



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1420

**FINAL
FISCAL NOTE**

Drafting Number:	LLS 18-1240	Date:	June 12, 2018
Prime Sponsors:	Rep. Hamner; Rankin Sen. Scott	Bill Status:	Postponed Indefinitely
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Bill Topic: EARLY CHILDHOOD DEVELOPMENT SPECIAL DISTRICT

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>)	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill authorizes the creation of early childhood development service districts. The bill increases state revenue and workload and local government revenue and expenditures on an ongoing basis. Portions of the state workload and local revenue and expenditure impact are conditional upon the approval of new special districts by voters.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the introduced bill. The bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The bill authorizes the creation of early childhood development service districts (districts), defined as a special district created to provide early care, educational, health, mental health, and development services to children from birth to age eight. The bill adds early childhood development service districts to state law regarding the creation of special districts, including the approval of:

- the special district service plan by the applicable county commissioners or a governing board of a municipality;
- a petition by the district court that serves the area in the proposed district;
- the organization of the district by voters, which may include the establishment of sales or property taxes.

The bill specifies that a service plan for a district may not be referred to a county planning commission, and must include the following:

- proposed services to be provided and the persons who will be eligible;
- quality assurance measures;
- a financial plan, including the proposed revenue from sales or property taxes, and indebtedness;
- a map of proposed district boundaries;

- description of facilities that the district plans to construct;
- the estimated cost of acquiring or leasing land or facilities, acquiring services, proposed indebtedness, and other major expenses;
- description of any proposed agreements with another political subdivision for the provision of services; and
- information as needed for the county commissioners or city council.

The bill also specifies that all eligible voters residing in the proposed district may vote on the creation and organization of the district. Neither county commissioners nor the court may accept or act on a request by a property owner to be excluded from the special district. A district may contract with other public or private providers for early childhood development services.

In addition, districts are exempt from certain provisions related to the inclusion and exclusion of property, the levying and collection of taxes, certification and notice of special district taxes for indebtedness, property tax reduction agreements, and public improvement contracts.

State Revenue

The bill may increase cash fund revenue from filing fees to the Judicial Department beginning in FY 2018-19. Once a service plan is approved, the district court must approve a petition and make a determination on whether to issue an order to organize the district, pending voter approval. The increase in filing fees is expected to be minimal.

State Expenditures

The bill increases the workload for the Judicial Department and Department of Revenue beginning in FY 2018-19, as discussed below.

Judicial Department. The bill increases the workload for the trial courts in the Judicial Department to handle additional hearings related to the creation of early childhood development service districts. District courts are part of the Judicial Department.

Once a service plan is approved by county commissioners, a petition must be filed with the district court, and the court must hold a hearing on the creation of the district. Hearings may also be held in regards to review of or injunctive actions related to a district service plan. The increase in workload is expected to be minimal. No change in appropriations is required.

Department of Revenue. Conditional upon the creation of an early childhood development service district and approval by voters of a sales tax to fund the district, the bill increases costs and workload for the Department of Revenue to collect and enforce the sales tax and distribute it to the district on a monthly basis. The cost is anticipated to be approximately \$950, assuming that 24 hours is required to update three reports, at 8 hours each. The cost can be accommodated within current appropriation.

Local Government Impact

Revenue. Conditional upon the creation of early childhood development service districts and approval of sales or property taxes by voters in the district, the bill increases revenue to special districts from sales or property tax revenue.

Expenditures. The bill increases local government expenditures in several ways. First, the bill increases election costs for the county, should the creation of the special district be on the ballot for voter approval. Assuming the creation of the district is placed on the ballot for a regularly scheduled election, the cost increase is expected to be minimal. Should a separate election be held on the creation of the district, the cost increase may be significant.

In addition, the bill increases expenditures for the proposed special district, including legal fees and court filing fees, among other expenditures. Should the district and tax increases be approved, expenditures increase to provide early childhood development services.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 1, 2017.

State and Local Government Contacts

Counties
Human Services
Municipalities

County Assessors
Judicial
Revenue

County Clerks
Local Affairs
Special Districts