



**April 2, 2019 Election**

<b>Ballot Issue:</b>	<b>CITY-INITIATED BALLOT ISSUE QUESTION NO. 1: Renewal of the Keep Fort Collins Great Tax</b>
<b>Proposed Ballot Question</b>	<p>SHALL CITY OF FORT COLLINS TAXES BE INCREASED BY AN ESTIMATED \$34,000,000 FOR THE FIRST FULL FISCAL YEAR (2021) AND BY ALL AMOUNTS COLLECTED ANNUALLY THEREAFTER, BY RENEWING WITH MODIFICATIONS THE CITY’S CURRENT “KEEP FORT COLLINS GREAT” .85% SALES AND USE TAX, WHICH EXPIRES ON MIDNIGHT DECEMBER 31, 2020, WITH THE .85% TAX RATE IMPOSED COMMENCING MIDNIGHT ON DECEMBER 31, 2020, AND USED AS FOLLOWS:</p> <ul style="list-style-type: none"> <li>• THE TAX RATE OF .25% SHALL EXPIRE AT MIDNIGHT ON DECEMBER 31, 2030, AND ITS REVENUES SHALL BE USED TO FUND MUNICIPAL OPERATIONS AND MAINTENANCE AND FOR ANY OTHER PUBLIC PURPOSES; AND</li> <li>• THE REMAINING TAX RATE OF .60% SHALL NOT EXPIRE AND ITS REVENUES SHALL BE USED TO HELP SUSTAIN PUBLIC SAFETY SERVICE LEVELS AND FUND MUNICIPAL OPERATIONS AND MAINTENANCE, AND TO FUND ANY OTHER PUBLIC PURPOSES, EXCEPT 15.6% OF THESE REVENUES SHALL BE USED TO FUND THE FIRE PROTECTION AND EMERGENCY SERVICES BEING PROVIDED BY THE POUVRE FIRE AUTHORITY (PFA) UNDER THE CITY’S EXISTING AGREEMENT WITH THE POUVRE VALLEY FIRE PROTECTION DISTRICT (DISTRICT), OR IN SUCH OTHER AMOUNT AS THE CITY AND DISTRICT MAY AGREE, BUT ABSENT AN AGREEMENT BETWEEN THEM FOR PFA’S SERVICES, THESE REVENUES MAY BE USED AS DETERMINED BY CITY COUNCIL;</li> </ul> <p>BUT THE .85% TAX RATE SHALL NOT APPLY TO:</p> <ul style="list-style-type: none"> <li>• ITEMS NOW EXEMPT UNDER THE CITY CODE FROM THE CITY’S SALES AND USE TAX;</li> <li>• FOOD FOR HOME CONSUMPTION; AND</li> <li>• REGARDING THE USE TAX ONLY, MANUFACTURING EQUIPMENT;</li> </ul> <p>AND WITH ALL THE TAX REVENUES, AND INVESTMENT EARNINGS THEREON, TO BE COLLECTED, RETAINED AND SPENT AS A VOTER-APPROVED REVENUE CHANGE NOTWITHSTANDING THE SPENDING AND REVENUE LIMITATIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?</p> <p>_____ Yes/For _____ No/Against</p>

<b>Other Considerations</b>	<ul style="list-style-type: none"> <li>• Includes ballot language to honor and continue to provide funding for Fire Protection and Emergency services at 15.6%</li> <li>• Would not result in an increase to tax on groceries or prescription drugs.</li> <li>• Exempts manufacturing</li> <li>• Triggers TABOR election notice requirements.</li> </ul>
<b>Timeline</b>	Placed on ballot February 5, 2019.
<b>Chamber Position</b>	In a January 11, 2019 straw poll, the LLAC favored an option to add 0.60% to the base tax rate specifically for police, fire and streets funding and then an additional 0.25% renewable tax – probably with a 10 year sunset –for other community priorities. Between January 22 and February 5 the Chamber advocated strongly for that position.
<b>The Chamber Recommends</b>	A Yes Vote.
<b>Some Basics</b>	<p>Since 2011, KFCG has funded both basic operations and other community priorities. Passed in the shadow of the so-called Great Recession, the tax was sold on the basis of keeping city government services intact through the crisis. So far, over the first 8 years of this tax, \$188M has been spent.</p> <p>The revenues from KFCG have been, by ballot, distributed to the following areas:</p> <ul style="list-style-type: none"> <li>33% Street Maintenance and Repair</li> <li>17% Other Transportation Needs</li> <li>17% Police Services</li> <li>11% Parks and Recreation</li> <li>11% Other Community Priorities</li> <li>11% Poudre Fire Authority</li> </ul> <ul style="list-style-type: none"> <li>• Data show that the City of Fort Collins is in a strong financial position compared to peer cities relative to overall revenues, per capita revenues, and per capita expenditures.</li> <li>• Over the past 15 years, revenue to city government has grown by 35 percent, while population growth was a comparable 33 percent.</li> <li>• Some ongoing basic city services like police, fire, and streets are in part being paid for by this temporary tax. A permanent increase in the base sales tax rate by .60 percent would be justified for these services.</li> <li>• Additionally, a case can be made for an additional temporary quarter-cent tax for non-basic ‘extras.’ There are special one-time transportation projects and other programs that could use funding but</li> </ul>

	<p>are not long-term needs.</p>
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- The City Council and City Manager have continued the longstanding tradition of honoring voter wishes by spending these tax revenues as promised.