



## Concerning Transparency for Special Districts SB21-262

**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.

**Metropolitan Districts Keep the Cost of Housing Low** by providing governments access to low-cost capital for public infrastructure early in the development cycle. This increases the supply of housing, ultimately lowering the cost of homes in the market.

**Metropolitan Districts Ensure that Growth Pays Its Own Way.** They allow new growth to pay for public infrastructure directly benefitting them rather than imposing those costs on all residents of a municipality or county.

### Passing SB21-262 Was An Important Step Toward Ensuring Special Districts Operate in a Transparent and Accountable Manner

1. **Call for Nominations for Special Districts:** Between 75 and 100 days before a regular local government election, election officials must provide public notice of elections by **publication** and by any one (1) of the following means:
  - Mailing to each household;
  - Prominent part of a newsletter, annual report, billing insert, billing statement, letter, voter information card or other notice of election, or other informational mailing sent by the local government;
  - On the district's website; or,
  - For districts with fewer than 1,000 eligible electors that are wholly located within a county that has a population of less than 30,000 individuals, posting the notice in at least three (3) public places within the territorial boundaries **and** the clerk and recorders office.
2. **Call for Nominations for Metropolitan Districts** organized after January 1, 2000, must be emailed to each active registered elector of the district. If no email is on file with the county clerk and recorder, the notice must be mailed to each address where at least one elector resides. Notice must also be provided by any one (1) of the following means:
  - Publication;
  - Prominent part of a newsletter, annual report, billing insert, billing statement, letter, voter information card or other notice of election, or other informational mailing sent by the local government;
  - The metropolitan district's website; or,

- For metropolitan districts with fewer than 1,000 eligible electors that are wholly located within a county that has a population of less than 30,000 individuals, posting the notice in at least three (3) public places within the territorial boundaries, **and** the clerk and recorders office.

### 3. **Inactive Special Districts Are Exempt**

4. **Mandated Website:** Within one year of the date an Order and Decree is issued by the District Court for a newly organized metro district, and by January 1, 2023 for existing metro districts organized after 2000, the metro district must establish and maintain a website that includes:

- Names, terms and contact information for the current directors and the manager of the metropolitan district;
- Current fiscal year budget within 30 days of adoption by the board;
- Prior year's audited financial statements or an application for exemption;
- Annual report;
- By January 30 of each year, dates, times and locations of regular scheduled meetings;
- Call for nominations;
- No more than 30 days after an election, certified election results;
- Current map with boundaries of the metropolitan district; and,
- Other information deemed appropriate by the board of directors.
- ***Metropolitan districts serving the same community may establish a consolidated website***

5. **Mandated Annual Report:** All special districts created after July 1, 2000, must file an annual report for the preceding year. The report must include:

- Boundary changes;
- Intergovernmental agreements entered into or terminated;
- How to obtain a copy of the rules and regulations adopted by the board;
- Summary of litigation involving public improvements;
- Status of construction of public improvements;
- List of facilities or improvements constructed by the special district that were conveyed to the county or municipality;
- The final assessed valuation of the special district as of December 31 of the reporting year;
- Copy of the audited financial statements;
- Notice of any uncured defaults existing for more than 90 days; and,
- Any inability of the special district to pay its obligations as they come due.
- ***Special districts operating under a consolidated service plan or serving the same community may file a consolidated annual report***

6. **Prohibition of Dominant Eminent Domain:** No metropolitan district may exercise its power of dominant eminent domain outside of the boundaries of the approving local jurisdiction without a written resolution from the jurisdiction in which the property to be condemned is located.

**7. Property Disclosure:** Owners selling newly constructed residences must provide a written disclosure to the potential purchaser concurrently with or prior to the execution of a contract to sell the property providing information on the metropolitan district in which the property is located including:

- A paper copy, electronic copy or website page link that provides the Notice to Electors as most recently prepared and filed by the metropolitan district;
- A paper copy, electronic copy or website page link to the metropolitan district service plan or statement of purpose as filed with the Department of Local Affairs;
- Associated mill levies authorized by the service plan;
- Maximum debt service the metropolitan district is permitted to impose under the service plan;
- Disclosure that the metropolitan district may rely on other revenue sources as allowed by the law to offset its expenses; and,
- Estimated future property taxes that are applicable to the property;
  - The purchaser must be provided the residential assessment ration and a formula by which the estimated property taxes can be calculated for the current year
  - In bold face type, the seller must provide the purchaser the following statement in writing:

- **THIS ESTIMATE ONLY PROVIDES AN ILLUSTRATION OF THE AMOUNT OF THE NEW PROPERTY TAXES THAT MAY BE DUE AND OWING AFTER THE PROPERTY HAS BEEN REASSESSED AND, IN SOME INSTANCES, RECLASSIFIED AS RESIDENTIAL PROPERTY. THIS ESTIMATE IS NOT A STATEMENT OF THE ACTUAL AND FUTURE TAXES THAT MAY BE DUE. FIRST YEAR PROPERTY TAXES MAY BE BASED ON A PREVIOUS YEAR'S TAX CLASSIFICATION, WHICH MAY NOT INCLUDE THE FULL VALUE OF THE PROPERTY AND, CONSEQUENTLY, TAXES MAY BE HIGHER IN SUBSEQUENT YEARS. A SELLER HAS COMPLIED WITH THIS DISCLOSURE STATEMENT AS LONG AS THE DISCLOSURE IS BASED UPON A GOOD-FAITH EFFORT TO PROVIDE ACCURATE ESTIMATES AND INFORMATION.**