

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 17-0399.01 Julie Pelegrin x2700

**SENATE BILL 17-061**

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**SENATE SPONSORSHIP**

**Hill and Williams A.,**

**HOUSE SPONSORSHIP**

**Sias and Rosenthal,**

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**Senate Committees**

Education  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING DISTRIBUTION OF ADDITIONAL OPERATIONAL FUNDING**  
102 **TO CHARTER SCHOOLS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

Beginning in the 2017-18 budget year, the bill requires a school district to distribute revenue it receives from ongoing local property tax mill levies equally, on a per-student basis, to the school district charter schools. Under specified circumstances, the school district may distribute the revenue using a different calculation. The bill does not require a school district to redistribute to charter schools any amount of the mill

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
Amended 2nd Reading  
March 13, 2017

levy revenue that it distributed in budget years before the 2017-18 budget year.

The bill directs the department of education to calculate a mill levy equalization payment for each institute charter school in the amount of the per pupil share of the mill levy overrides of an institute charter school's accounting district. The state will pay the mill levy equalization amounts, subject to annual appropriations.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 22-30.5-112.4  
3 as follows:

4 **22-30.5-112.4. Charter schools - mill levy revenues -**  
5 **equalization - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE  
6 CONTEXT OTHERWISE REQUIRES:

7 (a) "ADDITIONAL MILL LEVY" MEANS THE NUMBER OF MILLS THAT  
8 A SCHOOL DISTRICT LEVIES THAT ARE IN ADDITION TO THE SCHOOL  
9 DISTRICT'S TOTAL PROGRAM MILL LEVY ESTABLISHED IN SECTION  
10 22-54-106(2), NOT INCLUDING MILLS THAT A SCHOOL DISTRICT MAY LEVY  
11 UNDER SECTION 22-40-110 OR ARTICLE 42 OR 43 OF THIS TITLE 22, AND  
12 THAT ARE AUTHORIZED BY VOTERS BEFORE, ON, OR AFTER THE EFFECTIVE  
13 DATE OF THIS SECTION.

14 (b) "PER PUPIL MILL LEVY SHARE" MEANS AN AMOUNT EQUAL TO  
15 THE REVENUE THAT A SCHOOL DISTRICT COLLECTS FROM ITS ADDITIONAL  
16 MILL LEVY FOR THE APPLICABLE BUDGET YEAR DIVIDED BY THE SCHOOL  
17 DISTRICT'S FUNDED PUPIL COUNT AS DEFINED IN SECTION 22-54-103 FOR  
18 THE APPLICABLE BUDGET YEAR.

19 (c) "RESTRICTED REVENUE" MEANS REVENUE THAT A SCHOOL  
20 DISTRICT COLLECTS FROM ITS ADDITIONAL MILL LEVY, THE USE OF WHICH  
21 IS RESTRICTED BY VOTERS TO A SPECIFIC PROGRAM, TO STUDENTS  
22 ENROLLED IN A SPECIFIC GRADE LEVEL, OR TO THE TERMS OF AN

1 AGREEMENT BETWEEN A THIRD PARTY AND THE SCHOOL DISTRICT THAT  
2 GOVERNS THE USE OF THE REVENUE AND THAT EXISTED BEFORE THE  
3 EFFECTIVE DATE OF THIS SECTION.

4 (2) (a) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (4) AND (5)  
5 OF THIS SECTION, EACH SCHOOL DISTRICT THAT AUTHORIZES A CHARTER  
6 SCHOOL SHALL DISTRIBUTE TO THE CHARTER SCHOOL AT LEAST ONE  
7 HUNDRED PERCENT OF AN AMOUNT EQUAL TO THE SCHOOL DISTRICT'S PER  
8 PUPIL MILL LEVY SHARE FOR THE APPLICABLE BUDGET YEAR MULTIPLIED  
9 BY THE NUMBER OF PUPILS, INCLUDING PRESCHOOL PROGRAM PUPILS,  
10 ENROLLED IN THE CHARTER SCHOOL FOR THE APPLICABLE BUDGET YEAR,  
11 AS REPORTED TO THE DEPARTMENT FOR THE APPLICABLE BUDGET YEAR  
12 PURSUANT TO SECTION 22-30.5-112 (1)(a). IN COUNTING THE NUMBER OF  
13 PUPILS ENROLLED IN THE CHARTER SCHOOL, THE SCHOOL DISTRICT SHALL  
14 COUNT A PUPIL ENROLLED IN KINDERGARTEN OR IN A PRESCHOOL  
15 PROGRAM AS AT LEAST A HALF-DAY PUPIL AND MAY, AT THE SCHOOL  
16 DISTRICT'S DISCRETION, COUNT A PUPIL WHO IS INCLUDED IN THE SCHOOL  
17 DISTRICT'S ONLINE PUPIL ENROLLMENT, AS DEFINED IN SECTION 22-54-103.

18 (b) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF  
19 THIS SECTION TO THE CONTRARY, IN CALCULATING THE AMOUNT DUE TO  
20 A CHARTER SCHOOL UNDER SUBSECTION (2)(a) OF THIS SECTION, A SCHOOL  
21 DISTRICT MAY SUBTRACT FROM THE AMOUNT DUE TO THE CHARTER  
22 SCHOOL ANY PORTION THAT IS RESTRICTED REVENUE IF THE CHARTER  
23 SCHOOL, DURING THE APPLICABLE BUDGET YEAR, CLEARLY DOES NOT  
24 PROVIDE THE SPECIFIC PROGRAM FOR WHICH THE RESTRICTED REVENUE IS  
25 AUTHORIZED BY VOTERS OR IF THE CHARTER SCHOOL, DURING THE  
26 APPLICABLE BUDGET YEAR, DOES NOT SERVE STUDENTS ENROLLED IN THE  
27 GRADE LEVEL FOR WHICH THE RESTRICTED REVENUE IS AUTHORIZED BY

1 VOTERS.

2 (c) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF  
3 THIS SECTION TO THE CONTRARY, IN CALCULATING THE AMOUNT DUE TO  
4 A CHARTER SCHOOL UNDER SUBSECTION (2)(a) OF THIS SECTION, A SCHOOL  
5 DISTRICT MAY SUBTRACT FROM THE AMOUNT DUE TO THE CHARTER  
6 SCHOOL ANY PORTION THAT IS RESTRICTED REVENUE BECAUSE IT IS  
7 SUBJECT TO A THIRD-PARTY AGREEMENT THAT EXISTED BEFORE THE  
8 EFFECTIVE DATE OF THIS SECTION; EXCEPT THAT, IF THE THIRD PARTY AND  
9 THE SCHOOL DISTRICT AMEND THE TERMS OF THE AGREEMENT TO ALLOW  
10 DISTRIBUTION OF THE REVENUE TO A CHARTER SCHOOL, THE REVENUE  
11 CEASES TO BE RESTRICTED REVENUE AND THE SCHOOL DISTRICT SHALL  
12 DISTRIBUTE THE REVENUE TO A CHARTER SCHOOL IN ACCORDANCE WITH  
13 SUBSECTION (2)(a) OF THIS SECTION.

14 (d) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF  
15 THIS SECTION TO THE CONTRARY, IF A LOCAL SCHOOL BOARD HAS IN PLACE  
16 OR ADOPTS A WRITTEN POLICY THAT DIRECTS THE SCHOOL DISTRICT TO  
17 DISTRIBUTE ANY PORTION OF ITS ADDITIONAL MILL LEVY REVENUE TO  
18 SPECIFICALLY BENEFIT STUDENTS ENROLLED IN ALTERNATIVE EDUCATION  
19 CAMPUSES, STUDENTS WHO QUALIFY FOR FREE OR REDUCED-PRICE MEALS  
20 UNDER THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH  
21 ACT", 42 U.S.C. SEC. 1751 ET SEQ., STUDENTS WHO ARE IDENTIFIED AS  
22 ENGLISH LANGUAGE LEARNERS UNDER SECTION 22-24-105, OR STUDENTS  
23 WHO HAVE INDIVIDUALIZED EDUCATION PROGRAMS UNDER PART 1 OF  
24 ARTICLE 20 OF THIS TITLE 22, THE SCHOOL DISTRICT MAY CONTINUE  
25 DISTRIBUTING THE REVENUE FOR THESE PURPOSES, SO LONG AS THE  
26 AMOUNT DISTRIBUTED FOR EACH STUDENT IS THE SAME REGARDLESS OF  
27 WHETHER THE STUDENT IS ENROLLED IN A CHARTER SCHOOL OR ANOTHER

1 SCHOOL OF THE SCHOOL DISTRICT.                THE SCHOOL DISTRICT SHALL  
2 DISTRIBUTE ANY AMOUNT OF ADDITIONAL MILL LEVY REVENUE THAT  
3 REMAINS AFTER DISTRIBUTION FOR THESE PURPOSES IN ACCORDANCE WITH  
4 SUBSECTION (2)(a) OF THIS SECTION.

5 (e) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF  
6 THIS SECTION TO THE CONTRARY, IF A SCHOOL DISTRICT AUTHORIZES A  
7 CHARTER SCHOOL THAT IS PHYSICALLY LOCATED WITHIN THE GEOGRAPHIC  
8 BOUNDARIES OF ANOTHER SCHOOL DISTRICT, THE CHARTERING SCHOOL  
9 DISTRICT IS REQUIRED TO DISTRIBUTE TO THE CHARTER SCHOOL AN  
10 AMOUNT EQUAL TO THE PER PUPIL MILL LEVY SHARE MULTIPLIED ONLY BY  
11 THE NUMBER OF STUDENTS ENROLLED IN THE CHARTER SCHOOL WHO  
12 RESIDE WITHIN THE AUTHORIZING SCHOOL DISTRICT, WHICH AMOUNT MAY  
13 BE ADJUSTED AS PROVIDED IN SUBSECTIONS (2)(b) TO (2)(d) OF THIS  
14 SECTION, AS APPROPRIATE. THE AUTHORIZING SCHOOL DISTRICT MAY  
15 CHOOSE TO DISTRIBUTE A GREATER PORTION OF THE ADDITIONAL MILL  
16 LEVY REVENUE TO THE CHARTER SCHOOL.

17 (f) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF  
18 THIS SECTION TO THE CONTRARY, IF, BEFORE DECEMBER 31, 2016, A  
19 LOCAL SCHOOL BOARD ADOPTS A WRITTEN POLICY OR RESOLUTION THAT  
20 EXPLICITLY DIRECTS THE SCHOOL DISTRICT TO DISTRIBUTE AN IDENTIFIED  
21 AMOUNT OF THE REVENUE FROM THE SCHOOL DISTRICT'S ADDITIONAL MILL  
22 LEVY FOR USE IN CONSTRUCTING OR MAINTAINING ONE OR MORE  
23 BUILDINGS IDENTIFIED IN THE WRITTEN POLICY OR RESOLUTION, THE  
24 SCHOOL DISTRICT MAY CONTINUE DISTRIBUTING THE IDENTIFIED REVENUE  
25 AMOUNT IN ACCORDANCE WITH THE WRITTEN POLICY.

26 (g) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (2)(a) OF  
27 THIS SECTION TO THE CONTRARY, IF A SCHOOL DISTRICT OBTAINED VOTER

1 APPROVAL FOR A BALLOT MEASURE FOR AN ADDITIONAL MILL LEVY  
2 BEFORE THE EFFECTIVE DATE OF THIS SECTION AND THE BALLOT QUESTION  
3 SPECIFICALLY ALLOTTED A PORTION OF THE ADDITIONAL MILL LEVY  
4 REVENUES TO ONE OR MORE CAPITAL IMPROVEMENT PROJECTS, THE  
5 SCHOOL DISTRICT IS NOT REQUIRED TO DISTRIBUTE TO THE CHARTER  
6 SCHOOL ANY PORTION OF THE AMOUNT OF ADDITIONAL MILL LEVY  
7 REVENUES ALLOCATED TO THE SPECIFIED CAPITAL IMPROVEMENT  
8 PROJECTS UNTIL THE SPECIFIED CAPITAL IMPROVEMENT PROJECTS ARE  
9 COMPLETED.

10 (3) THIS SECTION DOES NOT REQUIRE A SCHOOL DISTRICT TO  
11 RECALCULATE THE DISTRIBUTION OF, OR TO REDISTRIBUTE, ANY  
12 ADDITIONAL MILL LEVY REVENUE THAT THE SCHOOL DISTRICT COLLECTED  
13 BEFORE THE 2017-18 BUDGET YEAR.

14 (4) (a) BEGINNING IN THE 2018-19 BUDGET YEAR, EACH SCHOOL  
15 DISTRICT SHALL DISTRIBUTE THE PER PUPIL MILL LEVY SHARE TO THE  
16 CHARTER SCHOOLS OF THE SCHOOL DISTRICT AS PROVIDED IN SUBSECTION  
17 (2) OF THIS SECTION; EXCEPT THAT:

18 (I) FOR THE 2018-19 BUDGET YEAR, THE SCHOOL DISTRICT SHALL  
19 CALCULATE THE PER PUPIL MILL LEVY SHARE BASED ON AT LEAST  
20 THIRTY-THREE PERCENT OF THE ADDITIONAL MILL LEVY REVENUE IT  
21 COLLECTS FOR THE 2018-19 BUDGET YEAR;

22 (II) FOR THE 2019-20 BUDGET YEAR, THE SCHOOL DISTRICT SHALL  
23 CALCULATE THE PER PUPIL MILL LEVY SHARE BASED ON AT LEAST  
24 SIXTY-SIX PERCENT OF THE ADDITIONAL MILL LEVY REVENUE IT COLLECTS  
25 FOR THE 2019-20 BUDGET YEAR; AND

26 (III) FOR THE 2020-21 BUDGET YEAR AND EACH BUDGET YEAR  
27 THEREAFTER, THE SCHOOL DISTRICT SHALL CALCULATE THE PER PUPIL

1 MILL LEVY SHARE BASED ON ONE HUNDRED PERCENT OF THE ADDITIONAL  
2 MILL LEVY REVENUE IT COLLECTS FOR EACH APPLICABLE BUDGET YEAR.

3 (b) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (4)(a) OF  
4 THIS SECTION, IF, FOR THE 2016-17 BUDGET YEAR, A SCHOOL DISTRICT  
5 DISTRIBUTES TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT AN  
6 AMOUNT OF THE SCHOOL DISTRICT'S ADDITIONAL MILL LEVY REVENUE  
7 THAT IS GREATER THAN THE AMOUNT REQUIRED IN SUBSECTION (4)(a)(I)  
8 OF THIS SECTION FOR THE 2018-19 BUDGET YEAR, THE LOCAL SCHOOL  
9 BOARD SHALL DISTRIBUTE TO THE CHARTER SCHOOLS OF THE SCHOOL  
10 DISTRICT FOR THE 2018-19 BUDGET YEAR AT LEAST THE AMOUNT  
11 DISTRIBUTED IN THE 2016-17 BUDGET YEAR, ALLOCATED AS PROVIDED IN  
12 SUBSECTION (2) OF THIS SECTION.

13 (c) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (4)(a) OF  
14 THIS SECTION, IF, FOR THE 2016-17 BUDGET YEAR, A SCHOOL DISTRICT  
15 DISTRIBUTES TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT AN  
16 AMOUNT OF THE SCHOOL DISTRICT'S ADDITIONAL MILL LEVY REVENUE  
17 THAT IS GREATER THAN THE AMOUNT REQUIRED IN SUBSECTION (4)(a)(II)  
18 OF THIS SECTION FOR THE 2019-20 BUDGET YEAR, THE LOCAL SCHOOL  
19 BOARD SHALL DISTRIBUTE TO THE CHARTER SCHOOLS OF THE SCHOOL  
20 DISTRICT FOR THE 2019-20 BUDGET YEAR AT LEAST THE AMOUNT  
21 DISTRIBUTED IN THE 2016-17 BUDGET YEAR, ALLOCATED AS PROVIDED IN  
22 SUBSECTION (2) OF THIS SECTION.

23 (5) (a) A LOCAL SCHOOL BOARD MAY SUBMIT TO THE ELIGIBLE  
24 ELECTORS OF THE SCHOOL DISTRICT AT THE NEXT REGULAR SCHOOL  
25 DISTRICT ELECTION AFTER THE EFFECTIVE DATE OF THIS SECTION THE  
26 FOLLOWING BALLOT QUESTION: "SHALL THE SCHOOL DISTRICT BOARD OF  
27 EDUCATION FOR [NAME OF SCHOOL DISTRICT] USE THE PROPERTY TAX

1 REVENUE COLLECTED FROM NON-DEBT-RELATED MILL LEVIES AUTHORIZED  
2 BEFORE JULY 1, 2017, WITHOUT CHANGE TO ANY PURPOSE FOR WHICH  
3 SUCH REVENUE WAS ORIGINALLY AUTHORIZED BY THE VOTERS, TO  
4 SUPPORT THE STUDENTS ENROLLED IN THE PUBLIC SCHOOLS OF THE  
5 SCHOOL DISTRICT, INCLUDING THE CHARTER SCHOOLS AUTHORIZED BY THE  
6 SCHOOL DISTRICT, IN ACCORDANCE WITH SECTION 22-30.5-112.4,  
7 COLORADO REVISED STATUTES?".

8 (b) IF A MAJORITY OF THE PERSONS VOTING IN THE SCHOOL  
9 DISTRICT ELECTION VOTE "NO" ON THE BALLOT QUESTION SPECIFIED IN  
10 SUBSECTION (5)(a) OF THIS SECTION, NOTWITHSTANDING ANY PROVISION  
11 OF THIS SECTION TO THE CONTRARY, THE LOCAL SCHOOL BOARD MAY, BUT  
12 IS NOT REQUIRED TO, DISTRIBUTE A PORTION OF THE SCHOOL DISTRICT'S  
13 REVENUE FROM ADDITIONAL MILL LEVIES THAT WERE APPROVED BEFORE  
14 JULY 1, 2017, TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT AS THE  
15 LOCAL SCHOOL BOARD MAY PROVIDE.

16 (c) IF A MAJORITY OF THE PERSONS VOTING IN THE SCHOOL  
17 DISTRICT ELECTION VOTE "YES" ON THE BALLOT QUESTION SPECIFIED IN  
18 SUBSECTION (5)(a) OF THIS SECTION, THE LOCAL SCHOOL BOARD SHALL  
19 DISTRIBUTE A PORTION OF THE SCHOOL DISTRICT'S ADDITIONAL MILL LEVY  
20 REVENUE TO THE CHARTER SCHOOLS OF THE SCHOOL DISTRICT IN  
21 ACCORDANCE WITH SUBSECTIONS (2) AND (4) OF THIS SECTION.

22 (d) EACH LOCAL SCHOOL BOARD SHALL DISTRIBUTE TO THE  
23 CHARTER SCHOOLS OF THE SCHOOL DISTRICT AS PROVIDED IN SUBSECTIONS  
24 (2) AND (4) OF THIS SECTION A PORTION OF THE REVENUE FROM  
25 ADDITIONAL MILL LEVIES APPROVED ON OR AFTER JULY 1, 2017,  
26 REGARDLESS OF WHETHER THE LOCAL SCHOOL BOARD SUBMITS A BALLOT  
27 QUESTION TO THE ELIGIBLE ELECTORS OF THE SCHOOL DISTRICT AT THE



1 NEXT REGULAR SCHOOL DISTRICT ELECTION AFTER THE EFFECTIVE DATE  
2 OF THIS SECTION AS PROVIDED IN SUBSECTION (5)(a) OF THIS SECTION AND  
3 REGARDLESS OF THE OUTCOME OF THAT ELECTION.

4 **SECTION 2.** In Colorado Revised Statutes, **add 22-30.5-513.1**  
5 as follows:

6 **22-30.5-513.1. Mill levy equalization report - fund created -**  
7 **legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS THAT SCHOOL  
8 DISTRICTS RECEIVE SIGNIFICANT OPERATING REVENUE FROM MILL LEVIES  
9 THAT ARE IN ADDITION TO THE SCHOOL DISTRICTS' TOTAL PROGRAM MILL  
10 LEVY. THIS ADDITIONAL REVENUE HELPS SCHOOL DISTRICTS OFFSET THE  
11 EFFECTS OF THE NEGATIVE FACTOR IMPOSED BY SECTION 22-54-104 (5)(g).  
12 THE GENERAL ASSEMBLY FURTHER FINDS THAT INSTITUTE CHARTER  
13 SCHOOLS DO NOT HAVE ACCESS TO ADDITIONAL REVENUE FROM A LOCAL  
14 PROPERTY TAX MILL LEVY. THE GENERAL ASSEMBLY FINDS, THEREFORE,  
15 THAT IT IS APPROPRIATE TO CONSIDER ADDITIONAL STATE EQUALIZING  
16 FUNDING FOR INSTITUTE CHARTER SCHOOLS.

17 (2) (a) THE MILL LEVY EQUALIZATION FUND, REFERRED TO IN THIS  
18 SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY.  
19 THE FUND CONSISTS OF ANY AMOUNT THAT THE GENERAL ASSEMBLY MAY  
20 APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL  
21 CREDIT TO THE FUND ALL INTEREST AND INCOME DERIVED FROM THE  
22 DEPOSIT AND INVESTMENT OF MONEY IN THE FUND.

23 (b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
24 ASSEMBLY, THE INSTITUTE SHALL ANNUALLY DISTRIBUTE ALL OF THE  
25 MONEY APPROPRIATED OR TRANSFERRED TO THE FUND TO THE INSTITUTE  
26 CHARTER SCHOOLS ON AN EQUAL PER-PUPIL BASIS. THE MONEY  
27 DISTRIBUTED PURSUANT TO THIS SECTION IS IN ADDITION TO MONEY

1 DISTRIBUTED TO INSTITUTE CHARTER SCHOOLS PURSUANT TO SECTION  
2 22-30.5-513. \_\_\_\_\_

3 **SECTION 3. Act subject to petition - effective date.** This act  
4 takes effect at 12:01 a.m. on the day following the expiration of the  
5 ninety-day period after final adjournment of the general assembly (August  
6 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
7 referendum petition is filed pursuant to section 1 (3) of article V of the  
8 state constitution against this act or an item, section, or part of this act  
9 within such period, then the act, item, section, or part will not take effect  
10 unless approved by the people at the general election to be held in  
11 November 2018 and, in such case, will take effect on the date of the  
12 official declaration of the vote thereon by the governor.