

**TO ALL REGISTERED VOTERS IN THE:
LA VETA FIRE PROTECTION DISTRICT**

**NOTICE OF ELECTION TO STABILIZE REVENUE
LA VETA FIRE PROTECTION DISTRICT**

LA VETA, COLORADO

Election Date: Tuesday, Nov. 6, 2018

Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office Address and Telephone Number: Huerfano County Clerk & Recorder
401 Main Street, Suite 204
Walsenburg, CO 81089
719-738-2380

This is a Mail Ballot Election and ballots can be either mailed or hand delivered to the Huerfano County Clerk and Recorder during the following business hours:

Monday to Friday 8:00 AM to 4:00 P.M.

Nov. 6, 2018: (ELECTION DAY) - 7:00 AM to 7:00 PM

Ballot Title and Text:

Ballot Issue – Gallagher Revenue Stabilization

SHALL LA VETA FIRE PROTECTION DISTRICT BE AUTHORIZED TO INCREASE OR DECREASE ITS CURRENT AND ALL FUTURE MILL LEVIES ONLY IF, ON OR AFTER NOVEMBER 6, 2018, THERE ARE CHANGES IN THE METHOD OF CALCULATING ASSESSED VALUATION, 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), 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?

Summary of Written Comments For La Veta Fire Protection District Ballot Issue – Gallagher Revenue Stabilization

Relief from the loss in tax revenue caused by the Gallagher Amendment is urgently needed by the La Veta Fire District (LVFPD). The Gallagher Amendment was added to the State Constitution in 1982 to ensure that the Residential Assessment Rate (RAR) that is reviewed/reset by the State biennially remains lower than Commercial Assessment Rates. Residential properties may comprise no more than 45% of the state's property-tax base. Commercial properties comprise the other 55%.

Whenever residential home values rise faster than commercial property, the RAR - the formula that determines a property's assessed value - must drop. So, home value rise in rapidly growing areas like Denver means a drop in the statewide RAR. Poorer rural counties like Huerfano where home values are flat to down then receive lower tax revenues.

The RAR has dropped to 7.2%, down from 21% when Gallagher was adopted. Accordingly, annual

LVFPD tax revenue dropped by \$19,821 between 2017 and 2018 to \$191,947. The RAR is estimated to drop again from the current 7.2% to 6.11% in 2019. That 15% drop in RAR next February to 6.1% will mean a further \$28,792 reduction in annual LVFPD tax revenue. LVFPD's combined loss in tax revenue then becomes \$48,613 from its annual Operating Expense Budget of \$317,141, a 15% reduction. If the State drops the RAR to 6.11%, the LVFPD mill levy adjustment beginning in 2020 would equate to \$6.50 per \$100,000 in home value, a modest amount to keep tax revenue stable. Authorizing LVFPD to adjust its mill levy and offset any **future** tax revenue shortfalls caused by the Gallagher amendment will provide stable and predictable revenue for the Fire District to meet the community's demands for emergency services, including:

- Recruiting/training/retaining adequate EMS and Firefighter volunteers.
- Ongoing upgrading and replacement of its aging equipment and vehicles.

Without the tax increase and stabilization, the increasing costs and demands for emergency services, and the loss of revenue caused by the Gallagher Amendment, will make it difficult for the LVFPD to keep up with emergency call volume, inflation and may adversely affect future staffing and maintenance of fire trucks, ambulances and stations. Insurance Service Offices (ISO) ratings for the Fire District may increase and cause homeowners' and business owners' property insurance rates to increase.

- There are no other major sources of revenue available to replace the lost RAR revenue and donations alone cannot offset the loss in tax revenue.
- There are 20+ other fire districts in Colorado with similar ballot questions this November.
- More than 50% of all fire departments in Colorado are fire protection districts that like LVFPD, receive the majority of their annual revenue from residential taxes.
- In rural Colorado, where home values are growing slowly or even falling, the budgets of fire departments that rely on property taxes for emergency services have been hit hard, placing citizens and first responders at risk due to increased response times and the continued decline in numbers of volunteers. Less revenue will only make the problem worse.

Summary of Written Comments Against La Veta Fire Protection District Ballot Issue – Gallagher Revenue Stabilization

No comments or statements have been received in opposition to this ballot issue by the Constitutional deadline.