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0404 School District Size, Boundary, and Organizational



**Committee on School District
Size, Boundary, and
Organizational Issues**

**Report to the
COLORADO
GENERAL ASSEMBLY**

**Colorado Legislative Council
Research Publication No. 404
October 1995**

RECOMMENDATIONS FOR 1996

**COMMITTEE ON SCHOOL DISTRICT
SIZE, BOUNDARY, AND
ORGANIZATIONAL ISSUES**

**Report to the
Colorado General Assembly**

**Research Publication No. 404
October 1995**

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LEGISLATIVE COUNCIL

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DENVER, COLORADO 80203-1784
(303) 866-3521 FAX: 866-3855 TDD: 866-3472

October 17, 1995

To Members of the Sixtieth General Assembly:

Submitted herewith is the final report of the 1995 Interim Committee on School District Size, Boundary and Organizational Issues. Pursuant to Section 2-3-303.3, C.R.S., this committee was established by resolution of the Executive Committee of Legislative Council at its June 8, 1995 meeting.

At its meeting on October 17, 1995, the Legislative Council reviewed the final report of this committee. A motion to forward this report and the bills therein for consideration in the 1996 session was approved.

Respectfully submitted,

Senator Tom Norton,
Chairman
Colorado Legislative Council

TN/CW/bj

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COMMITTEE ON SCHOOL DISTRICT SIZE, BOUNDARY, AND ORGANIZATIONAL ISSUES

Members of the Committee

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Senator Ben Alexander
Senator Gigi Dennis
Senator Stan Matsunaka
Senator Tom Norton
Senator Gloria Tanner

Representative Pat Sullivan,
Vice Chair
Representative Debbie Allen
Representative Maryanne Keller
Representative Bryan Sullivant
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EXECUTIVE SUMMARY

The Interim Committee on School District Size, Boundary, and Organizational Issues recommends one bill for consideration by the Legislative Council.

Committee Charge

The committee was charged with undertaking a study of issues pertaining to school district size, boundaries, and organization. In particular, the committee was directed to examine the following:

- the optimum size of schools and school districts and incentives for school districts to reorganize to reach the optimum size;
- current statutory provisions for changing school district boundaries; and
- benefits and detriments of allowing charter school districts.

The committee was also charged with keeping abreast of any federal developments impacting the state in the subject area of the committee and making appropriate recommendations to the Executive Committee.

Committee Activities

The committee held three public meetings and had discussions which drew upon staff research, expert testimony, and comments from school district representatives and the general public to address the specific provisions in its charge.

Committee Recommendations

Bill 1 – Concerning the Reorganization of School Districts. Bill 1 primarily makes revisions to the School District Organization Act of 1992. Within that act, the bill changes the steps for activating the reorganization process, modifies the reorganization planning process itself, updates the requirements for submission of the plan to the electorate, and makes other amendments. The bill also amends the Public School Finance Act of 1994 and the statutes authorizing capital improvement zones.

COMMITTEE ON SCHOOL DISTRICT SIZE, BOUNDARY, AND ORGANIZATIONAL ISSUES REPORT

Committee Charge

The Interim Committee on School District Size, Boundary, and Organizational Issues was established on June 8, 1995, with the adoption of the Interim Committee Study Resolution of the Executive Committee of the Legislative Council. The resolution charged the committee with undertaking a study of issues pertaining to school district size, boundaries, and organization, including the following:

- an examination of the optimum sizes of schools and school districts in terms of efficient operation and educational opportunities available to students enrolled in such schools and school districts;
- a review of existing barriers for school district consolidation and deconsolidation; a monitoring of district reorganization activities to achieve optimum size; and recommendations of incentives to achieve optimum-sized districts and disincentives to discourage reorganizations that produce other than optimum-sized districts;
- an analysis of current statutory provisions for changing school district boundaries and recommendations for modifying statutory provisions concerning: 1) detachment of territory from one school district and annexation to another district, 2) deconsolidation to reflect the presence of differing communities of interest within a district, and 3) creation of a new school district out of portions of existing school districts to reflect the presence of a community of interest in such new district; and
- an examination of the benefits and detriments of allowing school districts to operate under individual charters and recommendation of procedures for development, adoption, and operation of school districts under such charters.

The study resolution also required the legislative staff agencies to apprise interim committees of any federal developments impacting the state in the subject area of the committee, and to provide alternative options for addressing such impacts. Interim committees were directed to consider the options and to report their findings and recommendations to the Executive Committee.

Committee Activities

The Interim Committee on School District Size, Boundary, and Organizational Issues held three public meetings, drawing upon staff research, expert testimony, and comments from school district representatives and the general public to address the specific provisions in its charge.

Optimum Size of School Districts. The committee invited a national expert on the impact of school district size on operational efficiencies and educational opportunity to present such issues to the committee. Dr. Gerald Bass of the University of North Dakota testified before the committee, offering his expertise as a researcher and his experience as a former teacher and school administrator. He suggested that there is no single optimum size for schools or school districts because efficiencies vary for different functions. In discussing tactics to make districts achieve an optimum size, Dr. Bass explained that state funding programs differ across the nation as to how size is addressed, but all can be categorized into four basic types: "intolerance" (mandated consolidation); "indifference" (no state aid); "aid to all"; and "aid to some." He suggested that if Colorado chose not to pursue a specific policy regarding optimum school district size, the state could act as a clearinghouse for information on successful programs to help districts make the most efficient use of their resources.

A panel of school district board members and superintendents was invited to offer testimony regarding the optimum school and school district size. The panel represented a variety school districts with rural and urban interests and with enrollments ranging from 275 to 80,000 pupils. The consensus of the panel was that different efficiencies may exist at several different enrollment levels. The panel also concluded that each region of the state demands individualized educational services for its students; thus, the state should not mandate a specific sized school or school district.

Reorganization Issues. Staff reported to the committee on current law and recent school district reorganization activities in the field. Legislative Council staff described the process for reorganizing school districts under current law, highlighting sections where amendments or modifications had been suggested. Staff from the Colorado Department of Education (CDE) described the history of

school district reorganization in Colorado and several recent citizen attempts to reorganize existing districts.

A second panel of school district personnel, taxpayers, and other interested persons offered testimony on the legislative obstacles to reorganization efforts. Specifically, panel members discussed the following situations:

- School Districts 60 and 70 in Pueblo are currently negotiating a detachment and annexation of land located in Pueblo West;
- Citizens in Crested Butte recently failed in their attempt to convince voters to divide the Gunnison school district in order to establish a new district in Crested Butte; and
- Citizens in Broomfield are hoping to establish a new district in Broomfield, to be made up of detached portions of several existing districts.

Charter School Districts. The committee discussed the benefits and detriments of allowing school districts to operate under independent charters granted by the state and received public testimony on the subject. Particular emphasis was given to the experience of other states, most notably Texas, in granting individual districts broad waivers to state regulations.

Committee Recommendations

The Interim Committee on School District Size, Boundary, and Organizational Issues recommends one bill.

Bill 1 — Concerning the Reorganization of School Districts. Bill 1 primarily makes revisions to the School District Organization Act of 1992. The bill also amends the Public School Finance Act of 1994 and the statute authorizing capital improvement zones, Article 43.5 of Title 22, C.R.S. Table 1 summarizes the committee's position on each issue, the relevant provisions of current law, and the proposed amendments contained in Bill 1.

Table 1. ISSUES, CURRENT LAW, AND RECOMMENDATIONS OF THE INTERIM COMMITTEE ON SCHOOL DISTRICT SIZE, BOUNDARY, AND ORGANIZATIONAL ISSUES

Issue	Current Law	Committee Recommendation
ACTIVATION OF REORGANIZATION PLANNING PROCESS		
<p>To make the process easier, the number of petition signatures required to start the reorganization process should be reduced. However, districts should not be inundated with petitions each year.</p>	<p>To activate the school district organization planning process by petition, petitioners must obtain the signatures of 25 percent of the electors of each affected district. There is no limit on the number of reorganization petitions which can be submitted. (Section 22-30-105, Colorado Revised Statutes)</p>	<p>Except for detachments and annexations, the 25 percent requirement is reduced to 15 percent. Reorganization petitions are limited to one per school district every three years. (Section 1)</p>
<p>It is unnecessary for petitioners to collect signatures in all affected districts to simply start the process for detachment and annexation, since the plan requires final approval by all affected voters.</p>	<p>Proponents of reorganization must obtain the signatures of 25 percent of the electors of each affected district to initiate the reorganization process. (Section 22-30-105, C.R.S.)</p>	<p>In a detachment and annexation, where no new district is created, proponents must obtain the signatures of 25 percent of the eligible electors residing in the area to be detached and annexed. (Section 1)</p>
<p>The reorganization act does not adequately address certain types of reorganizations, specifically, detachments and annexations.</p>	<p>Prior to submission to the voters, a planning committee must submit a map of the new districts to the department of education. If voters approve the plan, the clerk in each county where the election was held must furnish a map showing the boundaries of the new school districts. (Section 22-30-119, C.R.S.)</p>	<p>In a detachment and annexation, where no new district is created, the committee and the clerk must file maps showing the new boundaries of affected districts. (Sections 3 and 8)</p>
<p>If a reorganization involving several districts plan fails in only one district, proponents should be able to continue their efforts in the districts which favored reorganization.</p>	<p>If a proposed reorganization plan fails to be adopted in any district affected by the plan, the planning committee is dissolved. (Section 22-30-121, C.R.S.)</p>	<p>If the plan fails, or if a mill levy election associated with the plan fails, the committee dissolves. However, if the plan involves three or more districts and fails overall but is adopted by voters in two or more districts, the planning committee members from the approving districts may submit a new organization plan involving the school districts where the plan was approved. (Section 11)</p>

Issue	Current Law	Committee Recommendation
REORGANIZATION PLANNING PROCESS		
<p>The current requirements for a plan of organization are inadequate; the plan should be required to address all necessary components of a reorganization so that voters will have all necessary information before them when they are asked to decide on a reorganization.</p>	<p>Current law requires that a plan of organization consider the following:</p> <ul style="list-style-type: none"> • the educational needs of students; • diverse educational opportunities; • equalization of educational opportunities; • efficiency and effectiveness of organizational options; • facility utilization; • boundaries of the proposed district(s); and • distribution of property and cash assets. (Section 22-30-114 (1), C.R.S.) 	<p>The bill requires that the following also be included in a plan of organization, where applicable:</p> <ul style="list-style-type: none"> • election date for adoption of the final plan; • election date for district board; • election date for financial issues; • an estimated mill levy to be imposed in the reorganized school district; and • if the plan results in the creation of a new district, a source of operating funds for the district before receiving state assistance. <p>In addition, the plan may address distribution of liabilities (other than bonded debt) of the original district, and, if one or more districts are created within the boundaries of an existing district, the plan may authorize the reorganized districts to enter into revenue sharing agreements or form a joint taxation district. (Sections 4 and 13)</p>
<p>Detachments and annexations should be treated like other reorganizations for purposes of addressing the distribution of assets in a plan.</p>	<p>Among other issues, a plan of organization must address the distribution of property and cash assets when a new district is created. In distributing assets, the committee must consider several factors specified in law. (Section 22-30-114 (1), C.R.S.)</p>	<p>The bill requires that plans for detachments and annexations, where no new district is created, must also address the equitable adjustment and distribution of property and cash assets. (Section 4)</p>
SUBMISSION OF PLAN TO ELECTORATE		
<p>The state has an interest in school finance which should be considered along with Art. X, Sec. 20 of the state constitution.</p>	<p>No similar provision.</p>	<p>School district reorganization is conditional upon voter approval of both the plan and any necessary mill levy increase. (Section 7)</p>
<p>There are undue restrictions in the act; the reorganization process should be flexible while still taking into account the timing of elections.</p>	<p>An election on the plan of organization must be held no later than 45 days after final approval of the plan by the commissioner and the planning committee. (Section 22-30-117, C.R.S.)</p>	<p>The 45-day limitation is eliminated; the election must be held on the date specified in the organization plan. (Section 7)</p>

Issue	Current Law	Committee Recommendation
<p>The law should provide guidelines for addressing the financial aspects of reorganization, especially within Art. X, Sec. 20 of the constitution.</p>	<p>No similar provision.</p>	<p>If a reorganization requires voter approval on financial matters, an election date to address such matters must be specified in the plan. The election on financial matters may be held in conjunction with the election on the organizational plan. (Section 12)</p>
<p>Planning committee membership should better reflect reorganization interests.</p>	<p>Planning committees must include members appointed by district advisory accountability committees who are parents of students attending schools in the affected area; in reorganizations involving only one district, members must serve on a building advisory accountability committee. (Section 22-30-106, C.R.S.)</p>	<p>If no public schools are located in the affected area, a reorganization committee involving more than one district must include a resident of the affected area who is either a parent of children attending school in the affected district or a landowner. In reorganizations involving only one district, the committee must include members who are either parents of students attending school in the affected district or landowners. Landowners may only be appointed if there are not sufficient parents to meet the requirements. (Section 2)</p>
<p>OTHER FACTORS AFFECTING REORGANIZATION</p>		
<p>Reorganized districts have a need for additional capital financing tools.</p>	<p>Current law requires that several criteria exist before a capital improvement zone may be created. These criteria include the following:</p> <ul style="list-style-type: none"> • prior voter rejection of a bond proposal; • the proposed zone contains at least one-sixth of the district's assessed valuation; • the district's enrollment has increased by three percent or 350 pupils; • the proposed zone includes at least 5,000 pupils or 10 percent of the district's enrollment, whichever is less; • the zone is within only one district; and • the area of the proposed zone does not overlap any other zone. (Section 22-43.5-102, C.R.S.) 	<p>For a reorganized district, the bill suspends all of the district-specific criteria for 36 months after the reorganization. In that situation, the only remaining criteria are the prohibitions against capital improvement zones crossing district boundaries and overlapping capital improvement zones. (Section 18)</p>

Issue	Current Law	Committee Recommendation
<p>Because voters are concerned about the ability of districts to meet the educational expectations of reorganized districts, those districts pursuing reorganization should have adequate tools to address differences in tax bases.</p>	<p>No similar provision.</p>	<p>The bill allows for creation of a joint taxation district (JTD) when one or more new districts are created within the boundaries of an existing school district. Sharing the larger assessed value of the original district among the new districts, a JTD may issue debt, impose an override mill levy, or both, subject to voter approval. The plan of organization must specify a formula for distributing revenue; a date for the JTD to assume body corporate status; and the membership, method of selection, and terms of office of the board. The plan may specify a debt limit for the JTD and a time limit for its existence. A JTD board must have at least five members, with one member from each participating school board. For purposes of calling for and certifying elections for bonded debt or an override, the JTD board has the same powers as a local board of education. For purposes of calculating the limit on bonded debt, the debt of a JTD is added to the debt of the districts comprising the JTD. (Sections 17, 22, 23, and 24)</p>
<p>SCHOOL FINANCE ISSUES</p>		
<p>The law should specify when reorganized districts are eligible for state school finance act funding.</p>	<p>No similar provision.</p>	<p>For school finance purposes, a reorganization plan takes effect on July 1 following certification of election results. (Section 10)</p>
<p>The law should provide guidance in determining reorganized districts' cost-of-living factors under the Public School Finance Act of 1994, without providing incentives for or against reorganization.</p>	<p>Individual cost-of-living factors are determined by dividing a district's cost of living amount by the lowest cost of living amount of all districts in the state. New cost-of-living factors are to be certified to the department of education every two years. (Section 22-54-104 (5), C.R.S.)</p>	<p>The CDE must establish rules and regulations for assigning a cost-of-living factor to new districts until a factor is certified. The interim factor cannot provide an incentive for or against reorganization. A "hold harmless" provision is included to ensure that a new district's cost-of-living factor is not reduced solely because of district consolidation. New districts which result from a deconsolidation retain their old cost-of-living factor until a new one is certified. (Section 19)</p>

Committee Recommendation	Current Law	Issue
<p>When a new district results from a reorganization of districts with different mill levies, the new district must impose a levy equal to the weighted average of the regions included in the new district (total property taxes for the region divided by total assessed valuation). For all reorganizations, districts must comply with Article X, Section 20 of the Colorado Constitution if the proposed levy would result in an increased levy in any area. The election for a mill levy increase may be included in the election for the plan of organization. (Section 20)</p>	<p>For purposes of calculating state aid, school districts must impose the lessor of the following:</p> <ul style="list-style-type: none"> • the mill levy from the prior year; • the mill levy that generates the district's total program, less minimum state aid and specific ownership taxes; • the mill levy allowed under the revenue limit in Article X, Section 20, Colorado Constitution; or • 41.75 mills <p>(Section 22-54-106 (2) (a), C.R.S.)</p>	<p>The law should specify how property tax mill levies for school finance will be determined for reorganized districts.</p>
<p>In the case of a deconsolidation, specific ownership tax revenues are to be allocated to the affected districts based on the proportions of assessed value in the new districts. State aid entitlements will be calculated based on this proportionate distribution of SO tax revenues. (Section 21)</p>	<p>For any year, specific ownership (SO) tax revenues for the prior calendar year are counted as part of a district's local share for school finance purposes. (Section 22-54-106 (10), C.R.S.)</p>	<p>Where necessary, the law should specify how specific ownership taxes will be allocated for purposes of calculating each district's local share of school funding.</p>
TECHNICAL ISSUES		
<p>Where no new school district is created, the reorganization committee need not call for election of school board members. (Section 3)</p>	<p>No similar provision.</p>	<p>The law needs clarification with respect to reorganizations where no new district is created.</p>
<p>If there are no public schools located in the area to be detached and either annexed to an existing district or organized into a new school district, notice must be posted on at least three public buildings or mailed to each household. (Section 5)</p>	<p>Notice of the date, place, and time for public hearing on the plan of organization must be posted on each school building located within the boundaries of any area affected by the plan. (Section 22-30-15, C.R.S.)</p>	<p>Current law does not anticipate certain circumstances; the act should address all possible reorganization situations.</p>
<p>The 60-day delay is eliminated; a new district assumes corporate status on the date specified in the plan of organization, but no earlier than certification of election results. (Section 9)</p>	<p>Following voter approval, a new district is considered a body corporate on the 60th day following certification of election results. (Section 22-30-120, C.R.S.)</p>	<p>A reorganized school district should have flexibility under state law to meet its obligations, subject to voter approval.</p>
<p>The limit on bonded debt for newly created districts is amended to conform to the limit for existing districts (greater of 20 percent of the assessed value in the district or six percent of actual value). (Section 16)</p>	<p>Bonded debt for a newly created district is limited to 20 percent of the assessed value in the district. (Section 22-30-126, C.R.S.)</p>	<p>The statutory limit on bonded debt should be applied uniformly for newly-created school districts and existing districts.</p>

MATERIALS AVAILABLE

Committee Hearings. The Interim Committee on School District Size, Boundary, and Organizational Issues met three times during the 1995 interim: August 22, September 11, and September 27. All of the committee's meetings were held in Senate Committee Room 354 in the State Capitol. Summaries were prepared for each of the meetings. Copies of these summaries and other items discussed during the meetings are on file in the joint legislative library.

Additional Materials. Additional information was also distributed to the members of the committee, discussed during committee hearings, or referred to in staff research. These additional items are listed below and are on file in the joint legislative library.

Optimum School District Size and Reorganization Issues (Combined)

- *School Finance Study*, Legislative Council staff, Legislative Council Research Publication No. 398, January, 1995;
- *School District Boundary, Organization, and Size Issues Addressed in the 1995 Legislative Session*, Legislative Council staff memorandum #2, August 14, 1995;
- *Policy Options for Size, Boundary, and Organizational Issues*, Legislative Council staff memorandum #7, August 28, 1995;
- *Additional Policy Options for Size, Boundary, and Organizational Issues*, Legislative Council staff memorandum #8, September 9, 1995;

Optimum School and School District Size

- *Low Enrollment School Districts, A Review of the Literature*, Reprinted from a report to and with permission of the Legislative Coordinating Council, Kansas Legislature, Dr. Gerald R. Bass, August 1995;
- *National and State Statistics on School District Size*, Legislative Council staff memorandum #3, August 1, 1995;
- *School and School District Size and Educational Opportunities*, Legislative Council staff memorandum #4, August 17, 1995;

Reorganization of School Districts

- *Evaluation of School District Organization and Staffing*, Peat Marwick Main and Co., presented to the Legislative Council, December 10, 1987.
- *Study of School District Administration and Staffing*, Colorado Department of Education, January, 1990.
- *The School District Organization Act of 1992*, Legislative Council staff memorandum #1, August 17, 1995;
- *School District Consolidations in Other States*, Legislative Council staff memorandum #5, August 22, 1995;
- *A Report on Colorado School District Organization*, Colorado Department of Education, Revised June, 1995.
- *Deconsolidation of the Albuquerque Public Schools: An Analysis of the Data*, Report prepared for the New Mexico State Department of Education by BDM Education Technologies, May, 1995.

Charter School Districts

- *Charter School Districts*, Legislative Council staff memorandum #6, September 6, 1995.

BY REPRESENTATIVE Tool;
also SENATORS Dennis, Matsunaka, and Meiklejohn.

A BILL FOR AN ACT

CONCERNING THE REORGANIZATION OF SCHOOL DISTRICTS.

Bill Summary

"School District Reorganization"

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

School District Size, Boundary, and Organizational Issues Committee.

Section 1: Reduces the number of signatures required for a school district reorganization petition from the current 25% to 15% of the eligible electors residing in the affected school districts; except that, in the case of detachment and annexation, requires the petition to include signatures of 25% of the eligible electors residing in the territory to be detached and annexed. Limits school district residents to bringing one reorganization petition per school district every 3 years.

Section 2: Clarifies that, in a detachment and annexation situation where there are no public schools in the affected territory, the school organization planning committee must include persons who are residents of the affected territory and have children enrolled in the school district or, if there are no residents in the affected territory, who are landowners in the affected territory.

Section 3: Specifies that, in a detachment and annexation situation, the committee must file a map and legal description of the detaching and annexing districts and need not call for a school board election. Authorizes the committee to call an election to address financial matters, if necessary.

Section 4: Specifies that a reorganization plan:

- Must consider the welfare of pupils in the affected school districts, not necessarily in the affected territory;
- Must address distribution of assets between the school districts and may address distribution of liabilities, except bonded indebtedness;
- Need not include a representation plan for the school board in a detachment and annexation;
- Must include dates for special school district elections to approve the organization plan, elect a board of directors, and address financial issues, if necessary;
- Must include the amount of any increased mill levy;
- Must include a source of operating funds to be used by the new school district prior to receiving the state share of the total district program on July 1 of the new school district's first budget year;
- May authorize school districts to enter into revenue sharing agreements;
- May authorize school districts to create joint taxation districts.

Section 5: In a detachment and annexation where there are no public schools in the affected territory, allows posting of public notice of the meeting on the proposed plan of organization in 3 public buildings located within the affected territory or, if there are fewer than 3 public buildings, mailing of notice to eligible electors residing in the affected area.

Section 6: Requires the committee to file a map showing the proposed boundaries of each school district affected by the proposed plan of organization.

Section 7: Where the plan of organization includes an increase in the mill levy, makes implementation of a plan of organization conditional upon voter approval of the mill levy increase.

Section 8: Requires the county clerk and recorder to furnish a map and legal description of the affected school districts to the commissioner of education after approval of a detachment and annexation.

Section 9: Specifies that a detachment and annexation takes effect on the date specified in the plan of organization and that the affected districts continue as bodies corporate as prior to the detachment and annexation.

Section 10: Specifies that the effective date of a reorganization, for purposes of the "Public School Finance Act of 1994", is July 1 after certification of the election results.

Section 11: Clarifies when a plan of organization is deemed rejected. Where a plan of organization involves 3 or more existing school districts, and the plan is approved by at least 2 but less than all of the involved school districts, allows the approving school districts to formulate a new plan of organization involving the approving districts.

Section 12: Requires the chair of the committee to call for a special election concerning financial matters, if needed, on the date specified in the plan of organization. Allows the election on financial matters to be held in conjunction with the election on the plan of organization.

Section 13: Specifies that the school directors of a new school district shall be elected on the day specified in the plan of organization.

Sections 14 and 15: Specifies that existing bonded indebtedness, and elections concerning assuming such indebtedness, in a detachment and annexation is treated the same as in other reorganizations.

Section 16: Specifies that the limit of bonded indebtedness for new school districts is the greater of 20% of the latest valuation for assessment of the taxable property in the school district or 6% of the most recent determination of the actual value of the taxable property in the school district.

Section 17: Where a reorganization results in creation of 2 or more school districts within the boundaries of an existing school district, authorizes the plan of organization to include the creation of joint taxation districts to incur bonded indebtedness for capital construction and to raise and expend property taxes to retire such indebtedness. Authorizes the school districts in the joint taxation district to share their assessed valuation. Provides that bonded indebtedness incurred by the joint taxation district is added to that of the school districts comprising the joint taxation district for the purpose of bonded indebtedness limitation. Requires the plan of organization to include a formula to apportion tax revenues from property taxes raised by the joint taxation district. Requires the plan of organization to specify creation of a joint taxation

district board and that the plan of organization specify the board membership and the method of appointment or election and terms of office of the board members. Provides that the board shall have the powers and duties granted in the plan of organization.

Section 18: Eliminates the district-specific requirements for creating a capital improvement zone in a school district within 36 months after the district undergoes a reorganization.

Section 19: Directs the department of education to promulgate rules and regulations for the assignment of a cost of living factor to new districts, except districts created through deconsolidation. Provides that such rules and regulations shall apply only until a cost of living factor is certified for the new districts by the legislative council. Specifies that deconsolidated districts retain the cost of living factor of the district from which they were separated until a new cost of living factor is certified for the district by the legislative council. Requires that the rules and regulations provide neither an incentive nor a disincentive to the organization of new districts and that the cost of living factor for a new district not be reduced solely because the new district is the result of a consolidation of existing districts.

Sections 20 and 21: Specifies the method of determining the mill levy in and the specific ownership tax revenue payable to reorganized districts in the first year following the reorganization.

Sections 22-26. Makes conforming amendments.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 22-30-105 (1) (b), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-105. Activation of the school district organization planning process. (1) The appointment of a school organization planning committee charged to study school district organization shall occur when the commissioner is notified that any of the following conditions exist:

(b) A petition committee, as defined in section 22-30-103 (10), presents a petition to the commissioner and to the county clerk and recorder of each county in which the headquarters of a school district which THAT will be affected by the actions of a planning committee are located requesting the

appointment of a school organization planning committee. Such petition shall contain a statement indicating the school districts to be involved. If only one school district is involved, the petition shall be signed by ~~twenty-five~~ FIFTEEN percent of that school district's eligible electors. If multiple school districts are involved, the petition shall be signed by ~~twenty-five~~ FIFTEEN percent of the eligible electors in each involved school district; EXCEPT THAT, IF THE PETITION REQUESTS ONLY CONSIDERATION OF DETACHMENT AND ANNEXATION, THE PETITION SHALL BE SIGNED BY TWENTY-FIVE PERCENT OF THE ELIGIBLE ELECTORS RESIDING IN THE AREA TO BE DETACHED AND ANNEXED. Such petitions shall be deemed sufficient by the county clerk and recorder in the county of each involved school district. ONLY ONE SUCH PETITION MAY BE PRESENTED TO THE COMMISSIONER AND THE COUNTY CLERK AND RECORDER IN THE COUNTY OF EACH INVOLVED SCHOOL DISTRICT IN ANY THREE CONSECUTIVE CALENDAR YEARS.

SECTION 2. 22-30-106 (2) (a), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-106. School organization planning committee. (2) The committee shall consist of the following appointed members:

(a) (I) If multiple school districts are involved in the study, two members appointed by the board of education in each school district affected by the study and one member appointed by the school district advisory accountability committee of each school district affected by the study. Such member shall be a parent of a child attending a public school in the affected area; EXCEPT THAT, IF THERE ARE NO PUBLIC SCHOOLS IN THE AFFECTED AREA, THE MEMBER SHALL RESIDE IN THE AFFECTED AREA AND BE A PARENT OF A CHILD ATTENDING A PUBLIC SCHOOL IN ONE OF THE AFFECTED SCHOOL DISTRICTS. IF NO SUCH PARENT RESIDES IN THE AFFECTED AREA, THE MEMBER SHALL BE A PERSON OWNING LAND LOCATED IN THE AFFECTED AREA.

(II) If a single school district is involved in the study, four members appointed by the school district board of education and three members appointed by the school district advisory accountability committee. The members appointed by the school district advisory accountability committee shall be parents of children attending public school in the affected area and members of school building advisory accountability committees; EXCEPT THAT, IF THERE ARE NO PUBLIC SCHOOLS IN THE AFFECTED AREA, THREE OF THE MEMBERS SHALL RESIDE IN THE AFFECTED AREA AND SHALL BE PARENTS OF CHILDREN ATTENDING PUBLIC SCHOOLS IN THE AFFECTED SCHOOL DISTRICT.

IF FEWER THAN THREE SUCH PARENTS RESIDE IN THE AFFECTED AREA, THE REMAINING MEMBERS SHALL BE PERSONS OWNING LAND LOCATED IN THE AFFECTED AREA.

SECTION 3. 22-30-107 (1) (f) and (1) (g), Colorado Revised Statutes, 1995 Repl. Vol., are amended to read:

22-30-107. Duties of the committee. (1) The committee shall have the following duties:

(f) (I) WHEN THE PROPOSED PLAN OF ORGANIZATION RESULTS IN THE CREATION OF A NEW SCHOOL DISTRICT, to file with the commissioner and the county clerk and recorder in each county affected by the proposed plan of organization a map and legal description of ~~any~~ THE new school district, the name of the county in which the new school district shall be headquartered, and the name and number by which the new school district shall be designated;

(II) WHEN THE PROPOSED PLAN OF ORGANIZATION RESULTS IN THE DETACHMENT AND ANNEXATION OF TERRITORY BETWEEN EXISTING SCHOOL DISTRICTS, TO FILE WITH THE COMMISSIONER AND THE COUNTY CLERK AND RECORDER IN EACH COUNTY AFFECTED BY THE PROPOSED PLAN OF ORGANIZATION A MAP AND LEGAL DESCRIPTION OF THE SCHOOL DISTRICTS FOLLOWING THE DETACHMENT AND ANNEXATION;

(g) (I) To call for and make arrangements for elections to vote upon the final approved plan of organization as provided in section 22-30-117; ~~and~~;

(II) If the majority vote VOTES in favor of ~~such~~ THE final approved plan of organization AND THE FINAL APPROVED PLAN OF ORGANIZATION RESULTS IN THE CREATION OF A NEW SCHOOL DISTRICT, to call for an election to elect a board of education for the new school district as provided in section 22-30-122 AND, IF NECESSARY, AN ELECTION TO ADDRESS ANY FINANCIAL MATTERS, AS PROVIDED IN SECTION 22-30-121.5; EXCEPT THAT THE FINAL APPROVED PLAN OF ORGANIZATION AND FINANCIAL MATTERS MAY BE ADDRESSED IN THE SAME ELECTION;

SECTION 4. 22-30-114 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended, and the said 22-30-114 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

22-30-114. Requirements for plan of organization. (1) The plan of organization shall include, but shall not be limited to, consideration of the following:

(a) The educational needs of the affected population PUPILS IN THE AFFECTED SCHOOL DISTRICTS, including the convenience and welfare of pupils;

(b) The provision of diverse educational opportunities for students;

(c) Equalization of the educational opportunities provided to students in the affected region SCHOOL DISTRICTS;

(d) The efficiency and effectiveness of the various educational organization options being studied;

(e) Facility utilization;

(f) Establishment of boundaries for all existing or new school districts in the plan of organization by legal description;

(g) Equitable adjustment and distribution of all or any part of the properties and cash assets of the school districts whose boundaries may be affected by the creation or dissolution of a school district or school districts OR BY THE DETACHMENT AND ANNEXATION OF TERRITORY. THE PLAN OF ORGANIZATION MAY ALSO PROVIDE FOR EQUITABLE ADJUSTMENT OF THE LIABILITIES OF THE SCHOOL DISTRICTS, OTHER THAN BONDED INDEBTEDNESS, AT THE OPTION OF THE COMMITTEE. In considering an equitable adjustment of the assets of such school districts, the committee shall consider the outstanding general liabilities and obligations of the school districts which THAT may be so affected, the number of children attending public school in each such school district, the valuation for assessment of taxable property in each such school district, the amount of outstanding bonded indebtedness of each such school district, the purpose for which such bonded indebtedness was incurred, and the value, location, and disposition of all real properties located in the school districts which THAT may be affected by the creation or dissolution of a school district or school districts OR THE DETACHMENT AND ANNEXATION OF TERRITORY. In considering an equitable adjustment of the assets of such school districts, the plan of organization may provide for authorization of new bonded indebtedness or assumption of outstanding bonded indebtedness by any school district or school districts in such proportions and for such purposes as the committee deems appropriate to equitably adjust and distribute such assets.

(h) Provision of a specific plan of representation for the members of the board of education of each ANY proposed NEW school district. Each such proposed NEW school district may be subdivided into five or seven director school districts or may have all directors elected at large or may have a combination thereof. The term of office of school directors in each such reorganized PROPOSED NEW school district shall be for four years.

(i) DATES FOR ONE OR MORE SPECIAL SCHOOL DISTRICT ELECTIONS TO ADDRESS THE FOLLOWING:

(I) ADOPTION OF THE FINAL APPROVED PLAN OF ORGANIZATION;

(II) ELECTION OF A BOARD OF DIRECTORS IF THE PLAN OF ORGANIZATION RESULTS IN THE CREATION OF A NEW SCHOOL DISTRICT; AND

(III) FINANCIAL ISSUES, IF NECESSARY, INCLUDING BUT NOT LIMITED TO AN INCREASE IN THE MILL LEVY, WHICH ELECTION SHALL BE HELD IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION

(j) IF THE PLAN OF ORGANIZATION RESULTS IN THE CREATION OF A NEW SCHOOL DISTRICT, THE ESTIMATED MAXIMUM INCREASE IN THE MILL LEVY TO BE IMPOSED ON PROPERTY INCLUDED WITHIN THE NEW DISTRICT CONSIDERING THE FACTORS ENUMERATED IN SECTION 22-54-106 (2) (c). IF THE PLAN OF ORGANIZATION RESULTS IN THE DETACHMENT AND ANNEXATION OF TERRITORY BETWEEN EXISTING SCHOOL DISTRICTS, THE PLAN OF ORGANIZATION SHALL INCLUDE THE MILL LEVY OF THE ANNEXING DISTRICT THAT WILL BE IMPOSED ON THE AFFECTED TERRITORY.

(k) IF THE PLAN OF ORGANIZATION RESULTS IN THE CREATION OF A NEW SCHOOL DISTRICT, A SOURCE OF OPERATING FUNDS TO BE USED BY THE NEW SCHOOL DISTRICT PRIOR TO RECEIVING THE STATE SHARE OF THE TOTAL DISTRICT PROGRAM, PURSUANT TO THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, ON JULY 1 OF THE NEW SCHOOL DISTRICT'S FIRST BUDGET YEAR.

(3) IF THE REORGANIZATION RESULTS IN THE CREATION OF ONE OR MORE ADDITIONAL SCHOOL DISTRICTS WITHIN THE BOUNDARIES OF AN EXISTING SCHOOL DISTRICT, THE PLAN OF ORGANIZATION MAY INCLUDE:

(a) AUTHORIZATION FOR THE EXISTING SCHOOL DISTRICT AND THE NEW SCHOOL DISTRICT OR DISTRICTS TO ENTER INTO A REVENUE SHARING AGREEMENT. THE PLAN OF ORGANIZATION SHALL SPECIFY THE PERIOD OF TIME DURING WHICH REVENUE SHARING MAY OCCUR.

(b) PROVISIONS FOR CREATION OF A JOINT TAXATION DISTRICT AS PROVIDED IN PART 2 OF THIS ARTICLE.

SECTION 5. 22-30-115, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-115. Hearing on a plan of organization. (1) When a plan of organization has been tentatively agreed upon by the committee, the PROPOSED plan of organization with the attached map and legal description of the PROPOSED boundaries of each proposed school district AFFECTED BY THE PROPOSED PLAN OF ORGANIZATION shall be filed with the commissioner and each affected board of education.

(2) (a) Within fifteen days of AFTER the filing of the PROPOSED plan of organization, the committee shall give notice of the filing of such plan of organization, map, and legal description by publication of said fact in a newspaper of general circulation in each area affected by the PROPOSED plan of organization and by causing to be posted a copy of said notice upon each public school building in which school was held during any part of the preceding twelve months and which THAT is located within the boundaries of any area affected by the plan of organization. If there is no newspaper of general circulation in the communities affected by the PROPOSED plan of organization, posting of public notice as provided in this subsection (2) shall be sufficient. Such public notice shall give the time and place of any meeting to be held within thirty days by the committee for hearings on such PROPOSED plan of organization. The committee shall hold a sufficient number of hearings to enable the residents of the affected area to receive adequate information and details of the plan of organization being considered. Any interested person may appear at such hearings and make comments on the PROPOSED plan of organization.

(b) NOTWITHSTANDING THE PROVISIONS CONCERNING THE POSTING OF NOTICE IN PUBLIC SCHOOLS IN PARAGRAPH (a) OF THIS SUBSECTION (2), IF THERE ARE NO PUBLIC SCHOOLS WITHIN THE BOUNDARIES OF AN AREA PROPOSED TO BE DETACHED AND EITHER ANNEXED OR ORGANIZED INTO A NEW SCHOOL DISTRICT, PUBLIC NOTICE OF THE MEETING SHALL BE POSTED IN AT LEAST THREE PUBLIC BUILDINGS LOCATED IN SUCH AREA. IF THERE ARE

FEWER THAN THREE PUBLIC BUILDINGS LOCATED IN SUCH AREA, NOTICE SHALL BE MAILED TO EACH HOUSEHOLD IN SUCH AREA IN WHICH ONE OR MORE ELIGIBLE ELECTORS RESIDE.

SECTION 6. 22-30-116, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-116. Approval of the plan and submission to the commissioner. After the public hearings required under section 22-30-115, the committee may make such changes in the proposed plan of organization as it deems appropriate. The committee shall formally approve the proposed plan of organization within sixty days after the last such public hearing. Within ten days of AFTER such approval, the committee shall forward to the commissioner a copy of the approved proposed plan of organization, with a map showing the proposed boundaries OF EACH SCHOOL DISTRICT AFFECTED BY THE PROPOSED PLAN OF ORGANIZATION. The commissioner shall either approve the proposed plan of organization as submitted by the committee or return the proposed plan of organization to the committee with suggested modifications or amendments. The commissioner and the committee shall work together to develop a plan of organization which THAT is mutually acceptable to both parties.

SECTION 7. 22-30-117, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-117. Special school district organization election scheduled. (1) The plan of organization shall be approved by the commissioner and the committee within one hundred twenty days following the last public hearing held pursuant to section 22-30-115 and shall be designated as the final approved plan of organization. At that time, the committee shall call for and establish the date of a special school DISTRICT organization election wherein the eligible electors in each school district affected by the final approved plan of organization shall vote upon the adoption or rejection of the final approved plan of organization. The committee shall name a designated election official who shall be responsible for conducting the election. Such election shall be held ~~no more than forty-five days after the date that the final approved plan of organization is designated~~ ON THE DATE SPECIFIED IN THE FINAL APPROVED PLAN OF ORGANIZATION.

(2) IF THE ESTIMATED MAXIMUM INCREASE IN THE MILL LEVY FOR A NEW DISTRICT OR THE MILL LEVY TO BE IMPOSED ON ANNEXED TERRITORY, AS SET FORTH IN THE PLAN OF ORGANIZATION, REPRESENTS AN INCREASE IN THE LEVY IMPOSED ON ANY PROPERTY AFFECTED BY THE PLAN OF

ORGANIZATION, THE QUESTION OF THE INCREASE IN THE MILL LEVY TO BE IMPOSED UPON THE AFFECTED TERRITORY SHALL BE SUBMITTED TO THE ELIGIBLE ELECTORS RESIDING IN THE AFFECTED TERRITORY PRIOR TO OR AT THE SPECIAL SCHOOL DISTRICT ORGANIZATION ELECTION AS THE FINAL APPROVED PLAN OF ORGANIZATION. APPROVAL OF THE INCREASED LEVY BY A MAJORITY OF THE ELIGIBLE ELECTORS VOTING ON THE QUESTION WHO RESIDE IN THE AFFECTED TERRITORY SHALL BE A PREREQUISITE TO THE IMPLEMENTATION OF THE PLAN OF ORGANIZATION.

SECTION 8. 22-30-119, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-119. Certificate of return - map. (1) After the county clerk and recorder in each county in which the special school DISTRICT organization election is held has surveyed the returns of such election, a certificate of return shall be retained on file in each office of the county clerk and recorder.

(2) If the majority vote in each affected school district is in favor of the final approved plan of organization AND ANY INCREASE IN THE MILL LEVY TO BE IMPOSED ON TERRITORY AFFECTED BY THE PLAN OF ORGANIZATION IS APPROVED BY THE ELIGIBLE ELECTORS RESIDING WITHIN THE AFFECTED TERRITORY, THE PLAN OF ORGANIZATION SHALL BE DEEMED ADOPTED. IF THE PLAN OF ORGANIZATION IS ADOPTED AND IT RESULTS IN CREATION OF A NEW SCHOOL DISTRICT, the county clerk and recorder in each county in which the special school DISTRICT organization election was held shall furnish to the commissioner a map and legal description of the new school district with the name and number by which the same shall be designated. IF THE PLAN OF ORGANIZATION IS ADOPTED AND IT RESULTS IN THE DETACHMENT AND ANNEXATION OF TERRITORY BETWEEN EXISTING SCHOOL DISTRICTS, THE COUNTY CLERK AND RECORDER IN EACH COUNTY IN WHICH THE SPECIAL SCHOOL DISTRICT ORGANIZATION ELECTION WAS HELD SHALL FURNISH TO THE COMMISSIONER A MAP AND LEGAL DESCRIPTION OF THE AFFECTED SCHOOL DISTRICTS FOLLOWING DETACHMENT AND ANNEXATION OF THE TERRITORY.

SECTION 9. 22-30-120, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-120. New school district - powers. (1) WHERE THE FINAL APPROVED PLAN OF ORGANIZATION RESULTS IN THE CREATION OF A NEW SCHOOL DISTRICT, if a majority of the votes cast in each affected school district in the special school DISTRICT organization election are in favor of the final approved plan of organization AND A MAJORITY OF THE ELIGIBLE ELECTORS

RESIDING IN THE NEW SCHOOL DISTRICT VOTING ON THE QUESTION APPROVE THE ESTIMATED MAXIMUM INCREASE IN THE MILL LEVY, IF ANY, TO BE IMPOSED WITHIN THE NEW DISTRICT, THEN ~~upon the sixtieth day after certification of the results of said election by the county clerk and recorder in each county in which the special school organization election was held~~ ON THE DATE SPECIFIED IN THE FINAL APPROVED PLAN OF ORGANIZATION, BUT IN NO EVENT PRIOR TO THE CERTIFICATION OF THE SPECIAL SCHOOL DISTRICT ORGANIZATION ELECTION, the new school district shall become a body corporate and as such shall ~~reorganize~~ ORGANIZE under the name and number stated in the final approved plan of organization and in such name may take, hold, and convey property, both real and personal, and be a party to suits and contracts.

(2) IF THE FINAL APPROVED PLAN OF ORGANIZATION RESULTS IN THE DETACHMENT AND ANNEXATION OF TERRITORY BETWEEN EXISTING SCHOOL DISTRICTS AND A MAJORITY OF THE VOTES CAST IN EACH AFFECTED SCHOOL DISTRICT IN THE SPECIAL SCHOOL DISTRICT ORGANIZATION ELECTION ARE IN FAVOR OF THE FINAL APPROVED PLAN OF ORGANIZATION, AND THE ELIGIBLE ELECTORS RESIDING WITHIN THE AFFECTED TERRITORY APPROVE THE IMPOSITION OF THE MILL LEVY IMPOSED IN THE ANNEXING SCHOOL DISTRICT, IF GREATER THAN THAT IMPOSED IN THE DETACHING SCHOOL DISTRICT, THE DETACHMENT AND ANNEXATION SHALL BE EFFECTIVE FOR ALL PURPOSES ON THE DATE SPECIFIED IN THE PLAN OF ORGANIZATION, BUT IN NO EVENT PRIOR TO THE CERTIFICATION OF THE SPECIAL SCHOOL DISTRICT ORGANIZATION ELECTION. THE DETACHING SCHOOL DISTRICT AND THE ANNEXING SCHOOL DISTRICT SHALL CONTINUE AS BODIES CORPORATE IN THE SAME MANNER AS PRIOR TO THE DETACHMENT AND ANNEXATION.

SECTION 10. Article 30 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

22-30-120.5. Effective date for purposes of school finance. NOTWITHSTANDING THE PROVISIONS OF SECTION 22-30-120, FOR PURPOSES OF DETERMINING FUNDING UNDER THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, ANY PLAN OF ORGANIZATION APPROVED AT A SPECIAL SCHOOL DISTRICT ORGANIZATION ELECTION SHALL TAKE EFFECT ON THE NEXT JULY 1 FOLLOWING CERTIFICATION OF THE ELECTION RESULTS.

SECTION 11. 22-30-121, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-121. Rejection of final approved plan. (1) THE PLAN OF ORGANIZATION SHALL BE DEEMED REJECTED if:

(a) The majority vote in any affected school district at the special school DISTRICT organization election is not in favor of the final approved plan of organization; OR

(b) A MAJORITY OF THE ELIGIBLE ELECTORS WHO RESIDE IN TERRITORY THAT WOULD BE SUBJECT TO AN INCREASE IN THE MILL LEVY, IF REQUIRED BY THE FINAL APPROVED PLAN OF ORGANIZATION, DOES NOT APPROVE THE MILL LEVY INCREASE.

(2) (a) IF THE FINAL APPROVED PLAN OF ORGANIZATION INVOLVES FEWER THAN THREE EXISTING SCHOOL DISTRICTS AND THE FINAL APPROVED PLAN OF ORGANIZATION IS REJECTED, the committee shall be dissolved.

(b) IF THE FINAL APPROVED PLAN OF ORGANIZATION INVOLVES THREE OR MORE EXISTING SCHOOL DISTRICTS AND THE FINAL APPROVED PLAN OF ORGANIZATION IS APPROVED IN AT LEAST TWO OF THE AFFECTED SCHOOL DISTRICTS, THE MEMBERS OF THE PLANNING COMMITTEE WHO WERE APPOINTED FROM THE APPROVING SCHOOL DISTRICTS MAY CONTINUE AS A PLANNING COMMITTEE AND PREPARE AND SUBMIT A NEW PLAN OF ORGANIZATION INVOLVING ONLY THOSE SCHOOL DISTRICTS IN WHICH THE PLAN OF ORGANIZATION WAS APPROVED.

SECTION 12. Article 30 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

22-30-121.5. New school district - election concerning financial matters. WHEN THERE IS A REORGANIZATION UNDER THE PROVISIONS OF THIS ARTICLE AND THE FINAL APPROVED PLAN OF ORGANIZATION REQUIRES AN ELECTION CONCERNING FINANCIAL MATTERS, THE CHAIR OF THE COMMITTEE SHALL CALL FOR A SPECIAL ELECTION CONCERNING FINANCIAL MATTERS IN THE NEW OR ANNEXING SCHOOL DISTRICT. THE SPECIAL ELECTION SHALL BE HELD ON THE DATE SPECIFIED IN THE FINAL APPROVED PLAN OF ORGANIZATION AND MAY BE HELD IN CONJUNCTION WITH THE ELECTION ON THE APPROVED PLAN OF ORGANIZATION. IF A MILL LEVY INCREASE IS REQUIRED UNDER THE FINAL APPROVED PLAN OF ORGANIZATION FOR ANY TERRITORY AFFECTED BY THE FINAL APPROVED PLAN OF ORGANIZATION, APPROVAL OF SUCH A MILL LEVY INCREASE BY THE ELIGIBLE ELECTORS RESIDING IN SUCH TERRITORY IS A PREREQUISITE TO ADOPTION OF THE FINAL APPROVED PLAN OF ORGANIZATION.

SECTION 13. The introductory portion to 22-30-122 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-122. Election of school directors in new school districts. (1) When a new school district is formed under the provisions of this article PART 1, the chair of the committee shall call for a special election in such new school district for the selection of a board of education for the school district, to be held on the day ~~the new school district becomes a body corporate pursuant to the provisions of section 22-30-120~~ SPECIFIED IN THE FINAL APPROVED PLAN OF ORGANIZATION. At such election, five or seven school directors, the number having been established in the final approved plan of organization pursuant to the provisions of section 22-30-114 (1) (h), shall be elected for four-year terms as follows:

SECTION 14. 22-30-124 (1), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-124. Existing bonded indebtedness. (1) The bonded indebtedness of any school district outstanding at the time of inclusion of all or any part of such school district's territory in a new school district organized under this article PART 1, OR IN AN EXISTING SCHOOL DISTRICT AS PART OF A DETACHMENT AND ANNEXATION UNDER THIS PART 1, shall be paid in the following manner:

(a) All of said bonded indebtedness of such old school district shall be paid by the old school district ~~which~~ THAT issued and owes the same by a special tax levied from time to time as may be necessary by the board of education of the new school district OR THE ANNEXING SCHOOL DISTRICT, which special tax shall be levied upon the same taxable property ~~which~~ THAT would have been levied upon to pay said indebtedness of said old school district if no reorganization had occurred, except as is provided in this article to the contrary.

(b) If the assumption of all of said bonded indebtedness by one new school district OR AN ANNEXING SCHOOL DISTRICT has been approved as provided in section 22-30-125, such bonded indebtedness shall be paid in the manner provided by law for the paying of any bonded indebtedness ~~which~~ THAT the new school district contracts pursuant to section 22-30-127 OR THAT THE ANNEXING SCHOOL DISTRICT CONTRACTS PURSUANT TO ARTICLE 42 OF THIS TITLE.

(c) If the assumption of only a portion of said bonded indebtedness, as provided in the plan of organization, has been approved by any new OR ANNEXING school district, as provided in section 22-30-125, such portion of the bonded indebtedness shall be paid by a tax levied from time to time on all the taxable property located within the new OR ANNEXING school district.

SECTION 15. 22-30-125 (1), (2) (d), and (3), Colorado Revised Statutes, 1995 Repl. Vol., are amended to read:

22-30-125. Election on assuming the existing bonded indebtedness.

(1) The committee may submit the issue of assuming the bonded indebtedness of any school district, or of any portion thereof, existing at the time of inclusion in the proposed new school district OR PROPOSED TO BE INCLUDED IN A DETACHMENT AND ANNEXATION to the eligible electors of such new OR ANNEXING school district. If the committee so decides, the question shall be submitted at the special school district organization election.

(2) (d) If printed ballots are used, the ballot shall be printed or typewritten and shall contain the words "official ballot", and below WHICH SHALL BE set forth the amount of outstanding bonded indebtedness to be assumed, or that a proportional share of such amount is proposed to be assumed, as the case may be, by the new OR ANNEXING school district, the name and number of each old school district which THAT incurred said bonded indebtedness, and, if the ballot contains more than one amount to be assumed, the total of such amounts. ~~shall be indicated thereon.~~

(3) If a majority of the eligible electors voting on the proposed question vote for the assumption of the bonded indebtedness, the public officials shall perform the duties set forth in sections 22-42-117 to 22-42-121 which THAT are necessary to assure that the assumed bonded indebtedness is paid in the manner provided by law for the paying of any bonded indebtedness which THAT the new OR ANNEXING school district contracts.

SECTION 16. 22-30-126, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-126. Limit of bonded indebtedness - new school district.

(1) Any new school district organized under this article shall have a limit of bonded indebtedness of THE GREATER OF THE FOLLOWING:

(a) Twenty percent of the latest valuation for assessment of the taxable property in such school district, AS CERTIFIED BY THE COUNTY ASSESSOR TO THE BOARD OF COUNTY COMMISSIONERS; OR

(b) SIX PERCENT OF THE MOST RECENT DETERMINATION OF THE ACTUAL VALUE OF THE TAXABLE PROPERTY IN THE SCHOOL DISTRICT, AS CERTIFIED BY THE COUNTY ASSESSOR TO THE BOARD OF COUNTY COMMISSIONERS.

(2) The indebtedness of the old school districts or parts of school districts constituting the new school districts shall not be considered in fixing the limit of ~~such twenty percent~~ BONDED INDEBTEDNESS; but, if any new school district shall assume the bonded indebtedness of any school district or school districts, or a proportionate share thereof, existing at the time of inclusion in the new school district, pursuant to the provisions of section 22-30-125, such bonded indebtedness shall be included in the ~~twenty percent~~ limitation.

SECTION 17. Article 30 of title 22, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW PART to read:

PART 2

JOINT TAXATION DISTRICTS

22-30-201. Joint taxation districts - authorized. (1) (a) A PLAN OF ORGANIZATION IN WHICH ONE OR MORE NEW SCHOOL DISTRICTS ARE FORMED WITHIN THE BOUNDARIES OF AN EXISTING SCHOOL DISTRICT MAY PROVIDE THAT ANY TWO OR MORE SCHOOL DISTRICTS INCLUDED IN THE PLAN SHALL COMPRISE A JOINT TAXATION DISTRICT. THE BOUNDARIES OF THE ORIGINAL SCHOOL DISTRICT SHALL BE THE BOUNDARIES OF THE JOINT TAXATION DISTRICT. A JOINT TAXATION DISTRICT FORMED PURSUANT TO THIS PART 2 SHALL BE A BODY CORPORATE AND A POLITICAL SUBDIVISION OF THE STATE.

(b) A JOINT TAXATION DISTRICT MAY BE FORMED TO INCUR BONDED INDEBTEDNESS FOR THE PURPOSES LISTED IN SECTION 22-42-102 (2) (a) AND RAISE AND EXPEND PROPERTY TAXES TO RETIRE SUCH BONDED INDEBTEDNESS OR TO RAISE AND EXPEND ADDITIONAL LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE PARTICIPATING SCHOOL DISTRICTS' TOTAL PROGRAM, PURSUANT TO SECTION 22-54-108.

(2) (a) A PLAN OF ORGANIZATION THAT INVOLVES A JOINT TAXATION DISTRICT MAY PROVIDE THAT TWO OR MORE SCHOOL DISTRICTS THAT RESULT FROM THE REORGANIZATION OF A SINGLE SCHOOL DISTRICT MAY SHARE THE VALUATION FOR ASSESSMENT OF THE TAXABLE PROPERTY IN EACH SCHOOL

DISTRICT FOR THE PURPOSES STATED IN THE PLAN OF ORGANIZATION, AS LIMITED UNDER PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION.

(b) FOR THE PURPOSE OF DETERMINING THE LIMIT OF BONDED INDEBTEDNESS PURSUANT TO SECTION 22-42-104 FOR ANY SCHOOL DISTRICT THAT IS PARTICIPATING IN A JOINT TAXATION DISTRICT, THE BONDED INDEBTEDNESS OF THE JOINT TAXATION DISTRICT SHALL BE ADDED TO THE BONDED INDEBTEDNESS OF THE SCHOOL DISTRICT, AND THE TOTAL SHALL BE SUBJECT TO THE LIMIT SPECIFIED IN SECTION 22-42-104.

(c) THE PLAN OF ORGANIZATION:

(I) MAY PLACE A LIMIT ON THE BONDING CAPACITY OF THE JOINT TAXATION DISTRICT IN ADDITION TO ANY OTHER LIMITATION ON BONDED INDEBTEDNESS;

(II) SHALL SPECIFY WHETHER THE JOINT TAXATION DISTRICT SHALL CONTINUE INDEFINITELY OR FOR A SPECIFIED PERIOD OF TIME;

(III) SHALL INCLUDE A FORMULA FOR THE EQUITABLE APPORTIONMENT OF TAX REVENUES FROM ANY PROPERTY TAX LEVIED BY THE JOINT TAXATION DISTRICT;

(IV) SHALL PROVIDE THAT THE JOINT TAXATION DISTRICT BECOMES A BODY CORPORATE AT THE TIME THE REORGANIZATION BECOMES EFFECTIVE OR AT SOME OTHER TIME AS SPECIFIED IN THE PLAN OF ORGANIZATION.

22-30-202. Joint taxation board. (1) (a) ANY PLAN OF ORGANIZATION THAT ESTABLISHES A JOINT TAXATION DISTRICT SHALL PROVIDE FOR THE CREATION OF A JOINT TAXATION DISTRICT BOARD AND SHALL SPECIFY THE MEMBERSHIP OF THE BOARD AND THE METHOD OF ELECTION OR APPOINTMENT AND TERMS OF OFFICE FOR MEMBERS OF THE BOARD. A JOINT TAXATION DISTRICT BOARD SHALL CONSIST OF NOT FEWER THAN FIVE MEMBERS, WITH EACH PARTICIPATING SCHOOL DISTRICT BOARD OF EDUCATION ENTITLED TO AT LEAST ONE MEMBER ON THE JOINT TAXATION DISTRICT BOARD.

(b) THE JOINT TAXATION DISTRICT BOARD CREATED PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL HAVE THE POWERS GRANTED TO IT IN THE PLAN OF ORGANIZATION AS NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS PART 2. THESE POWERS MAY INCLUDE, BUT ARE NOT LIMITED TO:

(I) CALLING FOR AND CERTIFYING ELECTIONS WITH REGARD TO BONDED INDEBTEDNESS;

(II) CALLING FOR AND CERTIFYING ELECTIONS TO RAISE AND EXPEND LOCAL PROPERTY TAX REVENUES IN EXCESS OF THE PARTICIPATING SCHOOL DISTRICTS' TOTAL PROGRAM, PURSUANT TO SECTION 22-54-108;

(III) ANY OTHER POWERS THAT A SCHOOL DISTRICT MAY HAVE WITH REGARD TO ISSUING, PAYING, OR REFUNDING BONDED INDEBTEDNESS OF THE JOINT TAXATION DISTRICT.

(2) FOR PURPOSES OF CALLING FOR AND CERTIFYING ELECTIONS WITH REGARD TO BONDED INDEBTEDNESS, REVENUE, OR SPENDING LIMITS THAT ARE UNDER THE AUTHORITY OF THE JOINT TAXATION DISTRICT BOARD PURSUANT TO THE PLAN OF ORGANIZATION, THE JOINT TAXATION DISTRICT BOARD SHALL ASSUME THE POWERS AND DUTIES GRANTED BY LAW TO A SCHOOL DISTRICT OR A SCHOOL DISTRICT BOARD OF EDUCATION.

SECTION 18. 22-43.5-102, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-43.5-102. Capital improvement zones - criteria. (1) A school district capital improvement zone may be created in a school district pursuant to this article in order to contract bonded indebtedness for the purposes described in section 22-42-102 (2) provided all of the following criteria exist:

(a) A proposition by ballot for contracting bonded indebtedness for the purposes described in section 22-42-102 (2) was rejected by the eligible electors of the school district at the preceding election;

(b) The assessed valuation of the property within the proposed capital improvement zone is not less than one-sixth of the valuation for assessment of all taxable property located within the boundaries of the school district;

(c) The pupil enrollment or funded pupil count, whichever is applicable, of the district has increased by three percent of the district's pupil enrollment taken in October of the then current budget year or three hundred fifty pupils;

(d) More than five thousand pupils enrolled in the school district or at least ten percent of the pupils enrolled in the school district, whichever is less, reside within the proposed capital improvement zone;

(e) The area of the proposed capital improvement zone is situated within the boundaries of one school district only; and

(f) The area of the proposed capital improvement zone does not overlap any area of any other capital improvement zone.

(2) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, THE REQUIREMENTS OF PARAGRAPHS (a) TO (d) OF SUBSECTION (1) OF THIS SECTION SHALL NOT APPLY TO CREATION OF A CAPITAL IMPROVEMENT ZONE IN A SCHOOL DISTRICT WITHIN THIRTY-SIX MONTHS AFTER SAID SCHOOL DISTRICT UNDERGOES A REORGANIZATION PURSUANT TO ARTICLE 30 OF THIS TITLE.

SECTION 19. 22-54-104 (5) (c) (II), Colorado Revised Statutes, 1995 Repl. Vol., is amended, and the said 22-54-104 (5) (c) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

22-54-104. District total program. (5) For purposes of the formulas used in this section:

(c) (II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (IV) OF THIS PARAGRAPH (c), a district's cost of living factor shall be determined by dividing the district's cost of living amount by the lowest cost of living amount of all districts in the state and rounding said amount to the nearest one-hundredth of one percent.

(IV) (A) THE DEPARTMENT OF EDUCATION SHALL PROMULGATE RULES AND REGULATIONS FOR THE ASSIGNMENT OF A COST OF LIVING FACTOR TO ANY NEW DISTRICT ORGANIZED PURSUANT TO ARTICLE 30 OF THIS TITLE, EXCEPT FOR NEW DISTRICTS THAT ARE CREATED AS THE RESULT OF A DECONSOLIDATION AS DESCRIBED IN SECTION 22-30-102 (2) (a), UNTIL THE COST OF LIVING FACTOR FOR SUCH DISTRICT IS CERTIFIED BY THE STAFF OF THE LEGISLATIVE COUNCIL PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (c).

(B) THE RULES AND REGULATIONS PROMULGATED PURSUANT TO THIS SUBPARAGRAPH (IV) SHALL BE DESIGNED TO PROVIDE NEITHER AN INCENTIVE NOR A DISINCENTIVE TO THE ORGANIZATION OF NEW DISTRICTS PURSUANT TO ARTICLE 30 OF THIS TITLE AND SHALL INCLUDE PROVISIONS TO ENSURE THAT THE COST OF LIVING FACTOR WITHIN A NEW DISTRICT IS NOT REDUCED SOLELY BECAUSE THE NEW DISTRICT IS THE RESULT OF A CONSOLIDATION OF EXISTING DISTRICTS. SUCH RULES AND REGULATIONS

SHALL CONSIDER THE COST OF LIVING FACTORS ASSIGNED TO THE DISTRICTS THAT ARE AFFECTED BY THE ORGANIZATION OF THE NEW DISTRICT AND THE CIRCUMSTANCES OF THE NEW DISTRICT BASED ON THE MOST RECENT COST OF LIVING ANALYSIS PERFORMED BY THE LEGISLATIVE COUNCIL.

(C) NEW DISTRICTS THAT ARE CREATED AS THE RESULT OF A DECONSOLIDATION AS DESCRIBED IN SECTION 22-30-102 (2) (a) SHALL RETAIN THE COST OF LIVING FACTOR OF THE DISTRICT FROM WHICH THEY WERE SEPARATED UNTIL THE COST OF LIVING FACTOR FOR THE NEW DISTRICT IS CERTIFIED BY THE STAFF OF THE LEGISLATIVE COUNCIL PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (c).

SECTION 20. 22-54-106 (2) (a), Colorado Revised Statutes, 1995 Repl. Vol., is amended, and the said 22-54-106 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

22-54-106. Local and state shares of district total program. (2) (a) EXCEPT AS PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (2) FOR REORGANIZED DISTRICTS, for the 1994 property tax year and property tax years thereafter, each district shall levy the lesser of:

(I) The number of mills levied by the district for the immediately preceding property tax year;

(II) The number of mills that will generate property tax revenue in an amount equal to the district's total program for the applicable budget year minus the district's minimum state aid and minus the amount of specific ownership tax revenue paid to the district;

(III) The number of mills that may be levied by the district under the property tax revenue limitation imposed on the district by section 20 of article X of the state constitution. In the calculation of local growth for purposes of determining the property tax revenue limitation imposed on a district under this subparagraph (III), a district's student enrollment shall be the district's funded pupil count; or

(IV) 41.75 mills if the district's total program was not calculated pursuant to section 22-54-104.3 for the 1994-95 budget year.

(c) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (2), IF THERE IS A REORGANIZATION PURSUANT TO ARTICLE 30 OF THIS TITLE, EXCEPT FOR A DETACHMENT AND ANNEXATION, AND IF SUCH

REORGANIZATION INVOLVES DISTRICTS WITH DIFFERING MILL LEVIES AND AN ELECTION ON THE MAXIMUM LEVY TO BE IMPOSED IN THE NEW DISTRICT HAS BEEN HELD AND APPROVED, THEN IN ITS FIRST YEAR OF OPERATION THE NEW DISTRICT SHALL LEVY A NUMBER OF MILLS THAT IS BASED ON THE TOTAL PROPERTY TAXES COLLECTED IN THE PRECEDING YEAR FROM PROPERTY INCLUDED WITHIN THE NEW DISTRICT DIVIDED BY THE TOTAL VALUATION FOR ASSESSMENT IN THE PRECEDING YEAR OF PROPERTY LOCATED WITHIN THE NEW DISTRICT BUT IN NO EVENT MORE THAN 41.75 MILLS NOR MORE THAN THE MAXIMUM LEVY APPROVED IN THE ELECTION. THE NEW DISTRICT MAY NOT INCREASE THE LEVY IMPOSED ON ANY PROPERTY THAT IS INCLUDED WITHIN ITS BOUNDARIES PRIOR TO OBTAINING VOTER APPROVAL FOR SUCH INCREASE AS PROVIDED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION. THIS PARAGRAPH (c) SHALL NOT APPLY TO ANY NEW DISTRICT WHOSE LEVY WOULD OTHERWISE BE CALCULATED PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (2).

(II) IF THERE IS A DETACHMENT AND ANNEXATION PURSUANT TO ARTICLE 30 OF THIS TITLE AND IF SUCH DETACHMENT AND ANNEXATION INVOLVES DISTRICTS WITH DIFFERING MILL LEVIES AND AN ELECTION ON THE INCREASE IN THE MILL LEVY IN THE ANNEXED TERRITORY HAS BEEN HELD IN THAT TERRITORY AND APPROVED, THEN IN THE FIRST YEAR AFTER THE DETACHMENT AND ANNEXATION, THE ANNEXING DISTRICT SHALL CALCULATE ITS LEVY PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2). THE ANNEXING DISTRICT MAY NOT INCREASE THE LEVY IMPOSED ON ANY PROPERTY THAT IS INCLUDED WITHIN ITS BOUNDARIES PRIOR TO OBTAINING VOTER APPROVAL FOR SUCH INCREASE AS PROVIDED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

SECTION 21. 22-54-106, Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-54-106. Local and state shares of district total program.

(10) (a) IF A NEW DISTRICT IS CREATED THROUGH A DECONSOLIDATION AS DESCRIBED IN SECTION 22-30-102 (2) (a), THE SPECIFIC OWNERSHIP TAX REVENUE PAYABLE TO THE NEW DISTRICT IN THE FIRST YEAR OF OPERATION SHALL BE AN AMOUNT EQUAL TO THE RATIO OF THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE NEW DISTRICT TO THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE OLD DISTRICT MULTIPLIED BY THE SPECIFIC OWNERSHIP TAX REVENUE PAYABLE TO THE OLD DISTRICT.

(b) COMMENCING WITH THE FIRST JULY SPECIFIC OWNERSHIP TAX PAYMENT DUE AFTER THE NEW DISTRICT IS ESTABLISHED AND CONTINUING UNTIL THE NEW DISTRICT RECEIVES ITS FIRST PAYMENT OF SPECIFIC OWNERSHIP TAX REVENUES FROM THE COUNTY TREASURER, THE DEPARTMENT OF EDUCATION SHALL:

(I) INCREASE THE STATE'S SHARE OF THE NEW DISTRICT'S TOTAL PROGRAM BY AN AMOUNT EQUAL TO THE RATIO OF THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE NEW DISTRICT TO THE TOTAL VALUATION FOR ASSESSMENT OF TAXABLE PROPERTY LOCATED IN THE OLD DISTRICT MULTIPLIED BY THE SPECIFIC OWNERSHIP TAX REVENUE PAYABLE TO THE OLD DISTRICT; AND

(II) REDUCE THE STATE'S SHARE OF THE OLD DISTRICT'S TOTAL PROGRAM BY THE SAME AMOUNT.

SECTION 22. 22-40-101 (2), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-40-101. Definitions. As used in this article, unless the context otherwise requires:

(2) "School district" or "district" means a school district organized and existing pursuant to law OR A JOINT TAXATION DISTRICT ORGANIZED AND EXISTING PURSUANT TO PART 2 OF ARTICLE 30 OF THIS TITLE.

SECTION 23. 22-42-101 (6), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-42-101. Definitions. As used in this article, unless the context otherwise requires:

(6) "School district" or "district" means a school district organized and existing pursuant to law OR A JOINT TAXATION DISTRICT ORGANIZED AND EXISTING PURSUANT TO PART 2 OF ARTICLE 30 OF THIS TITLE.

SECTION 24. 22-43-101 (4), Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-43-101. Definitions. As used in this article, unless the context otherwise requires:

(4) "School district" or "district" means a school district organized and existing pursuant to law OR A JOINT TAXATION DISTRICT ORGANIZED AND EXISTING PURSUANT TO PART 2 OF ARTICLE 30 OF THIS TITLE.

SECTION 25. 22-30-118, Colorado Revised Statutes, 1995 Repl. Vol., is amended to read:

22-30-118. Meeting to explain final approved plan. Prior to the special school DISTRICT organization election, the committee shall meet with the eligible electors of each area affected by the final approved plan of organization in a convenient place within each area to explain the final approved plan of organization. The committee shall arrange for such meeting and shall give public notice thereof as required in section 22-30-115 (2) and in such other manner as may be deemed appropriate by the committee.

SECTION 26. 22-30-128 (3) and the introductory portion to 22-30-128 (4), Colorado Revised Statutes, 1995 Repl. Vol., are amended to read:

22-30-128. Detachment and annexation of territory - exemption from school district organization planning process. (3) (a) After approval of the resolutions by the commissioner, except as otherwise provided in subsection (4) of this section, the board of education of the detaching school district shall call for and establish the date of a special school DISTRICT organization election wherein the eligible electors who reside within the territory proposed to be detached and annexed shall vote upon the detachment and annexation. The board of education of the detaching school district shall name a designated election official who shall be responsible for conducting the election.

(b) If a special school DISTRICT organization election is held pursuant to paragraph (a) of this subsection (3) and there is no suitable polling place within the territory to be detached and annexed, the board of education of the detaching school district shall designate one or more polling places beyond the limits of said territory.

(c) If a majority of the eligible electors voting at the special school DISTRICT organization election held pursuant to paragraph (a) of this subsection (3) vote in favor of the detachment and annexation, or if no eligible electors vote in the election, the territory shall be detached and annexed upon the thirtieth day after the date of the election; except that, if the detaching and annexing school districts and the county assessor have located the territory in the annexing school district for longer than one tax year since the filing of the

plat for a subdivision located within the territory, the detachment and annexation shall be effective as of the date that the approved subdivision plat was accepted for recordation and filed in the county in which the territory is located.

(4) (a) Notwithstanding the provisions of subsection (3) of this section, the detaching school district need not call a special school DISTRICT organization election if the board of education of the detaching school district submits the resolutions required in paragraph (a) of subsection (2) of this section and certifies to the commissioner that:

SECTION 27. Effective date. This act shall take effect July 1, 1996.

SECTION 28. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.