

TITLE 31. GOVERNMENT - MUNICIPAL
POWERS AND FUNCTIONS OF CITIES AND TOWNS
ARTICLE 25. PUBLIC IMPROVEMENTS
PART 12. BUSINESS IMPROVEMENT DISTRICTS

C.R.S. 31-25-1209 (2016)

31-25-1209. Board of directors - duties

(1) (a) Except as otherwise provided in this subsection (1), the governing body of the municipality which creates the district shall constitute ex officio the board of directors of the district. In such event, the presiding officer of the governing body shall be ex officio the presiding officer of the board, the clerk of the governing body shall be ex officio the secretary of the board, and the treasurer of the municipality shall be ex officio the treasurer of the board. A quorum of the governing body shall constitute a quorum of the board.

(b) The governing body of the municipality may, at any time, provide by ordinance for the creation of a board of directors of the district consisting of not fewer than five members. Each member shall be an elector of the district appointed by the governing body or, if designated by the governing body, by the mayor of the municipality; except that, if possible, no more than one-half of the members of the board may be affiliated with one owner or lessee of taxable real or personal property in the district. Each member shall serve at the pleasure of the municipality. Within thirty days after a vacancy occurs, a successor shall be appointed in the same manner as the original appointment. Within thirty days after his appointment, except for good cause shown, each member shall appear before an officer authorized to administer oaths and take an oath that he will faithfully perform the duties of his office as required by law and will support the constitution of the United States, the state constitution, and laws made pursuant thereto. A majority of the members shall constitute a quorum of the board. The board shall elect one of its members as presiding officer, one of its members as secretary, and one of its members as treasurer. The office of both secretary and treasurer may be filled by one person.

(c) If more than one-half of the property located within the district is also located within an urban renewal area, a downtown development authority, or a general improvement district, the governing body of the municipality may, at any time, provide by ordinance that the governing body of the urban renewal authority, downtown development authority, or general improvement district created by the municipality shall constitute ex officio the board of directors of the district. In such event, the officers of such entity shall be ex officio the officers of the board. A quorum of the board of directors of such entity shall constitute a quorum of the board.

(d) If the petition initiating the organization of the district or any subsequent petition signed by persons who own real or personal property in the service area of the proposed district having a valuation for assessment of not less than fifty percent, or such greater amount as the governing body may provide by ordinance, of the valuation for assessment of all real

and personal property in the service area of the proposed district and who own at least fifty percent, or such greater amount as the governing body may provide by ordinance, of the acreage in the proposed district so specifies, the members of the board of the district shall be elected by the electors of the district. If such a petition is approved, the terms of members of the board must be specified by ordinance of the governing body and shall be the same as the terms of directors of special districts pursuant to article 1 of title 32, C.R.S. The initial election for members of the board must be held within ninety days after approval of the ordinance organizing the district or the filing of any subsequent petition. All subsequent elections for members of the board must be on the regular election date specified in article 1 of title 32, C.R.S., for special districts. The number of directors, the quorum requirements, and the oaths of office shall be the same as those provided for directors of special districts pursuant to article 1 of title 32, C.R.S. Any vacancy on the board must be filled in the same manner as provided in paragraph (b) of this subsection (1). Until the members of the board are elected and qualified, the governing body shall serve as the board of the district. Elections pursuant to this paragraph (d) must be held in accordance with the provisions of part 8 of article 1 of title 32, C.R.S. The cost of any election held pursuant to this paragraph (d) must be borne by the district.

(e) The governing body of the municipality may remove a member of the board of a district or the entire board thereof for inefficiency or neglect of duty or misconduct in office, but only after the member or the board has been given a copy of the charges made by the governing body against such member or such board and has had an opportunity to be heard in person or by counsel before the governing body. In the event of the removal of any member of the board or of the board pursuant to this paragraph (e), the governing body shall file in the office of the clerk thereof a record of the proceedings, together with the charges made against the member or the board and the findings thereon.

(f) Ten percent of the electors of a district may petition the governing body of the municipality for the removal of a member of the board of the district or of the entire board thereof for inefficiency or neglect of duty or misconduct in office, and the governing body may remove the member or the board, but only after the member or the board has been given a copy of the charges made against such member or such board and has had an opportunity to be heard in person or by counsel before the governing body. In the event of the removal of the member or of the board pursuant to this paragraph (f), the governing body shall file in the office of the clerk thereof a record of the proceedings, together with the charges made against the member or the board and the findings thereon.

(2) The board shall adopt a seal. The secretary shall keep in a visual text format that may be transmitted electronically a record of all proceedings, minutes of meetings, certificates, contracts, and corporate acts of the board, which shall be open to inspection by the electors of the district and 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 district and shall make such annual or other reports to the municipality as it may require. All budgets and financial records of the district, whether governed by a separate board or by the governing body of the municipality, shall be kept in compliance with parts 1 and 5 of article 1 of title 29, C.R.S.

(3) Each member of the board of a district or the governing body of the municipality or other entity acting ex officio as the board of a district is required to disclose any potential conflicting interest in any transaction of the district pursuant to section 18-8-308, C.R.S. A board member with a potential conflicting interest in a district transaction may not participate in the considerations of and vote on the transaction, may not attempt to influence any of the contracting parties, and may not act directly or indirectly for the board in the inspection, operation, administration, or performance of any contract related to the transaction. Ownership, in and of itself, by a board member of property within the district shall not be considered a potential conflicting interest.

(4) When the governing body of the municipality establishes a board of directors pursuant to paragraph (b), (c), or (d) of subsection (1) of this section, it may set such conditions, limitations, procedures, duties, and powers under which the board shall conduct its business. Such conditions and limitations may be in the form of a binding contract on both the governing body of the municipality and the board and may include provisions requiring the dissolution of the board after a specified length of time, at which time the governing body of the municipality shall assume all powers and duties of the district, including the payment of any outstanding indebtedness.