

# Vote Yes on SB23-110

## *Concerning Transparency for Metro Districts*

*Sponsors: Senator Marchman, Senator Zenzinger, & Senator Gardner*

*Rep. Kipp, Rep. Taggart, & Rep. Lindstedt*

**Colorado has a housing shortage which exacerbates our affordability challenges.**

**Metro Districts are a tool that allows elected city councils and county commissioners to build communities and pay for the amenities that people love, like parks and trails, and the public infrastructure like streets, water, and sewer, that are essential to functioning neighborhoods.**

**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 SB23-110 Is an Important Step Toward Ensuring Metro Districts Operate in a Transparent and Accountable Fashion.**

- **Requires Cities and Counties to Impose a Mill Levy Cap for Debt in the Service Plan:** This provides protections for residents and property owners by capping the mill levy imposed for the repayment of general obligation bonds thus allowing them to be assured that their property taxes will not go above a certain level for as long as that debt remains outstanding.
- **Requires Cities and Counties to Impose a Debt Limit in the Service Plan:** This provides additional protections for residents and property owners by limiting the total debt that may be issued by the district to an amount approved by the city or county.
- **Requires Annual Townhall Meetings for Metro District Boards with Residential Units:**  
This provision allows residents to dialogue directly with board members outside of a formal setting on matters related to the metro district. The meeting must include a presentation on the status of the public infrastructure projects within the district, outstanding debt, if there is any, and a review of the unaudited financial statements showing year-to-date revenues and expenditures in relation to the adopted budget. This meeting must also allow for a time for questions from community members. Finally, the meeting must be held in person, virtually, or both. For in person

meetings, the meeting must be within the district's boundaries, within the same county, or within 5 miles of the district.

- **Requires a Public Comment Period During the Annual Budget Meeting**
- **Mandates Developer Debt Checks and Balances and Establishes Parameters:** Provides resident and property owner protections by ensuring that debt issued to a developer is at the same or lower rates and terms as those issued to the public market.
  - This mandate requires that any metro district debt issued to a director (commonly the developer) or to an entity with a relationship with the director requiring a conflicts disclosure filing by the director receive a statement of a registered municipal advisor, a fiduciary to the district who is highly regulated by the SEC.
  - The registered municipal advisor must certify that the interest rate of the debt is at or lower than market rates.
  - The municipal market data index is an index used to establish the market rate for municipal bonds.
  - The debt is required to mature not more than 40 years from the date of issuance.
- **Real Estate Disclosure for Resale of Residential Property During the Early Due Diligence Process Prior to Escrow Monies Going Hard:** Potential homebuyers are given the opportunity to make an informed decision through increased transparency that they are considering a home in a metropolitan district.
  - Sellers of a residential property located within a metro district organized after January 1, 2000, must provide the potential buyer with the official website for the metro district in which their house is located by an early due diligence deadline.
  - The district's website contains the required information set forth in section 32-1-104.5(3), C.R.S., including, but not limited to, the district's service plan, mill levy and debt limitations, budget, audit, election information, and contact information for directors.

**Vote Yes on SB23-110**  
**A Responsible Policy That Protects Residents**  
**While Providing a Solution to Colorado's Housing Crisis.**

**For more information:**

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