

Local Impacts

Steamboat Springs, Colorado

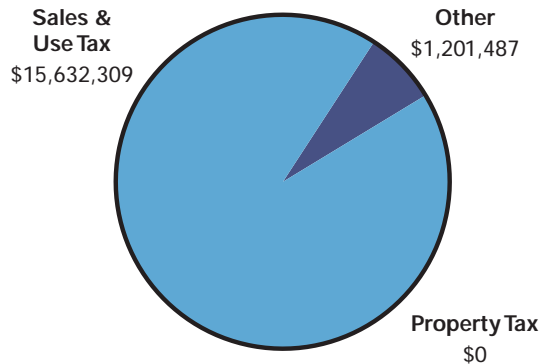
Focused on Your Region

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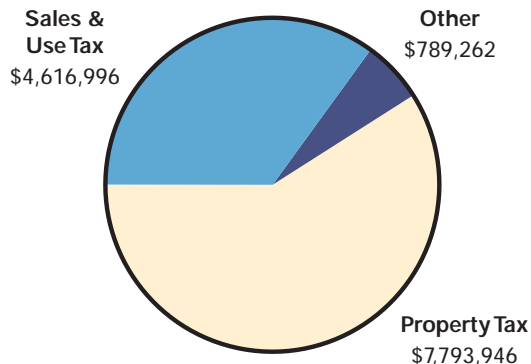
From before statehood, Coloradans have held closely to the philosophy of “local control” when it comes to taxes and government services. While Colorado’s state taxes are below the national average, our local taxes tend to be higher than the national average. The fiscal constraints in our state constitution 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.

TABOR: Different Growth Limits for Different Levels of Government:	
State	Inflation plus % change in population
Local	Inflation plus % change in net new construction
School District	Inflation plus % change in enrollment

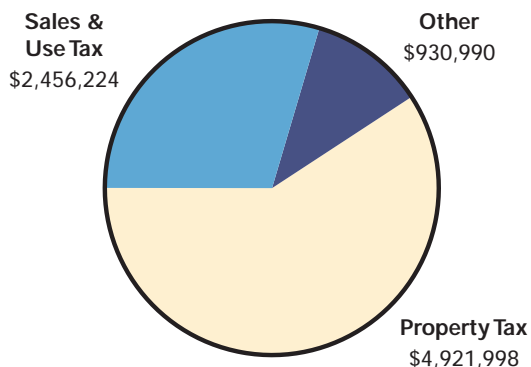
City of Steamboat Springs
Tax Revenue in 2001



Routt County
Tax Revenue in 2001



Grand County
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.

Over the past two years, sales tax revenue from Colorado ski resorts has been mostly flat or down as visitors have been forgoing ski vacations or staying for shorter periods of time. Steamboat has been an exception. While skier visits at the ski area are slightly down, sales tax revenue has increased 10 percent in the past five seasons.

Local Impacts: Steamboat Springs, Colorado

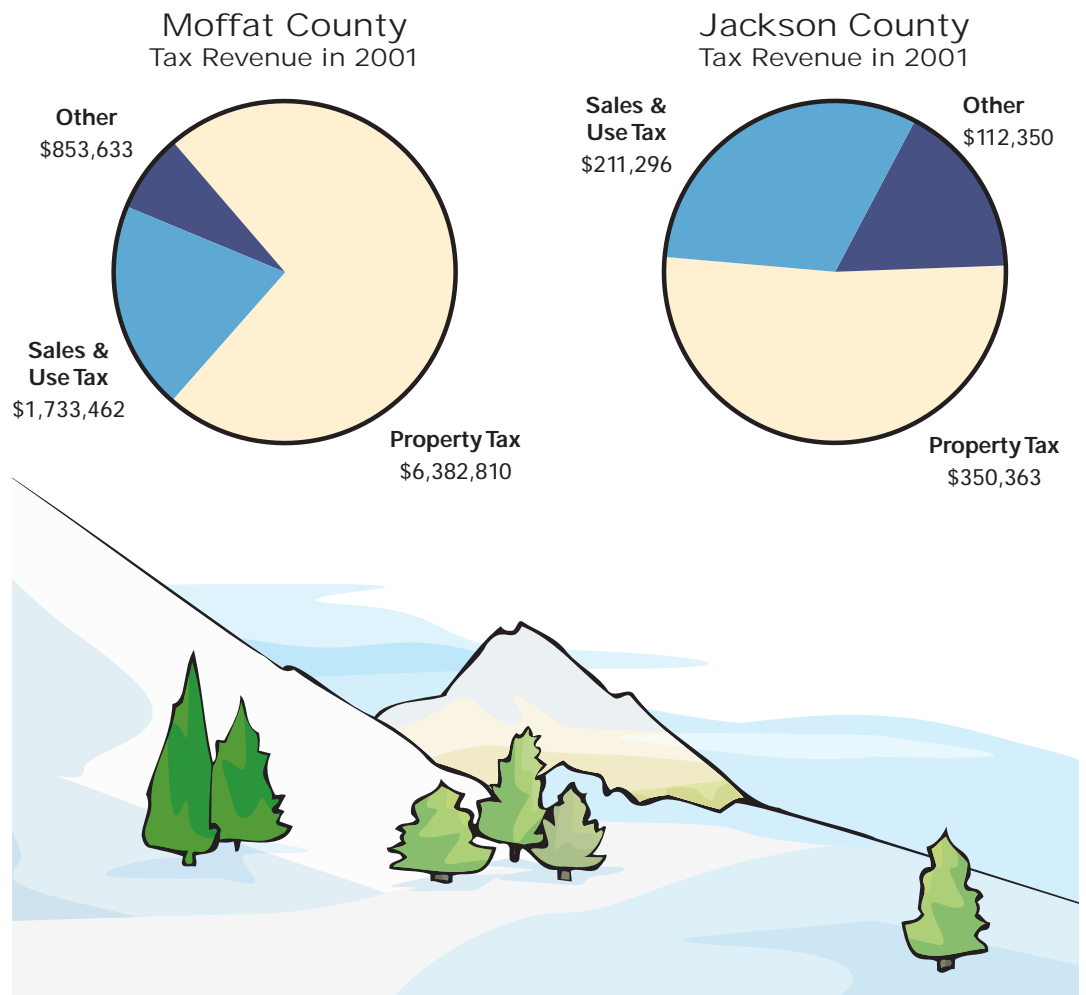
Debrucing: This term is named after the author of TABOR, Doug Bruce and refers to elections where voters are asked to allow government to keep and use all or part of the revenue collected beyond the TABOR limit. Local governments (especially school districts) have been successful in debrucing. In fact, 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.

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.

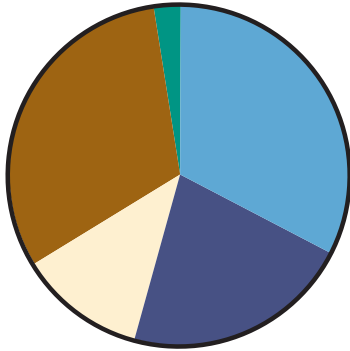
Revenue Trends

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.”



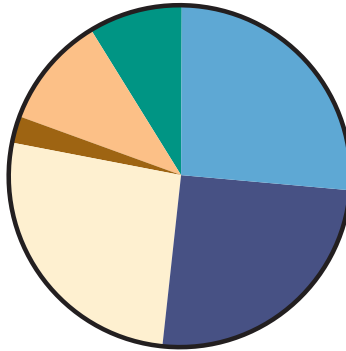
Local Impacts: Steamboat Springs, Colorado

City of Steamboat Springs
Expenditures in 2001



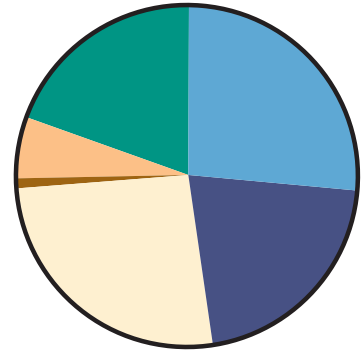
■	General Government \$4,918,937
■	Public Safety \$3,267,857
■	Public Works \$1,803,137
■	Culture & Recreation \$4,714,909
■	Social Services \$0
■	Other \$386,701

Routt County
Expenditures in 2001



■	General Government \$4,973,866
■	Public Safety \$4,776,376
■	Public Works \$4,960,492
■	Culture & Recreation \$475,100
■	Social Services \$2,004,506
■	Other \$1,678,158

Grand County
Expenditures in 2001



■	General Government \$3,832,106
■	Public Safety \$3,083,937
■	Public Works \$3,780,772
■	Culture & Recreation \$135,288
■	Social Services \$838,054
■	Other \$2,846,187

Economic Brief: Steamboat Springs and Routt County

Steamboat Springs: Tourism is critical to Steamboat Springs and accounts for an estimated 70% of the local economy. Steamboat boasts the highest number of skier visits for the non-front range resorts. In 2003, skier visits were up about 4%. Almost 60% of the city sales tax revenues come during the winter months of November through April. A 1% accommodation charge is added for short term lodging of 30 days or less and the revenues are dedi-

cated to the common infrastructure to benefit the recreation and lodging industry. During winter, about 350,000 people visit Steamboat and during the summer about 250,000 people visit. The largest single employer in the area is the Steamboat Ski and Resort Corporation with about 1,100 peak season employees. While winter is still the busiest time of year, Steamboat boasts year-round recreation. Hiking, biking, and camping opportunities abound in

Steamboat. Boating and fishing can be found on the Yampa, Green, Eagle and Colorado rivers and Steamboat Lake, Pearl Lake, and Stagecoach Lake State Park.

Routt County has its roots in agriculture and the ranches around Steamboat provide hay, wheat, oats, barley, sheep and cattle. Agriculture programs include Routt County Woolens and Yampa Valley Beef. Routt County is also Colorado's largest coal producing

Economic Brief (continued from page 3)

Recently, Routt County voters narrowly approved Referendum 1A, a 0.3 mill property tax increase that will fund county historical organizations and museums. County voters turned down Referendum 2A, a 3.55 mill property tax increase that would have increased the level of fire and ambulance services.

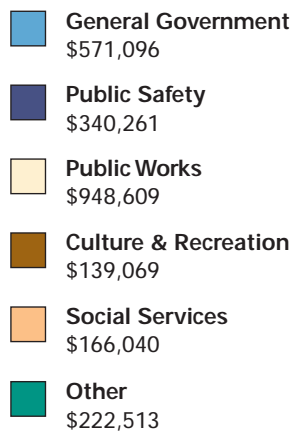
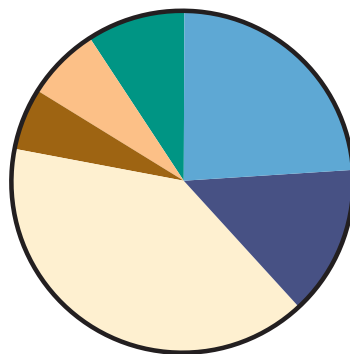
In Moffat County, the Tri-State Power Plant's assessed value decreased for the second straight year in a row. The good news is that the power plant will be undergoing capital improvements that should bring the assessed value back up. In addition, the 350 workers needed to make the improvements are expected to bring about a 3% increase in sales tax in Moffat County.

county and the industry employs over 500 people. In 2002, Routt County produced about one quarter of Colorado's coal production.

In 2000, Routt County had a total of 1,337 established businesses and 80% have less than 10 employees. The average annual wage in the county

is \$29,500 which is below the statewide average of \$36,000. The population in Routt County has increased dramatically in the past decade. The 2000 census indicates a 40% increase in population from 1990. Steamboat Springs accounts for about half of the 20,500 people in Routt County.

Jackson County Expenditures in 2001



Moffat County Expenditures in 2001

