

# Local Impacts

Fort Collins & Greeley, Colorado

Focused on Your Region

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## Statewide Local Impacts

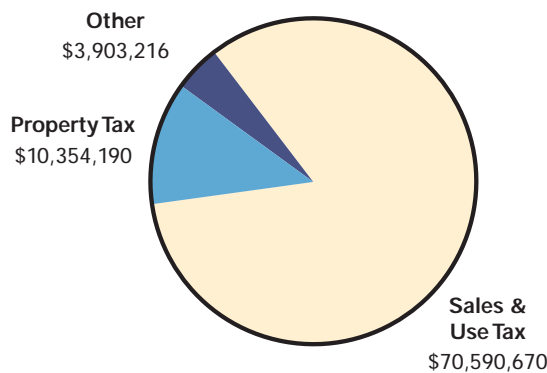
From before statehood, Coloradans have held closely to the philosophy of “local control” when it comes to taxes and government services. While Colorado’s state taxes are below the national average, our local taxes tend to be higher than the national average. The fiscal constraints in our state constitution have had a profound impact on every government entity in the state but no two are alike. Colorado’s counties, cities, towns, school districts, water districts, fire protection districts and other government entities are each unique in demography, economy, tax base and level of government service.

### Limitations on Local Revenue

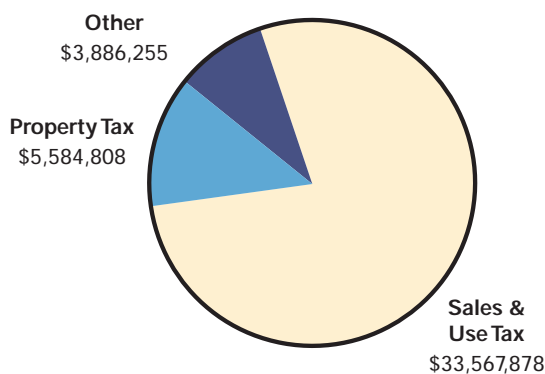
Even before TABOR, Colorado law limited yearly revenue increases for local governments to a 5.5% increase from prior year revenues. In 1993, TABOR modified the local government revenue growth limit to the lesser of the 5.5% limit or the sum of inflation and “annual local growth.” For schools, TABOR caps revenue growth at the rate of inflation plus the increase in student enrollment in each school district. Just as with the

statewide TABOR limit, any revenue beyond the local limit must be refunded to the taxpayers and any changes to the limits are subject to a vote of the people.

**City of Fort Collins  
Tax Revenue in 2001**



**City of Greeley  
Tax Revenue in 2001**



### Annual local growth

is defined by TABOR as inflation plus the net percentage change in real property values of newly constructed property minus destroyed property (net new construction). The TABOR formula does not recognize increases in the actual market value of existing property.

### The town of Windsor

is considering adding a 3.2% vehicle use tax on the upcoming April ballot. Windsor is one of only two municipalities in Colorado where residents do not have to pay a town tax if they buy a car outside of town limits. The tax could net as much as \$325,000 per year.

### TABOR:

#### Different Growth Limits for Different Levels of Government:

State	Local	School District
Inflation plus % change in population	Inflation plus % change in net new construction	Inflation plus % change in enrollment

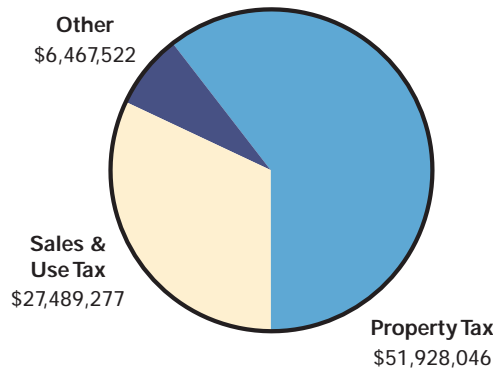
**Debrucing:** This term is named after the author of TABOR, Doug Bruce and refers to elections where voters are asked to allow government to keep and use all or part of the revenue collected beyond the TABOR limit. Local governments (especially school districts) have been successful in debrucing. In fact, about 70% of Colorado school districts have debruced to some extent since TABOR went into effect while state government has never successfully debruced. Many believe this is because taxpayers have more trust in effective government spending when it takes place closer to home. Debrucing does not mean a government is forever free from under the spending and revenue restrictions of TABOR; it only allows a locality to keep and spend all or part of a TABOR revenue surplus for an specified period of time – often interpreted as not exceeding four years.

## Revenue Trends

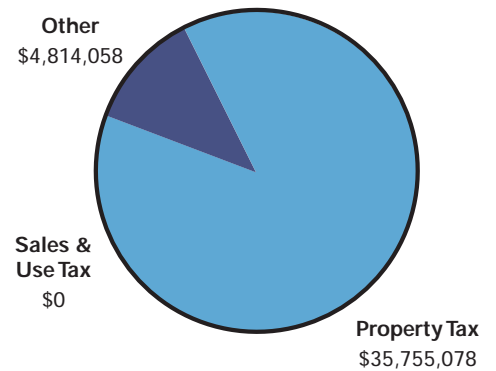
Local governments do not levy an income tax and depend primarily on property tax and sales tax. Although the sum of all local tax revenue continues to climb each year, the effect of the Gallagher Amendment combined

with TABOR, have caused a steady erosion of local government’s most reliable source of revenue – property tax. Many localities have responded to this trend by increasing reliance on the more volatile sales tax and by “debrucing.”

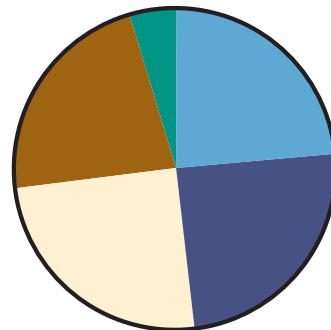
**Larimer County  
Tax Revenue in 2001**



**Weld County  
Tax Revenue in 2001**

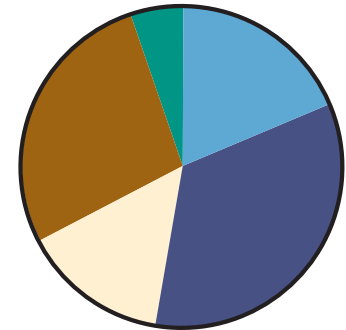


**City of Fort Collins  
Expenditures in 2001**



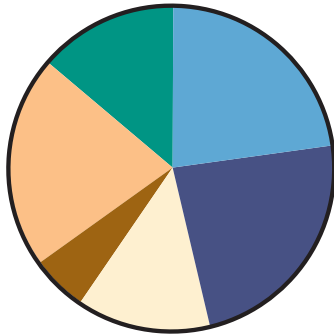
- General Government \$19,493,199
- Public Safety \$20,374,513
- Public Works \$20,571,630
- Culture & Recreation \$18,484,783
- Social Services \$0
- Other \$3,937,836






**City of Greeley  
Expenditures in 2001**



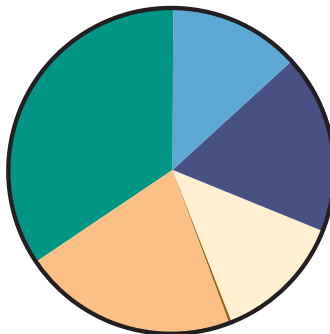
- General Government \$7,655,056
- Public Safety \$14,031,298
- Public Works \$6,026,519
- Culture & Recreation \$11,269,320
- Social Services \$0
- Other \$2,198,969







**Larimer County  
Expenditures in 2001**



	<b>General Government</b> \$26,006,490
	<b>Public Safety</b> \$26,886,869
	<b>Public Works</b> \$15,148,072
	<b>Culture &amp; Recreation</b> \$6,344,128
	<b>Social Services</b> \$24,074,931
	<b>Other</b> \$15,892,945

**Weld County  
Expenditures in 2001**



	<b>General Government</b> \$14,472,746
	<b>Public Safety</b> \$19,757,547
	<b>Public Works</b> \$14,240,240
	<b>Culture &amp; Recreation</b> \$290,369
	<b>Social Services</b> \$23,344,234
	<b>Other</b> \$37,979,953

**Fort Collins recently**

**approved** the FY 2004–05 budget with a reduction of more than \$3.3 million in general funds. Secondary services such as cultural, library and park services took the bulk of the reduction, losing more than \$741,000 from the FY 2003-04 general fund allocation.

## Economic Brief: Northern Colorado

Most of the economic activity in the northern part of the state is located in Larimer and Weld counties and is anchored in Fort Collins and Greeley. According to the Colorado Legislative Council, this region has generally fared better than the rest of the state through the economic downturn of the past two years. New home construction and employment increases in services, retail and mining have compensated for the loss of jobs in other areas such as non-residential construction,

technology and manufacturing.

According to the Department of Labor and Employment, the 3% decline in employment statewide during 2002 was only a 0.1% decline for the Weld and Larimer County region. The state's construction employment declined by 5.3% in 2002, but the northern region of the state increased construction employment by 3.8%. Even with some decline in manufacturing, employment in this sector is still twice as high in the

northern region as in the rest of the state. The largest private employer in the region is ConAgra Inc., the parent company of Greeley-based Monfort Inc. which employs about 4,000 people in Weld County. The largest single employer in the region is Colorado State University in Fort Collins with about 8,000 employees. The University of Northern Colorado in Greeley employs about 3,500 people. Enrollment is up at both institutions. In Fort Collins, sales and use tax rev-

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### Economic Brief (continued from page 3)

enues have gone up modestly in the past year increasing by 1.69%. Tax receipts from building permits have improved significantly, and are up almost 32% from October, 2002.

Agriculture is vital to the entire region and especially Weld County. Weld typically produces the highest number of cattle in the state and is home to 50% of the state's dairies. Weld County produces 65% of the state's milk production and is in the top ten counties in Colorado in production of major crops. The Colorado Livestock Association recently moved their headquarters from Golden to Greeley to be closer to most of its membership. In addition to agriculture, Weld is the

top producer of natural gas in Colorado, accounting for 33.4% of the state's total output in 2001. Because of the area's reliance on agriculture, Weld County has always been in the forefront of Colorado's water debates.

Recreation remains important to the entire region and more than 50% of Larimer County is covered by national and state park and forest land.

In the 1990s, the population of Weld County grew by 37.5% and Larimer County grew by 35.1% ranking them the second and third fastest growing counties in the state behind Douglas County. Part of the reason for the astounding growth in the region is the number of commuters to

the Denver area that took advantage of lower home prices in Larimer and Weld counties. The median home price in Greeley is \$139,000.

Despite the economic downturn, residential construction has continued at a rapid pace in the Fort Collins-Loveland and Greeley area. Fueled partly by multi-family construction and looser building restrictions than in the Denver area, home construction in the southern part of Weld and Larimer County have contributed to make the economy stronger than in the rest of the state.

