



**COPPER MOUNTAIN CONSOLIDATED
METROPOLITAN DISTRICT**
0477 COPPER ROAD
0800 COPPER ROAD, BOX 3002
COPPER MOUNTAIN, CO 80443

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

THE METROPOLITAN DISTRICT. Since 1995, Copper Mountain Consolidated Metropolitan District has provided essential community services including water, sewer, fire protection, emergency medical, parks and recreation, road maintenance, and other services to the citizens within its jurisdiction. In 2017, the District contracted with the Lake Dillon Fire Protection District to establish and fund the Summit Fire & EMS Authority.

SUMMARY OF THE ISSUE. In recent years, the District has seen consistent growth in the Copper Mountain community, placing increased demands on the District's services and staff, and need to maintain and replace infrastructure, apparatus, and equipment. Additionally, fire and emergency call volume within the Copper Mountain area has increased 20% since 2012, and the wildfire season that once consisted of 4 months in the year now spans from March to October. This requires purchasing new apparatus and equipment, and establishing or enhancing mitigation, training including in advanced wildfire tactics, and public education programs to protect the District's urban-rural communities. The Gallagher Amendment to the Colorado Constitution requires residential property owners to pay 45% of the total property taxes. 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. 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 approximately 66% of the District's tax revenue comes from residential property, the District lost \$133,000 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 bringing the total annual loss to approximately \$320,000 in 2020 and 2021.

THE BALLOT ISSUE. During its meeting on August 24, 2018, the 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 – Gallagher Revenue Stabilization

SHALL COPPER MOUNTAIN CONSOLIDATED METROPOLITAN 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?

ARGUMENTS AGAINST THE PROPOSAL. Homeowners in the 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 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 District is not seeking a tax increase. It is seeking authorization to adjust its mill levy to keep property tax revenue it will lose as a result of further reductions in the residential assessment rate. In order to avoid collecting too much tax revenue, the District must 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 District to keep up with increased population, emergency call volume, and inflation, and may adversely affect road maintenance, parks and recreation service levels, future staffing, wildfire preparedness, capital asset construction and maintenance, and adequate reserve funding. The District's ISO ratings may increase and cause homeowners' and business owners' property insurance rates to increase.

This Factual Summary is being provided in accordance with the authority granted by C.R.S. § 1-45-117(b)(1)