

Report Highlights

Metropolitan Districts

Department of Local Affairs

Performance Audit • October 2026 • 2559P



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C O L O R A D O

Key Concern

The Department of Local Affairs (Department) should improve its processes to help ensure accountability and transparency of metropolitan (metro) districts and to provide increased guidance to local governments that approve metro districts. Additionally, the General Assembly may want to consider statutory changes to improve accountability and transparency for metro districts.

Key Findings

- The Department should improve the guidance it provides to local governments that approve and oversee metro districts, including guidance on assessing whether residents face excessive taxes to repay district debt.
- The Department should help ensure metro district compliance with filing requirements of oaths and bonds, service plans and amendments, election notices and results, and annual reports and budgets. The Department should then seek dissolution or consolidation of districts that are noncompliant with certain filings.
- Statute could be revised to modernize oversight of metro districts; add clarity and enforcement to filing requirements; ensure all metro districts maintain public websites with service plans; revise debt authorization and issuance practices; address the use of public improvement fees; help ensure metro districts are served by full boards; and clarify how long metro districts can remain inactive and not provide any public improvements.

Background

- Metro districts are a type of special district and local government that provide two or more public improvements, which are typically financed through property taxes. As of October 2025, there were about 2,500 metro districts in Colorado that planned to collect about \$1.2 billion in property tax revenue in 2026.
- The Department’s Division of Local Government provides guidance to municipalities and counties that approve metro districts’ service plans and receives a number of filings from metro districts that are published to the Department’s Local Government Information System website.

Audit Recommendations Made	Agency Responses		
	Agree	Partially Agree	Disagree
17	17	0	0