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## The Structure of Government in Colorado – Why Should You Care?

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Compared to most states, Colorado has a small and limited state government but strong and growing local governments. Why should you care about the structure of government?

Your money is one good reason.

Most Coloradans likely know very little about how much tax they pay, to whom and what services they receive in return. Property taxes, for example, may be paid to several special districts as well as county, city and school district governments. You pay sales taxes to both the state and local governments, but because you pay them a little at a time when purchases are made, the total amounts are not obvious nor are the recipients.

Is our structure of government efficient? Does it provide cost-effective public services? How much do you pay for public schools, police and fire protection, water and sanitation and highways, roads and streets? What value do you receive in return for your taxes? Questions like these highlight the need to better understand Colorado's structure of government.

### State vs. Local Government

Although local governments generally receive less media attention than the federal and state governments, more people work for local governments in Colorado than work for the federal and state governments combined. In 2007 the Bureau of Labor Statistics reported 374,800 government workers in Colorado – 13.9 percent federal employees, 22.6 percent state workers and 63.5 percent employees of a local government.

Those local government employees work for a vast and varied number of jurisdictions, many of which are not cities or towns. The U.S. Census Bureau ranked Colorado 15<sup>th</sup> among states in total number of governments in 2007, and fourth in the number of special districts behind Illinois, California and Texas. By comparison, Colorado was the 22<sup>nd</sup> most populous state with about 4.8 million residents. Local governments together also tax and spend more than the state government. In FY 2004-05 (the latest year for which the census bureau has compiled financial data) the sum of local government financial activity in Colorado exceeded the state in almost every major category.

Of the three major sources of tax revenue in Colorado, the property tax is used exclusively by local governments. In FY 2004-05, the total property tax paid in the state was about \$4.9 billion. School and junior college districts received 52 percent of that revenue, counties 25 percent, special districts 17 percent and municipalities 5 percent.

The sales tax is the other major source of revenue for local governments. The total sales and excise taxes levied in the state in FY 2004-05 was about \$5.7 billion, 47 percent by local governments. The state government levied the balance, about \$3.1 billion.

Local governments do not levy an income tax, as such. All of the \$4.1 billion in individual and corporate income taxes levied in FY 2004-05 was for state purposes.

	State	Local
Property Tax	0	4.9
Sales & Excise Tax	3.1	2.7
Income Tax	4.1	0
Fees & Charges	3.7	5.3
Total	10.9	12.9

*Table 1. Summary of State vs. Local Government 2004-05 Revenue in Colorado  
(In billions)*

Including fees (but excluding utilities, which are exclusively a local source), local governments claimed 54 percent, or \$12.9 billion, of total governmental resources available in the state in FY 2004-05.

Growth in local government revenue and spending will continue to outpace state government growth in Colorado. Many local governments have relaxed revenue and spending limits while state government attempts generally have been less successful and shorter in duration when they do succeed.

## Local Government

Of the 3,051 local governments active in the state, 332 are “general purpose” governments, distinguished by “police power” used to control behavior, even on private property. This includes zoning regulations, building codes and public health regulations. In Colorado, general purpose governments are municipalities (268), counties (62) and consolidated city/county governments (2).

The other 2,719 local governments are organized for a special purpose, and occasionally more than one purpose. They can be sorted into five general categories:

- Education (five types, 234 governments)
- Health (six types, 48 governments)
- Natural Resources (12 types, 186 governments)
- Transportation (seven types, nine governments)
- Urban Services (38 types, 2,212 governments)

[Here is a complete list.](#)

The vast majority are Urban Services districts, more than 75 percent of which are special districts that provide traditional municipal services: fire protection, water, sanitary sewer, streets and parks. Some are located within municipalities that themselves do not provide such services, or at least not within the special district’s boundaries. People who move into these areas are sometimes surprised to learn that their water and/or fire protection come from special districts and not the town or city in which they live. Often the boundaries of these districts cover all or part of a municipality, as well as part of the surrounding county, so that properties within city limits receive the same level of service as those in the unincorporated county.

When you buy residential property, state law requires disclosure of all the districts in which it is located. To many buyers, however, this is just legalese and the details get lost in a blizzard of paperwork. The vast array of local governments, especially the Urban Services districts and the considerable financial resources at their disposal, deserve close attention.

More than 34 percent of local governments in Colorado are “metropolitan districts” that by definition provide at least two, and as many as 10, municipal services: fire protection, mosquito control, parks and recreation, safety protection, sanitation, solid waste disposal, street improvements, television relay and translation, transportation or water. Metro districts have proliferated in Colorado since the first one was formed in 1948, under a law passed that year. The next one was organized in 1960, and 13 more were created during the ensuing decade. The 1970s saw 33 more come into being, and then their popularity really took off. In the 1980s, 142 were created. By 2003 the number of metro districts totaled 441. Over the next five years their number more than doubled to today’s total of 1,052. Douglas County had one metro district within its boundaries in 1980; today there are 138.

Metro districts are organized almost exclusively by land developers, who often control the districts until well after they are built out and active voters have moved in. Metro districts usually provide most of the 10 services allowed by law (listed above), but their initial purpose is to issue debt. The proceeds of that debt are used to build streets, water and sewer lines and other improvements necessary for residential development. The debt is then redeemed through taxes and fees on the new residents. If the residential development were built without incurring this debt, the cost of each property would be considerably higher than the current market.

## Attachment A

## Alphabetical List Of Active Governments By Type

Description	Statutory Authority	Count
Airport Authorities	41-3-101	7
Ambulance Districts	32-1-103	10
Authorities (Intergovernmental Contract)	29-1-201 to 203	30
Business Improvement Districts	31-25-1201	36
Cemetery Districts	30-20-801	81
Cherry Creek Basin Water Quality Authority	25-8.5-101	1
City & County Of Broomfield	Constitution Art. XX, Sec. 10-13	1
City & County Of Denver	30-11-101 & Constitution Art. XX, Sec. 4	1
Colorado Intermountain Fixed Guideway Authority	32-16-104 (repealed 1/1/2004)	0
Colorado Travel And Tourism Authority	29-24-101 (repealed 8/1/2000)	0
Conservancy Districts (Flood Control)	37-1-101 to 37-8-101	4
Conservation Districts (River Water)	37-46-101 to 37-50-142	4
Conservation Districts (Soil)	35-70-101	77
Counties	30-1-101	62
County Disposal Districts	30-20-201	1
County Housing Authorities	29-4-502	28
County Pest Control Districts	35-5-101	16
County Recreation Districts	30-20-701	8
County Water & Sanitation Facilities	30-20-401	0
Denver Health And Hospital Authority	25-29-103	1
Denver Metropolitan Major League Baseball Stadium District	32-14-104	1
Denver Metropolitan Scientific & Cultural Facilities District	32-13-104	1
Downtown Development Authorities	31-25-801	9
Drainage Districts	37-20-101	12
Emergency Telephone Service (911 Authorities)	29-11-101	31
Fire Protection Districts	32-1-103	252
Forest Improvement Districts	32-18-101	0
General Improvement Districts (Municipal)	31-25-601	42
Grand Junction Drainage District	37-31-104	1
Ground Water Management Districts	37-90-118	13
Health Assurance Districts	32-1-1003.5	0
Health Service Districts (Hospital)	32-1-103	36
Home Rule Municipalities	31-1-202 & Constitution Art. XX	87
Housing Authorities (Municipal)	29-4-204	81
Internal Improvement Districts (Flood Control)	37-44-101	0
Irrigation Districts (Irrigation Drainage)	37-41-101 to 37-44-149	16
Junior College Districts	23-71-101	4
Law Enforcement Authorities	30-11-401	7
Library Districts	24-90-103	51
Local Improvement Districts (County)	30-20-601	49

<b>Alphabetical List Of Active Governments By Type</b>		
<b>Description</b>	<b>Statutory Authority</b>	<b>Count</b>
Local Marketing Districts	29-25-101	3
Mental Health Care Service Districts	32-17-101	0
Metropolitan Districts	32-1-103	1052
Metropolitan Football Stadium District	32-15-104	1
Metropolitan Sewage Disposal Districts	32-4-501	2
Metropolitan Water Districts	32-4-401	0
Mine Drainage Districts	34-51-101	0
Moffat Tunnel Authority	32-8-101	1
Multijurisdictional Housing Authorities	29-1-204.5	5
Park & Recreation Districts	32-1-103	53
Power Authorities	29-1-204	2
Public Highway Authorities	43-4-501	2
Public Improvement Districts (County)	30-20-501	48
Pueblo Depot Activity Development Authority	29-23-104	1
Rail Districts	32-12-101	0
Recreation Facility Districts	29-7-101	2
Regional Service Authorities	32-7-101 & Constitution Art. XIV, Sec. 17	1
Regional Transportation Authorities	43-4-601	5
Regional Transportation District	32-9-101	1
Sanitation Districts	32-1-103	76
School Districts	22-30-103 & Constitution Art. IX, Sec. 15	178
Scientific & Cultural Facilities Districts	32-13-108	0
Special Improvement Districts (Municipal, Incl. Storm Sewer)	31-25-501	42
Special Taxing Districts of Home Rule County	30-35-901 & Home Rule Charter	1
Special Taxing Districts of Home Rule Municipality	Home Rule Charter (not 31-25-501)	12
Statutory Cities	31-1-203	14
Statutory Towns	31-1-203	166
Territorial Charter Municipalities	Terr. Charter & Const. Art. XIV, Sec.13	1
Tunnel Districts	32-1-103	0
University Of Colorado Hospital Authority	23-21-503	1
Urban Drainage & Flood Control District	32-11-101	2
Urban Renewal Authorities	31-25-101	43
Water & Sanitation Districts	32-1-103	126
Water Authorities	29-1-204.2	20
Water Conservancy Districts	37-45-101	53
Water Districts	32-1-103	76

(Source: Division of Local Government, as of 4/25/08)

List Of Active Governments By Type

<u>Code</u>	<u>Description</u>	<u>Statutory Authority</u>	<u>Count</u>	<u>Type</u>
16	Library Districts	24-90-103	51	E
23	Junior College Districts	23-71-101	4	E
52	Denver Metropolitan Scientific & Cultural Facilities District	32-13-104	1	E
53	Scientific & Cultural Facilities Districts	32-13-108	0	E
99	School Districts	22-30-103 & Constitution Art.IX, Sec. 15	178	E
			<b>E Count</b>	234 5
1	Counties	30-1-101	62	G
2	Home Rule Municipalities	31-1-202 & Constitution Art. XX	87	G
3	Territorial Charter Municipalities	Territorial Charter & Constitution Art. XIV, Sec.13	1	G
4	Statutory Cities	31-1-203	14	G
5	Statutory Towns	31-1-203	166	G
61	City & County Of Denver	30-11-101 & Constitution Art. XX, Sec. 4	1	G
70	City & County Of Broomfield	Constitution Art. XX, Sec. 10-13	1	G
			<b>G Count</b>	332 7
9	Health Service Districts (Hospital)	32-1-103	36	H
45	Ambulance Districts	32-1-103	10	H
62	University Of Colorado Hospital Authority	23-21-503	1	H
68	Denver Health And Hospital Authority	25-29-103	1	H
73	Health Assurance Districts	32-1-1003.5	0	H
74	Mental Health Care Service Districts	32-17-101	0	H
			<b>H Count</b>	48 6
47	Authorities (Intergovernmental Contract)	29-1-201 to 203	30	M
			<b>M Count</b>	30 1
75	Forest Improvement Districts	32-18-101	0	N
17	Ground Water Management Districts	37-90-118	13	N
18	Water Conservancy Districts	37-45-101	53	N
19	County Pest Control Districts	35-5-101	16	N
20	Conservation Districts (Soil)	35-70-101	77	N
22	Irrigation Districts (Irrigation Drainage)	37-41-101 to 37-44-149	16	N
43	Conservancy Districts (Flood Control)	37-1-101 to 37-8-101	4	N
44	Grand Junction Drainage District	37-31-104	1	N
51	Conservation Districts (River Water)	37-46-101 to 37-50-142	4	N
54	Mine Drainage Districts	34-51-101	0	N
56	Cherry Creek Basin Water Quality Authority	25-8.5-101	1	N
65	Pueblo Depot Activity Development Authority	29-23-104	1	N
			<b>N Count</b>	186 12
36	Moffat Tunnel Authority	32-8-101	1	T
37	Regional Transportation District	32-9-101	1	T
42	Tunnel Districts	32-1-103	0	T
48	Rail Districts	32-12-101	0	T
55	Public Highway Authorities	43-4-501	2	T
64	Regional Transportation Authorities	43-4-601	5	T
66	Colorado Intermountain Fixed Guideway Authority	32-16-104 (repealed 1/1/2004)	0	T
			<b>T Count</b>	9 7
6	Metropolitan Districts	32-1-103	1052	U
7	Park & Recreation Districts	32-1-103	53	U
8	Fire Protection Districts	32-1-103	252	U
10	Sanitation Districts	32-1-103	76	U
11	Water Districts	32-1-103	76	U
12	Water & Sanitation Districts	32-1-103	126	U

13	County Recreation Districts	30-20-701	8	U
14	Metropolitan Sewage Disposal Districts	32-4-501	2	U
15	Cemetery Districts	30-20-801	81	U
21	Metropolitan Water Districts	32-4-401	0	U
24	Law Enforcement Authorities	30-11-401	7	U
25	Drainage Districts	37-20-101	12	U
26	Downtown Development Authorities	31-25-801	9	U
27	Urban Renewal Authorities	31-25-101	43	U
28	General Improvement Districts (Municipal)	31-25-601	42	U
29	Special Improvement Districts (Mun., Incl. Storm Sewer)	31-25-501	42	U
30	Local Improvement Districts (County)	30-20-601	49	U
31	Public Improvement Districts (County)	30-20-501	48	U
32	County Housing Authorities	29-4-502	28	U
33	County Disposal Districts	30-20-201	1	U
34	Power Authorities	29-1-204	2	U
35	Water Authorities	29-1-204.2	20	U
39	Urban Drainage & Flood Control District	32-11-101	2	U
40	Internal Improvement Districts (Flood Control)	37-44-101	0	U
41	Airport Authorities	41-3-101	7	U
46	Housing Authorities (Municipal)	29-4-204	81	U
49	Recreation Facility Districts	29-7-101	2	U
50	County Water & Sanitation Facilities	30-20-401	0	U
57	Business Improvement Districts	31-25-1201	36	U
58	Regional Service Authorities	32-7-101 & Constitution Art. XIV, Sec. 17	1	U
59	Special Taxing Districts of Home Rule County	30-35-901 & Home Rule Charter	1	U
60	Emergency Telephone Service (911 Authorities)	29-11-101	31	U
63	Denver Metropolitan Maj. League Baseball Stad. District	32-14-104	1	U
67	Metropolitan Football Stadium District	32-15-104	1	U
69	Multijurisdictional Housing Authorities	29-1-204.5	5	U
71	Local Marketing Districts	29-25-101	3	U
72	Special Taxing Districts of Home Rule Municipality	Home Rule Charter (not 31-25-501)	12	U
38	Colorado Travel And Tourism Authority	29-24-101 (repealed 8/1/2000)	0	U
			<b>U Count</b>	2212 38
		<b>Grand Count</b>		3051 76

(Source: Division of Local Government, as of 4/25/08)

E = Education  
H =Health  
M =Mun. Services  
N =Nat. Resource  
T =Transportation