

**CHAFFEE COUNTY
RESOLUTION NO. 2018-46**

CALLING AN ELECTION FOR NOVEMBER 6, 2018 TO INCREASE THE CHAFFEE COUNTY SALES TAX BY 0.25% TO BE USED TO STRENGTHEN FOREST HEALTH, CONSERVE AND SUPPORT WORKING RANCHES AND FARMS AND RURAL LANDSCAPES, AND MANAGE THE IMPACTS OF GROWTH, AND LIMITED TO THESE PURPOSES ONLY; AND SETTING THE BALLOT TITLE AND BALLOT QUESTION FOR THE ELECTION

FINDINGS AND CONCLUSIONS:

- A. C.R.S. § 29-2-103 and § 29-2-104 authorize the Board of County Commissioners (the “BoCC”) to levy a countywide sales tax.
- B. C.R.S. § 29-2-104 requires the BoCC to refer sales tax proposals to the voters at a general election scheduled within 120 days after adoption of a proposal; it also requires the County Clerk and Recorder to publish the text of the proposal four separate times, a week apart, in Chaffee County’s official newspaper.
- C. Chaffee County currently imposes a countywide sales tax of 2.5%. Chaffee County retains the 0.5% sales tax (which is used solely for emergency medical, disaster management and dispatch services) but shares a portion of the remaining 2.0% sales tax with all municipalities in Chaffee County under an intergovernmental agreement. Chaffee County’s share of such 2% sales tax is approximately 57%.
- D. Chaffee County recently completed the year-long Envision Chaffee County visioning and planning process which engaged approximately 1,500 citizens and 72 businesses, nonprofit organizations and agencies. Through this process, the participants expressed desire, long discussed in the community for a ballot measure raising sustainable funding to protect our community, lands and waters from catastrophic fire, enhance the health of our forests and protect working rural landscapes from the pressures of growth. The process identified a ballot measure as a top community priority.
- E. Recent professional polling indicates that 49% of voters rely on the outdoor recreation and agricultural economies for their livelihoods. This polling is consistent with prior years’ polling.
- F. Colorado State Forest Service data indicates that 54% of Chaffee County forests are currently impacted by insects. United States Forest Service data indicates that by the year 2020, the insect infestation will result in an increase from five standing dead trees per acre in the County to 120 standing dead trees per acre. Colorado State Forest Service data indicates that the land annually impacted by wildfire has increased 400% statewide since the 1990s. These factors result in a risk of severe fire in Chaffee County.
- G. Chaffee County has experienced increases in the impacts on public lands from recreation and tourism. For example, data provided by Friends of Fourmile document a 100% increase in areas impacted by dispersed camping since 2004. Chaffee County also has

experienced a 30% loss of local agricultural lands to development since the 1980's based on United States Department of Agriculture data. According to the Colorado State Demographer, Chaffee County's population grew 5.6% from 2015 to 2017.

H. Accordingly, the BoCC has determined that a dedicated revenue stream to strengthen forest health within Chaffee County, conserve and support working ranches and farms and rural landscapes and manage the impacts of growth is in the best interests of Chaffee County.

I. The BoCC has determined that it is in the best interests of Chaffee County and its residents to refer to the voters at the November 6, 2018 general election a question providing for an additional 0.25% countywide sales tax, over and above the existing 2.5% countywide sales tax, so the overall tax rate is increased from 2.5% to 2.75%, which additional 0.25% sales tax is expected to generate approximately \$1,162,000.00 in revenue in 2019, the first full fiscal year of its imposition, and that such revenue and whatever additional amounts are raised annually after that shall be retained entirely by Chaffee County and used for strengthening forest health, conserving and supporting working ranches and farms and rural landscapes and managing the impacts of growth, as set forth in the ballot language. Any additional revenues raised from the 0.25% increase which is not budgeted and spent for strengthening forest health, conserving and supporting working ranches and farms and rural landscapes and managing the impacts of growth shall be placed in a reserve for future purposes relating to strengthening forest health, conserving and supporting working ranches and farms and rural landscapes and managing the impacts of growth.

J. The BoCC has determined to set the ballot title and ballot question to be submitted at the election called by this Resolution.

RESOLUTION:

The BoCC resolves as follows:

1. Countywide Sales Tax Increase.

a. In addition to the existing two percent (2.5%) countywide sales tax and in accordance with the provisions of C.R.S. §§ 29-2-103 and 105, there is imposed an additional countywide sales tax of 0.25% on the sale at retail of tangible personal property and the furnishing of services in the County, so that the overall sales tax rate is increased from 2.5% to 2.75%, and the revenues from such additional sales tax shall be retained and used by the County solely for strengthening forest health, conserving and supporting working ranches and farms and rural landscapes and managing the impacts of growth as further described below; and such additional sales tax shall be imposed in accordance with the following schedule:

- i. On sales of one cent (1¢) and including fifty-one cents (51¢) – no tax.
- ii. On sales from fifty-two cents (52¢) and including one dollar (\$1.00) – a tax of one quarter cent (0.25¢).
- iii. On sales in excess of one dollar (\$1.00), the tax shall be one quarter cent

(0.25¢) on each full dollar of the sales price, plus the tax applicable on the fractional part of a dollar of each such sales price, as set forth in paragraphs (i) and (ii) above.

- b. The additional sales tax shall be imposed on all retail sales in Chaffee County consummated at the place of business of the retailer, unless the tangible personal property sold or the services furnished are delivered by the retailer or his agent to a destination outside the limits of Chaffee County or to a common carrier for delivery to a destination outside the limits of Chaffee County. The gross receipts from such sales shall include delivery charges, when such charges are subject to state sales and use tax imposed by Title 39, Article 26, C.R.S., regardless of the place to which delivery is made. If a retailer has no permanent place of business in the County, or has more than one place of business, the place or places at which the retail sales are consummated for the purpose of a sales tax imposed by this proposal shall be determined by the provisions of Title 39, Article 26, C.R.S., and by the rules and regulations promulgated by the Colorado Department of Revenue.
- c. The amount subject to the additional sales tax shall not include the amount of any sales or use tax imposed by Title 39, Article 26, C.R.S, as amended.
- d. The tangible personal property and services taxable pursuant to this Resolution shall be the same as the tangible personal property and services taxable pursuant to C.R.S. § 39-26-104, and subject to the same exemptions as Part 7 of Article 26 of Title 39, C.R.S.; and the following is specifically exempted from the additional sales tax pursuant to and in accordance with C.R.S. § 29-2-105(1)(d):
 - i. Sales of farm equipment and farm equipment under lease or contract specified in C.R.S. §§ 39-26-716(2)(b) and (2)(c).
- e. All sales of personal property on which a specific ownership tax has been paid or is payable shall be exempt from the additional sales tax when such sales meet both of the following conditions:
 - i. The purchaser is a nonresident of or has his principal place of business outside of the local taxing entity; and
 - ii. Such personal property is registered or required to be registered outside the limits of the local taxing entity under the laws of this state.
- f. The sales tax imposed shall be collected, administered and enforced by the Executive Director of the Department of Revenue of the State of Colorado, as provided in C.R.S. § 29-2-106. The sales tax shall be subject to all provisions of Article 2 of Title 29, C.R.S.
- g. Each vendor collecting such sales tax shall be entitled to a fee of three percent (3%) of the tax collected for services and expenses of collection of such tax.
- h. If voters approve the 0.25% sales tax, given that successful long-term programs

require dedicated funding streams, the following categories shall receive the minimum funding percentages indicated below, with the remaining 45% to be allocated among the three below categories at the discretion of the BoCC following the recommendation of the citizen advisory committee based on then current needs and opportunity:

- i. Strengthening forest health – 25%
- ii. Conserving and supporting working ranches and farms and rural landscapes – 25%
- iii. Managing the impacts of growth – 5%

“Strengthening forest health” may include without limitation planning and execution of treatment activities enhancing forest health and community fire resilience, such as thinning and wetland/riparian enhancement (including through grants and partnerships).

“Conserving and supporting working ranches and farms and rural landscapes” may include without limitation planning and programs (including through grants and partnerships) designed to strengthen agricultural operations, conservation easements, land acquisition and other tools developed in partnership with the agricultural community to enhance economic viability and long-term longevity of working agricultural lands.

“Managing the impacts of growth” may include without limitation project planning and project execution (including through grants and partnerships) to protect the watershed health from negative impacts resulting from outdoor recreation use, such as hardening recreational assets, restoring impacted areas, managing waste (human waste, trash), decreasing erosion and sediment generation, educating users and land acquisition (including easements) to disperse use and impacts.

2. Referral to Voters.

- a. Pursuant to C.R.S. § 29-2-103, the BoCC hereby refers to the eligible electors of Chaffee County the question of the imposition of the additional sales tax described in Section 1, above. The BoCC approves the ballot question attached as Exhibit A to be presented to the voters at the November 6, 2018 general election.
- b. For purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the ballot title for the question and such ballot title is set forth in Exhibit A.

3. Conduct of Election. The election shall be conducted as a coordinated election in the County in accordance with Articles 1 to 13 of Title 1, C.R.S. (the “Uniform Election Code”). For purposes of the provisions of the Uniform Election Code relating to the “Designated Election Official” of the County, the County Clerk and Recorder (the “County Clerk”) is hereby designated as the County’s Designated Election Official responsible for the running of the

election and the performance of all acts required or permitted by the Uniform Election Code. The cost of the election shall be paid from the County's general fund.

4. Ballot Order and Content. By September 7, 2018, the County shall certify to the County Clerk the ballot order and content.
5. Notices. The County Clerk shall publish the text of this proposal as provided in C.R.S. § 29-2-104(5). The County Clerk shall cause a notice required to be mailed to all registered electors of the County by Article X, Section 20(3)(b) by October 5, 2018. Such notice shall be in the form and contain the information required by law. The County Clerk shall cause a Notice of Election to be published in accordance with C.R.S. § 1-5-205 and C.R.S. § 1-7.5-107 no later than October 17, 2018.
6. Authorization to Impose the Additional Sales Tax. If a majority of the registered electors voting at the election approve the proposal, the additional sales tax shall be effective at 12:01 a.m. on January 1, 2019 throughout the incorporated and unincorporated portions of the County. The County Clerk shall notify the Executive Director of the Colorado Department of Revenue of the effective date of such additional sales tax in accordance with C.R.S. § 29-2-106(2).
7. Miscellaneous. The officers and employees of the County are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution. All actions previously taken by the members of the BoCC and the officers and employees of the County consistent with the provisions of this Resolution are ratified and approved.
8. Repealer. All prior acts, orders or resolutions, or parts thereof, by the County in conflict with this Resolution are repealed, except that this repealer shall not be construed to revive any act, order or resolution, or part thereof, previously repealed.
9. Severability. If any section, paragraph, clause or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, and the various parts of this Resolution are severable.
10. Effective Date. This Resolution shall take effect immediately on its passage.

ADOPTED AND APPROVED by the Chaffee County Board of County Commissioners on August 28, 2018.

BOARD OF COUNTY COMMISSIONERS


[Acting] Chairman

445362

445362 8/31/2018 2:56 PM RESL Lori A Mitchell
6 of 7 R\$0 D\$0 N\$0 S\$0 M\$0 E\$0 Chaffee County Clerk

The vote on the above Resolution was as follows:

Commissioner Dave Potts yes

Commissioner Keith Baker yes

Commissioner Greg Felt yes

STATE OF COLORADO, CHAFFEE COUNTY

ATTEST:

The above is a true and correct record of Resolution 2018-46 duly adopted by the Chaffee County Board of County Commissioners by a 3-0 vote at a special meeting, properly noticed and held on August 28, 2018.

Julia Rivera, Deputy
Chaffee County Clerk



EXHIBIT A

STRENGTHENING FOREST HEALTH, CONSERVING AND SUPPORTING WORKING RANCHES AND FARMS AND RURAL LANDSCAPES AND MANAGING THE IMPACTS OF GROWTH

SHALL CHAFFEE COUNTY'S TAXES BE INCREASED BY \$1,162,000.00 ANNUALLY (FIRST FULL FISCAL YEAR DOLLAR INCREASE), BEGINNING IN 2019, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY AFTER THAT, FROM A SALES TAX RATE INCREASE OF 0.25 PERCENT (EQUAL TO TWO AND ONE-HALF CENTS ON A TEN-DOLLAR PURCHASE), TO BE USED SOLELY FOR:

- STRENGTHENING FOREST HEALTH TO PROTECT CHAFFEE COUNTY COMMUNITIES AND WATER QUALITY FROM SEVERE WILDFIRE AND TO ENHANCE WILDLIFE HABITAT;
- CONSERVING AND SUPPORTING WORKING RANCHES AND FARMS AND RURAL LANDSCAPES; AND
- MANAGING THE IMPACTS OF GROWTH TO PROTECT THE OUTDOOR EXPERIENCE, WATER QUALITY AND LANDSCAPES;

WITH ALL EXPENDITURES SUBJECT TO THE RECOMMENDATIONS OF A CITIZEN ADVISORY COMMITTEE, AN ANNUAL INDEPENDENT AUDIT, AND A CAP ON ADMINISTRATIVE EXPENSES OF FIVE PERCENT; AND SHALL THE SALES OF FARM EQUIPMENT AND FARM EQUIPMENT UNDER LEASE OR CONTRACT TO THE EXTENT SPECIFIED IN SECTION 39-26-716(2)(B) AND (2)(C), C.R.S. BE EXEMPT FROM THE ADDITIONAL 0.25% SALES TAX; AND SHALL CHAFFEE COUNTY BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE REVENUE FROM SUCH TAXES AND ANY EARNINGS FROM THE INVESTMENT OF SUCH TAX REVENUES AS A VOTER-APPROVED REVENUE AND SPENDING CHANGE NOTWITHSTANDING THE LIMITATIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW, ALL IN ACCORDANCE WITH THE RESOLUTION ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF CHAFFEE COUNTY AND AS SET FORTH IN RESOLUTION NO. 2018-46?

