Metro District FAQs

How can I find out if the house I want to buy is in a metro district?

- Use this <u>Metro District Interactive Map</u> to find the address or area of interest to determine if it is within a metro district. This is a map for properties within the city of Aurora.
- Ask your real estate agent.
- Review disclosure documents.

Federal Government Requirements

Federal Real Estate Settlement Procedures Act: Purchasers of real property who are obtaining financing to purchase their home must receive a "Good Faith Estimate Disclosure," which includes an estimate of the taxes to be collected on the subject property.

Colorado State Government Requirements

- Purchase and Sale Agreements: All contracts to buy and sell real property must include language explaining special taxing districts.
- Information Statement Regarding Taxes and Debt: Any special district that is organized, or changes to the property included in an existing special district, must record a public disclosure document and a map of the district boundaries with the county clerk and recorder.
- Notice of Organization, Dissolution, Name Change or Boundary: The organization, dissolution or change in the name or boundaries of any special district must be recorded with the county clerk and recorder.

City of Aurora Requirements

Aurora Model Service Plan, Disclosure to Purchasers: Metro districts are required to assure that all developers/home builders of property located within the district provide written notice to all purchasers of property within the district regarding the Maximum Debt Mill Levy, as well as a general description of the specific district's authority to impose and collect taxes and fees.

Why isn't metro district information included in MLS Listings?

Realtors determine what information to include on the MLS listing. It is the responsibility of the Realtor to provide information on a property. However, there are online resources to identify metro district information based on address. Use this Metro District Interactive Map for properties within the city of Aurora.

Where can I find more information about my metro district?

- Most metro districts maintain a website for their community and usually include:
 - List of board members
 - Contact information for questions
 - Public meeting dates (and past meeting minutes)
 - District documents
 - Annual budgets and audits
 - Copy of service plan and intergovernmental agreement with the city of Aurora

 Colorado Department of Local Affairs is a repository for local metro district documents and information. The department's link to its Local Government Information System may be accessed at https://dola.colorado.gov/lgis/.

Who is responsible for informing residents about the status of bonds for my metro district?

- Each metro district board is accountable to the residents of the district and has the responsibility to provide information and answer questions about their metro district.
- An annual budget and audit is required for each metro district. These and other financial documents are usually posted on the district's website and are also available on the Department of Local Affairs (DOLA) repository at https://dola.colorado.gov/lgis/.

What guidelines are used for tax increases in districts?

In accordance with the Taxpayer Bill of Rights (TABOR), any local government in the state of Colorado, including metro districts, requires a ballot question to increase taxes.

Why do metro districts have elections at a different time than general elections?

Metro districts hold elections on the second Tuesday of May. There are some proponents that would like to see it merged with general elections. Those in opposition argue that if they were combined, metro district items would likely be very far down on a ballot and possibly decrease participation. There are some cities that choose to have elections during other times of the year as well.

What are the open record request requirements for a metro district?

Metro Districts are subject to the Open Records Act (§§ 24-72-200.1). A request for copies of documents is made directly to the metro district. The metro district can charge for the cost of labor for the retrieval of documents. The first hour of retrieval is free and is currently \$33.58/hour after. Many metro districts post this fee on their website or in their annual transparency notices.

Are metro district board members required to be bonded and complete background checks?

- Board members must be bonded and insured.
- Board members are not subject to background checks. Similarly, legislators, governors, etc are not required to either. They must be eligible voters, not be a felon, live in the district or own property in the district, and be registered to vote.

What type of conditions or requirements does the city have on approval of service plans?

 The following basic features and protections for taxpayers/property owners are included in the city's current Model Service Plan:

Maximum property tax mill levy

Metro districts may not impose a mill levy greater than 50 mills for debt repayment. This excludes mills imposed for operations and maintenance of district assets. The Model Service Plan allows for an adjustment in the property tax mill levy cap to accommodate the Gallagher Amendment to the Colorado State Constitution (see The Gallagher Amendment tab for more information).

Maximum mill levy imposition term

A metro district has a maximum amount of time to impose a mill levy on a particular property for debt repayment. The term may not exceed 40 years. (The term for a mill levy for operations and maintenance of district assets has no similar limit).

The limitation on privately placed debt

This requires that prior to issuance, an external financial adviser must certify that: The net effective interest rate does not exceed a reasonable current tax-exempt interest rate; and the structure of the debt is reasonable considering the financial circumstances of the district.

These three provisions limit the amount of tax burden allowed on each home or business within a metro district in Aurora because the restrictions on the bonding capacity allow the market to govern.

Our metro district posts notices in the *Sentinel Colorado*. How are we supposed to track notices if we do not have access to the publication?

- The Special District Association has been trying to get the legislature to allow online
 posting to substitute for the local newspaper posting requirement. However, many
 districts will also post notice in other places along with the required newspaper
 posting. The required annual transparency notice will tell you all the places that
 notices are posted.
- Metro districts also will usually post online on their websites.
- If the notice is for a public meeting and the city has received the notice, it will be posted on the city's website at Metro-& Special District Meetings.

What does the city plan to do with the money they collect from the Aurora Regional Infrastructure (ARI) mill levy?

The ARI provision in the service plan allows for the collection of monies to fund the design and construction of future improvements that are more regional in nature and may not be necessary for many years after an area has been fully developed.

Very little of the money collected is actually sent to the city. The metro districts often make the choice to form a transportation authority with other districts in the area so they can direct the funding towards the regional improvements they choose that benefit the area. Any money that is directed to city would be used to help fund these necessary improvements.

What specific legal obligations does CRS Title 32 impose on the city regarding oversight and enforcement of the service plans that the city has approved?

- Title 32 does not impose ongoing oversight obligations on the city beyond approval
 of the service plan. Special districts are quasi-municipal corporations and political
 subdivisions of the state of Colorado distinct from the city, and are governed by an
 elected board of directors. In addition to the service plan, districts are subject to a
 number of state laws including:
 - o Local Government Budget Law, Title/Chapter/Section§§ 29-1-101 et seq.
 - o Local Government Audit Law, §§ 29-1-601 et seq.
 - o Open Meetings Law, §§ 24-6-101 et seq.
 - o Local Government Election Code, §§ 1-13.5-101 et seq.
 - o Open Records Act, §§ 24-72-200.1 et seq.
 - Public Bidding Requirements for Construction Contracts, § 32-1-1001(1)(d)(I), C.R.S.
 - Colorado State Constitution