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SPECIAL DISTRICTS - COLORADO

Bill Barrett Corporation v. Sand Hills Metropolitan District

Colorado Court of Appeals, Div. VI - October 6, 2016 - P.3d - 2016 WL 6087897 - 2016 COA 144

Taxpayers, along with an involuntarily plaintiff, brought action under Special District Act challenging the taxing authority of a special district that originally had geographic boundaries located entirely within town and a local focus on providing necessities for construction of a residential and commercial development but then shifted its boundaries to encompass land in both in town and county and then land only in county, and also shifted its focus to regional water infrastructure.

The District Court granted in part taxpayers' motion for summary judgment and granted in part special district's motion for summary judgment. Special district appealed and taxpayers cross-appealed.

The Court of Appeals held that:

- Special district's shift in purpose from local to regional was a material modification of its original service plan;
- Special district's shift of boundaries to eliminate all land in town was a material modification of service plan;
- Special district did not provide adequate notice under Act of material modifications of service plan;
- Special district's shift in boundaries to include land in county in addition to land in town was a material modification of service plan; and
- Involuntary plaintiff was entitled to relief that was similar to what taxpayers received.

Special district's shift in purpose, from a local focus on providing necessities for construction of a residential and commercial development in town to a focus on regional water infrastructure upon its change in geographic boundaries to encompass land only in county, was a material modification of its original service plan requiring approval of county board of commissioners under Special District Act.

Special district's shift in its geographic boundaries, to eliminate all land in town and include only land in county, was a material modification of its original service plan requiring approval of county board of commissioners under Special District Act.

Special district did not provide adequate notice under Special District Act of material modifications of its original service plan consisting of shift in focus from local development services to regional water infrastructure and a shift in its geographic boundaries from land in town, to land in town and county, and then to land only in county, where district's published notice was in a newspaper in another county, that publication did not advise that a material departure from service plan was proposed or that the operative objection timeline would begin to run, and district did not provide county board of commissioners with notices of departures from service plan.

Special district's shift in geographic boundaries, to include land in county in addition to land in town, was a material modification of its original service plan requiring approval of county board of commissioners under Special District Act, where 13,000 acres of land in county was proposed for district services.

Trial court did not abuse its discretion in ordering a stay of judgment pending appeal that required special district to preserve funds collected from taxpayers who were challenging the taxing authority of district, which shifted its geographic boundaries from land in town to land only in county; order was not manifestly arbitrary, unreasonable, unfair, or contrary to law.

Involuntary plaintiff was entitled to relief that was similar to what plaintiff taxpayers received in litigation challenging the taxing authority of special district that shifted its geographic boundaries from land in town to land only in county, even though the trial court's judgment only mentioned taxpayers and not involuntary plaintiff, where involuntary plaintiff held itself out as being similarly situated to taxpayers from the beginning of litigation and paid taxes on land at issue in the case.