

	Formation Procedure						Types of Revenue					Permitted Activities/Powers		
Type of District	Enabling Statute	Petition Required	Election Required	Decision Making Authority	Eligible Electors	Separate Entity (1)	Property Tax	Assessments	User Fees	Sales Tax	TIF (2)	Construction of these Types of Improvements	Operations	Eminent Domain
Special District	32-1-1001	✓ (3)	✓	A	E	✓	✓	✓ (8)	✓	✓ (9)		I	✓	✓
General Improvement District	31-25-601	✓ (4)	✓ (6)	B	F	✓	✓	✓ (8)	✓			J	✓	✓
Special Improvement District	31-25-501	(10)		B	F			✓				J		
Business Improvement District	31-25-1201	✓ (5)		C	G	✓	✓	✓ (8)	✓			K	✓	
Downtown Development Authority	31-25-801		✓	D	H		✓ (7)		✓		✓	L	✓	

**Decision Making Authority Key:**

A = Independently controlled by its own board of directors, who are elected by the residents and property owners in the district.

B = Controlled by the city or town which created the district.

C = Control of the board of directors depends upon how the district is formed. Four possible structures exist. Regardless of board structure, however, BIDs are subject to annual control by the city or town because the city or town must approve the BID's operating plan and budget each year.

D = Control of the board of directors depends upon how the district is formed. For DDAs, the board must have at least one city or town council member on it. The remaining members may be council members or must be property owners, residents or officers or directors of businesses within the DDA.

**Eligible Electors Key:**

E = A person who is (a) a registered voter who (i) has been a resident for at least 30 days or (ii) owns (or whose spouse owns) taxable property in the district; or (b) is obligated to pay property taxes under a contract to purchase taxable property in the district.

F = A person who is a registered voter and who (a) has been a resident for at least 30 days or (b) owns (or whose spouse owns) taxable property in the district. Where such owner is not a natural person, "elector" includes a natural person designated by such owner. For SIDs, the city or town forming the district chooses whether registered electors who live within the entire city or town can vote on district debt, or only those electors who live within the district. For GIDs, only electors within the district are eligible to vote.

G = A natural person who is a U.S. citizen and Colorado resident and who (a) lives in the BID, (b) owns or leases taxable property in the BID, or (c) is designated by a property owner which is not a natural person.

H = A (a) citizen of the U.S. and Colorado resident whose primary dwelling is within the DDA, (b) an owner in fee of any undivided interest in real property or any improvement permanently affixed thereto, or (c) the holder of a leasehold interest in real property within the district. Any landowner or lessee which is not a natural person may vote only if it designates by some official action a representative thereof to cast its ballot.

**Improvements Key:**

I = Fire protection, mosquito control, parks and recreation, safety protection, sanitation, streets, television relay, transportation, water, and solid waste disposal. Also can provide limited security services and HOA covenant enforcement.

J = Generally, any improvements or services which the city or town creating them is authorized to provide.

K = Broad range of improvements including streets, drainage, statues, fountains, signs, benches, information booths, and public meeting facilities

L = Completion of a development project to improve a downtown area.

**Notes:**

(1) SIDs and DDAs are not separate political subdivisions; rather, they are merely geographic areas within the city or town.

(2) "TIF" = tax increment financing. Both incremental sales taxes and incremental property taxes are available to be pledged to the payment of bonds issued by DDAs.

- (3) Persons proposing to form a special district initially must file a proposed service plan with the applicable city or town, and must then file a petition with the applicable district court.
- (4) Petition must be signed by 30% or 200 of the electors of the proposed district, whichever is less.
- (5) Petition must be signed by persons owning at least 50% (or such higher amount as the city may establish) of the property within the proposed district, measured either by assessed valuation or by acreage.
- (6) An election is required unless 100% of the property owners waive the election.
- (7) DDAs may levy up to five mills for operational expenses.
- (8) These entities are authorized to levy special assessments by forming special improvement districts within their boundaries.
- (9) Metropolitan districts which provide street improvements, safety protection, or transportation services are allowed to impose a sales tax under certain circumstances.
- (10) A petition is required for some types of improvements; others can be initiated directly by the governing body. C.R.S. 31-25-503

\*A county may establish analogous districts, but City Council must approve of it if any of the municipality is included within the district.