

RESOLUTION NO. 2018-09-01

CIMARRON METROPOLITAN DISTRICT

STATEMENT OF RESOLUTION SUPPORTING ARVADA FIRE PROTECTION DISTRICT BALLOT MEASURE – REVENUE STABILIZATION BY CIMARRON METROPOLITAN DISTRICT

- A. Cimarron Metropolitan District (the “**District**”) is a duly organized and validly existing special district, quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.
- B. The District is served by the Arvada Fire Protection District (the “**Fire District**”).
- C. The Fire District is an independent taxing district which provides fire, rescue, ambulance and other emergency services to property located within its boundaries and is funded primarily through taxes on property located within and served by the Fire District.
- D. The Fire District has 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 Ballot Issue—Revenue Stabilization (“**Ballot Issue**”).
- E. The Ballot Issue seeks to stabilize the property tax revenue that the Fire District needs in order to provide the community it serves with fire, rescue, ambulance, and other emergency services without increasing the Fire District’s effective tax rate (residential assessment rate multiplied by the Fire District’s mill levy).
- F. Due to the requirements of Article X, Section 3 of the Colorado Constitution, commonly known as “The Gallagher Amendment,” the percentage of property taxes paid by residential property owners in the State of Colorado (the “**State**”) must be maintained at 45% of the total property taxes paid in the State. In every odd calendar year, the Legislature is required to set the property tax assessment rate on residential properties (“**Residential Assessment Rate**”) at a level that will maintain the 45% tax share of residential properties.
- G. The Ballot Issue authorizes the Fire District to decrease or increase its current and all future mill levies if, on or after November 6, 2018, the Legislature changes the Residential Assessment Rate.
- H. The Ballot Issue authorization will not increase the Fire District’s effective tax rate, but will provide that, to the extent possible, the actual tax revenues generated by the Fire District’s mill levies will be the same as the actual tax revenues that would have been generated had a change in the Residential Assessment Rate not occurred.

I. The Legislature changed the Residential Assessment Rate from 7.96% to 7.20% in 2017, resulting in a loss in property tax revenue of approximately \$1,750,000 to the Fire District.

J. It is anticipated that the Legislature will change the Residential Assessment Rate from 7.20% to 6.11% in 2019, which will result in a loss in projected property tax revenue of approximately \$3,000,000 to the Fire District.

K. Such loss in property tax revenue would affect the level of fire, rescue, ambulance and other emergency services provided by the Fire District. The Ballot Issue authorization to decrease or increase current future mill levies when there is a change in the Residential Assessment Rate will enable the Fire District to stabilize its projected property tax revenue and provision of services.

L. It is in the best interest of the residents of the District that the Fire District be authorized to stabilize its projected property tax revenues in order to provide a consistent level of fire, rescue, ambulance and other emergency services to the District.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Cimarron Metropolitan District has taken an official position supporting the Arvada Fire Protection District Ballot Issue—Revenue Stabilization.

ADOPTED this 26th day of September 2018.

**CIMARRON METROPOLITAN
DISTRICT**

By: _____

President

Attest:

Secretary