



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 23-0526
Prime Sponsors: Rep. Mauro

Date: January 31, 2023
Bill Status: House Trans. & Local Govt.
Fiscal Analyst: David Hansen | 303-866-2633
david.hansen@coleg.gov

Bill Topic: METROPOLITAN DISTRICT TAX FOR PARKS AND RECREATION

Summary of Fiscal Impact:

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

The bill allows a metropolitan district to levy a sales tax to provide parks or recreational facilities or programs, along with other allowable uses. The bill conditionally increases state expenditures and metropolitan district revenues.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill allows a metropolitan district to levy a sales tax to provide parks or recreational facilities or programs, alongside other allowable uses.

Background

There are currently 13 metropolitan districts that have a sales tax. Metropolitan district sales taxes are collected and administered by the Department of Revenue. Under current law, metropolitan district sales taxes may only be used to fund safety protection, street improvements, transportation services, and fire protection. A metropolitan district sales tax must be approved by voters.

State Expenditures

The bill may encourage existing or new metropolitan districts to adopt a sales tax. When a new tax is approved by voters and adopted by a metropolitan district, the Department of Revenue incurs costs to update tax forms and systems and correct errors from retailers, and incurs other costs to administer the new tax. If the bill results in a new metropolitan district tax, it will increase expenditures in the Department of Revenue. The expenditure impact cannot be estimated because it depends on local

policy decisions and outcomes, and any change in appropriations will be addressed through the annual budget process, if necessary.

Local Government – Metropolitan Districts

The bill will increase metropolitan district revenues if any new and existing districts adopt a sales tax for parks or recreational facilities or programs. Increased revenue cannot be estimated because it depends on local policy decisions and outcomes.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology

Revenue

Special Districts