

WHAT IS A METROPOLITAN DISTRICT?

Metropolitan districts are independent governmental entities authorized by cities and counties to construct and maintain public improvements. Under state law, metropolitan districts can only construct public infrastructure such as roads, water infrastructure, wastewater infrastructure, and parks.

WHY DO CITIES & COUNTIES CREATE METROPOLITAN DISTRICTS?

Cities and counties strive to offer their residents highly amenitized communities and metropolitan districts help to cover some of the cost of this public infrastructure. Cities and counties are also solving regional infrastructure demands like the widening of major roads and sizing sewer lines so that they can take on more capacity for additional future growth.

the **FACTS** on metro districts



Metropolitan districts **lower home prices** by providing governments access to low-cost, tax-exempt capital early in development and allow for the creation of more housing, which ultimately creates lower costs in the housing market.



Metropolitan districts ensure that **growth pays its own way**. They allow new growth to pay for public infrastructure rather than imposing those costs on all residents of a municipality or county.



Metropolitan districts are **heavily regulated** in state statute and by the municipalities and counties that create them. These measures ensure that protections for homeowners are in place upon formation of a new district. Following the bankruptcy of several metropolitan districts in the 1980s, the State Legislature enacted numerous measures to provide protections for homeowners and investors.



Residential **property taxes in Colorado are well below the national average** at 0.53% on average (taxfoundation.org). Properties within metropolitan districts generally pay the same property taxes as the average American.

HOMEOWNER PROTECTIONS

- Mill levies are capped by the city or county who also set the maximum term for debt service. In most instances, property taxes for debt are capped at 50 mills for 40 years.
- There is a limit on interest rates at which most metropolitan districts can borrow.
- Only public infrastructure is allowed to be constructed by law.
- Multiple disclosures are available throughout the homebuying process and state law requires notice in the Purchase Agreement.

CITY AND COUNTY OVERSIGHT

- Municipalities and counties have significant control over metropolitan districts through approval of the service plan, which specifies limits on taxation, fees, and services that districts are allowed to provide.
- Metropolitan districts can only fund public infrastructure such as water, sewer, roads, parks and trails.
- Metropolitan districts may not impose taxes to pay for infrastructure longer than the city or county service plan allows.

ACCOUNTABILITY

- Metropolitan district boards are required to hold regular elections in which any property owner or resident may run for office and vote.
- Homeowners in a metropolitan district should feel welcome to attend any district board meetings and contact the people listed on the Department of Local Affairs website for more information about their specific district.
- Meetings are required to follow the Colorado Open Meetings laws and Colorado Open Records Act.
- Residents of metropolitan districts receive an annual notice concerning their district governing body, meeting information, election information and the mill levy and tax revenue for the prior year.

A stylized map background with various colored regions (green, blue, yellow, grey) and icons (a house, a shopping cart) overlaid. A white text box is centered on the map.

**The Colorado Department of
Local Affairs has an extensive
public database on all local
governments in Colorado,
including Metropolitan Districts,
at the following address:**

<https://dola.colorado.gov/lgis/>