

**RESOLUTION 2025-0211B
BOARD OF DIRECTORS
BERTHOUD FIRE PROTECTION DISTRICT**

A RESOLUTION TO APPROVE THE FACTUAL SUMMARY REGARDING A SALES TAX IN THE BERTHOUD FIRE PROTECTION DISTRICT FOR THE PURPOSE OF MAINTAINING ADEQUATE LEVELS OF FIRE AND EMERGENCY SERVICES TO THE COMMUNITY

Factual Summary

February 11th, 2025

Berthoud Fire Protection District

248 Welch Avenue, Berthoud, Colorado

Proposed Sales Tax Increase

May 6, 2025 Coordinated Mail Ballot Election

Fire District

The Berthoud Fire Protection District ("Fire District") is a full-time, all hazard emergency service provider serving 103 square miles of Larimer, Weld, and Boulder Counties and the Town of Berthoud. The Fire District provides fire suppression, fire prevention, wildfire mitigation, public education, emergency medical services, rescue, motor vehicle extrication, water rescue, and hazardous materials response ("collectively Emergency Services") to the residents, businesses, visitors, commuters, and properties within its jurisdiction. The Interstate 25 and US Highway 287 corridors see a combined 109,000 vehicles passing through the Fire District's response area daily (Colorado Department of Transportation, 2023). Additionally, recreation at Carter Lake brings an estimated 500,000 visitors to the Fire District annually (direct communication with the Larimer County Department of Natural Resources).

Summary of the Issue

The Fire District last asked voters to increase revenues in 2001 through a mill levy increase to operate an additional fire station at 4014 West County Road 8. Over the span of twenty years, the Fire District's expenses have increased 18.7% more than tax revenues, creating a widening financial gap that has been filled with revenues that fluctuate greatly year to year such as valuations on oil and gas infrastructure and other minor sources (Berthoud Fire, 2003; Haynie & Company, 2024). Between 2002 and 2024 the Fire District's annual calls for service increased by 72.3%. Property taxes have historically been the primary source of revenue for the Fire District. Reductions in the residential and commercial

assessment rates through Colorado Senate Bills 22-238 and 23B-01, and House Bills 24B-1001 and 24B-1002 have reduced revenues for Colorado Special Districts such as the Fire District (Colorado General Assembly, 2024). To mitigate the impact of such reductions in property tax revenue, the Colorado General Assembly passed SB24-194 to allow fire protection districts to propose a sales tax to their voters (Colorado General Assembly, 2024). The approved sales tax shall not apply to a number of commodities including food, prescription drugs and qualifying medical supplies, certain feminine products, diapers and incontinence related items, gas, electricity, farm equipment and machinery, cigarettes, marijuana, and items sold to benefit schools or charitable organizations (Colorado Revised Statutes, 2023).

In its May 6, 2025 election, the Fire District will ask its voters to approve a 1.0% sales tax on qualifying goods sold within the Fire District to maintain emergency responder staffing, maintain fire and emergency services administration and operations, and to fund scheduled capital replacements. The 1.0% (one percent) sales tax would equate to \$0.10 on a \$10.00 purchase of non-exempt, taxable goods.

Arguments against the proposal

If approved by voters, the proposal will increase the amount of taxes collected by the Fire District. For those who support lowering taxes and levels of service provided by government, the Fire District's proposal may be contrary to this objective. While the sales tax does not apply to many necessities, it still will increase the costs of other purchases. Additionally, the Fire District will use the revenue generated by the proposed sales tax to fund a variety of priorities, including firefighting, wildland firefighting, emergency medical services, capital improvements and equipment replacement, staffing, and training. Voters who may not support all of these priorities may be opposed to a sales tax which may fund all of them.

Sales taxes can disproportionately impact lower-income individuals, even if they are not applied to essentials, as these individuals may spend a higher percentage of their income on taxable goods. Although the proposed sales tax is 1.0%, local businesses may experience reduced sales if consumers choose to make major purchases in areas with lower sales tax rates. Sales tax revenue depends on economic activity, meaning it could fluctuate based on consumer spending patterns, potentially creating financial challenges for the Fire District. Finally, some may argue that other methods, such as adjusting mill levies to increase property tax revenues, grants, or charging for services should be attempted before implementing a new tax.

Arguments for the proposal

Allowing the Fire District to collect sales tax revenue will enable the Fire District to meet the community's increasing demands for Emergency Services. The sales tax would provide additional funding to the Fire District, helping it to maintain or improve emergency

response times, staffing levels, equipment, and facilities. This additional revenue source would offset recent property tax revenue losses. Recent reductions in assessed property values have decreased property tax revenues, and this sales tax would help bridge the funding gap without increasing property taxes.

The sales tax is structured to minimize the financial impact on Fire District residents as the sales tax does not apply to essential goods such as food, medical prescriptions and supplies, diapers and incontinence items, electricity and gas, farm equipment and machinery, cigarettes, marijuana, and items sold to benefit schools or charitable organizations, reducing the burden on lower-income individuals and families. Since sales taxes are paid by everyone who makes purchases in the Fire District, including commuters, tourists, and visitors, the financial responsibility is shared beyond just local property owners. The sales tax would diversify revenue sources, providing a more stable and predictable budget for the Fire District. Unlike property tax revenues that fluctuate with assessed values, sales tax revenues tend to be more consistent, ensuring a steady funding source for fire protection and other emergency services.

The Ballot Issue

SHALL THE BERTHOUD FIRE PROTECTION DISTRICT'S TAX REVENUE BE INCREASED BY \$363,984.06 THE FIRST FULL FISCAL YEAR 2026, AND BY WHATEVER AMOUNTS ARE COLLECTED ANNUALLY THEREAFTER, FROM A 1.0 PERCENT SALES TAX COMMENCING ON JULY 1, 2025, FOR THE PURPOSE OF REDUCING THE FINANCIAL IMPACTS OF GROWTH ON EXISTING PROPERTY OWNERS BY SHARING THE COST OF FIRE AND EMERGENCY SERVICES WITH BUSINESS PATRONS WHO RESIDE OUTSIDE THE DISTRICT BOUNDARIES AND OFFSETTING LOST REVENUE DUE TO THE LIMIT ON PROPERTY ASSESSMENT RATES, IN ORDER TO MAINTAIN EMERGENCY RESPONDER STAFFING FOR THE DISTRICT'S FIRE STATIONS, MAINTAIN FIRE AND EMERGENCY SERVICES ADMINISTRATION AND OPERATIONS, AND FUND SCHEDULED CAPITAL REPLACEMENTS, SUCH SALES TAX TO BE IN ADDITION TO ALL OTHER TAXES LEVIED BY THE DISTRICT, AND SHALL THE DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND ALL REVENUE GENERATED BY SUCH TAX IN EXCESS OF THE LIMITATION PROVIDED IN SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION AS A VOTER-APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITATIONS SET FORTH IN SECTION 29-1-301 OF THE COLORADO REVISED STATUTES, AND ANY OTHER LAW?

YES

NO

References

- Berthoud Fire. (2003). *Combined statement of revenues, expenditures and changes in fund balance audit report for budget year 2002*. Berthoud Fire Protection District.
- Haynie & Company. (2024). *Financial statements and supplementary information: an independent auditor's report for budget year 2023*. Haynie & Company.
- Colorado General Assembly. (2024) *Calculation of property taxes for special districts*. Legislative council staff final fiscal note.
https://leg.colorado.gov/sites/default/files/documents/2024B/bills/fn/2024b_scr24b-002_f1.pdf
- Colorado General Assembly. (2024). *Senate Bill 24-194*. Fire protection district and ambulance district emergency services funding. <https://leg.colorado.gov/bills/sb24-194>
- Colorado Revised Statutes. (2023). Local Government Title 29.
<https://leg.colorado.gov/sites/default/files/images/olls/crs2023-title-29.pdf>
- Colorado Department of Transportation. (2023). *Online transportation information system*. Traffic data explorer. <https://dtdapps.coloradodot.info/otis/TrafficData>

ADOPTED AND APPROVED on this 11th day of February 2025.

BOARD OF DIRECTORS OF THE
BERTHOUD FIRE PROTECTION DISTRICT

By: 
Dan Hershman, President

By: 
Gary Maggi, Secretary/Treasure

By: 
Mike Cook, Vice President

By: 
Dave Shipley, Director

By: 
Eric Ryplewski, Director