

CHAPTER 264

**GOVERNMENT - LOCAL**

**SENATE BILL 05-059**

BY SENATOR(S) Keller, Bacon, Fitz-Gerald, Groff, Hanna, Isgar, Sandoval, Shaffer, Tapia, Tochtrop, Tupa, Veiga, Williams, and Windels;  
also REPRESENTATIVE(S) Hefley, Coleman, Berens, Borodkin, Boyd, Buescher, Carroll, T., Frangas, Green, Hodge, Hoppe, Larson, Madden, Merrifield, Riesberg, Solano, Stafford, and Todd.

**AN ACT**

**CONCERNING THE AUTHORITY OF LOCAL GOVERNMENTS TO PROVIDE MENTAL HEALTH CARE SERVICES TO PERSONS RESIDING IN THE COMMUNITY.**

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

**SECTION 1.** 32-1-103, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**32-1-103. Definitions.** As used in this article, unless the context otherwise requires:

(9.5) "MENTAL HEALTH CARE SERVICE DISTRICT" MEANS A SPECIAL DISTRICT CREATED PURSUANT TO THIS ARTICLE TO PROVIDE, DIRECTLY OR INDIRECTLY, MENTAL HEALTH CARE SERVICES TO RESIDENTS OF THE DISTRICT WHO ARE IN NEED OF MENTAL HEALTH CARE SERVICES AND TO FAMILY MEMBERS OF SUCH RESIDENTS.

**SECTION 2.** 32-1-202 (2), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**32-1-202. Filing of service plan required - report of filing - contents - fee.** (2) The service plan shall contain the following:

(j) FOR A MENTAL HEALTH CARE SERVICE DISTRICT, ANY ADDITIONAL INFORMATION REQUIRED BY SECTION 32-17-107 (2) THAT IS NOT OTHERWISE REQUIRED BY PARAGRAPHS (a) TO (i) OF THIS SUBSECTION (2).

**SECTION 3.** 32-1-301 (2) (a), Colorado Revised Statutes, is amended BY THE

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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.*

ADDITION OF A NEW SUBPARAGRAPH to read:

**32-1-301. Petition for organization.** (2) The petition shall set forth:

(a) The type of service to be provided by the proposed special district and the name of the proposed special district, consisting of a chosen name preceding one of the following phrases:

(IX) MENTAL HEALTH CARE SERVICE DISTRICT;

**SECTION 4.** Title 32, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

**ARTICLE 17**  
**Mental Health Care**  
**Service Districts**

**32-17-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "MENTAL HEALTH CARE SERVICE DISTRICT ACT".

**32-17-102. Legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT ALTHOUGH THE STATE OF COLORADO HAS DEDICATED FINANCIAL RESOURCES TO THE DIAGNOSIS AND TREATMENT OF MENTAL ILLNESS FOR SPECIFIC POPULATIONS IN THIS STATE, MANY ADULTS, CHILDREN, AND FAMILIES WHO DO NOT QUALIFY FOR OR CANNOT OBTAIN THESE STATE- AND FEDERALLY-FUNDED SERVICES HAVE MENTAL HEALTH CARE NEEDS THAT ARE NOT BEING ADDRESSED, AND LACK OF MENTAL HEALTH CARE SERVICES OFTEN RESULTS IN INCREASED TAXPAYER COSTS FOR LAW ENFORCEMENT, SCHOOLS, HEALTH FACILITIES, HOSPITALS, SOCIAL SERVICES, CORRECTIONS, AND HEALTH INSURANCE.

(2) THE GENERAL ASSEMBLY ALSO FINDS AND DECLARES THAT LOCAL RESIDENTS AND LOCAL GOVERNMENTS ARE BEST ABLE TO DETERMINE WHETHER IT IS DESIRABLE TO AUTHORIZE THE CREATION OF MENTAL HEALTH CARE SERVICE DISTRICTS FOR THE PURPOSE OF GENERATING TAX REVENUES TO BE USED TO ADDRESS THE MENTAL HEALTH CARE NEEDS OF ADULTS, CHILDREN, AND FAMILIES IN THEIR COMMUNITIES.

**32-17-103. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "DISTRICT" MEANS A MENTAL HEALTH CARE SERVICE DISTRICT CREATED PURSUANT TO THIS ARTICLE TO PROVIDE, DIRECTLY OR INDIRECTLY, MENTAL HEALTH CARE SERVICES TO RESIDENTS OF THE DISTRICT WHO ARE IN NEED OF MENTAL HEALTH CARE SERVICES AND TO FAMILY MEMBERS OF SUCH RESIDENTS.

(2) "ELIGIBLE ELECTOR" MEANS A PERSON WHO, AT THE DESIGNATED TIME OR EVENT, IS REGISTERED TO VOTE PURSUANT TO THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, C.R.S.

(3) "INTERESTED PARTY" MEANS A RESIDENT OR ELIGIBLE ELECTOR OF THE DISTRICT AND A MUNICIPALITY LOCATED IN THE DISTRICT.

**32-17-104. Applicability of "Special District Act".** (1) EXCEPT AS PROVIDED IN THIS ARTICLE, A MENTAL HEALTH CARE SERVICE DISTRICT CREATED PURSUANT TO THIS ARTICLE SHALL BE GOVERNED BY THE APPLICABLE PROVISIONS OF THE "SPECIAL DISTRICT ACT", ARTICLE 1 OF THIS TITLE, INCLUDING, BUT NOT LIMITED TO:

(a) PART 1 OF ARTICLE 1 OF THIS TITLE CONTAINING GENERAL PROVISIONS;

(b) PARTS 2 AND 3 OF ARTICLE 1 OF THIS TITLE CONCERNING THE ORGANIZATION OF A SPECIAL DISTRICT;

(c) PART 6 OF ARTICLE 1 OF THIS TITLE CONCERNING THE CONSOLIDATION OF SPECIAL DISTRICTS;

(d) PART 7 OF ARTICLE 1 OF THIS TITLE CONCERNING THE DISSOLUTION OF SPECIAL DISTRICTS;

(e) PART 8 OF ARTICLE 1 OF THIS TITLE CONCERNING ELECTIONS;

(f) PARTS 9, 10, AND 11 OF ARTICLE 1 OF THIS TITLE CONCERNING THE BOARD OF DIRECTORS FOR A SPECIAL DISTRICT AND THE BOARD'S GENERAL AND FINANCIAL POWERS; AND

(g) PARTS 13 AND 14 OF ARTICLE 1 OF THIS TITLE CONCERNING REFUNDING OF BONDS AND SPECIAL DISTRICT INDEBTEDNESS.

(2) THE FOLLOWING PROVISIONS SHALL NOT APPLY TO A MENTAL HEALTH CARE SERVICE DISTRICT CREATED PURSUANT TO THIS ARTICLE:

(a) PARTS 4 AND 5 OF ARTICLE 1 OF THIS TITLE CONCERNING THE INCLUSION AND EXCLUSION OF TERRITORY IN A SPECIAL DISTRICT;

(b) PART 12 OF ARTICLE 1 OF THIS TITLE CONCERNING THE LEVY AND COLLECTION OF AD VALOREM TAXES; AND

(c) PART 16 OF ARTICLE 1 OF THIS TITLE CONCERNING CERTIFICATION AND NOTICE OF SPECIAL DISTRICT TAXES FOR GENERAL OBLIGATION INDEBTEDNESS.

**32-17-105. Special districts file - notice of organization or dissolution.**

(1) FOR PURPOSES OF COMPLYING WITH SECTION 32-1-104 (2), A MENTAL HEALTH CARE SERVICE DISTRICT CREATED PURSUANT TO THIS ARTICLE SHALL PROVIDE THE REQUIRED NOTICE TO THE DEPARTMENT OF REVENUE INSTEAD OF THE COUNTY ASSESSOR.

(2) FOR PURPOSES OF COMPLYING WITH SECTION 32-1-105, THE COUNTY CLERK AND RECORDER SHALL FILE A CERTIFIED COPY OF THE DECREE OR ORDER CONFIRMING THE ORGANIZATION OR DISSOLUTION OF A MENTAL HEALTH CARE SERVICE DISTRICT CREATED PURSUANT TO THIS ARTICLE WITH THE DEPARTMENT OF REVENUE INSTEAD OF NOTIFYING THE COUNTY ASSESSOR OF THE ACTION.

**32-17-106. Service area of district - governmental immunity.** (1) A MENTAL HEALTH CARE SERVICE DISTRICT MAY INCLUDE ALL OF THE TERRITORY OF ONE OR

MORE MUNICIPALITIES OR COUNTIES, AS MAY BE PROPOSED. THE DISTRICT SHALL BE A BODY CORPORATE AND POLITIC AND A POLITICAL SUBDIVISION OF THE STATE.

(2) EACH OF THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE DISTRICT SHALL BE A PUBLIC EMPLOYEE FOR PURPOSES OF THE "COLORADO GOVERNMENTAL IMMUNITY ACT", ARTICLE 10 OF TITLE 24, C.R.S.

**32-17-107. Service plan required - contents - action on plan.** (1) PERSONS PROPOSING THE ORGANIZATION OF A MENTAL HEALTH CARE SERVICE DISTRICT, EXCEPT FOR A DISTRICT THAT IS CONTAINED ENTIRELY WITHIN THE BOUNDARIES OF A MUNICIPALITY AND SUBJECT TO THE PROVISIONS OF SECTION 32-17-108, SHALL SUBMIT A SERVICE PLAN IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 32-1-202(1) AND SHALL PAY ANY FEE REQUIRED PURSUANT TO SECTION 32-1-202(3).

(2) NOTWITHSTANDING THE PROVISIONS OF SECTION 32-1-202 (2), THE SERVICE PLAN FOR THE DISTRICT SHALL CONTAIN THE FOLLOWING INFORMATION:

(a) A DESCRIPTION OF THE PROPOSED MENTAL HEALTH SERVICES TO BE PROVIDED AND THE PERSONS WHO WILL BE ELIGIBLE TO RECEIVE THOSE SERVICES;

(b) QUALITY ASSURANCE MEASURES;

(c) A FINANCIAL PLAN SHOWING HOW THE PROPOSED SERVICES ARE TO BE FINANCED, INCLUDING THE PROPOSED OPERATING REVENUE DERIVED FROM SALES TAXES FOR THE FIRST BUDGET YEAR OF THE DISTRICT, WHICH SHALL NOT BE MATERIALLY EXCEEDED EXCEPT AS AUTHORIZED PURSUANT TO SECTION 32-1-207. ALL PROPOSED INDEBTEDNESS FOR THE DISTRICT SHALL BE DISPLAYED TOGETHER WITH A SCHEDULE INDICATING THE YEAR OR YEARS IN WHICH THE DEBT IS SCHEDULED TO BE ISSUED. THE BOARD OF DIRECTORS OF THE DISTRICT SHALL NOTIFY THE BOARD OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE MUNICIPALITY, WHICHEVER IS APPLICABLE, OF ANY ALTERATION OR REVISION OF THE PROPOSED SCHEDULE OF DEBT ISSUANCE SET FORTH IN THE FINANCIAL PLAN.

(d) A MAP OF THE PROPOSED DISTRICT BOUNDARIES;

(e) IF THE DISTRICT PLANS TO CONSTRUCT FACILITIES, A GENERAL DESCRIPTION OF THE FACILITIES TO BE CONSTRUCTED AND THE STANDARDS OF SUCH CONSTRUCTION, INCLUDING A STATEMENT OF HOW THE FACILITY AND SERVICE STANDARDS OF THE PROPOSED DISTRICT ARE COMPATIBLE WITH FACILITY AND SERVICE STANDARDS OF ANY COUNTY OR MUNICIPALITY WITHIN WHICH ALL OR ANY PORTION OF THE PROPOSED DISTRICT IS TO BE LOCATED;

(f) IF APPLICABLE, A GENERAL DESCRIPTION OF THE ESTIMATED COST OF ACQUIRING OR LEASING LAND OR FACILITIES, ACQUIRING ENGINEERING, LEGAL, AND ADMINISTRATIVE SERVICES, INITIAL PROPOSED INDEBTEDNESS AND ESTIMATED PROPOSED MAXIMUM INTEREST RATES AND DISCOUNTS, AND OTHER MAJOR EXPENSES RELATED TO THE ORGANIZATION AND INITIAL OPERATION OF THE DISTRICT;

(g) A DESCRIPTION OF ANY ARRANGEMENT OR PROPOSED AGREEMENT WITH ANY POLITICAL SUBDIVISION FOR THE PERFORMANCE OF ANY SERVICES BETWEEN THE PROPOSED DISTRICT AND SUCH OTHER POLITICAL SUBDIVISION, AND, IF THE FORM

CONTRACT TO BE USED IS AVAILABLE, IT SHALL BE ATTACHED TO THE SERVICE PLAN;

(h) INFORMATION, ALONG WITH OTHER EVIDENCE PRESENTED AT THE HEARING, SATISFACTORY TO ESTABLISH THAT EACH OF THE CRITERIA SET FORTH IN SECTION 32-1-203, IF APPLICABLE, IS MET; AND

(i) SUCH ADDITIONAL INFORMATION AS THE BOARD OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE MUNICIPALITY, WHICHEVER IS APPLICABLE, MAY REQUIRE ON WHICH TO BASE ITS FINDINGS PURSUANT TO SECTION 32-1-203.

(3) EXCEPT AS PROVIDED IN SECTION 32-17-108, THE BOARD OF COUNTY COMMISSIONERS OF EACH COUNTY THAT HAS TERRITORY INCLUDED WITHIN THE PROPOSED DISTRICT SHALL CONSTITUTE THE APPROVING AUTHORITY FOR THE PROPOSED DISTRICT AND SHALL REVIEW ANY SERVICE PLAN FILED BY THE PETITIONERS OF A PROPOSED DISTRICT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 32-1-203. THE PROVISIONS OF SECTION 32-1-203 (3.5) SHALL NOT APPLY TO A MENTAL HEALTH CARE SERVICE DISTRICT PROPOSED PURSUANT TO THIS ARTICLE.

**32-17-108. Approval by municipality.** IF THE BOUNDARIES OF A MENTAL HEALTH CARE SERVICE DISTRICT PROPOSED PURSUANT TO THIS ARTICLE ARE WHOLLY CONTAINED WITHIN THE BOUNDARIES OF A MUNICIPALITY, THE PERSONS PROPOSING THE ORGANIZATION OF THE DISTRICT SHALL COMPLY WITH THE PROVISIONS OF SECTION 32-1-204.5; EXCEPT THAT THE SERVICE PLAN SUBMITTED TO EACH GOVERNING BODY SHALL CONTAIN THE INFORMATION REQUIRED BY SECTION 32-17-107 (2). THE GOVERNING BODY OF EACH MUNICIPALITY SHALL HAVE THE AUTHORITY SET FORTH IN SECTION 32-1-204.5 WITH REGARD TO THE REVIEW OF THE SERVICE PLAN.

**32-17-109. Public hearing on service plan - procedures - decision - judicial review - modifications - enforcement.** (1) FOR PURPOSES OF SECTION 32-1-204 (1) AND (1.5), THE BOARD OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE MUNICIPALITY, WHICHEVER IS APPLICABLE, SHALL BE DEEMED TO HAVE COMPLIED WITH SUCH PROVISIONS IF THE BOARD OR GOVERNING BODY PROVIDES WRITTEN NOTICE OF THE DATE, TIME, AND LOCATION OF THE HEARING TO THE PETITIONERS, AND AT LEAST TWENTY DAYS PRIOR TO THE HEARING DATE, PUBLISHES NOTICE OF THE DATE, TIME, LOCATION, AND PURPOSE OF THE HEARING. THE PUBLISHED NOTICE SHALL CONSTITUTE CONSTRUCTIVE NOTICE TO THE INTERESTED PARTIES IN THE PROPOSED DISTRICT.

(2) THE PROVISIONS OF SECTION 32-1-204 (2) SHALL NOT APPLY TO A MENTAL HEALTH CARE SERVICE DISTRICT PROPOSED PURSUANT TO THIS ARTICLE.

(3) THE BOARD OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE MUNICIPALITY, WHICHEVER IS APPLICABLE, SHALL CONDUCT THE HEARING AND MAKE ITS DECISION IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 32-1-204 (3) AND (4). THE DECISION OF THE BOARD OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE MUNICIPALITY, WHICHEVER IS APPLICABLE, IS SUBJECT TO JUDICIAL REVIEW IN ACCORDANCE WITH SECTION 32-1-206; EXCEPT THAT, FOR PURPOSES OF JUDICIAL REVIEW, "INTERESTED PARTY" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 32-17-103 (3).

(4) UPON FINAL APPROVAL BY THE COURT FOR THE ORGANIZATION OF A MENTAL HEALTH CARE SERVICE DISTRICT, THE DISTRICT SHALL CONFORM AS MUCH AS POSSIBLE TO THE APPROVED SERVICE PLAN, AND ANY MATERIAL MODIFICATIONS TO THE PLAN SHALL BE APPROVED IN ACCORDANCE WITH SECTION 32-1-207 (2). ANY MATERIAL DEPARTURE FROM THE APPROVED SERVICE PLAN MAY BE ENJOINED IN ACCORDANCE WITH SECTION 32-1-207 (3); EXCEPT THAT, FOR PURPOSES OF ENFORCEMENT OF THE PLAN, "INTERESTED PARTY" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 32-17-103 (3).

**32-17-110. Organization.** (1) EXCEPT AS PROVIDED IN THIS SECTION, THE ORGANIZATION OF A MENTAL HEALTH CARE SERVICE DISTRICT PURSUANT TO THIS ARTICLE SHALL BE GOVERNED BY THE PROVISIONS OF PART 3 OF ARTICLE 1 OF THIS TITLE.

(2) FOR PURPOSES OF COMPLYING WITH THE PROVISIONS OF SECTION 32-1-301 (1), A PETITION FOR THE ORGANIZATION OF A DISTRICT PROPOSED PURSUANT TO THIS ARTICLE SHALL BE SIGNED BY NOT LESS THAN THIRTY PERCENT OR TWO HUNDRED ELIGIBLE ELECTORS OF THE PROPOSED DISTRICT, WHICHEVER NUMBER IS SMALLER.

(3) FOR PURPOSES OF COMPLYING WITH THE PROVISIONS OF SECTION 32-1-301 (2) (d.1), THE PETITION FOR ORGANIZATION SHALL SET FORTH THE ESTIMATED SALES TAX REVENUES FOR THE DISTRICT'S FIRST BUDGET YEAR.

(4) FOR PURPOSES OF COMPLYING WITH THE PROVISIONS OF SECTION 32-1-304, WHEN THE COURT WITH WHOM A PETITION FOR ORGANIZATION OF A MENTAL HEALTH CARE SERVICE DISTRICT HAS BEEN FILED SETS A HEARING DATE, THE CLERK OF COURT SHALL PUBLISH NOTICE OF THE HEARING AND MAIL THE REQUIRED NOTICE TO THE APPROPRIATE BOARD OF COUNTY COMMISSIONERS OR GOVERNING BODY OF THE MUNICIPALITY, BUT THE CLERK OF COURT SHALL NOT BE REQUIRED TO MAIL NOTICE OF THE HEARING TO ALL INTERESTED PARTIES.

(5) FOR PURPOSES OF COMPLYING WITH THE PROVISIONS OF SECTION 32-1-305 (1), THE COURT SHALL DETERMINE WHETHER THE REQUIRED NUMBER OF ELIGIBLE ELECTORS OF THE PROPOSED DISTRICT HAVE SIGNED THE PETITION.

(6) FOR PURPOSES OF THE FILING REQUIREMENTS IN SECTION 32-1-306, INSTEAD OF FILING A MAP OF THE DISTRICT WITH THE COUNTY ASSESSOR, THE DISTRICT SHALL FILE A CERTIFIED COPY OF THE FINDINGS AND ORDER OF THE COURT ORGANIZING THE DISTRICT WITH THE DEPARTMENT OF REVENUE.

**32-17-111. Persons entitled to vote at mental health care service district elections.** NOTWITHSTANDING THE PROVISIONS OF SECTION 32-1-806, ANY PERSON WHO IS AN ELIGIBLE ELECTOR AS DEFINED IN SECTION 32-17-103 (2) SHALL BE ELIGIBLE TO VOTE IN AN ORGANIZATIONAL ELECTION OR ANY ELECTION CONDUCTED BY THE BOARD OF DIRECTORS FOR A MENTAL HEALTH CARE SERVICE DISTRICT.

**32-17-112. Financial powers.** NOTWITHSTANDING THE PROVISIONS OF SECTION 32-1-1101 (1) (a), A MENTAL HEALTH CARE SERVICE DISTRICT CREATED PURSUANT TO THIS ARTICLE SHALL NOT BE AUTHORIZED TO LEVY AND COLLECT AD VALOREM TAXES. SUCH DISTRICT SHALL HAVE ALL OTHER FINANCIAL POWERS DESCRIBED IN SECTION 32-1-1101. THE DISTRICT SHALL ALSO HAVE THE POWER, UPON VOTER

APPROVAL, TO LEVY AND COLLECT A UNIFORM SALES TAX THROUGHOUT THE ENTIRE GEOGRAPHICAL AREA OF THE DISTRICT AT A RATE NOT TO EXCEED ONE-FOURTH OF ONE PERCENT UPON EVERY TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE PURSUANT TO THE PROVISIONS OF ARTICLE 26 OF TITLE 39, C.R.S. ANY SALES TAX AUTHORIZED PURSUANT TO THIS SECTION SHALL BE LEVIED AND COLLECTED AS PROVIDED IN SECTION 32-17-113.

**32-17-113. Sales tax imposed - collection - administration of tax.**

(1) (a) UPON THE APPROVAL OF THE ELIGIBLE ELECTORS IN THE DISTRICT AT AN ELECTION HELD IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND PART 8 OF ARTICLE 1 OF THIS TITLE, THE DISTRICT SHALL HAVE THE POWER TO LEVY SUCH UNIFORM SALES TAX THROUGHOUT THE ENTIRE GEOGRAPHICAL AREA OF THE DISTRICT UPON EVERY TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES TAX IS LEVIED BY THE STATE PURSUANT TO THE PROVISIONS OF ARTICLE 26 OF TITLE 39, C.R.S.

(b) THE SALES TAX IMPOSED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL ALSO BE LEVIED ON THE FOLLOWING SALES AND PURCHASES:

(I) PURCHASES OF MACHINERY OR MACHINE TOOLS THAT ARE OTHERWISE EXEMPT PURSUANT TO SECTION 39-26-709 (1), C.R.S., TO THE EXTENT THAT SUCH SALES AND PURCHASES ARE SUBJECT TO THE SALES TAX LEVIED BY THE REGIONAL TRANSPORTATION DISTRICT PURSUANT TO SECTION 29-2-105 (1) (d), C.R.S.;

(II) SALES OF LOW-EMITTING MOTOR VEHICLES, POWER SOURCES, OR PARTS USED FOR CONVERTING SUCH POWER SOURCES AS SPECIFIED IN SECTION 39-26-719 (1), C.R.S.; AND

(III) VENDING MACHINE SALES OF FOOD THAT ARE OTHERWISE EXEMPT PURSUANT TO SECTION 39-26-714 (2), C.R.S.

(c) THE SALES TAX IMPOSED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL NOT BE LEVIED ON:

(I) THE SALE OF TANGIBLE PERSONAL PROPERTY DELIVERED BY A RETAILER OR A RETAILER'S AGENT OR TO A COMMON CARRIER FOR DELIVERY TO A DESTINATION OUTSIDE THE DISTRICT; AND

(II) THE SALE OF TANGIBLE PERSONAL PROPERTY ON WHICH A SPECIFIC OWNERSHIP TAX HAS BEEN PAID OR IS PAYABLE WHEN SUCH SALE MEETS THE FOLLOWING CONDITIONS:

(A) THE PURCHASER DOES NOT RESIDE IN THE DISTRICT OR THE PURCHASER'S PRINCIPAL PLACE OF BUSINESS IS OUTSIDE THE DISTRICT; AND

(B) THE PERSONAL PROPERTY IS REGISTERED OR REQUIRED TO BE REGISTERED OUTSIDE THE GEOGRAPHICAL BOUNDARIES OF THE DISTRICT UNDER THE LAWS OF THIS STATE.

(d) THE SALES TAX IMPOSED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) IS IN ADDITION TO ANY OTHER SALES OR USE TAX IMPOSED PURSUANT TO LAW AND IS

EXEMPT FROM THE LIMITATION IMPOSED BY SECTION 29-2-108 (1), C.R.S.

(2) (a) THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE SALES TAX SHALL BE PERFORMED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE IN THE SAME MANNER AS THAT FOR THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE STATE SALES TAX IMPOSED PURSUANT TO ARTICLE 26 OF TITLE 39, C.R.S., INCLUDING, WITHOUT LIMITATION, THE RETENTION BY A VENDOR OF THE PERCENTAGE OF THE AMOUNT REMITTED TO COVER THE VENDOR'S EXPENSE IN THE COLLECTION AND REMITTANCE OF THE SALES TAX AS PROVIDED IN SECTION 39-26-105, C.R.S. THE EXECUTIVE DIRECTOR SHALL MAKE MONTHLY DISTRIBUTIONS OF SALES TAX COLLECTIONS TO THE DISTRICT. THE DISTRICT SHALL PAY THE NET INCREMENTAL COST INCURRED BY THE DEPARTMENT OF REVENUE IN THE ADMINISTRATION AND COLLECTION OF THE SALES TAX.

(b) (I) A QUALIFIED PURCHASER MAY PROVIDE A DIRECT PAYMENT PERMIT NUMBER ISSUED PURSUANT TO SECTION 39-26-103.5, C.R.S., TO ANY VENDOR OR RETAILER THAT IS LIABLE AND RESPONSIBLE FOR COLLECTING AND REMITTING ANY SALES TAX LEVIED ON ANY SALE MADE TO THE QUALIFIED PURCHASER PURSUANT TO THE PROVISIONS OF THIS ARTICLE. A VENDOR OR RETAILER THAT HAS RECEIVED A DIRECT PAYMENT PERMIT NUMBER IN GOOD FAITH FROM A QUALIFIED PURCHASER SHALL NOT BE LIABLE OR RESPONSIBLE FOR COLLECTION AND REMITTANCE OF ANY SALES TAX IMPOSED ON THE SALE THAT IS PAID FOR DIRECTLY FROM THE QUALIFIED PURCHASER'S FUNDS AND NOT THE PERSONAL FUNDS OF ANY INDIVIDUAL.

(II) A QUALIFIED PURCHASER THAT PROVIDES A DIRECT PAYMENT PERMIT NUMBER TO A VENDOR OR RETAILER SHALL BE LIABLE AND RESPONSIBLE FOR THE AMOUNT OF SALES TAX LEVIED ON ANY SALE MADE TO THE QUALIFIED PURCHASER PURSUANT TO THE PROVISIONS OF THIS ARTICLE IN THE SAME MANNER AS LIABILITY WOULD BE IMPOSED ON A QUALIFIED PURCHASER FOR STATE SALES TAX PURSUANT TO SECTION 39-26-105 (3), C.R.S.

**32-17-114. District revenues.** ANY REVENUES RAISED OR GENERATED BY THE DISTRICT SHALL BE IN ADDITION TO AND SHALL NOT BE USED TO REPLACE ANY STATE FUNDING THE COUNTIES IN THE DISTRICT WOULD OTHERWISE BE ENTITLED TO RECEIVE FROM THE STATE.

**SECTION 5.** Article 2 of title 29, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**29-2-103.9. Sales tax for mental health care services.** (1) IN ADDITION TO ANY SALES TAX IMPOSED PURSUANT TO SECTION 29-2-103, EACH COUNTY IN THIS STATE IS AUTHORIZED TO LEVY A COUNTY SALES TAX OF UP TO ONE-QUARTER OF ONE PERCENT FOR THE PURPOSE OF PROVIDING, DIRECTLY OR INDIRECTLY, MENTAL HEALTH CARE SERVICES TO RESIDENTS OF THE COUNTY WHO ARE IN NEED OF MENTAL HEALTH CARE SERVICES AND TO FAMILY MEMBERS OF SUCH RESIDENTS.

(2) (a) ANY COUNTY IN WHICH MENTAL HEALTH CARE SERVICES ARE PROVIDED MAY ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH ANY MUNICIPALITY OR OTHER COUNTY OR MAY ENTER INTO CONTRACTUAL AGREEMENTS WITH ANY PRIVATE PROVIDER FOR THE PURPOSE OF PROVIDING MENTAL HEALTH CARE SERVICES WITHIN THE COUNTY.

(b) ANY COUNTY THAT USES SALES TAX REVENUES IMPOSED PURSUANT TO THIS SECTION FOR THE PROVISION OF MENTAL HEALTH CARE SERVICES SHALL ESTABLISH STANDARDS FOR SUCH SERVICES.

(3) (a) NO SALES TAX SHALL BE LEVIED PURSUANT TO THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION UNTIL THE PROPOSAL HAS BEEN REFERRED TO AND APPROVED BY THE ELIGIBLE ELECTORS OF THE COUNTY IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE. THE BALLOT QUESTION FOR ANY PROPOSAL FOR A SALES TAX INCREASE PURSUANT TO THIS SECTION SHALL CLEARLY STATE THAT THE APPROVAL OF THE SALES TAX MAY RESULT IN A SALES TAX RATE IN EXCESS OF THE CURRENT LIMITATION IMPOSED BY SECTION 29-2-108.

(b) ANY PROPOSAL FOR THE LEVY OF A SALES TAX IN ACCORDANCE WITH PARAGRAPH (a) OF THIS SUBSECTION (3) SHALL ONLY BE SUBMITTED TO THE ELIGIBLE ELECTORS OF THE COUNTY ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER OF EACH YEAR AND ANY ELECTION ON THE PROPOSAL SHALL BE CONDUCTED BY THE COUNTY CLERK AND RECORDER IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, C.R.S.

(4) ALL REVENUES COLLECTED FROM A COUNTY SALES TAX IMPOSED PURSUANT TO THIS SECTION SHALL BE CREDITED TO A SPECIAL FUND IN THE COUNTY TREASURY KNOWN AS THE COUNTY MENTAL HEALTH CARE SERVICES FUND. THE FUND SHALL BE USED ONLY FOR THE PURPOSE OF PROVIDING MENTAL HEALTH CARE SERVICES IN ACCORDANCE WITH THIS SECTION.

**SECTION 6.** 29-2-108 (3), Colorado Revised Statutes, is amended to read:

**29-2-108. Limitation on amount.** (3) A tax imposed pursuant to ~~section 24-90-110.7 (3) (f), 29-1-204.5 (3) (f.1), 29-2-103.7, 30-11-107.5, 30-11-107.7, or 37-50-110~~ SECTION 24-90-110.7 (3) (f), 29-1-204.5 (3) (f.1), 29-2-103.7, 29-2-103.9, 30-11-107.5, 30-11-107.7, OR 37-50-110, C.R.S., and the additional tax authorized by section 30-20-604.5, C.R.S., if imposed, shall be exempt from the six and ninety one-hundredths percent limitation imposed by subsection (1) of this section.

**SECTION 7. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 2, 2005