

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0417.01 Megan McCall x4215

HOUSE BILL 22-1097

HOUSE SPONSORSHIP

Valdez D.,

SENATE SPONSORSHIP

Simpson,

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE AUTHORITY OF A BOARD OF COUNTY
102 COMMISSIONERS TO FILE AN APPLICATION FOR DISSOLUTION OF
103 A SPECIAL DISTRICT WITH THE SPECIAL DISTRICT'S BOARD OF
104 DIRECTORS, AND, IN CONNECTION THEREWITH, ALLOWING A
105 BOARD OF COUNTY COMMISSIONERS TO CONSENT TO
106 DISSOLUTION BY COURT ORDER WITHOUT AN ELECTION OF A
107 SPECIAL DISTRICT WITH NO OUTSTANDING FINANCIAL
108 OBLIGATIONS OR DEBT.

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

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.

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

Under current law, municipalities and regional service authorities are authorized to file an application for dissolution of a special district with the board of directors of the special district. The bill expands current law to authorize a board of county commissioners to file with the special district's board of directors an application for dissolution of the special district if the special district is wholly located in the boundaries of the county and to file jointly with another board of county commissioners a petition for dissolution of a special district located in 2 or more counties.

The bill also expands current law to allow a board of county commissioners and a special district that is wholly within the county's boundaries and that has no financial obligations or outstanding debt to mutually consent to dissolution of the special district via a court order dissolving the special district without an election.

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

2 **SECTION 1.** In Colorado Revised Statutes, 32-1-701, **amend** (5)
3 and (6); and **add** (3.5) and (3.7) as follows:

4 **32-1-701. Initiation - petition - procedure.** (3.5) IF THE
5 TERRITORY ENCOMPASSED BY A SPECIAL DISTRICT LIES WHOLLY WITHIN
6 THE BOUNDARIES OF A COUNTY, THE BOARD OF COUNTY COMMISSIONERS
7 OF ANY SUCH COUNTY MAY FILE AN APPLICATION WITH THE SPECIAL
8 DISTRICT'S BOARD OF DIRECTORS TO DISSOLVE THE SPECIAL DISTRICT, AND
9 THE SPECIAL DISTRICT'S BOARD OF DIRECTORS, PROMPTLY AND IN GOOD
10 FAITH, SHALL TAKE THE NECESSARY STEPS TO DISSOLVE THE DISTRICT IN
11 ACCORDANCE WITH THE PROCEDURES SPECIFIED IN SUBSECTION (2) OF THIS
12 SECTION.

13 (3.7) IF THE TERRITORY ENCOMPASSED BY A SPECIAL DISTRICT LIES
14 WITHIN THE BOUNDARIES OF TWO OR MORE COUNTIES, THE BOARD OF
15 COUNTY COMMISSIONERS OF EACH OF THE COUNTIES MAY JOINTLY FILE AN
16 APPLICATION WITH THE SPECIAL DISTRICT'S BOARD OF DIRECTORS TO
17 DISSOLVE THE SPECIAL DISTRICT, AND THE SPECIAL DISTRICT'S BOARD OF

1 DIRECTORS, PROMPTLY AND IN GOOD FAITH, SHALL TAKE THE NECESSARY
2 STEPS TO DISSOLVE THE DISTRICT IN ACCORDANCE WITH THE PROCEDURES
3 SPECIFIED IN SUBSECTION (2) OF THIS SECTION. THE APPLICATION MUST
4 INCLUDE THE CONSENT OF SUCH COUNTIES TO ASSUME THE
5 RESPONSIBILITIES FOR PROVIDING THE SERVICES THAT HAD BEEN
6 PROVIDED BY THE SPECIAL DISTRICT IN THEIR RESPECTIVE JURISDICTIONS
7 OR EVIDENCE OF AN AGREEMENT TO PROVIDE THE SERVICES ON A
8 CONTRACTUAL BASIS.

9 (5) If the territory encompassed by a special district lies within the
10 boundaries of two or more regional service authorities and if such service
11 authorities provide the same service as that provided by the special
12 district, the two or more service authorities may file jointly an application
13 with the board to dissolve the special district, and the board, promptly and
14 in good faith, shall take the necessary steps to dissolve such district in
15 accordance with the procedures specified in subsection (2) of this section.
16 The application ~~shall~~ MUST include the consent of such service authorities
17 to assume the responsibilities for providing the service in their respective
18 jurisdictions or the consent of one regional service authority to provide
19 the service on a contractual basis.

20 (6) Any application filed with the board to dissolve a special
21 district under subsection (2), (3), (3.5), (3.7), (4), or (5) of this section
22 ~~shall~~ MUST be accompanied by a cash bond in the amount of three
23 hundred dollars to cover the expenses connected with the proceedings if
24 the dissolution is not effected.

25 **SECTION 2.** In Colorado Revised Statutes, 32-1-702, **amend** (1)
26 as follows:

27 **32-1-702. Requirements for dissolution petition.** (1) A petition

1 for dissolution ~~shall~~ MUST generally describe the territory embraced in the
2 special district, ~~shall~~ MUST have a map showing the special district, a
3 current financial statement of the special district, and a plan for final
4 disposition of the assets of the special district and for payment of the
5 financial obligations of the special district, ~~shall~~ MUST state whether or
6 not the services of the special district are to be continued and, if so, by
7 what means, and ~~shall~~ MUST state whether the existing board or a portion
8 thereof ~~shall~~ IS TO continue in office, subject to court appointment to fill
9 vacancies. Said petition may provide for the regional service authority
10 board, THE BOARD OF COUNTY COMMISSIONERS, or the governing body of
11 the municipality to act as the board in accordance with ~~the provisions of~~
12 section 32-1-707.

13 **SECTION 3.** In Colorado Revised Statutes, 32-1-704, **amend**
14 (3)(b) as follows:

15 **32-1-704. Conditions necessary for dissolution - permissible**
16 **provisions - hearings - court powers.** (3) (b) Subject to the provisions
17 of ~~paragraph (c) of this subsection (3)~~ SUBSECTION (3)(c) OF THIS
18 SECTION, the court shall enter an order dissolving the special district
19 pursuant to section 32-1-707 without an election if the special district lies
20 wholly WITHIN THE COUNTY OR within the corporate limits of the
21 municipality, if the special district has no financial obligations or
22 outstanding bonds, and if the special district board and THE BOARD OF
23 COUNTY COMMISSIONERS, IF WITHIN THE COUNTY, OR the governing body
24 of the municipality, IF WITHIN THE CORPORATE LIMITS OF THE
25 MUNICIPALITY, consent to the dissolution.

26 **SECTION 4. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly; except
2 that, if a referendum petition is filed pursuant to section 1 (3) of article V
3 of the state constitution against this act or an item, section, or part of this
4 act within such period, then the act, item, section, or part will not take
5 effect unless approved by the people at the general election to be held in
6 November 2022 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.