

**MANCOS FIRE PROTECTION DISTRICT  
P.O. BOX 145  
41595 HIGHWAY 160  
MANCOS, CO 81328  
970/533-7400**

**FACTUAL SUMMARY  
NOVEMBER 2, 2021 ELECTION FOR VOTER  
AUTHORIZATION TO STABILIZE PROPERTY TAX REVENUE**

**THE FIRE DISTRICT.** Since 1978 Mancos Fire Protection District has provided fire suppression, rescue, extrication, hazardous materials, first responder, and community risk reduction services within 45 square miles that include the Town of Mancos and a portion of unincorporated Montezuma County. The Fire District is obligated to provide aid to an additional 350 square miles including lands managed by the United States Forest Service that are susceptible to wildfires.

**SUMMARY OF THE ISSUE.** Residential property owners in Colorado do not pay property taxes on 100% of their home's value. Instead, they pay property taxes on only a percentage of their home's property value, called the "residential assessment rate", or "RAR". Similarly, business owners pay property taxes on only a percentage of the property value of their business, called the "commercial (non-residential) assessment rate", or "CAR". Constitutional requirements and legislative actions that have reduced the RAR from 21% in 1982 to its current 7.15%. In 2020, the Fire District's tax revenue decreased by approximately 8%. Additionally, as a result of the Colorado Legislature enacting a new law (SB21-293) in 2021, the RAR will drop further to 6.95% in 2022 and 2023 and certain categories of the CAR will drop from 29% to 26.4% for the same two-year period. This is a 3% decrease in the RAR and 9% reduction in certain categories of the CAR, which will reduce the Fire District's property tax revenue significantly in 2023 and 2024.

**THE BALLOT ISSUE.** During its meeting on August 9, 2021, the Fire District's Board of Directors adopted a Resolution calling for an election on November 2, 2021 to seek authorization from its eligible electors to stabilize its property tax revenue and has certified the following Ballot Issue:

SHALL MANCOS FIRE PROTECTION DISTRICT BE AUTHORIZED TO INCREASE OR DECREASE ITS CURRENT AND ALL FUTURE MILL LEVIES IF, ON OR AFTER NOVEMBER 2, 2021, THERE ARE CHANGES IN THE METHOD OF CALCULATING ASSESSED VALUATION OR THE PERCENTAGE OF ASSESSED VALUATION APPLIED TO ONE OR MORE PROPERTY CLASS FOR ANY REASON, SUCH AS A CONSTITUTIONAL AMENDMENT OR ACTION BY THE LEGISLATURE, SO THAT, TO THE EXTENT POSSIBLE, THE ACTUAL TAX REVENUES GENERATED BY THE MILL LEVIES ARE THE SAME AS THE ACTUAL TAX REVENUES THAT WOULD HAVE BEEN GENERATED HAD SUCH CHANGES NOT OCCURRED?

**ARGUMENTS AGAINST THE PROPOSAL.** Further reductions in the residential assessment rate and commercial assessment rate will reduce the tax revenue the Fire District receives and may result in a reduction in governmental services, which may be preferred by individuals who wish to reduce the size of government. Homeowners in the Fire District would not enjoy the potential financial benefit of any further reductions in the residential assessment rate that may occur in the future.

**ARGUMENTS FOR THE PROPOSAL.** The Fire District is not seeking a tax increase with this ballot issue. It is seeking authorization to adjust its mill levy to keep property tax revenue it will otherwise lose as a result of further reductions in the residential assessment rate and the commercial assessment rate. In order to avoid collecting too much tax revenue, the Fire District would be required to reduce its mill levy if the Colorado Legislature ever increases the residential assessment rate or the commercial assessment rate. Increasing costs and service demands, and the loss of

*This Factual Summary is provided in accordance with the authority granted by C.R.S. § 1-45-117(b)(1).*

revenue caused by reductions in assessment rates will make it difficult for the Fire District to keep up with increased population, emergency call volume, and inflation, and may adversely affect the Fire District's ability to maintain and upgrade its fleet and equipment. Stabilizing the property tax revenue will enable the Fire District to maintain its ISO ratings which may prevent homeowners' and business owners' property insurance rates from rising.

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MANCOS, CO 81328  
970/533-7400**

**FACTUAL SUMMARY  
NOVEMBER 2, 2021 ELECTION FOR  
PROPERTY TAX INCREASE**

**THE FIRE DISTRICT.** Since 1978 Mancos Fire Protection District has provided fire suppression, rescue, extrication, hazardous materials, first responder, and community risk reduction services within 45 square miles that include the Town of Mancos and a portion of unincorporated Montezuma County. The Fire District is obligated to provide aid to an additional 350 square miles including lands managed by the United States Forest Service that are susceptible to wildfires.

**SUMMARY OF THE ISSUE.** The Fire District serves approximately 2,000 residents and businesses, and the communities it serves are growing. It's call volume has increased by 38% since 2011. To meet this increase in service demands, the Fire District must invest in capital improvements, such as maintaining and updating the Fire District's fleet and equipment, and renovating the main station to include living quarters. The Fire District's newest truck is 15 years old; some apparatus date back to 1985. However, property tax revenues are decreasing while the service demands are increasing. Residential property owners in Colorado do not pay property taxes on 100% of their home's value. Instead, they pay property taxes on only a percentage of their home's property value, called the "residential assessment rate", or "RAR". Similarly, business owners pay property taxes on only a percentage of the property value of their business, called the "commercial (non-residential) assessment rate", or "CAR". Constitutional requirements and legislative actions have reduced the RAR from 21% in 1982 to its current 7.15%. In 2020, the Fire District's tax revenue decreased to \$235,000, an approximately 8% decrease. Further, as a result of the Colorado Legislature enacting a new law (SB21-293), the Fire District will lose more property tax revenue in 2023 and 2024. To recover this lost revenue, and to meet the increased service demands, the Fire District must increase its property tax.

**THE BALLOT ISSUE.** During its meeting on August 9, 2021, the Fire District's Board of Directors adopted a Resolution calling for an election on November 2, 2021 to seek voter approval of a property tax increase through the following Ballot Issue:

SHALL MANCOS FIRE PROTECTION DISTRICT TAXES BE INCREASED \$306,924.00 (FIRST FULL FISCAL YEAR DOLLAR INCREASE) ANNUALLY, BEGINNING IN LEVY YEAR 2021 (FOR COLLECTION IN CALENDAR YEAR 2022) BY INCREASING THE DISTRICT'S EXISTING PROPERTY TAX BY 6 MILLS TO BE USED BY THE DISTRICT FOR EQUIPMENT, APPARATUS, AND OTHER CAPITAL IMPROVEMENTS, AND FOR OPERATIONS AND ADMINISTRATION, ALL REVENUE AND ANY EARNINGS ON THIS TAX CONSTITUTING A PERMANENT VOTER-APPROVED REVENUE CHANGE WITHIN THE MEANING OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND AN EXCEPTION TO THE LIMITATIONS SET FORTH IN SECTION 29-1-301 OF THE COLORADO REVISED STATUTES, AND ANY OTHER LAW?

**ARGUMENTS AGAINST THE PROPOSAL.** The property tax increase will increase the amount of taxes the Fire District assesses against taxable property within its boundaries. For voters who support less and smaller government, the Fire District's increase in tax revenues may be contrary to this objective. Based upon the Fire District's current assessed valuation, a property tax increase of 6 mills would result in the following projected increases in property taxes to homeowners:

\$150,000 Residence = \$5.33 per month  
\$300,000 Residence = \$10.65 per month  
\$450,000 Residence = \$15.98 per month

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**ARGUMENTS FOR THE PROPOSAL.** The Fire District must have a property tax increase in order to recover its lost revenue and to meet the increased service demands. Without the tax increase, the increasing costs and service demands, and the loss of revenue will make it difficult for the Fire District to keep up with increased population, emergency call volume, and inflation, and may adversely affect the Fire District's ability to provide Emergency Services. ISO ratings for the Fire District may increase and cause homeowners' and business owners' property insurance rates to increase.