

Colorado Library Law – The Quick Guide

Library Capital Facilities Districts

CRS 24-90-501 et seq.

Library Capital Facilities Districts PART 5 CRS 24-90- 501 et seq.	Rough, non-legal summary of statute: Capital Facilities Districts (LCFD)*
24-90-501. Short title. This part 5 shall be known and may be cited as the "Library Capital Facilities Districts Act".	<ul style="list-style-type: none"> ▪ Title of statute - Library Capital Facilities District (LCFD)
24-90-502. Legislative declaration. The general assembly finds and declares that the organization of library capital facilities districts within library districts of the state, having the purposes and powers provided in this part 5, will serve a public purpose, will promote the health, safety, prosperity, security, and general welfare of the residents of said library districts and facilities districts, property owners within said library districts and facilities districts, and the people of the state generally, will promote the continued vitality of library services within library districts, and will be of special benefit to property located within the boundaries of any such facilities district created pursuant to this part 5.	<ul style="list-style-type: none"> ▪ Legislative declaration
24-90-503. Definitions. As used in this part 5, unless the context otherwise requires:	
(1) "Board" means the board of trustees of a facilities district created pursuant to this part 5.	<ul style="list-style-type: none"> ▪ Board of trustees
(2) "Facilities district" means a library capital facilities district organized by a library district pursuant to this part 5 to provide library capital facilities within a library capital facilities area.	<ul style="list-style-type: none"> ▪ Part of a library district that has been designated for the building project.
(3) "Governing body" for the purposes of this part 5, means the board of trustees of a library district forming an area pursuant to this part 5.	<ul style="list-style-type: none"> ▪ Library district's board of trustees is the governing body.
(4) "Library capital facilities" means any real or personal property, improvement, or facility, including, without limitation, land, buildings, site improvements, equipment, furnishings, or collections, that are directly related to any service that a library district is authorized to provide, together with any necessary costs related to the acquisition, construction, installation, operation, or maintenance of such property, improvement, or facility.	<ul style="list-style-type: none"> ▪ Definition of capital facilities: land, building, equipment, furnishings, etc.
(5) "Library capital facilities area" means the geographical division within a library district that is described in the resolution establishing a facilities district pursuant to this part 5. Notwithstanding any provision in this subsection (5) to the contrary, the library capital facility area may include a location designated by the library district, after public notice and hearing, as a location for the siting of new library capital facilities.	<ul style="list-style-type: none"> ▪ Geographic area of the capital facility district.
(6) "Library district" has the same meaning as set forth in section 24-90-103 (6).	

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<p>(7) "Net effective interest rate" means the net interest cost of securities divided by the sum of the products derived by multiplying the principal amount of the securities maturing on each maturity date by the number of years from their date to their respective maturities. In all cases, the net effective interest rate shall be computed without regard to any option of redemption prior to the designated maturity dates of the securities.</p> <p>(8) "Net interest cost" means the total amount of interest to accrue on securities from their date to their respective maturities, less the amount of any premium above par, or plus the amount of any discount below par, at which said bonds are being or have been sold. In all cases, the net interest cost shall be computed without regard to any option of redemption prior to the designated maturity dates of the securities.</p>	<ul style="list-style-type: none"> ▪ Computed interest rate may not regard redemption options. ▪ Total accrued interest is the total interest less the amount of premium OR plus the amount of discount.
<p>24-90-504. Authority of governing body. The board of trustees of the library district as the governing body of said district is hereby vested with jurisdiction, power, and authority to establish one or more facilities districts within the boundaries of the library district in which the library capital facilities are to be acquired, constructed, installed, operated, or maintained in accordance with the requirements of this part 5.</p>	<ul style="list-style-type: none"> ▪ Library district board may establish one or more facilities districts within its boundaries as needed.
<p>24-90-505. Organization - preliminary resolution.</p> <p>(1) The organization of a facilities district shall commence with a preliminary resolution of the board.</p> <p>(2) The preliminary resolution required by subsection (1) of this section shall specify:</p> <ul style="list-style-type: none"> (a) The name of the proposed facilities district, which shall include a descriptive name of such district along with the words library capital facility district; (b) A general description of the boundaries of the proposed library capital facilities area; and (c) A general description of the library capital facilities to be acquired, constructed, installed, operated, or maintained in the proposed library capital facilities area by the proposed facilities district. 	<ul style="list-style-type: none"> ▪ Library district board makes a preliminary resolution naming and describing the facilities district and its boundaries. Describes generally what the LCFD will acquire, construct, install, operate, or maintain.
<p>24-90-506. Notice of hearing - disqualification of member of governing body.</p> <p>(1) The governing body, as soon as possible after the adoption of the preliminary resolution, shall fix by order the place and time for a public hearing on the resolution, which hearing shall be held not less than twenty days or more than forty days after the adoption of the preliminary resolution. Thereupon, the governing body shall cause notice by publication to be made of the resolution and of the time and place of the hearing on the resolution. A copy of the notice shall be mailed to each property owner within the boundaries of the proposed library capital facilities area at the owner's last-known address as</p>	<ul style="list-style-type: none"> ▪ Library district board must have public hearing between 20 and 40 days after adoption of the resolution. ▪ Notice of the hearing must be mailed to each property owner.

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<p>disclosed by the tax records of any county in which the library district is located.</p> <p>(2) No member of the governing body shall be disqualified from performing any duty imposed by this part 5 by reason of direct or indirect ownership of property within the boundaries of any proposed library capital facilities area, by reason of relationship to any person who owns property within the proposed library capital facilities area, or by reason of ownership of, or employment with, any entity that owns property within the boundaries of the proposed library capital facilities area.</p>	<ul style="list-style-type: none"> ▪ Trustees who own property in the proposed facilities district are not disqualified from performing board duties.
<p>24-90-507. Hearing - resolution - when action barred.</p> <p>(1) On the date fixed for the hearing described in section 24-90-506 or at any adjournment of the hearing, the governing body shall ascertain, from the tax rolls of any county in which the library district is located, the total valuation for assessment of the taxable property located within the proposed library capital facilities area.</p> <p>(2) Upon the conclusion of the hearing required by section 24-90-506, if it appears that the library capital facilities specified in the preliminary resolution pursuant to section 24-90-505 (2) (c) are of the type and kind of library capital facilities that satisfy the purposes of this part 5, the governing body:</p> <p class="list-item-l1">(a) Shall by adoption of a resolution:</p> <p class="list-item-l2">(I) Adjudicate all questions of jurisdiction;</p> <p class="list-item-l2">(II) Designate the boundaries of the facilities district pursuant to section 24-90-505 (2) (b);</p> <p class="list-item-l2">(III) Affix a name to the facilities district that shall be the name as is specified in the preliminary resolution pursuant to section 24-90-505 (2) (a) and by which, in all subsequent proceedings, the facilities district shall thereafter be known; and</p> <p class="list-item-l2">(IV) Specify that the facilities district shall have the power to levy <i>ad valorem</i> taxes in accordance with the requirements of section 24-90-511.</p> <p class="list-item-l1">(b) May order that the question of the organization of the facilities district and other matters as the governing body deems appropriate, including, without limitation, the issuance of bonds or other matters for which voter approval is required under section 20 of article X of the state constitution, be submitted to the registered electors residing within the boundaries of the proposed facilities district at an election to be held for that purpose in accordance with the provisions of articles 1 to 13 of title 1, C.R.S. Unless otherwise provided in section 20 of article X of the state constitution, such election may be held in conjunction with a general election or on the election held on the first Tuesday in November of odd-numbered years.</p> <p>(3) At an election held under paragraph (b) of subsection (2) of this section, the registered electors residing within the boundaries of the proposed facilities district shall vote for or against the organization of</p>	<ul style="list-style-type: none"> ▪ Library district board must ascertain total valuation of taxable property in the SCFD from the tax rolls by, or just after the hearing date. ▪ After the hearing, the library district board shall adopt a resolution designating boundaries, naming the capital facilities district, specify the tax levy or bond issue and submit it to the voters. ▪ Board may submit question of a bond issue or other matters to voters in the same resolution. ▪ Taxpayer Bill of Rights [TABOR] Amendment restrictions. <p><i>See footnote for definition of ad valorem</i></p> <ul style="list-style-type: none"> ▪ Election to be held first Tuesday in November of odd-numbered years. ▪ After a successful election, the LFFD is formally established unless a review action questions validity. Library

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<p>such district and such other matters as the governing body may deem appropriate, including, without limitation, the issuance of bonds of the library district or facilities district or other matters for which voter approval is required under section 20 of article X of the state constitution. If, upon canvassing the vote, it appears that a majority of the registered electors voting at such election vote in favor of the organization of the facilities district, the governing body shall adopt a resolution declaring the facilities district organized.</p> <p>(4) If a resolution is adopted establishing the facilities district in accordance with the requirements of subsection (3) of this section, the resolution shall finally and conclusively establish the regular organization of the facilities district against all persons unless an action, including an action for view, attacking the validity of the facilities district is commenced in a court of competent jurisdiction within thirty days after the adoption of the resolution. Thereafter, any such action shall be perpetually barred. The organization of the facilities district shall not be directly or collaterally questioned in any suit, action, or proceeding.</p>	<p>district board may issue bonds.</p> <ul style="list-style-type: none"> ▪ Any court action against the facilities district election must take place within 30 days.
<p>24-90-508. Recording of resolution establishing area. Within thirty days after the facilities district has been declared duly organized, the secretary of the governing body shall transmit for recording to the county clerk and recorder in each county in which the facilities district or a part of the facilities district extends a copy of the resolution of the governing body establishing the facilities district pursuant to section 24- 90-507 (4).</p>	<ul style="list-style-type: none"> ▪ Within 30 days of being organized, the board secretary shall get a copy of the resolution to the county clerk and recorder of each county involved.
<p>24-90-509. Governing body - meetings.</p> <p>(1) The board of trustees of the library district that creates the facilities district, as the governing body of said district, shall constitute <i>ex officio</i> the board of the facilities district. The presiding officer of the board of trustees of the library district shall be <i>ex officio</i> the presiding officer of the board of the facilities district, the secretary of the board of trustees of the library district shall be <i>ex officio</i> the secretary of the board of the facilities district, and the treasurer of the board of trustees of the library district shall be <i>ex officio</i> the treasurer of the board of the facilities district. The secretary and the treasurer may be one person. The board of the facilities district shall adopt a seal. The secretary shall keep, in a well-bound book, a record of all its proceedings, minutes of all meetings, certificates, contracts, and all corporate acts, which shall be open to inspection of all owners of property in the facilities district as well as to all other interested parties. The treasurer shall keep permanent records containing accurate accounts of all money received by and disbursed for and on behalf of the area.</p> <p>(2) The board shall hold meetings, on notice to each member of the board, which shall be open to the public in a place to be designated by the board as often as the needs of the facilities district require. A quorum of the governing body shall constitute a quorum at any meeting.</p>	<ul style="list-style-type: none"> ▪ Library district board is <i>ex officio</i> board of the LCFD, with official titles corresponding for each. ▪ LDFD shall adopt a seal. ▪ Secretary shall record all named proceedings which are open for inspection. ▪ Treasurer shall keep permanent, accurate accounting records of money received and disbursed. ▪ Open meetings with quorum at a designated place as needed.

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<p>24-90-510. General powers of facilities district.</p> <p>(1) The facilities district has the following limited powers:</p> <ul style="list-style-type: none"> (a) To have perpetual existence; (b) To have and use a corporate seal; (c) To sue and be sued and be a party to suits, actions, and proceedings; (d) To enter into contracts and agreements, except as otherwise provided in this part 5, affecting the affairs of the facilities district, including contracts with the United States and any of its agencies or instrumentalities. Except in cases in which a facilities district receives aid from an agency of the federal government, a notice shall be published for bids on all construction contracts for work or material or both involving an expense of one thousand dollars or more. The facilities district may reject any and all bids, and, if it appears that the facilities district can perform the work or secure material for less than the lowest bid, it may proceed to do so. (e) To borrow money and incur general obligation indebtedness and evidence the same by bonds, certificates, warrants, notes, and debentures in accordance with the provisions of this part 5; (f) To acquire, finance, construct, install, operate, and maintain the library capital facilities contemplated by this part 5, including all property, rights, or interests incidental or appurtenant thereto, and to dispose of real and personal property and any interest therein, including leases and easements in connection therewith; (g) To refund any general obligation indebtedness of the facilities district without an election; otherwise, the terms and conditions of refunding bonds shall be substantially the same as those of an original issue of bonds of the facilities district; (h) To have the management, control, and supervision of all the business and affairs of the facilities district and of the acquisition, construction, installation, operation, and maintenance of the facilities district's library capital facilities; (i) To adopt and amend bylaws not in conflict with the constitution and laws of the state or with the ordinances of the county or municipality affected for carrying on the business, objects, and affairs of the governing body and of the facilities district; (j) To exercise all rights and powers necessary or incidental to or implied from the specific powers granted in this part 5. Such specific powers shall not be considered as a limitation upon any power necessary or appropriate to carry out the purposes and intent of this part 5. <p>To conduct an election in accordance with articles 1 to 13 of title 1, C.R.S., for any purpose the board deems necessary or required.</p>	<ul style="list-style-type: none"> ▪ Powers of the district are limited to the following: <ul style="list-style-type: none"> - Perpetual existence. - Use a corporate seal. - Sue and be sued. - Enter into contracts, agreements. - Except for federal aid, construction contracts over \$1000 must be put to bid. - Any and all bids may be rejected, or work may be done by LCFD if it is cheaper than lowest bid. - Borrow money and/or issue general obligation (G.O) bonds. - Finance, construct, maintain, and sell facilities. - Refund G.O. bonds without an election. - Manage, control, and supervise facilities district affairs. - Adopt bylaws for the facilities district. - Exercise powers of the facilities district. - Conduct elections.
<p>24-90-511. Power to levy taxes.</p> <p>Subject to the requirements of section 20 (4) of article X of the state constitution, in addition to any other means of providing revenue for a facilities district, the board has the power to levy and collect ad valorem taxes on and against all taxable property located within the boundaries of the facilities district. The rate of levy to be submitted to the registered electors for their approval in accordance with the requirements of this section, or, if such rate is unlimited, shall be</p>	<ul style="list-style-type: none"> ▪ May levy taxes (not in conflict with TABOR) and collect them, subject to the voters in the capitals facilities district.

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specified in the resolution creating the facilities district pursuant to section 24-90-507.	
24-90-512. Determining and fixing rate of levy. The governing body shall determine the amount of moneys necessary to be raised by a levy on the taxable property located within the facilities district, taking into consideration other sources of revenue of the library district and the facilities district, and shall fix a rate of levy that, when levied upon every dollar of the valuation for assessment of taxable property within the facilities district together with other revenues, shall raise the amount required by the library district and the facilities district during the ensuing fiscal year to supply funds for paying expenses of organization and the costs of acquiring, financing, constructing, installing, operating, or maintaining the library capital facilities and promptly to pay in full when due all interest on and principal of general obligation bonds, indebtedness, and other obligations issued by the library district or the facilities district for the library capital facilities located within the facilities district. In the event of accruing defaults or deficiencies, additional levies may be made as provided in section 24-90-513. In accordance with the time schedule provided in section 39-5-128, C.R.S., the governing body shall certify to the board of county commissioners of each county in which the facilities district or a portion of the facilities district lies the rate so fixed in order that, at the time and in the manner required by law for the levying of taxes, such board of county commissioners shall levy such tax upon the valuation for assessment of all taxable property within the facilities district.	<ul style="list-style-type: none"> ▪ Board determines the amount needed, and fixes a levy rate to raise the amount to pay bills and interest in ensuing fiscal year. ▪ Other revenue sources shall also be considered and additional levies may be made in case of defaults or deficiencies. ▪ Board must certify to appropriate county commissioners that they shall levy the LCFD tax.
24-90-513. Levies to cover deficiencies. The governing body, in certifying annual levies, shall take into account the maturing indebtedness for the current and ensuing year as provided in its contracts, maturing bonds, and interest on bonds and the deficiencies and defaults of prior years and shall make ample provisions for the payment thereof. In case the moneys produced from such levies, together with other revenues of the library district or facilities district, are not sufficient to pay punctually the annual installments on its contracts or bonds and interest thereon and to pay defaults and deficiencies, the governing body, from year to year, shall make such additional levies of taxes as may be necessary for such purposes, and, notwithstanding any limitations, such taxes shall be levied and shall continue to be levied until the indebtedness of the library district or facilities district is fully paid.	<ul style="list-style-type: none"> ▪ Board shall take maturing indebtedness into account as provided in contracts, maturing bonds, and bond interest and make payment as needed. ▪ Board shall make additional levies as needed until LCFD is paid for.
24-90-514. County officers to levy and collect taxes - lien. It is the duty of the body having authority to levy taxes within such county to levy the taxes certified to it as provided in this part 5. It is the duty of all officials charged with the duty of collecting taxes to collect and enforce such taxes at the time and in the form and manner and with like interest and penalties as other taxes are collected and, when collected, to pay the same to the library district or facilities district ordering its levy and collection. The payment of such collections shall	<ul style="list-style-type: none"> ▪ Board levies taxes for LCFD. ▪ Appropriate officials collect and pay taxes to LCFD. ▪ Payment made monthly to library district treasurer who pays LCFD

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be made monthly to the treasurer of the library district and paid into the depository thereof to the credit of the facilities district. All taxes levied under this part 5, together with interest thereon and penalties for default in payment thereof, and all costs of collecting the same shall constitute a lien, until paid, on and against the property taxed, and such lien shall be a lien as for all other general taxes.	<p>depository.</p> <ul style="list-style-type: none"> ▪ All taxes and interest, default penalties, and collection cost are a lien on the property taxed.
<p>24-90-515. Property sold for taxes. The taxes provided for in this part 5 shall be included as a part of general <i>ad valorem</i> taxes and shall be paid and collected accordingly. The sale of properties for delinquencies shall be conducted in the manner provided by the statutes of this state for selling property for nonpayment of other <i>ad valorem</i> taxes.</p>	<ul style="list-style-type: none"> ▪ Taxes for the LCFD are part of the general <i>ad valorem</i> taxes. If not paid, the property shall be sold according to statutes covering nonpayment.
<p>24-90-516. Governing body can issue bonds - form. To carry out the purposes of this part 5, the governing body is hereby authorized to issue bonds of the library district or facilities district for the purpose of financing the acquisition, construction, installation, operation, or maintenance of library capital facilities within the facilities district. The bonds shall bear interest at a rate such that the net effective interest rate of the issue of bonds does not exceed the maximum net effective interest rate authorized, payable at such times as determined by the governing body, and shall be due and payable in installments at such times as determined by the governing body extending not more than thirty years from the date of issuance. The form and terms of the bonds, including provisions for their sale, payment, and redemption, shall be determined by the governing body. If the bonds are payable from the general <i>ad valorem</i> taxes levied on property located within the facilities district, the bonds shall not be issued unless first approved at an election held for that purpose pursuant to section 24-90-507 (3). If the governing body so determines, bonds issued pursuant to this section may be redeemable prior to maturity, with or without payment of a premium, but no premium shall exceed three percent of the principal thereof. The bonds shall be executed in the name of the library district or the facilities district and signed by the presiding officer of the governing body with the seal of the library district or facilities district affixed thereto and attested by the secretary of the governing body. The bonds shall be in such denominations as the governing body shall determine. Under no circumstances shall any of the bonds be held to be an indebtedness, obligation, or liability of the municipalities or counties in which the area is located, and bonds issued pursuant to the provisions of this part 5 shall contain a statement to that effect.</p>	<ul style="list-style-type: none"> ▪ Board is authorized to issue bonds at a rate that the net effective interest rate doesn't exceed maximum net effective interest rate authorized. ▪ Due and payable in not more than 30 years from issue. ▪ Board determines form and terms of bond sale, payment, and redemption. ▪ Election must be held to approve bonds if payable from general <i>ad valorem</i> taxes on property. ▪ Bonds may be redeemed prior to maturity with or without a premium which may not exceed 3% of principal. ▪ Bonds under name and seal of LCFD must be attested to by secretary. ▪ Board determines bond denominations. ▪ No bond may be held to be indebtedness, obligation, or liability of municipalities or counties in LCFD.
<p>24-90-517. Dissolution procedures. Any facilities district organized pursuant to this part 5 may be dissolved after notice is given, publication is made, and a hearing is held in the manner prescribed by sections 24-90-506 and 24-90-507. The dissolution shall be commenced with a filing by the governing body with the clerk or secretary of the governing body of a resolution of the governing body approving the dissolution. After hearing any protest against or objection to the dissolution, and if the governing body determines that it is for the best interests of all concerned to dissolve</p>	<ul style="list-style-type: none"> ▪ LDFD may be dissolved after notice, publication, and hearing (see CRS 24-90-506 and 507) ▪ Board resolution approving dissolution is filed with governing body. ▪ If no objections, a certified copy of the

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the facilities district, the governing body shall so provide by an effective resolution, a certified copy of which shall be filed in the office of the county clerk and recorder in each county in which the facilities district or any part of the facilities district is located. Upon the filing, the dissolution shall be complete. However, no facilities district shall be dissolved until it has satisfied or paid in full all outstanding indebtedness, obligations, and liabilities issued to provide library capital facilities or until funds are on deposit and available therefor.	<p>resolution is filed with county clerks in LCFD affected areas.</p> <ul style="list-style-type: none"> ▪ Debts must be paid, or money is on deposit to pay.
24-90-518. Exemption from taxation - securities laws. The income or other revenues of the library district or facilities district, any property owned by the library district or facilities district, any bonds issued by the library district or facilities district, and the transfer of and any income from any bonds issued by the library district or facilities district shall be exempt from all taxation and assessments by the state.	<ul style="list-style-type: none"> ▪ Income, revenue, property owned, bonds issued, and income transferred from bonds are exempt from state taxation and assessments.
24-90-519. Limitation of actions. Any legal or equitable action brought with respect to any acts or proceedings of the library district or facilities district, the creation of a facilities district, the authorization or issuance of any bonds, or any other action taken under this part 5 shall be commenced within thirty days after the performance of such action or else shall be thereafter perpetually barred.	<ul style="list-style-type: none"> ▪ Any legal action must take place within 30 days.

1 *ad valorem tax*: A tax that is specified as a percentage of value. Sales, income, and property taxes are three of the more popular *ad valorem* taxes devised by government. The total *ad valorem* tax paid increases with the value of what's being taxed.

* Consult with your respective city, county, or district lawyers for legal advice on, and implications of, Colorado Library Law, or call the Colorado State Library for additional information.

Additional statutes cited:

Article X, Section 20 of the Colorado Constitution: Taxpayer Bill of Rights (TABOR)

CRS 39-5-128: Certification of valuation for assessment

CRS 1 Articles 1-13: Statutes dealing with elections, procedures, notices, ballots, challenges, etc.

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