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An Act

SENATE BILL 19-183

BY SENATOR(S) Priola and Todd, Bridges, Crowder, Moreno, Tate;
also REPRESENTATIVE(S) Michaelson Jenet and Wilson, Bird, Buckner,
Caraveo, Catlin, Cutter, Duran, Exum, Galindo, Hooton, Jackson,
McLachlan, Melton, Mullica, Snyder, Valdez D.

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

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

SECTION 1. In Colorado Revised Statutes, 22-30-103, **amend** the introductory portion and (6); and **add** (13.5) as follows:

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

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

(13.5) "SCHOOL DISTRICT BOARD OF EDUCATION" OR "LOCAL SCHOOL

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.

BOARD" MEANS THE ELECTED BOARD OF EDUCATION OF A SCHOOL DISTRICT.

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

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

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

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

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

(2) THE LOCAL SCHOOL BOARD OF THE SCHOOL DISTRICT TO BE DISSOLVED AND ANNEXED SHALL FORM AN ORGANIZATION PLANNING COMMITTEE CONSISTING OF REPRESENTATION FROM THE LOCAL SCHOOL BOARD OF THE DISSOLVING SCHOOL DISTRICT AND THE LOCAL SCHOOL BOARDS OF EACH SCHOOL DISTRICT THAT IS CONTIGUOUS TO THE DISSOLVING SCHOOL DISTRICT. THE LOCAL SCHOOL BOARD OF THE DISSOLVING SCHOOL DISTRICT SHALL NOTIFY THE COMMISSIONER WHEN AN ORGANIZATION PLANNING COMMITTEE IS CREATED PURSUANT TO THIS SECTION. WITHIN SIXTY DAYS AFTER CONVENING, THE ORGANIZATION PLANNING COMMITTEE SHALL ADOPT A PROPOSED PLAN OF ORGANIZATION THAT DISSOLVES THE SCHOOL DISTRICT AND ANNEXES THE TERRITORY OF THE SCHOOL DISTRICT TO ONE OR MORE OF THE CONTIGUOUS SCHOOL DISTRICTS.

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

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

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

(c) FACILITY USE;

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

(e) EQUITABLE DISTRIBUTION OF THE PROPERTIES AND CASH ASSETS OF THE DISSOLVING SCHOOL DISTRICT TO THE ANNEXING SCHOOL DISTRICTS. IN CONSIDERING AN EQUITABLE DISTRIBUTION OF THE PROPERTIES AND CASH ASSETS OF THE DISSOLVING SCHOOL DISTRICT, THE COMMITTEE SHALL CONSIDER:

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

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

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

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

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

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

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

(g) IF THE DISSOLVING SCHOOL DISTRICT HAS BONDED INDEBTEDNESS OBLIGATIONS OR LIABILITIES, DESIGNATION OF EACH ANNEXING SCHOOL DISTRICT AS A SUCCESSOR FOR THE PURPOSE OF ADMINISTERING PAYMENT OF THE BONDED INDEBTEDNESS OBLIGATIONS OF THE DISSOLVED SCHOOL DISTRICT. THE LOCAL BOARD OF EACH DESIGNATED SCHOOL DISTRICT HAS THE SAME POWERS, RIGHTS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF EDUCATION OF THE DISSOLVING SCHOOL DISTRICT FOR ADMINISTERING PAYMENT OF THE PORTIONS OF THE OUTSTANDING BONDED INDEBTEDNESS OBLIGATIONS AND LIABILITIES OF THE DISSOLVING SCHOOL DISTRICT THAT PERTAIN TO THE PROPERTY ANNEXED BY THE DESIGNATED SCHOOL DISTRICT. THE LOCAL BOARD OF EACH DESIGNATED SCHOOL DISTRICT SHALL HOLD IN TRUST ALL REVENUE THAT ACCRUES FROM THE TAX LEVIES TO SATISFY THE OBLIGATIONS AND LIABILITIES, AND ALL INTEREST THAT MAY ACCRUE TO THE REVENUE AS A RESULT OF INVESTMENTS AUTHORIZED BY LAW, FOR THE SOLE PURPOSE OF SATISFYING THE BONDED INDEBTEDNESS OBLIGATIONS AND LIABILITIES OF THE DISSOLVING SCHOOL DISTRICT.

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

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

(a) THE PLANNING COMMITTEE IS DISSOLVED, IF THE FINAL PLAN OF ORGANIZATION INVOLVES ONLY TWO EXISTING SCHOOL DISTRICTS OR IS NOT APPROVED BY THE LOCAL SCHOOL BOARDS OF AT LEAST TWO OF THE AFFECTED SCHOOL DISTRICTS; OR

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

(6) FOLLOWING APPROVAL OF THE FINAL PLAN OF ORGANIZATION BY ALL OF THE LOCAL SCHOOL BOARDS OF THE AFFECTED SCHOOL DISTRICTS, THE COUNTY CLERK AND RECORDER IN EACH COUNTY IN WHICH AN AFFECTED SCHOOL DISTRICT IS LOCATED SHALL SUBMIT TO THE COMMISSIONER A MAP AND LEGAL DESCRIPTION OF THE ANNEXING SCHOOL DISTRICTS. THE LOCAL SCHOOL BOARDS OF THE ANNEXING SCHOOL DISTRICTS SHALL MAKE THE FINAL PLAN OF ORGANIZATION AVAILABLE FOR INSPECTION BY MEMBERS OF THE PUBLIC UPON REQUEST.

(7) THE DISSOLUTION AND ANNEXATION OF A SCHOOL DISTRICT IS EFFECTIVE FOR ALL PURPOSES ON THE DATE SPECIFIED IN THE FINAL PLAN OF ORGANIZATION; EXCEPT THAT, FOR PURPOSES OF DETERMINING FUNDING PURSUANT TO THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE 22, A FINAL PLAN OF ORGANIZATION APPROVED BY THE AFFECTED LOCAL SCHOOL BOARDS PURSUANT TO THIS SECTION TAKES EFFECT ON THE NEXT JULY 1 FOLLOWING SUBMISSION OF THE MAP AND LEGAL DESCRIPTION OF THE ANNEXING SCHOOL DISTRICTS TO THE COMMISSIONER PURSUANT TO SUBSECTION (6) OF THIS SECTION. THE ANNEXING SCHOOL DISTRICTS CONTINUE AS BODIES CORPORATE IN THE SAME MANNER AS BEFORE APPROVAL OF THE ORGANIZATION PLAN.

(8) IF A SCHOOL DISTRICT THAT IS DISSOLVED AND ANNEXED PURSUANT TO THIS SECTION HAS A WARRANT INDEBTEDNESS OR OUTSTANDING LIABILITY, OTHER THAN BONDED INDEBTEDNESS, IN EXCESS OF THE EQUIVALENT OF ONE-HALF MILL ON THE TOTAL VALUATION FOR ASSESSMENT OF THE DISSOLVING SCHOOL DISTRICT, THEN THE LOCAL SCHOOL BOARD OF A SCHOOL DISTRICT THAT ANNEXES ALL OR ANY PORTION OF THE DISSOLVING SCHOOL DISTRICT, AFTER THE EFFECTIVE DATE OF THE

DISSOLUTION AND ANNEXATION AND SUBJECT TO VOTER APPROVAL, MAY LEVY A SPECIAL TAX, NOT TO EXCEED ONE MILL, AGAINST THE TAXABLE PROPERTY OF THE DISSOLVING SCHOOL DISTRICT THAT IS ANNEXED BY THE SCHOOL DISTRICT, THE REVENUE FROM WHICH MUST BE APPLIED TO THE RETIREMENT OF THE WARRANT INDEBTEDNESS OR OUTSTANDING LIABILITIES OF THE DISSOLVING SCHOOL DISTRICT. WHEN THE WARRANT INDEBTEDNESS OR OUTSTANDING LIABILITIES ARE RETIRED, THE ANNEXING SCHOOL DISTRICT SHALL DISCONTINUE THE LEVY. THE PROCEDURES TO BE FOLLOWED PURSUANT TO THIS SUBSECTION (8) ARE THE SAME AS PROVIDED IN THIS TITLE 22 FOR RETIREMENT OF BONDED INDEBTEDNESS.

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

22-30-124. Existing bonded indebtedness. (2) Whenever two or more old school districts, or portions of such school districts, have been reorganized and included within a new school district and whenever an old school district has been dissolved and ~~included in any other~~ ANNEXED INTO A school district or school districts, under the provisions of this ~~article~~ ARTICLE 30, and, at the time of such reorganization or dissolution and ~~inclusion~~ ANNEXATION, one or more of ~~said~~ THE old school districts has outstanding bonded indebtedness, which indebtedness has not been assumed by ~~said~~ THE new school district OR ANNEXING SCHOOL DISTRICT pursuant to section 22-30-125, the following duties and responsibilities shall be performed by the following officers:

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

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

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

(III) The amount of ~~such~~ THE OUTSTANDING indebtedness; ~~which is~~

~~outstanding~~; and

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

(b) The board of county commissioners shall levy, segregated under separate headings for the ~~said~~ old school districts and for the whole of ~~said~~ THE new school district OR THE ANNEXING SCHOOL DISTRICT, the several amounts properly applicable thereto for taxes at the same time that other taxes are levied and at such rates, as to each ~~such~~ old school district and as to the whole of ~~said~~ THE new school district OR ANNEXING SCHOOL DISTRICT, for the payment of the ~~moneys~~ MONEY required for ~~said~~ THE amounts of either principal or interest, or both, and for the other funds needed by ~~said~~ THE new school district OR ANNEXING SCHOOL DISTRICT, certified by the board of education as will produce the several amounts so certified.

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

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

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

SECTION 4. 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 (August 2, 2019, if adjournment sine die is on May 3, 2019); 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 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Leroy M. Garcia
PRESIDENT OF
THE SENATE

KC Becker
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO