

## CHAPTER 19

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**GOVERNMENT - SPECIAL DISTRICTS**

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**HOUSE BILL 02-1110**

BY REPRESENTATIVE(S) Scott, Ragsdale, Swenson, Webster, Weddig, Decker, Grossman, Hoppe, Mace, Tapia, and Veiga;  
also SENATOR(S) Tate, and Phillips.

**AN ACT****CONCERNING BONDED INDEBTEDNESS OF METROPOLITAN SEWAGE DISPOSAL DISTRICTS.**

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

**SECTION 1.** 32-4-523 (5), Colorado Revised Statutes, is amended to read:

**32-4-523. Form of borrowing.** (5) A district is authorized to borrow money in anticipation of taxes or other revenues, or both, and to issue bonds to evidence the amount so borrowed. WITH THE EXCEPTION OF A DISTRICT THAT QUALIFIES AS AN ENTERPRISE IN ACCORDANCE WITH SECTION 20 (2) (d) OF ARTICLE X OF THE STATE CONSTITUTION, no bonded indebtedness shall be created by a district, without first submitting a proposition of issuing such bonds, and the maximum net effective interest rate at which such bonds may be issued, to the electors of the district and being approved, at an election held for that purpose, in accordance with section 32-4-518. Bonds so authorized may be issued in one series or more and may mature at such time or times not exceeding forty years from their issuance as the board may determine.

**SECTION 2.** 32-4-535 (3), Colorado Revised Statutes, is amended to read:

**32-4-535. Issuance of notes and pledge of bonds as collateral security.** (3) For the purpose of funding any note, any bond pledged as collateral security to secure the payment of such note may be reissued without an election, and any bonds not previously issued but authorized to be issued at an election for a purpose the same as or encompassing the purpose for which the notes were issued may be issued for such a funding. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY BOND TO BE ISSUED FOR THE PURPOSE OF FUNDING ANY NOTE BY A DISTRICT THAT QUALIFIES AS AN ENTERPRISE IN ACCORDANCE WITH SECTION 20 (2) (d) OF ARTICLE X OF THE STATE CONSTITUTION MAY BE ISSUED WITHOUT AN ELECTION. Any such bonds shall

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

mature at such times as the board may determine but in no event exceeding forty years from the date of either any of the notes so funded or any of the bonds so pledged as collateral security, whichever date is the earlier. Bonds for funding, including but not necessarily limited to any such reissued bonds, and bonds for any other purpose authorized in this part 5, may be issued separately or issued in combination in one series or more. Except as otherwise provided in this section, any such funding bonds shall be issued as is provided for refunding bonds in subsections (1), (2), (4), (5), (7), and (8) of section 32-4-533 and provided for securities in sections 32-4-524 to 32-4-532 and section 32-4-534.

**SECTION 3. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: March 21, 2002