



Legislative Council Staff

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Final Fiscal Note

Drafting Number:	LLS 22-0581	Date:	May 31, 2022
Prime Sponsors:	Rep. Weissman; Boesenecker Sen. Gonzales; Story	Bill Status:	Postponed Indefinitely
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Bill Topic: **ACCOUNTABILITY TO TAXPAYERS SPECIAL DISTRICTS**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill would have modified statutory provisions governing the issuance of debt by metropolitan districts. Beginning in FY 2022-23, it would have increased local government expenditures.

Appropriation Summary: No appropriation would have been required.

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

Summary of Legislation

The bill modifies statutory provisions governing the issuance of debt by metropolitan districts. The bill prohibits a local government from approving a service plan for a proposed metropolitan district that permits the purchase of district debt by any entity with which a director has disclosed a conflict of interest. The bill also prohibits metropolitan district board members that approved the issuance of any debt while serving on the board from acquiring any interest in the debt, except if the debt is acquired indirectly through an investment fund if the member has no input into or control over the individual securities that the fund purchases.

For metropolitan districts created on or after January 1, 2023, prior to issuing debt to a director of a metropolitan district or to an entity requiring the director to make a conflict of interest disclosure to its local government, the metropolitan district must obtain a statement of a registered municipal advisor certifying that the interest rate of the debt does not exceed certain limitations as outlined in the bill.

Local Government

The bill impacts local governments, as described below.

Cities and counties. Cities and counties may have additional workload when reviewing service plans to ensure metropolitan districts are adhering to the limitations with regard to the issuance of debt. To the extent that local governments must take any additional actions to ensure that service plans meet the bill's requirements, workload and expenditures may increase.

Special districts. The bill may increase workload for metropolitan districts to adjust policies and include required information in service plans. It may also affect how metropolitan district debt is issued, by whom it is purchased, and at what interest rates.

Effective Date

This bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 5, 2022.

State and Local Government Contacts

Counties

Municipalities

Information Technology

Special Districts

Local Affairs