~~which~~ THAT had any
12 bonded indebtedness outstanding at the time ~~said~~ THE old school districts
13 were reorganized and united into ~~such~~ THE new school district OR
14 DISSOLVED AND ANNEXED INTO THE EXISTING SCHOOL DISTRICT;

15 (II) The legal description of the property of ~~such~~ THE old school
16 districts, which property is liable for payment of all or a portion of the
17 outstanding bonded indebtedness of ~~such~~ THE OLD school districts;

18 (III) The amount of ~~such~~ THE OUTSTANDING indebtedness; ~~which~~
19 is ~~outstanding~~; and

20 (IV) The amount required for the ensuing calendar year to meet
21 the interest and principal falling due therein.

22 (b) The board of county commissioners shall levy, segregated
23 under separate headings for the ~~said~~ old school districts and for the whole
24 of ~~said~~ THE new school district OR THE ANNEXING SCHOOL DISTRICT, the
25 several amounts properly applicable thereto for taxes at the same time that
26 other taxes are levied and at such rates, as to each ~~such~~ old school district
27 and as to the whole of ~~said~~ THE new school district OR ANNEXING SCHOOL

1 DISTRICT, for the payment of the ~~moneys~~ MONEY required for ~~said~~ THE
2 amounts of either principal or interest, or both, and for the other funds
3 needed by ~~said~~ THE new school district OR ANNEXING SCHOOL DISTRICT,
4 certified by the board of education as will produce the several amounts so
5 certified.

6 (c) The amounts of ~~said taxes which shall be~~ THE TAXES THAT ARE
7 levied on the several portions of ~~said~~ THE new school district and on the
8 entire new school district, OR ON THE SEVERAL PORTIONS OF THE
9 ANNEXING SCHOOL DISTRICT AND ON THE ENTIRE ANNEXING SCHOOL
10 DISTRICT, shall be placed in separate columns in the tax book, which
11 columns shall be headed "special school tax" and shall be subdivided into
12 separate columns designated by the numbers of the old school districts by
13 which ~~said~~ THE bonded indebtedness was issued, showing what portion
14 of ~~said~~ THE special tax is for the purposes of the entire new school district
15 OR ENTIRE ANNEXING SCHOOL DISTRICT and what portion is for interest or
16 principal of bonded indebtedness of old school districts, to which
17 indebtedness ~~said~~ THE old school districts were subject at the time of
18 reorganization or dissolution, and inclusion of ~~such~~ THE old school
19 districts in the new school district OR ANNEXATION OF THE OLD SCHOOL
20 DISTRICT BY THE EXISTING SCHOOL DISTRICT.

21 (d) The county assessor and the county treasurer shall ~~so~~ arrange
22 their tax schedules and books ~~as~~ to conform to the provisions of this
23 section and with column headings respectively for the entire new school
24 district OR ENTIRE ANNEXING SCHOOL DISTRICT subdivided into columns
25 designated by parentheses, with the number of the old school district by
26 which ~~such~~ THE bonded indebtedness was created and which indebtedness
27 is undischarged, and showing, as to each property listed, the amount of

1 tax properly levied on ~~such~~ THE property on account of ~~such~~ THE bonded
2 indebtedness existing against ~~said~~ THE property as a portion of the old
3 school district reorganized or dissolved, and included within the new
4 school district OR ANNEXED TO THE EXISTING SCHOOL DISTRICT at the time
5 of ~~said~~ THE levy.

6 **SECTION 4. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly (August
9 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2020 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.