



Arvada Fire Protection District

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FACTUAL SUMMARY NOVEMBER 6, 2018 ELECTION FOR VOTER AUTHORIZATION TO STABILIZE PROPERTY TAX REVENUE

THE FIRE DISTRICT. Since 1949 Arvada Fire Protection District has provided fire suppression, technical rescue, water and ice rescue, extrication, wildland response, hazardous materials, ambulance, emergency medical and community risk reduction services. The Fire District provides 24-hour emergency services coverage from 8 active fire stations throughout approximately 41 square miles in the City of Arvada, the northern portion of the City of Wheat Ridge and portions of unincorporated Jefferson County.

SUMMARY OF THE ISSUE. The Gallagher Amendment to the Colorado Constitution (Article X, Section 3) 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 residential assessment rate (“RAR”) at a level that will maintain the 45% tax share required by the Colorado Constitution. Due to the steady increase in residential property values across the State, since 1982 the RAR has been reduced from 21% to 7.96%. Then, in 2017, the Colorado Legislature further reduced the RAR to 7.2%, an approximately 9% decrease. Because the largest portion of the Fire District’s actual property value – approximately 88% – comes from residential property, the Fire District lost \$1,750,000 as a result of the RAR reduction. Preliminary projections indicate the Colorado Legislature will further reduce the RAR to 6.11% in 2019, which will result in another 15% decrease and another approximately \$3,000,000 loss in property tax revenue.

THE BALLOT ISSUE. During its meeting on August 27, 2018, the Fire District’s Board of Directors adopted a Resolution calling for an election on November 6, 2018 to seek authorization from its eligible electors to stabilize its property tax revenue through the following Ballot Issue:

Ballot Issue –Revenue Stabilization

WITHOUT INCREASING THE DISTRICT’S EFFECTIVE TAX RATE (RESIDENTIAL ASSESSMENT RATE MULTIPLIED BY THE DISTRICT’S MILL LEVY) AND IN ORDER TO STABILIZE TAX REVENUE THAT THE DISTRICT NEEDS TO PROVIDE ITS COMMUNITY WITH FIRE, RESCUE, AMBULANCE AND OTHER EMERGENCY SERVICES, INCLUDING BUT NOT LIMITED TO:

- **MAINTAINING EMERGENCY RESPONSE TIMES;**
- **PROVIDING TRAINING FOR LIFE-SAVING MEDICAL AND OTHER EMERGENCY RESPONSE TECHNIQUES TO ENSURE FIREFIGHTER AND CITIZEN SAFETY;**
- **AND**
- **MEETING GROWING DEMANDS FOR VITAL EMERGENCY SERVICES.**

SHALL ARVADA FIRE PROTECTION DISTRICT BE AUTHORIZED TO DECREASE OR INCREASE ITS CURRENT AND ALL FUTURE MILL LEVIES, 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 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. 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. 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.

ARGUMENTS FOR THE PROPOSAL. The Fire District is not seeking a tax increase. It is seeking authorization to adjust its mill levy to keep the property tax revenues it will otherwise lose as a result of the Gallagher Amendment forcing further reductions in the residential assessment rate. In addition, in order to avoid collecting too much tax revenue, the Fire District would be required to reduce its mill levy if the residential assessment rate ever increases. Call volume has increased 18% over the last four years. 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. ISO ratings for the Fire District may increase and cause homeowners' and business owners' property insurance rates to increase.