

## Colorado Library Law – The Quick Guide

### Regional Library Authorities

### CRS 24-90-110.7

CRS 24-90-110.7. Regional library authorities.	*Rough, non-legal summary of statute: Regional library authorities
<p>(1) (a) In order to support and provide for public library service on a regional basis, particularly in any region of the state lacking sufficient public library resources to adequately serve the needs of the public, any combination of two or more governmental units acting through their governing bodies, regardless of whether such unit currently maintains a public library, may, by contracting with or among each other, establish a separate governmental entity to be known as a regional library authority, referred to in this section as an "authority". Such authority may be used by such contracting member governmental units to effect the acquisition, construction, financing, operation, or maintenance of publicly-supported library services on a regional basis within the jurisdiction of the authority. For purposes of this section, a governmental unit may include a library district within the meaning of section 24-90-103 (6).</p> <p>(b) No such authority shall be formed pursuant to this section unless each of the contracting member governmental units forming such authority has passed a resolution or ordinance in accordance with the requirements of paragraph (d) of this subsection (1) and has entered into a contract pursuant to section 29-1-203, C.R.S., for the creation, operation, and administration of such authority.</p> <p>(c) (I) In connection with the establishment of an authority, at least one public hearing shall be conducted by each of the contracting member governmental units that intend to enter into a contract for the purpose of forming the authority. Any such hearing shall be preceded by adequate and timely notice of the time and place of the hearing. The notice shall specify the matters to be included in the resolution or ordinance and shall fix a date for the hearing that shall be held not less than thirty nor more than sixty days after the date of first publication of such notice.</p> <p>(II) Any public hearing conducted in accordance with the requirement of subparagraph (I) of this paragraph (c) shall address, without limitation, the purposes of the authority, and, where more than one governmental unit is involved in the formation of the authority, the powers, rights, obligations, and responsibilities, financial and otherwise, of each governmental unit that is forming the authority.</p> <p>(d) The resolution or ordinance to be adopted by each of the contracting member governmental units forming the authority in accordance with the requirements of paragraph (b) of this subsection (1) shall:</p> <ol style="list-style-type: none"> <li>(I) Describe the legal service area of the authority;</li> <li>(II) Describe the proposed governance of the authority; and</li> <li>(III) State that the registered electors residing within the territorial boundaries of such contracting member governmental units shall approve any amount of sales or use tax, or both, in accordance with the</li> </ol>	<ul style="list-style-type: none"> <li>▪ Two governmental units (i.e. city, county, school district, library district etc) may contract with each other to create a Regional Library Authority (RLA).</li> <li>▪ RLA can be used for acquisition, construction, financing, operating or maintaining a library.</li> <li>▪ An RLA can't be formed unless each unit passes a resolution OR ordinance AND has a contract that conforms with CRS 29-1-203 to operate.</li> <li>▪ Each unit must provide notice and hold at least one public hearing about the RLA. Must be held 30-60 days from notice.</li> <li>▪ The hearing must address             <ul style="list-style-type: none"> <li>- the purpose of the RLA, plus</li> <li>- the rights,</li> <li>- obligations, responsibilities and</li> <li>- financial obligations for each unit in the RLA.</li> </ul> </li> <li>▪ Resolution or ordinance must:             <ul style="list-style-type: none"> <li>- describe the Legal Service Area (LSA),</li> <li>- RLA governance,</li> <li>- say that electors must approve sales or use taxes, or ad valorem taxes according to later sections (3f) and (3h) before taxes can be levied.</li> </ul> </li> </ul>

CRS 24-90-110.7. Regional library authorities.	*Rough, non-legal summary of statute: Regional library authorities
<p>requirements of paragraph (f) of subsection (3) of this section or an ad valorem tax<sup>1</sup> in accordance with the requirements of paragraph (h) of subsection (3) of this section not previously approved by the electors before the authority shall levy such taxes.</p>	
<p>(2) Upon establishment of an authority satisfying the requirements of this section, a contract between the legislative bodies of the contracting member governmental units, shall be effected within ninety days. Any contract establishing such authority shall, without limitation, specify:</p> <p>(a) The name and purpose of such authority and the functions or services to be provided by such authority;</p> <p>(b) The boundaries of the authority, which boundaries may include less than the entire area of any separate county, but shall not be less than the entire area of any municipality and any other governmental unit forming the authority, and may be modified after the establishment of the authority as provided in the contract;</p> <p>(c) The establishment and organization of a governing body of the authority, which shall be a board of directors, referred to in this section as the "board of the authority", in which all legislative power of the authority is vested, including:</p> <p>(I) The number of directors, their manner of appointment, their terms of office, their compensation, if any, and the procedure for filling vacancies on the board of the authority;</p> <p>(II) The officers of the authority, the manner of their selection, and their duties;</p> <p>(III) The voting requirements for action by the board of the authority; except that, unless specifically provided otherwise, a majority of directors shall constitute a quorum, and a majority of the quorum shall be necessary for any action taken by the board of the authority; and</p> <p>(IV) The duties of the board of the authority, which shall include the obligation to comply with the provisions of parts 1, 5, and 6 of article 1 of title 29, C.R.S.;</p> <p>(d) Provisions for the disposition, division, or distribution of any property or assets of the authority;</p> <p>(e) The term of the contract, which may be continued for a definite term or until rescinded or terminated, and the method, if any, by which it may be rescinded or terminated; except that such contract may not be rescinded or terminated so long as the authority has bonds, notes, or other obligations outstanding, unless provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to the terms of such obligations; and</p>	<ul style="list-style-type: none"> <li>▪ The governmental units have 90 days to create a contract between all units involved.</li> <li>▪ The contract must: <ul style="list-style-type: none"> <li>- name the RLA,</li> <li>- state the purpose and function of services provided AND</li> <li>- establish boundaries.</li> </ul> </li> <li>▪ Boundary size must be equal to or greater than the municipal boundaries. They can be changed according to the contract.</li> <li>▪ The contract must specify the governing body (board of directors) and include: <ul style="list-style-type: none"> <li>- number of directors;</li> <li>- how appointed;</li> <li>- terms of office;</li> <li>- compensation (if any)*;</li> <li>- how to fill vacancies;</li> <li>- officers – how selected and their duties;</li> <li>- voting requirements for board action;</li> <li>- a majority is a quorum, and is required for actions.</li> </ul> </li> </ul> <p><i>* board members cannot be paid to serve</i></p> <ul style="list-style-type: none"> <li>▪ The contract must state <ul style="list-style-type: none"> <li>- that board duties conform with Title 29, art. 1, parts 1, 5, and 6.</li> <li>- how property or assets will be disbursed;</li> <li>- the terms for contract continuation or termination agreements;</li> <li>- contracts can't be terminated if there are financial obligations unless escrow payment arrangements are made.</li> </ul> </li> </ul>

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<p>(f) The expected sources of revenue of the authority and any requirements that contracting member governmental units consent to the levying of any taxes within the jurisdiction of such member. If the authority levies any taxes, the contract shall further include requirements that:</p> <p>(I) Prior to and as a condition of levying any such taxes or fees, the board of the authority shall adopt a resolution determining that the levying of the taxes or fees will fairly distribute the costs of the authority's activities among the persons or communities benefited thereby and will not impose an undue burden on any particular group of persons or communities;</p> <p>(II) Each such tax shall conform with any requirements specified in subsection (3) of this section; and</p> <p>(III) The authority shall designate a financial officer who shall coordinate with the department of revenue regarding the collection of a sales and use tax authorized pursuant to paragraph (f) of subsection (3) of this section. This coordination shall include but not be limited to the financial officer identifying those businesses eligible to collect the sales and use tax and any other administrative details identified by the department.</p>	<ul style="list-style-type: none"> <li>▪ The contract must state: <ul style="list-style-type: none"> <li>- expected revenue sources;</li> <li>- any requirements the units consent to in levying taxes within the given jurisdictions.</li> </ul> </li> <li>▪ If the RLA levies taxes the contract must state: <ul style="list-style-type: none"> <li>- that the RLA adopt a resolution about levying taxes or fees;</li> <li>- be fair with, and not impose undue burden on anyone;</li> <li>- the taxes will conform with section (3);</li> <li>- a designated financial officer to coordinate collection according to (3f). This person shall identify businesses eligible to collect sales and use taxes.</li> </ul> </li> </ul>
<p>(3) The general powers of such authority shall include the following powers:</p> <p>(a) To acquire, construct, finance, operate, or maintain public library services located within the territorial boundaries of the authority;</p> <p>(b) To make and enter into contracts with any person, including, without limitation, contracts with state or federal agencies, private enterprises, and nonprofit organizations also involved in providing such public library services or the financing for the services, irrespective of whether the agencies are parties to the contract establishing the authority;</p> <p>(c) To employ agents and employees;</p> <p>(d) To cooperate with state and federal governments in all respects concerning the financing of such library services;</p> <p>(e) To acquire, hold, lease, as lessor or lessee, sell, or otherwise dispose of any real or personal property, commodity, or service;</p> <p>(f) (I) Subject to the provisions of subsection (9) of this section, to levy, in all of the area described in subparagraph (II) of this paragraph (f) within the boundaries of the authority, a sales or use tax, or both, at a rate not to exceed one percent, upon every transaction or other incident with respect to which a sales or use tax is levied by the state pursuant to the provisions of article 26 of title 39, C.R.S. The tax imposed pursuant to this paragraph (f) is in addition to any other sales or use tax imposed pursuant to law and is exempt from the limitation imposed by section 29-2-108, C.R.S. The executive director of the department of revenue shall collect, administer, and enforce the sales or use tax, to the extent feasible, in the manner provided in section 29-2-106, C.R.S. However, the executive director shall not begin the collection, administration, and</p>	<ul style="list-style-type: none"> <li>▪ The RLA powers include: <ul style="list-style-type: none"> <li>- acquisition, construction, financing, operation, or maintenance of library services in the boundaries;</li> <li>- entering into contracts for service;</li> <li>- employing people and agents;</li> <li>- cooperating with state/federal government when financing;</li> <li>- acquire, lease, hold, sell or dispose of property or service</li> </ul> </li> <li>▪ Related to section (9) provisions, the RLA power includes levying a sales or use tax or both.</li> <li>▪ Can't exceed 1% on transactions to which sales/use taxes are levied according to title 39 article 26.</li> <li>▪ The tax imposed is in addition to any others. It is exempt from limitations in 29-2-108.</li> <li>▪ The Department of Revenue Exec Dir. collects and administers tax collection according to 29-2-106.</li> </ul>

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<p>enforcement of a sales and use tax until such time as the financial officer of the authority and the executive director have agreed on all necessary matters pursuant to subparagraph (III) of paragraph (f) of subsection (2) of this section. The executive director shall begin the collection, administration, and enforcement of a sales and use tax on a date mutually agreeable to the department of revenue and the authority.</p> <p>(II) The area in which the sales or use tax authorized by this paragraph (f) is levied shall not include less than the entire area of any municipality located within the area in which the tax will be levied. The area may also include portions of unincorporated areas located within a county.</p> <p>(III) The executive director of the department of revenue shall make monthly distributions of the tax collections to the authority, which shall apply the proceeds solely to the acquisition, construction, financing, operation, or maintenance of public library services within the jurisdiction of the authority.</p> <p>(IV) The Department of Revenue shall retain an amount not to exceed the cost of the collection, administration, and enforcement and shall transmit the amount retained to the state treasurer, who shall credit the same amount to the regional library authority sales tax fund, which fund is hereby created in the state treasury. The amounts so retained are hereby appropriated annually from the fund to the department to the extent necessary for the department's collection, administration, and enforcement of the provisions of this section. Any moneys remaining in the fund attributable to taxes collected in the prior fiscal year shall be transmitted to the authority; except that prior to the transmission to the authority of such moneys, any moneys appropriated from the general fund to the department for the collection, administration, and enforcement of the tax for the prior fiscal year shall be repaid.</p> <p>(g) Notwithstanding any other provision of law, any sales tax authorized pursuant to subparagraph (I) of paragraph (f) of this subsection (3) shall not be levied on:</p> <p>(I) The sale of tangible personal property delivered by a retailer or a retailer's agent or delivered to a common carrier for delivery to a destination outside the boundaries of the authority; and</p> <p>(II) The sale of tangible personal property on which a specific ownership tax has been paid or is payable when such sale meets the following conditions:</p> <p>(A) The purchaser does not reside within the boundaries of the authority or the purchaser's principal place of business is outside the boundaries of the authority; and</p> <p>(B) The personal property is registered or required to be registered outside the boundaries of the authority under the laws of this state.</p> <p>(h) Subject to the provisions of subsection (9) of this section, to levy, in all of the area within the boundaries of the authority, an ad valorem tax in accordance with the requirements of this section. The tax imposed pursuant to this paragraph (h) shall be in addition to any other <i>'ad valorem'</i> tax imposed pursuant to law. In accordance with the schedule prescribed by section 39-5-128, C.R.S., the board of the authority shall</p>	<ul style="list-style-type: none"> <li>▪ The RLA financial officer must reach agreement with the Exec Dir. about collection according to III(f)(2) of this section before collection begins.</li> <li>▪ Sales/use tax collection area shall be the entire boundary area of any municipality. It may include unincorporated areas.</li> <li>▪ The Department of Revenue Exec. Dir. makes monthly distributions of tax collections to RLA for library services.</li> <li>▪ The Department of Revenue retains a specified amount of the taxes collected and transmits it to the state treasurer.</li> <li>▪ Anything remaining from prior fiscal years is transmitted to the RLA, but any moneys appropriated from the general fund to the dept for collection costs must be repaid.</li> <li>▪ Sales tax authorized in section (3)(f)(I) won't be levied on: <ul style="list-style-type: none"> <li>- personal property delivered outside the RLA boundaries;</li> <li>- property on which ownership tax has been paid—or is payable if the buyer lives outside the boundaries and the property is registered.</li> </ul> </li> <li>▪ Powers of the RLA also include levying an ad valorem tax according to the section requirements.</li> <li>▪ Such tax will be in addition to any others imposed.</li> <li>▪ Following the schedule of CRS 39-</li> </ul>

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<p>certify to the board of county commissioners of each county within the authority, or having a portion of its territory within the district, the levy of ad valorem property taxes 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 designated portion of the area within the boundaries of the authority. It is the duty of the body having authority to levy taxes within each county to levy the taxes provided by this subsection (3). It is the duty of all officials charged with the duty of collecting taxes to collect the 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 authority ordering the levy and collection. The payment of such collections shall be made monthly to the authority or paid into the depository thereof to the credit of the authority. All taxes levied under this paragraph (h), together with interest thereon and penalties for default in payment thereof, and all costs of collecting the same shall constitute, until paid, a perpetual lien on and against the property taxed, and the lien shall be on a parity with the tax lien of other general taxes.</p> <ul style="list-style-type: none"> <li>(i) To incur debts, liabilities, or obligations;</li> <li>(j) To sue and be sued in its own name;</li> <li>(k) To have and use a corporate seal;</li> <li>(l) To fix, maintain, and revise fees, rents, security deposits, and charges for functions, services, or facilities provided by the authority;</li> <li>(m) To adopt, by resolution, rules respecting the exercise of its powers and the carrying out of its purposes;</li> <li>(n) To exercise any other powers that are essential to the provision of functions, services, or facilities by the authority and that are specified in the contract; and</li> <li>(o) To do and perform any acts and things authorized by this section under, through, or by means of an agent or by contracts with any person, firm, or corporation.</li> </ul>	<p>5-128, the RLA board shall certify to the county commissioners of each county involved so the commissioners can levy tax on the taxable valuation.</p> <ul style="list-style-type: none"> <li>▪ The RLA has the authority to levy taxes; the officials have the duty of collecting and paying the RLA.</li> <li>▪ Monthly tax payments are made to the RLA, or paid to a depository. Taxes and interest become a lien against the taxed property, on parity with other general taxes.</li> </ul> <p><i>See footnote for definition of ad valorem</i></p> <ul style="list-style-type: none"> <li>▪ Other powers of the RLA: <ul style="list-style-type: none"> <li>- incur debts, liabilities, or obligations;</li> <li>- sue and be sued;</li> <li>- charge by various means for RLA services or facilities;</li> <li>- by resolution, adopt rules to carry out duties;</li> <li>- exercise other powers specified in the contract;</li> <li>- do anything else necessary through agents or contracts with anyone or anything.</li> </ul> </li> </ul>
<p>(4) The authority established by such contracting member governmental units shall be a political subdivision and a public corporation of the state, separate from the parties to the contract, and shall be a validly created and existing political subdivision and public corporation of the state, irrespective of whether a contracting member governmental unit withdraws, whether voluntarily, by operation of law, or otherwise, from the authority subsequent to its creation under circumstances not resulting in the rescission or termination of the contract establishing such authority pursuant to its terms. It shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate. The authority may deposit and invest its moneys in the manner provided in section 43-4-616, C.R.S.</p>	<ul style="list-style-type: none"> <li>▪ The RLA :shall be a political subdivision and public corporation of the state; <ul style="list-style-type: none"> <li>- is separate from the contracting parties, even if one of the contracting units withdraws subsequent to its creation;</li> <li>- has duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate;</li> <li>- may deposit and invest according to 43-4-616</li> </ul> </li> </ul>

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(5) The bonds, notes, and other obligations of such authority shall not be the debts, liabilities, or obligations of the contracting member governmental units.	<ul style="list-style-type: none"> <li>▪ The RLA's bonds, notes, and obligations are not those of the contracting units.</li> </ul>
(6) The contracting member governmental units may provide in the contract for payment to the authority of funds from proprietary revenues for services rendered or facilities provided by the authority, from proprietary revenues or other public funds as contributions to defray the cost of any purpose set forth in the contract, and from proprietary revenues or other public funds as advances for any purpose subject to repayment by the authority.	<ul style="list-style-type: none"> <li>▪ The contracting units may specify in the contract that RLA payments from proprietary revenues or other public funds are contributions to defray the cost of contractually stated purposes, subject to repayment by the RLA.</li> </ul>
(7) The authority may issue revenue or general obligation bonds, as the term "bond" is defined in section 43-4-602 (3), C.R.S., and may pledge its revenues and revenue-raising powers for the payment of the bonds. The bonds shall be issued on the terms and subject to the conditions set forth in section 43-4-609, C.R.S.	<ul style="list-style-type: none"> <li>▪ The RLA may issue revenue or general obligation bonds as defined by 43-4-602(3), and issued according to 43-4-609.</li> </ul>
(8) The income or other revenues of the authority, all properties at any time owned by an authority, any bonds issued by an authority, and the transfer of and the income from any bonds issued by the authority are exempt from all taxation and assessments in the state.	<ul style="list-style-type: none"> <li>▪ The RLA's income, revenues, property owned, bonds issued or income transferred from bonds are exempt from state taxation and assessment.</li> </ul>
<p>(9) (a) No action by an authority to establish or increase any tax authorized by this section shall take effect unless first submitted to a vote of the registered electors residing within the boundaries of the authority in which the tax is proposed to be collected.</p> <p>(b) No action by an authority creating a multiple-fiscal year debt or other financial obligation that is subject to section 20 (4) (b) of article X of the state constitution shall take effect unless first submitted to a vote of the registered electors residing within the boundaries of the authority.</p> <p>(c) The questions proposed to the registered electors under paragraphs (a) and (b) of this subsection (9) shall be submitted at a general election or any election to be held on the first Tuesday in November of an odd- numbered year. The action shall not take effect unless a majority of the registered electors voting thereon at the election vote in favor thereof. The election shall be conducted in substantially the same manner as county elections and the county clerk and recorder of each county in which the election is conducted shall assist the authority in conducting the election. The cost of the election shall be incurred by the contracting member governmental units that have formed the authority in proportion to the percentage of the population of the governmental units within the territorial boundaries of the authority. No moneys of the authority may be used to urge or oppose passage of an election required under this section.</p>	<ul style="list-style-type: none"> <li>▪ Tax increases have to be approved by voters in the RLA's boundaries.</li> <li>▪ RLA area voters have to approve any multiple-year fiscal debts subject to 20(4)(b) of article X. [TABOR]</li> <li>▪ An election for items in (a) and (b) go to voters in the general election held on the first Tuesday in November in odd-numbered years. A majority is needed to pass.</li> <li>▪ The election is conducted like any other county election, and the county clerk and recorder of each county involved shall assist the RLA.</li> <li>▪ Election costs shall be incurred proportionally, by population, by the contracting units involved.</li> <li>▪ RLA funds can't be used to sway the election either way.</li> </ul>
(10) (a) For the purpose of determining any authority's fiscal year spending limit under section 20 (7) (b) of article X of the state constitution, the initial spending base of the authority shall be the amount of revenues	<ul style="list-style-type: none"> <li>▪ To determine the RLA's spending limit under [TABOR], the initial spending base is the revenue</li> </ul>

CRS 24-90-110.7. Regional library authorities.	<b>*Rough, non-legal summary of statute: Regional library authorities</b>
<p>collected by the authority from sources not excluded from fiscal year spending pursuant to section 20 (2) (e) of article X of the state constitution during the first full fiscal year for which the authority collected revenues.</p> <p>(b) For purposes of this subsection (10), "fiscal year" means any year-long period used by an authority for fiscal accounting purposes.</p>	<p>amount collected from sources not excluded under (20)(2)(e) of article X during the first full year the RLA collects revenues.</p> <ul style="list-style-type: none"> <li>▪ Here, a fiscal year means any year-long period used by the RLA.</li> </ul>
<p>(11) An authority established by contracting member governmental units shall, if the contract so provides, be the successor to any nonprofit corporation, agency, or other entity theretofore organized by the contracting member governmental units to provide the same function, service, or facility, and the authority shall be entitled to all the rights and privileges and shall assume all the obligations and liabilities of such other entity under existing contracts to which such other entity is a party.</p>	<ul style="list-style-type: none"> <li>▪ If the contract provides, the RLA shall be the successor to any non-profit corporation, agency, etc. that previously provided the same services for the contracting units. The RLA assumes all previous liabilities and obligations that existed.</li> </ul>
<p>(12) (a) The authority granted pursuant to this section shall in no manner limit the powers of any governmental unit to cooperate on an intergovernmental basis, to enter into any contract with another governmental entity, or to establish a separate legal entity pursuant to the provisions of section 29-1-203, C.R.S., or any other applicable law, or otherwise to carry out their individual powers under applicable statutory or charter provisions, nor shall such authority limit the powers reserved to cities and towns pursuant to the state constitution.</p> <p>(b) Notwithstanding any other provision of law, any governmental unit that has entered into a contract for the purpose of forming an authority may form such authority in accordance with the requirements of this section without any effect on the ability of the unit to own its own property, maintain a separate governing body or board of trustees, levy its own taxes for library purposes, or retain its own identity.</p> <p>(c) Notwithstanding any other provision of law, nothing in this section shall be construed to authorize any one or more library districts to:</p> <p>(I) Form an authority without entering into a contract with one or more governmental units to form such authority in accordance with the requirements of this section; or</p> <p>(II) Exercise any of the powers of said authority, including, without limitation, the power to levy a sales or use tax, in the absence of entering into a contract with one or more governmental units for the purpose of forming such authority in accordance with the requirements of this section.</p>	<ul style="list-style-type: none"> <li>▪ The creation of the RLA doesn't limit any other unit's ability to <ul style="list-style-type: none"> <li>- enter into intergovernmental agreements, or establish a separate legal entity according to CRS 29-1-203 or other laws.</li> <li>- carry out duties according to applicable statutory provisions described in the state constitution.</li> <li>- maintain its own identity and powers.</li> </ul> </li> <li>▪ This section shouldn't be construed to authorize one or more library districts to: <ul style="list-style-type: none"> <li>- form an RLA without entering into contract with one or more governmental units to do so; exercise RLA powers, including levying sales/use tax, without entering into contract with one or more governmental units.</li> </ul> </li> </ul>

<sup>1</sup> **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.

*The following sections, not part of the Regional Library Authority (RLA) but mentioned in it, are among those referenced in the RLA law. Interpretations are left to the reader.*

**CRS 29-1-203. Government may cooperate or contract - contents.**

- (1) Governments may cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve.
- (2) Any such contract shall set forth fully the purposes, powers, rights, obligations, and the responsibilities, financial and otherwise, of the contracting parties.
- (3) Where other provisions of law provide requirements for special types of intergovernmental contracting or cooperation, those special provisions shall control.
- (4) Any such contract may provide for the joint exercise of the function, service, or facility, including the establishment of a separate legal entity to do so.
- (5) Any separate legal entity formed pursuant to the provisions of this part 2 may make loans to any government which enters into any contract pursuant to the provisions of this section, which loans may be secured by loan and security agreements, leases, or any other instruments upon such terms and conditions, including, without limitation, the terms and conditions authorized by section 31-35-402 (1) (h), C.R.S., as the board of directors of such intergovernmental entity shall determine.
- (6) The provisions of articles 10.5 and 47 of title 11, C.R.S., shall apply to moneys of such separate legal entities.

**CRS 29-2-108. Limitation on amount.**

- (1) In no case shall the total sales tax or total use tax imposed by the state of Colorado, any county, and any city or town in any locality in the state of Colorado exceed six and ninety one-hundredths percent; except that this limitation shall not preclude a county sales tax or use tax at a rate not to exceed one percent.
- (2) Repealed.
- (3) Any tax imposed pursuant to section 24-90-110.7 (3) (f), 29-1-204.5 (3) (f.1), 29-2-103.7, 30-11-107.5, or 30-11-107.7, C.R.S., and the additional tax authorized by section 30-20-604.5, C.R.S., if imposed, shall be exempt from the six and ninety one-hundredths percent limitation imposed by subsection (1) of this section.
- (4) Any additional increment of sales tax or total use tax which may be imposed by any county pursuant to the provisions of section 29-2-103.5 shall be exempt from the six and ninety one-hundredths percent limitation imposed by subsection (1) of this section.
- (5) Any additional increment of sales tax or use tax imposed by any category IV or category V county, as defined in section 30-2-102, C.R.S., for the specific purpose of funding the operations of any health service district created within such county pursuant to the "Special District Act", article 1 of title 32, C.R.S., shall be exempt from the six and ninety one-hundredths percent limitation imposed by subsection (1) of this section. In no case shall such additional increment of sales tax or use tax exceed a rate of one percent. Any tax imposed pursuant to this subsection (5) may be terminated by the board of county commissioners of any such county after notice to the health service district and a public hearing thereon. If any such tax is terminated, the effective date of such termination shall be not less than six months after the decision thereon by the board of county commissioners.
- (6) When calculating the total sales tax or total use tax for purposes of this section, any extension of an expiring tax shall be deemed to be in effect from the date of the first imposition of such tax, if the eligible electors of the state, county, city, town, or locality, as applicable, have approved the extension of such tax prior to the expiration of such tax. Nothing in this subsection (6) shall be construed to allow the extension of an expiring tax without the approval of eligible electors in the state, county, city, town, or locality as applicable.
- (7) Any petition measure, to the extent authorized by law, including a measure to extend an expiring tax, that changes the distribution of tax revenue among local governments as provided in a preexisting revenue-sharing ballot measure shall be deemed to be a new tax in effect from the date of the change in the distribution of the tax revenues and shall be subject to any other validly adopted sales or use tax proposal.



**CRS 43-4-609. Bonds.**

(1) The authority may, from time to time, issue bonds for any of its corporate purposes. The authority shall issue the bonds pursuant to resolution of the board, and the bonds shall be payable solely out of all or a specified portion of the revenues as designated by the board.

(2) As provided in the resolution of the board under which the bonds are authorized to be issued or as provided in a trust indenture between the authority and any commercial bank or trust company having full trust powers, the bonds may:

- (a) Be executed and delivered by the authority at such times;
- (b) Be in such form and denominations and include such terms and maturities;
- (c) Be subject to optional or mandatory redemption prior to maturity with or without a premium;
- (d) Be in fully registered form or bearer form registrable as to principal or interest or both;
- (e) Bear such conversion privileges;
- (f) Be payable in such installments and at such times not exceeding forty years from the date thereof;
- (g) Be payable at such place or places whether within or without the state;
- (h) Bear interest at such rate or rates per annum, which may be fixed or vary according to index, procedure, or formula or as determined by the authority or its agents, without regard to any interest rate limitation appearing in any other law of the state;
- (i) Be subject to purchase at the option of the holder or the authority and be evidenced in such manner;
- (j) Be executed by the officers of the authority, including the use of one or more facsimile signatures so long as at least one manual signature appears on the bonds, which signatures may be either of an officer of the authority or of an agent authenticating the same;
- (k) Be in the form of coupon bonds that have attached interest coupons bearing a manual or facsimile signature of an officer of the authority; and
- (l) Contain such provisions not inconsistent with this part 6.

(3) The bonds may be sold at public or private sale at such price or prices, in such manner, and at such times as determined by the board, and the board may pay all fees, expenses, and commissions that it deems necessary or advantageous in connection with the sale of the bonds. The power to fix the date of sale of the bonds, to receive bids or proposals, to award and sell bonds, to fix interest rates, and to take all other action necessary to sell and deliver the bonds may be delegated to an officer or agent of the authority. Any outstanding bonds may be refunded by the authority pursuant to article 56 of title 11, C.R.S. All bonds and any interest coupons applicable thereto are declared to be negotiable instruments.

(4) The resolution or trust indenture authorizing the issuance of the bonds may pledge all or a portion of the revenues of the authority, may contain such provisions for protecting and enforcing the rights and remedies of holders of any of the bonds as the authority deems appropriate, may set forth the rights and remedies of the holders of any of the bonds, and may contain provisions that the authority deems appropriate for the security of the holders of the bonds, including, but not limited to, provisions for letters of credit, insurance, standby credit agreements, or other forms of credit ensuring timely payment of the bonds, including the redemption price or the purchase price.

(5) Any pledge of revenues or property made by the authority or by any person or governmental unit with which the authority contracts shall be valid and binding from the time the pledge is made. The revenues or property so pledged shall immediately be subject to the lien of the pledge without any physical delivery or further act, and the lien of the pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the pledging party, irrespective of whether such claiming party has notice of such lien. The instrument by which the pledge is created need not be recorded or filed.

(6) Neither the directors of the board, employees of the authority, or any person executing the bonds shall be liable personally on the bonds or subject to any personal liability or accountability by reason of the issuance thereof.

(7) The authority may purchase its bonds out of any available funds and may hold, pledge, cancel, or resell the bonds subject to and in accordance with agreements with the holders thereof.

**CRS 43-4-616. Investments.**

An authority may invest or deposit any funds in the manner provided by part 6 of article 75 of title 24, C.R.S. In addition, an authority may direct a corporate trustee that holds funds of the authority to invest or deposit the funds in investments or deposits other than those specified by said part 6 if the board determines, by resolution, that the investment or deposit meets the standard established in section 15-1-304, C.R.S., the income is at least comparable to income available on investments or deposits specified by said part 6, and the investment will assist the authority in the financing, construction, operation, or maintenance of rural transportation systems.

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