



Board Summary Report

File #: 24-464

Agenda Date: 8/20/2024

Agenda #: 6.a.

To: Board of County Commissioners

Through: County Attorney's Office

Prepared By:
Commissioners' Office

Presenter: Michelle Halstead, Director, Commissioners' Office

Subject:

Resolution to refer a ballot measure to the November 5, 2024, election that would provide relief from the revenue and spending limits of the Taxpayer Bill of Rights (TABOR) and other limits provided by law

Purpose and Request:

The purpose of this resolution is to refer a ballot measure to voters to obtain relief from the revenue and spending limits of TABOR.

Background and Discussion: Arapahoe County is one of Colorado's fastest growing counties and is expected to add 120,000 individuals by 2030, making it the most populous county in the state. It also is one of 13 counties that lives within the property tax revenue and spending limits established by TABOR, which poses unique budgetary problems that constrain its ability to provide essential services that neighboring counties do not experience. As a result, Arapahoe County has had to do more with less, delivering crucial public safety, human services, and transportation programs without additional funding, running a lean government, leveraging federal and state grants, employing fiscal transparency, and building a modest rainy-day fund to address unexpected emergencies. TABOR's budget constraints also have meant deferring maintenance on critical infrastructure and limiting public safety investments, as the County's property tax rates became one of the lowest in the Denver metro area.

In the past 25 years, the cost to meet increased demand from residents has outpaced revenue growth. The \$384 received in property taxes on an average residential property does not generate sufficient resources to provide the essential and mandated services residents rely on. The County has not applied its full mill levy since 2015, resulting in the County receiving 29 percent less in property tax revenues than it otherwise would have been able to collect in 2024.

Without new revenue in 2025, the County will need to make \$35 million in cuts to essential services including road maintenance, public safety, housing solutions, and homelessness prevention and response programs, as well as leave \$316.6 million of deferred maintenance and transportation needs unaddressed.

Commissioners and elected officials began an intense public education and engagement program in February to gauge residents' knowledge about the problem as well as three proposed solutions. Those solutions include:

- 1) making \$35 million in cuts to essential services, or

- 2) asking voters to approve a new sales tax, or
- 3) asking voters to release the County from TABOR revenue and spending restrictions.

Elected officials hosted more than 110 events for residents and stakeholders and created a special website (acbudget.com) to highlight the challenges. More than 4,800 residents responded to two community surveys. Communications about the budget were viewed by residents more than 6.5 million times and 1,500 comments and thoughts were submitted for consideration.

Approximately 60% of residents say they support the County keeping property tax revenue above TABOR limits.

Fiscal Impact: In 2024, the county could have retained \$74 million if released from TABOR revenue and spending limits, which represents nearly 30% of the county's general fund. Voter approval would maintain essential services and help address deferred maintenance needs.

Alternatives: The Board could decline to approve the resolution. Without new revenue in 2025, the County will need to make \$35 million in cuts to essential services as well as leave \$316.6 million of deferred maintenance and transportation needs unaddressed.

Alignment with Strategic Plan:

- Be fiscally sustainable
- Provide essential and mandated service
- Be community focused

Staff Recommendation: N/A

Concurrence: N/A