

House Transportation, Housing & Local Government

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HB23-1090 Limit Metropolitan District Director Conflicts

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Tim Berg For themselves	I support this bill and efforts to bring transparency and accountability to Special Districts including Metro Districts. Our State needs responsible governance and needs to use its resources wisely - we are facing major crisis with water supply, fire risks and need efficient and responsible local government to address these topics.
Evon Holladay For themselves	<p>I am writing to support passage of HOUSE BILL 23-1090.</p> <p>I strongly support this bill "CONCERNING A PROHIBITION ON THE PURCHASE OF DEBT ISSUED BY A METROPOLITAN DISTRICT BY ANY ENTITY WITH RESPECT TO WHICH ANY DISTRICT DIRECTOR HAS A CONFLICT OF INTEREST."</p> <p>I currently live where a special district has a budget of over \$100M, and for fiscal 2022 they are showing capital debt of \$18.8M and 32.7M in certificate of participation.</p> <p>This bill is really filling a gap in fiduciary oversight. While many special districts may be small, there are very large special districts where millions of dollars are being exchanged.</p> <p>It is imperative that we close this conflict of interest gap.</p>
Charles Howell For themselves	<p>I am writing as a resident of a Metropolitan District in Douglas County. I live in the Fox Hill Metro District and have seen first-hand a developer who has purchase the bonded debt of the Metropolitan District I live in. This is has led to our developer collecting astronomical profit from the residents of our Metro District through our property taxes which the developer controls through his imposed budget on the residents of the district. The developer's power over the residents in this community is through his purchase of his own debt is a conflict of interest in the strongest sense. This debit which enables him to make astronomical profit and the residents have no control of the amount of debt or the 6% interest rate and in some cases even higher interest rates of return. This legislation will stop the practice of a developer purchasing their own debt to financial ruin of the residents through their property taxes. I ask you to support HB23-1090</p> <p>Metro Districts policy continues to raise the cost of housing in Colorado for those that live in Metro Districts. This has been demonstrated over and over again. Metro District do NOT lessen the cost of home purchases within their district. Unwary homeowners through the Metro District property taxes will be paying those unscrupulous developers for up to 30 years at a guaranteed rate of at least 6% in most cases.</p>

	<p>When lending institutions in some cases will not lend money to developers, they go the Metro District route and then purchase their own debt. Then the unknowing and unaware current and future homeowners take on that same debit that lending institutions would not. So, if it was too risky for lending institutions why then are the taxpayers of Colorado who live in this Metro Districts having to take on this developer debit to the absurd profits the developers reap from taxpayers.</p> <p>I urge your support of legislation to begin the process to rein in abusive developers in Colorado. The cost of living in Colorado is skyrocketing and Metro Districts are part of the issue of high cost of housing in Colorado by the rising property taxes Metro Districts force on their residents.</p> <p>Thanks for your time to read this testimony and work to stop the abuses of Metro Districts.</p>
<p>Fayre Ruszczyk For Coloradans for Metro District Reform</p>	<p>Testimony on Mike Weissman’s Bill—HB-1090</p> <p>My name is Fayre Ruszczyk and I am speaking to you as a citizen and member of Coloradans for Metro District Reform.</p> <p>The State Constitution does not allow the state to incur debt except for limited purposes, for limited periods of time and in inconsequential amounts. So how is it, that we have a state statute, CRS 32, that allows private developers to create small governments, called Metro Districts, create massive amounts of debt for even small neighborhoods with the result that unsuspecting new homeowners move into these districts and find that they are responsible for a thirty to forty year debt. In addition, after digging into this debt, it has been discovered that some of the developers use the debt as a profit machine by buying the bonds for the debt that they themselves authorize but are not responsible for repaying. Since moving into a metro district in 2010, not knowing or understanding what a metro district is, I have educated myself and joined with other taxpayers to form an ad hoc committee to bring the abuses that are prevalent in the creation of these debt monsters to light. For the past few years we have tried to get meaningful changes to CRS 32 in order to protect the citizens of this state through this body. We have been regularly thwarted by a very powerful lobby that represents developers, attorneys, accountants, management companies, builders, and more who are part of the cottage industry making massive amounts of money on the taxpayer dime. The money does not go to much needed services in our state, but instead to repaying debt with high interest. This bill is a very small step towards reigning in one of the abuses by developers that currently exists. You may be told by members of the pro md coalition that this is a heavily regulated industry. It is not.</p>

	<p>Paperwork is filed and never looked at. Accountability does not exist. For every provision in the law that would appear to hold metro districts in check, a loophole can be found.</p> <p>I am once again here to ask my representative government to do something to protect the rights and interests of the taxpayers of Colorado rather than the individuals making millions of dollars on the taxpayer dime. It is time. The membership of our group is growing in numbers and frustration.</p>
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