

Issues Forum



La Plata County Local Ballot Issues
for the Tuesday, November 8, 2016
General Election

Hosted by the
League of Women Voters
of La Plata County

Ballot Issue 3A

Durango School District 9-R



- **Purpose:** to increase revenue by \$1.7 million dollars to be spent for General Fund purposes which will allow our schools to maintain and invest in community valued programs within Durango School District 9-R, Mountain Middle School and Animas High School by:
 - Investing in critical programs that support college and workforce ready graduates,
 - Minimizing increased class sizes and loss of more educational programs,
 - Maintaining our ability to attract, retain and train high quality staff,
 - And ensuring safe, effective, innovative learning environments and infrastructure.
- **Time frame:** increased taxes to be collected in 2017 calendar year and by such amounts as may be collected annually thereafter.

Ballot Issue 3A

Durango School District 9-R



- **Funding:** by an increase of 1.2 in the mill levy which generates revenue, which together with the revenue produced by previous voter authorized tax increases is not greater than twenty-five percent of the District's total program funding and supplemental cost of living adjustment.
- **Authorization:** such an increase will be an additional property tax mill levy in excess of the levies the district is otherwise authorized by law to impose. The district shall be authorized to collect, retain and spend all revenues from such taxes and the earnings from the investment of such revenues as a voter approved revenue change and an exception to the limits which would otherwise apply under Article X, Section 20 of the Colorado Constitution.

Ballot Issue 3A Durango School District 9-R



- **Financial impact:** 3A would add about \$33/yr to the average \$350,000 Durango home and \$45/year in tax to the average \$500,000 Durango home. If passed it would add \$490/year to the average \$1.5 million business property tax.
- **Oversight:** not specifically mentioned in ballot language.

Ballot Issue 3A

Durango School District 9-R



The proponents say:

- Ballot Issue 3A is about providing high quality education for all of our students, regardless of which public school they attend. Regardless of their grade level or their goals. Regardless of their abilities or ethnicity because all of our students deserve the best education our community can provide.
- “I’ve decided to support the effort as I see it as a fiscally responsible approach to maintain quality education, including classes in agriculture, the trades, music and art, while also keeping the school facilities property maintained.” Senator Ellen Roberts, Colorado District 6
- Our educators have cut every possible expense, and each cut has come at a cost to students. Some schools go without librarians or aides; others lack career programs, robust classroom supplies, or updated texts. Class sizes are creeping up. Students are waiting for current technology. Innovative programs are postponed. Building maintenance is deferred. All 9-R salaries are frozen.

Ballot Issue 3A

Durango School District 9-R



The proponents say:

- What's next on the block: Eliminating existing priority programs. Not launching fresh efforts toward new levels of excellence. Education — both present and future — is at stake.
- Since 2010, state funding has dropped while legislative, federal and CO Department of Education requirements have added unfunded or only partially supported mandates to the expenses of our public schools. Moreover, 9-R provides many programs our community considers high priority that are funded by the state only partially or not at all. Some examples: Transportation costs \$1.4 million/year, but the district receives only \$300,000. Full day kindergarten receives only 58% funding, so the district pays the balance. English language programs receive minimal state reimbursement; special needs, none at all. The 2010 levy helped in certain areas, but not in all. It isn't enough.

(reference: <http://durangoschools3a.com/category/faq/>)

Ballot Issue 3A Durango School District 9-R



The opponents ask:

- Aren't all Colorado School Districts receiving more funding from recreational marijuana taxes?
- Wasn't the Durango High School stadium renovation funded by tax dollars? If 9-R could afford that why should we pass a mill levy?
- Durango 9-R already received a mill levy override from taxpayers in 2010. Why isn't this money sufficient to support regular school operations?
- We want our tax dollars spent in classrooms and programs. Can't 9-R just cut positions at the central office and keep more teachers?

(reference: <http://durangoschools3a.com/category/faq/>)

Ballot Issue 1A Roads & Bridges



- **Purpose:** to fund county road and bridge construction and maintenance
- **Time frame:** beginning in 2017 for a 10 year period ending December 31, 2026
- **Funding:** Increase in La Plata County taxes by \$4,500,000 in 2017
and by amounts raised annually from a mill levy of up to 2.4 mills.
- **Authorization:** resulting revenues, specific ownership taxes and the investment earnings
shall be collected and spent notwithstanding any limitations provided by law.

Ballot Issue 1A Roads & Bridges



- **Financial impact:** approximately \$67 per year increased property tax assessment for a home evaluated at \$350,000. It would add approximately \$96 to a home evaluated at \$500,000.
- **Oversight:** via an independent Citizens Advisory Committee to insure accountability

Ballot Issue 1A

Roads & Bridges



The Proponents say:

- At present La Plata County has 653 miles of county owned roads over 1700 square miles. Twice as many are graveled as are paved.
- A growing inventory of road and bridge projects remains incomplete because of diminished resources in the Road & Bridge Fund.
- The decline of natural gas prices and production both nationwide and locally has curtailed a traditional revenue stream that supports road and bridge construction and maintenance in La Plata County. (loss of 50% of revenue from 2012 – 2014).
- It costs far more to rebuild a failed road than to maintain and improve an existing one.
- At present the average homeowner in La Plata County pays approx. \$20/year toward the Road & Bridges funding. With the increase this average would rise to \$96/year.
- The 9R School Board fully supports issue 1A. As they say, “it is a safety issue”.
(reference: <http://www.co.laplata.co.us/cms/one.aspx?pagelId=1633739>)

The Opponents ask:

- what roads will be improved if the tax measure passes?
- Why not cover this funding gap with a “use” tax or a sales tax?
(reference: **Say ‘yes’ to Question 1A, Durango Herald article 10/10/15**)

Ballot Issue 1B

Airport Improvements



- **Purpose:** to finance the cost of a new terminal and other improvements to the Durango – La Plata County Airport to improve safety, capacity, and functionality.

(For details see [DRO Master Plan](http://sites.jviation.com/dro/) <http://sites.jviation.com/dro/>)

- **Time frame:** debt with maturity not more than 20 years from the date of issuance of each series sold.
- **Funding:** Increase in La Plata County debt by \$40,400,000 with a repayment cost of \$64,432,600.

Additionally to increase County taxes \$3,221,633 annually. Mill levy will be set each year sufficient to pay the principal and interest on the debt or on any refunding debt.

Note: DRO now is in a queue to receive FAA grant money of \$35 million to \$40 million, nearly half the initial project cost, to support elements of the construction.

Ballot Issue 1B

Airport Improvements



- **Authorization:** tax revenues and the earnings from the investment of the proceeds of such debt and the tax revenues will be collected, retained and spent as a voter approved revenue change under Article X, Section 20 of the Colorado Constitution.
- **Financial impact:** approximately \$50 per year increased property tax assessment for a home evaluated at \$400,000.
- **Oversight:** not specifically mentioned in ballot language. City could transfer management to county or an airport authority.

Ballot Issue 1B

Airport Improvements



The Proponents say:

- Built 30 years ago, the terminal at DRO was designed to handle only half the current passenger load of nearly 200,000 passengers per year.
- At peak times, every functional element of the facility, including apron space for aircraft, baggage handling areas and passenger spaces, functions at Service Level “F” as measured by Federal Aviation Administration standards.
- Although passenger facility charges (which are set by Congress) and other revenues are insufficient to repay the borrowing costs for initial construction, they would suffice to match federal and state grants for the costs of future expansion without additional tax contributions. Consequently, taxpayers would provide only about one-third of the total cost over 30 or so years.

Ballot Issue 1B

Airport Improvements



The Proponents say:

- A property tax in La Plata County is the best way to provide revenue needed to pay the debt for construction. Under Colorado law, an airport authority that might share management responsibilities with other jurisdictions, including San Juan County, New Mexico, has no taxing authority. Businesses would pay more than 75 percent of the property taxes.
- According to a recent economic impact study, it accounts directly or indirectly for about \$160 million in economic activity and 1,860 jobs in La Plata County alone, with additional positive impacts beyond the county.
- We have to make this improvement to the airport for the economic stability today and for the future,” said Al Harper, owner of the Durango & Silverton Narrow Gauge Railroad.
- **(reference: The voters should say ‘yes’ to new terminal, Durango Herald Op-Ed, 8/27/16)**

Ballot Issue 1B

Airport Improvements



The Opponents ask:

- While a property tax increase may be more reliable, it does not tax all who use the airport, allowing tourists a “free ride.” Shouldn’t tourists pay part of this improvement cost?
- Officials hope leaders in San Juan County, New Mexico, and Montezuma, Archuleta and San Juan counties will commit to help fund the airport because it boosts the regional economy. However, that could require forming an airport authority, which could take several years. The time required to form an authority could eliminate it as a funding option for the terminal. Has this option been explored and where does it stand?

Ballot Issue 1B

Airport Improvements



The Opponents ask:

- An increase in property taxes could increase rent in an area struggling with a housing shortage, county commissioners said. Is this the time to be allocating an increase in property taxes to the airport?
- Residents asked officials to look at a mix of financing options, not just property taxes. They also requested officials take into consideration all the public projects that the city and county need. Have these questions been answered?
- **(reference: The voters should say 'yes' to new terminal, Durango Herald Op-Ed, 8/27/16)**
- **(reference: Public split on airport upgrade, The Journal, Cortez-Dolores-Mancos, 3/4/15)**

Definitions & Examples



- **Mill Levy:** rates of taxation set by each taxing district, The county, cities and towns, school districts and special districts each have a separate mill levy. A mill is equal to \$1 per \$1000 of assessed value. At 8.50, La Plata County's mill levy is the 4th lowest in the State, and has not been increased since 1992.
- **Private property tax formula:** Calculated as the appraised value X assessment ratio (7.96%) X mill levy (in thousands) (See the [La Plata County Property Tax Simulator](http://www.co.laplata.co.us/government/elected_officials/assessor_s_office/general_information/property_tax_simulator_instructions/) http://www.co.laplata.co.us/government/elected_officials/assessor_s_office/general_information/property_tax_simulator_instructions/).
- **Colorado property tax rate:** In Colorado, property tax is imposed at the county level. Commercial and industrial property is assessed at **29%** of market value. Residential property in La Plata County is assessed at **7.96%** of market value. La Plata County is home to one of the lowest property tax rates in the State and the Nation!

Definitions & Examples



- **La Plata County sales tax rate:** The combined sales tax rate for La Plata County, CO is 7.9%. This is the total of city, state and county sales tax rates. The Colorado state sales tax rate is currently 2.9%. The La Plata County sales tax rate is 2%. The Durango city sales tax is 3.0%.
- **Colorado State Constitution Article X, Section 20: Tax Payer's Bill of Rights-** a provision requiring that increases in overall tax revenue be tied to inflation and population increases unless larger increases are approved by (referendum) vote of the people.
- **Gallagher amendment:** Colorado law effectively gives residential properties a break every two years through what is known as the "Gallagher amendment." Under this amendment, the assessment ratio of residential properties drops as residential values in the state increase. In 2003, the assessment ratio on residential property dropped from 9.15% to 7.96%.