

RESOLUTION NO. 132-08

A RESOLUTION AFFIRMING THE RIGHT OF CITIZENS OF THE CITY OF GRAND JUNCTION TO VOTE FOR INCREASED CITY TAXES AND PRIOR TO THE CITY INCURRING DEBT

RECITALS

The City Council of the City of Grand Junction at its August 18, 2008 meeting placed two questions on the November 2008 ballot. Those questions ask the City electors to:

- 1) approve a 1/4 % sales tax increase for the construction and operation of seven new public safety buildings in the City known as the Public Safety Initiative and
- 2) approve the lifting of the revenue limitation imposed on the City by the 1992 Taxpayers Bill of Rights (TABOR Amendment).

Those questions will appear on the ballot as **2A and 2B**.

While both questions **2A and 2B** are vitally important, the City Council by this Resolution confirms its commitment to those aspects of the TABOR amendment that will not be changed if question **2B** passes.

Question **2B** does not repeal TABOR or cause a so called total de-Brucing. Instead it asks that the City not be burdened by an artificial capping of revenue and expenditures that is based in part on the Denver-Boulder Consumer Price Index ("CPI").

Grand Junction is stronger economically than the Front Range and our local increase in the cost of goods and services, including the cost of the delivery of governmental services, should not be tied to the Denver-Boulder CPI or some artificial formula or limit. In 1992 voters amended the Colorado Constitution by the passage of TABOR. In general terms the TABOR Amendment requires voter approval of revenue increases in the form of new taxes and/or debt and it imposes limits on revenue and spending in part by establishing the Denver-Boulder CPI as the inflation indicator.

Because of TABOR, governmental services can not keep pace with growth in the economy and when boom and bust economic cycles occur the *ratchet down effect* of TABOR has serious negative consequences.

The TABOR Amendment requires among other things that any time fiscal year revenues exceed the limitation imposed by the Amendment that the local government must refund the so called *excess revenues* unless the voters approve otherwise. With question **2B** the City Council has given the City voters the opportunity to "approve otherwise" in the interest of our community.

While the passage of question 2B will remove the artificial capping of revenues, neither question 2A or 2B changes the requirement that the City bring to its citizens any question to increase taxes or debt, if or when new taxes or debt are proposed.

While there are some people that believe that government should not grow, the reality is that as the population increases, the economy changes and as the citizens' demand for essential services expands, government must be responsive to those changing economic conditions and most importantly the needs of its citizens. Everyone wants effective and efficient government and there may be no better way to encourage that than through the ballot box. Voting on new taxes and to authorize debt is a reasonable means of ensuring responsible growth of government. By using those means the citizens of the City will have an extraordinary opportunity to shape the fiscal policies of the City.

The City Council does not support the current artificial and arbitrary cap on the revenue that the City may receive. The TABOR revenue limitation creates a government that is restricted by complicated rules that make government less effective, less efficient and unnecessarily constrains the ability to deliver services.

The City Council fully supports the citizens' right to decide tax increase and/or debt questions and therefore the City Council does support and affirm those aspects of TABOR that will remain applicable following the passage of question **2B**.

NOW THEREFORE BE IT RESOLVED THAT:

The City Council confirms its commitment to the citizen's right to vote for new taxes and/or before the City goes into debt. The City Council further confirms that with the passage of question **2B** the citizens shall keep and retain those rights.

FURTHERMORE BE IT RESOLVED THAT:

The City Council supports question **2B** and finds that the passage thereof is in the best interests of the citizens of Grand Junction in order to provide public services to our growing community.

Adopted this 1st day of October 2008.

/s/ Gregg Palmer
Gregg Palmer
President of the Council

ATTEST:
/s/ Stephanie Tuin
Stephanie Tuin
City Clerk