

The following are the facts about Metropolitan District requirements and accountability options:

Documents and Disclosure. There are a number of requirements for documentation that may help citizens be aware of the activities of a special district, or help them seek accountability. As we discussed, the districts are subject to the Colorado Open Records Act and the Open Meetings Law. In addition, there are some provisions specific to special districts:

Annual audits: Special districts are required under section 29-1-607 et seq. to complete and submit an audit of the district's financial statements, or apply for an exemption, on an annual basis. The audits are available for review at the office of the special district, the office of the state auditor, and the division of local government at DOLA. Special districts must also submit annual budgets to DOLA.

Disclosure statement: Every special district is required under section 32-1-104.8 to record a disclosure document with the county clerk and recorder of each county in which it is located. It must include the name, powers, statement of purpose, and service plan of the district. Under section 32-1-209, the board of county commissioners or a municipality that approved the service plan may instruct the treasurer to not release funds held for the district if the district does not comply with this requirement.

Service plan: Depending on when the district was formed and its boundaries, it may also have been required to file the service plan with the county clerk and recorder or a municipality for a review and public hearing prior to its organization under sections 32-1-202 or 32-1-204.5.

Annual report: Depending on when the district was organized, it is either required to file an annual report with the board of county commissioners or the municipality in which it is located, or the board or municipality is able to require that it file one. Under section 32-1-209, the board of county commissioners or a municipality that approved the service plan may instruct the treasurer to not release funds held for the district if the district does not comply with this requirement.

Enforcement of the Service Plan.

If a special district materially departs from the service plan approved by the board of county commissioners or the municipality, the board of county commissioners, the municipality, and certain other public entities may bring a court action to enjoin the district's action under section 32-1-207. There are some limitations on this if the court action relates to the construction of a facility, the issuance of bonds or other financial obligations, the levy of taxes, the imposition of rates, fees, tolls and charges, or other activities that have been noticed by the district.

Citizen Options.

Petition to be excluded: Under section 32-1-501, individual property owners can file a petition requesting for their property to be excluded from the district. The owners are required to pay the costs of exclusion proceedings. The petition is made to the board of the district, which must then hold a public hearing on it. The board is required to evaluate a number of factors and make a decision whether to grant the petition or not. If the board denies the petition, the petitioners can appeal the decision to the board of county commissioners. The decision of the board of county commissioners is subject to judicial review. A municipality, other special district, or group of taxpayers can also petition for

exclusion of an area under section 32-1-502.

Petition to dissolve the district: Sections 32-1-701 (2) provides for eligible electors of the district to petition the board to dissolve the district, subject to a court hearing and an election. The statute requires the board to act promptly and in good faith on such a petition. There are a number of limitations and requirements that apply to a petition for dissolution and a plan of dissolution of a district, including that it address outstanding financial obligations or bonds of the district.

Recall of Directors: Eligible electors may petition for a recall election for a director of special district under section 32-1-906.

Department of Local Affairs.

The Department of Local affairs can administratively dissolve a district for a number of reasons under section 32-1-710, including the district's failure to comply with audit or budget requirements for two consecutive years, or for not providing or attempting to provide any of the services for which the district was organized for two years. This is allowed only when the district has no outstanding financial obligations, and again, involves several additional steps and requirements.

Hope this helps.

State Representative James Rashad Coleman

State of Colorado, House District 7

Business Affairs & Labor Committee | Local Government Committee | Tony Grampas Youth Services Board

c: 720-297-5301

e: james.coleman.house@state.co.us

w: www.colemanforcolorado.com