

**CITY OF GRAND JUNCTION, COLORADO  
RESOLUTION NO. 39-10**

**A RESOLUTION OPPOSING PROPOSITION 101 ON THE NOVEMBER 2, 2010  
GENERAL ELECTION BALLOT**

**RECITALS.**

At the November 2, 2010 election voters will decide Proposition 101, an initiated change to Colorado law.

Proposition 101 would amend Colorado law to change State income taxes and reduce various fees and taxes on motor vehicles and telecommunications services. Even though this measure is a statutory change, it would require a statewide election to amend or repeal the proposition if it is approved by the voters.

Fee revenue and sales and use taxes are vital financial resources for Grand Junction and allow the City to provide necessary services to the residents, businesses and visitors to Grand Junction. Those services include police, fire and emergency medical, road and bridge construction and maintenance, investment in capital improvements, economic development, parks, recreation and open space. If Proposition 101 passes in November, the City Council must approve a budget that includes significant reductions in these services.

- Proposition 101 decreases specific ownership tax on motor vehicles. According to the Colorado Municipal League, the decrease will result in an estimated annual loss of nearly \$500 million statewide for municipalities and taxing districts.
  - If the proposition passes it will result in an estimated \$900,000 annual reduction to the City of Grand Junction from specific ownership tax.
- Proposition 101 requires that all vehicle registration, license and title charges, combined, equal \$10.00 per year. That change will end a principal source of funding for street and highway maintenance.
  - If the proposition passes it will result in an estimated annual reduction of more than \$1 million to the City of Grand Junction from vehicle fees and taxes passed through from the state and put another \$1 million annually at risk.
- Proposition 101 sets the state income tax rate at 4.5% and over time the rate reduces to 3.5%. The reduction is estimated to result in a loss of more than \$1 billion to the State.
- Proposition 101 sets the emergency 9-1-1 rate at 2009 levels without a means for increase and without regard to service and/or equipment demands.
  - The E-911 Regional Communication Center which serves all area law enforcement, fire, and emergency agencies is dependent on the 911

charges (currently \$1.30 per line) to fund essential technology infrastructure to support emergency telephone service. E-911 surcharges fund the capital needs of the Communication Center and serve the Grand Junction Police Department, Grand Junction Fire Department, Fruita Police Department, Palisade Police Department, Mesa County Sheriff's Office, Lower Valley Fire Protection District, Grand Junction Rural Fire Protection District, Palisade Fire Protection District, Plateau Valley Fire Protection District, East Orchard Mesa Fire Protection District, Central Orchard Mesa Fire Protection District, Gateway/Unaweep Fire Protection District, Powderhorn Metropolitan District, and the Land's End Fire Protection District)

- Proposition 101 defines all other charges as “tax increases” which would require an election for every increase in those charges regardless of amount.
- Proposition 101 eliminates taxes on vehicle rentals and leases. It also eliminates taxes over 4 years on the first \$10,000 of all vehicle sales.
  - If the proposition passes it will result in an estimated \$4 million reduction to the City in vehicle taxes.
- Proposition 101 eliminates taxes on telecommunication services (telephone, cell phone, internet, cable, etc.)
  - If the proposition passes it will result in an estimated \$1.7 million reduction to the City in telecommunication taxes.

The City Council, after due and careful consideration has determined that the passage of Proposition 101 will cause significant negative impact to the operations of the City and the State and their ability to provide public services. The City cannot provide the same level of services in light of the reductions in tax revenue.

The City understands that its citizens desire and deserve accountability for how taxes are collected and spent. The passage of Proposition 101 does not ensure those results.

The passage of Proposition 101 will not solve the problems in Denver and Washington D.C. While those problems are real, they are vitally important and they must be solved, Proposition 101 if enacted will severely disrupt the ability of local and state government to provide necessary services.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Grand Junction does hereby oppose Proposition 101 and urges the defeat of such measures for the reasons stated.

Further, the City Council urges all City voters to consider the severe impacts that Proposition 101 will have on the City's ability to provide for the needs of the citizens.

Dated this 13<sup>th</sup> day of September 2010.

/s/: Teresa A. Coons  
President of the Council

ATTEST:

/s/: Stephanie Tuin  
City Clerk