

Carbondale & Rural Fire Protection District
Special Meeting of the Board of Directors
September 23, 2020
11:00 a.m.

Agenda

- A. Call to order & roll call
- B. Resolution 2020-008, A Resolution of the Board of Directors of the Carbondale & Rural Fire Protection District Advocating Voter Approval of the Fire District's Request For Authority to Stabilize Its Tax Revenue During the November 3, 2020 Election
- C. Public Sector Health Care Group
- D. Other
- E. Adjourn

**RESOLUTION ADVOCATING VOTER APPROVAL FOR CARBONDALE & RURAL
FIRE PROTECTION DISTRICT AUTHORITY TO STABILIZE ITS TAX REVENUE**

RESOLUTION NO. 2020-008

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARBONDALE &
RURAL FIRE PROTECTION DISTRICT ADVOCATING VOTER APPROVAL OF
THE FIRE DISTRICT'S REQUEST FOR AUTHORITY TO STABILIZE ITS TAX
REVENUE DURING THE NOVEMBER 3, 2020 ELECTION**

WHEREAS, since 1953 Carbondale & Rural Fire Protection District ("*Fire District*") has provided essential, life-saving fire prevention, fire suppression, rescue, hazardous materials, ambulance, and emergency medical services ("*Emergency Services*") to the towns of Carbondale in Garfield County, Redstone in Pitkin County, and Marble in Gunnison County; lands managed by the United States Forest Service and the Bureau of Land Management; and portions of the Maroon Bells-Snowmass Wilderness areas;

WHEREAS, on July 29, 2020, the Fire District's Board of Directors ("*Board*") adopted a Resolution directing that the attached Gallagher Revenue Stabilization Ballot Issue be submitted to the Fire District's voters during the coordinated elections Garfield, Pitkin, and Gunnison Counties will conduct on November 3, 2020 ("*Election*");

WHEREAS, the Colorado Fair Campaign Practices Act, C.R.S. § 1-45-117(1)(b), expressly authorizes the Board to adopt a Resolution advocating voter approval of the Fire District's request for authority to stabilize its tax revenue during the Election; and,

WHEREAS, the Board has determined it is important to the health, safety, and welfare of its citizens that the Board adopt this Resolution urging all eligible voters to approve the Fire District's Gallagher Revenue Stabilization Ballot Issue at the Election.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CARBONDALE & RURAL FIRE PROTECTION DISTRICT, GARFIELD, PITKIN, AND GUNNISON COUNTIES, COLORADO:

1. **THE FIRE DISTRICT'S EMERGENCY CALL VOLUME CONTINUES TO INCREASE.** The Fire District provides Emergency Services coverage to a population of approximately 15,000 residents and 20,000 commuters over an area of 300 square miles. As the community continues to grow, so do the calls for help.

2. **WITHOUT PROPERTY TAX REVENUE STABILIZATION, THE FIRE DISTRICT WILL SEE A SIGNIFICANT REDUCTION IN REVENUE THAT ITS VOTERS NEVER INTENDED.** In addition to the increased service demands, a Colorado Constitutional provision called the Gallagher Amendment is severely impacting the property tax the voters authorized the Fire District to assess. Residential property owners in Colorado do not pay property taxes on 100% of their home's value. Instead, residential property owners pay property taxes on only a percentage of

their home's property value, called the "residential assessment rate", or "RAR". The Gallagher Amendment requires the percentage of property taxes paid by residential property owners in the State to be 45% of the total taxes paid. In every odd year, the Colorado Legislature is required to set the RAR at a level that will maintain the 45% tax share required by the Gallagher Amendment. Due to the steady increase in residential property values across the State, the RAR has been reduced from 21% in 1982 to 7.15% in 2019. Preliminary projections indicate the Colorado Legislature will further reduce the RAR to 5.88% in 2021. **THIS MORE THAN 28% DECREASE IN THE RAR WOULD HAVE A DEVASTATING IMPACT ON THE FIRE DISTRICT'S TAX REVENUE BECAUSE THE LARGEST PORTION OF THE FIRE DISTRICT'S TAX REVENUE COMES FROM RESIDENTIAL PROPERTY. THE ANTICIPATED REDUCTION IN THE RAR TO 5.1% WILL CAUSE THE FIRE DISTRICT TO SUFFER A LOSS OF OVER \$768,000 IN PROPERTY TAX REVENUE.**

3. Despite conscientious spending of taxpayer money, **THE DOUBLE-IMPACT OF UPWARD SPIRALING COSTS AND SERVICE DEMANDS, AND THE ADVERSE IMPACT OF THE GALLAGHER AMENDMENT WILL MAKE IT DIFFICULT FOR THE FIRE DISTRICT TO KEEP UP WITH INCREASED POPULATION, EMERGENCY CALL VOLUME, AND INFLATION, AND MAY ADVERSELY AFFECT FUTURE STAFFING, AND CONSTRUCTION AND MAINTENANCE OF FIRE TRUCKS AND STATIONS.** ISO ratings for the Fire District may increase and cause homeowners' and business owners' property insurance rates to increase. Ultimately, the combination of increasing demands and decreasing resources puts the safety and wellbeing of the community and the firefighters at greater risk.

4. The Board would not consider asking its citizens for permission to stabilize its tax revenue if it were not essential; however, for the last 67 years the Fire District's sole focus has been the health, safety, and welfare of its citizens, their property, and the firefighters who work to protect them. This ballot initiative is critical to the Fire District's continued ability to provide high quality, cost-effective Emergency Services to its communities and to ensure the safety of its firefighters.

FOR ALL OF THE FOREGOING REASONS, THE BOARD URGES VOTERS TO APPROVE THE FIRE DISTRICT'S GALLAGHER REVENUE STABILIZATION BALLOT ISSUE DURING THE NOVEMBER 3, 2020 ELECTION.

ADOPTED this 23rd day of September, 2020.

BOARD OF DIRECTORS OF THE
CARBONDALE & RURAL FIRE PROTECTION DISTRICT

President

ATTEST:

Secretary

**November 2020 Ballot Language
Gallagher Revenue Stabilization**

Carbondale and Rural Fire Protection District Ballot Issue 7B

SHALL CARBONDALE AND RURAL FIRE PROTECTION DISTRICT BE AUTHORIZED TO INCREASE OR DECREASE ITS CURRENT AND ALL FUTURE MILL LEVIES IF, ON OR AFTER NOVEMBER 3, 2020, THERE ARE CHANGES IN THE METHOD OF CALCULATING ASSESSED VALUATION OF ONE OR MORE PROPERTY CLASS, INCLUDING BUT NOT LIMITED TO A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE RESIDENTIAL ASSESSED VALUATION DUE TO ARTICLE X SECTION 3 OF THE COLORADO CONSTITUTION (COMMONLY KNOWN AS THE GALLAGHER AMENDMENT) OR FOR ANY OTHER REASON SUCH AS ACTION BY THE LEGISLATURE, SO THAT, TO THE EXTENT POSSIBLE, THE ACTUAL TAX REVENUES GENERATED BY SUCH MILL LEVIES ARE THE SAME AS THE ACTUAL TAX REVENUES THAT WOULD HAVE BEEN GENERATED HAD SUCH CHANGES NOT OCCURRED?

**CARBONDALE & RURAL FIRE PROTECTION DISTRICT FACTUAL SUMMARY
NOVEMBER 3, 2020 ELECTION FOR VOTER AUTHORIZATION TO STABILIZE PROPERTY TAX
REVENUE**

THE FIRE DISTRICT. Since 1953 Carbondale & Rural Fire Protection District has provided fire suppression, rescue, extrication, hazardous materials, ambulance, and emergency medical services to approximately 300 square miles including the towns of Carbondale in Garfield County, Redstone in Pitkin County, and Marble in Gunnison County; lands managed by the United States Forest Service and the Bureau of Land Management; and portions of the Maroon Bells-Snowmass Wilderness areas.

SUMMARY OF THE ISSUE. Residential property owners in Colorado do not pay property taxes on 100% of their home's value. Instead, residential property owners pay property taxes on only a percentage of their home's property value, called the "residential assessment rate", or "RAR". A Colorado Constitutional provision called the Gallagher Amendment of 1982 requires the percentage of property taxes paid by residential property owners in the State to be 45% of the total property taxes paid. In every odd year, the Colorado Legislature is required to set the RAR at a level that will maintain the 45% tax share required by the Gallagher Amendment. Due to the steady increase in residential property values across the State, the RAR has been reduced from 21% in 1982 to 7.15% in 2019. Preliminary projections indicate the Colorado Legislature will further reduce the RAR to 5.188% in 2021. The anticipated reduction in the RAR to 5.188% will reduce the Fire District's property tax revenue by over \$~~768505~~,000.

THE BALLOT ISSUE. The Fire District's Board of Directors adopted a Resolution calling for an election on November 3, 2020 to seek authorization from its eligible electors to stabilize its property tax revenue and has certified the following Ballot Issue:

Carbondale & Rural Fire Protection District Ballot Issue 7B

SHALL CARBONDALE AND RURAL FIRE PROTECTION DISTRICT BE AUTHORIZED TO INCREASE OR DECREASE ITS CURRENT AND ALL FUTURE MILL LEVIES IF, ON OR AFTER NOVEMBER 3, 2020, THERE ARE CHANGES IN THE METHOD OF CALCULATING ASSESSED VALUATION OF ONE OR MORE PROPERTY CLASS, INCLUDING BUT NOT LIMITED TO A CHANGE IN THE PERCENTAGE OF ACTUAL VALUATION USED TO DETERMINE RESIDENTIAL ASSESSED VALUATION DUE TO ARTICLE X SECTION 3 OF THE COLORADO CONSTITUTION (COMMONLY KNOWN AS THE GALLAGHER AMENDMENT) OR FOR ANY OTHER REASON SUCH AS ACTION BY THE LEGISLATURE, SO THAT, TO THE EXTENT POSSIBLE, THE ACTUAL TAX REVENUES GENERATED BY SUCH MILL LEVIES ARE THE SAME AS THE ACTUAL TAX REVENUES THAT WOULD HAVE BEEN GENERATED HAD SUCH CHANGES NOT OCCURRED?

ARGUMENTS AGAINST THE PROPOSAL. Further reductions in the residential assessment rate required by the Gallagher Amendment will reduce the tax revenue the Fire District receives and may result in a reduction in governmental services, which may be preferred by individuals who wish to reduce the size of government. Homeowners in the Fire District would not enjoy the potential financial benefit of any further reductions in the residential assessment rate that may occur in the future. Non-residential property owners may see a net increase in property taxes, as they will not see a corresponding decrease in the assessment rate for their property.

ARGUMENTS FOR THE PROPOSAL. The Fire District is not seeking a tax increase. It is seeking authorization to adjust its mill levy to keep property tax revenue it will otherwise lose as a result of further reductions in the residential assessment rate. In order to avoid collecting too much tax revenue, the Fire District would be required to reduce its mill levy if the Gallagher Amendment ever requires the residential assessment rate to increase. Increasing costs and service demands, and the loss of revenue caused by the Gallagher Amendment, will make it difficult for the Fire District to keep up with increased population, emergency call volume, and inflation, and may adversely affect future staffing, and construction and maintenance of fire trucks and stations. Stabilizing the property tax revenue will enable the Fire District to maintain its ISO ratings which may prevent homeowners' and business owners' property insurance rates from rising.