

RESOLUTION NO. 117-08

A RESOLUTION SETTING TITLES AND SUBMITTING TO THE ELECTORATE ON NOVEMBER 4, 2008 MEASURES TO INCREASE THE SALES AND USE TAX FROM 2.75% TO 3.00% AND TO RETAIN AND SPEND REVENUES AS A VOTER APPROVED REVENUE CHANGE AS DEFINED BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION

RECITALS

The City Council of the City of Grand Junction at its August 18, 2008 meeting considered placing a question on the November ballot asking the City electors to approve a ¼% sales tax increase for the construction and operation of seven new public safety buildings in the City known as the Public Safety Initiative.

The hallmark of the proposed Public Safety Initiative will be a new Fire Station #1, a new Police Building, Municipal Court and three neighborhood fire stations. The City Council supports the Public Safety Initiative and believes that the Public Safety Initiative is critical to the continued safety and security of our growing and vibrant community. The ¼% sales tax increase is a reasonable means of furthering the safety and well being of the community.

The City Council also considered at the same meeting a ballot question for the November 4, 2008 election, which if approved, would remove the revenue limitation imposed on the City by the 1992 "Taxpayers Bill of Rights" (TABOR Amendment).

In 1992, the Colorado electorate amended the Colorado Constitution by the passage of TABOR, which requires, among other things that any time fiscal year revenues exceed the limitation imposed by the Amendment for the fiscal year, then the local government must refund the excess revenues unless the voters approve otherwise.

It has been shown in recent studies that a significant portion of the City's general government revenue is derived from sales tax paid by visitors, shoppers and tourists. Because the City is principally funded by sales tax, the tax burden on City residents is reduced. Sales tax funding of municipal services provides a means of sharing the cost of services among all users. Sales tax will be the primary source of excess revenues under the revenue limits imposed by the TABOR Amendment. As a result, approval of the ballot question would allow the City of Grand Junction to retain this important tax revenue to use and pay for the construction, equipment and operation of the Public Safety Initiative and to build other needed City infrastructure and deliver City services.

While the City Council endorses those aspects of TABOR which secure the right of citizens to vote on tax increases and/or for the issuance of debt, the City

Council does find and determine that the revenue cap contained in the amendment, which is tied to the Denver Boulder CPI, should no longer be applied to the City of Grand Junction.

The ballot questions do not repeal TABOR, especially those that require voter approval of any future government debt or tax increases. While one ballot question asks to increase taxes if the second question passes as well, the new tax will terminate.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

1. Ballot question 2A will provide for the financial resources necessary for the construction, equipment and operation of the City public safety facilities.
2. Following the passage of Question 2B all retained and so called TABOR excess revenues will be used to pay the debt for the Riverside Parkway and no later than 90 days after funds are accumulated to pay the Riverside Parkway debt in full the ¼% sales tax imposed by Question 2A shall terminate. The TABOR excess revenues will then be used to build City infrastructure and deliver City services.

The following questions be submitted to the registered electors on Tuesday, November 4, 2008

QUESTION 2A

SHALL CITY OF GRAND JUNCTION TAXES BE INCREASED \$5,129,091 IN 2009 AND ANNUALLY THEREAFTER BY SUCH ADDITIONAL AMOUNT AS IS GENERATED BY INCREASING THE CITY'S SALES AND USE TAX FROM 2.75% TO 3.00% FOR THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTING AND OPERATING PUBLIC SAFETY FACILITIES AND ACQUIRING EQUIPMENT FOR THE FACILITIES PROVIDED THAT SUCH TAX INCREASE SHALL TERMINATE IF QUESTION 2B PASSES AT THIS ELECTION AND WHEN THE RIVERSIDE PARKWAY BONDS HAVE BEEN DEFEASED OR ARE OTHERWISE LEGALLY PAID IN FULL; AND SHALL THE CITY BE AUTHORIZED TO COLLECT, RETAIN AND SPEND SUCH REVENUES AND ANY INVESTMENT EARNINGS AND INTEREST ON SUCH REVENUES, AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION?

_____ **Yes**
_____ **No**

QUESTION 2B

COMMENCING NO LATER THAN THE 90TH DAY AFTER THE CITY HAS DEFEASED OR OTHERWISE LEGALLY PAID IN FULL ALL CITY DEBT ISSUED FOR RIVERSIDE PARKWAY SHALL THE CITY OF GRAND JUNCTION BE AUTHORIZED TO COLLECT, RETAIN AND SPEND ALL CITY REVENUES FROM WHATEVER SOURCE, AS A VOTER APPROVED REVENUE CHANGE UNDER ARTICLE X, SECTION 20, OF THE COLORADO CONSTITUTION?

Yes
 No

Adopted this 18th day of August 2008.

/s/ Gregg Palmer
Gregg Palmer
President of the Council

ATTEST:

/s/ Stephanie Tuin
Stephanie Tuin
City Clerk