

RESOLUTION 2023-16

A RESOLUTION ESTABLISHING A CITIZEN REVIEW COMMITTEE TO STUDY THE IMPACTS OF THE TABOR AMENDMENT ON THE CITY OF FRUITA AND MAKE RECOMMENDATIONS REGARDING PROPOSED COURSES OF ACTION

WHEREAS, The constitution of the state of Colorado was amended in 1992 by the Taxpayers Bill of Rights, otherwise known as the TABOR amendment; and,

WHEREAS, this complex law affects virtually every aspect of how municipal governments in Colorado raise and spend revenue; and,

WHEREAS, in the most basic understanding, TABOR does not limit the amount of spending of a government, but rather limits how much revenue a government may generate and retain and requires voter approval to keep any revenue over and above established revenue limits; and,

WHEREAS, within the TABOR amendment itself, voters have the ability to authorize government to retain revenue in excess of TABOR's limits, while still maintaining all other restrictions and requirements as stated in the amendment; and,

WHEREAS, the City of Fruita has gone to the voters on six previous occasions and asked for permission to utilize the revenue collected in excess of the TABOR limit, for the purpose of implementing the city's capital improvement program, street maintenance, and improvements; and

WHEREAS, at the April 3, 2018 municipal election, voters approved the TABOR override, otherwise known as de-Brucing, and allowed the City of Fruita to keep excess revenues for capital projects, and maintenance of capital improvements, with a vote of 2243 votes in favor of the de-brucing measure and 480 votes against the measure for a period starting January 1, 2019 and ending December 31, 2024; and

WHEREAS, understanding that the current de-Brucing measure expires December 31, 2024, the Fruita City Council has expressed an interest in bringing this issue to the voters and obtaining input from a citizen committee to develop recommendations and a course of action for the city to follow in dealing with this constitutional provision.

NOW, THEREFORE, BE IT RESOLVED BY THE FRUITA CITY COUNCIL, THAT A TABOR REVIEW COMMITTEE BE ESTABLISHED AS FOLLOWS:

1. **MEMBERSHIP.** Membership shall consist of community members appointed by the Fruita City Council. Members shall include a broad mix of citizens and individuals representing the community as wholly and completely as possible. All City Councilors and the Mayor shall be considered members of this committee. Members may be added or removed by motion of the City Council. Vacancies can only be filled by the City Council. The Committee shall select, amongst their membership, a

chairman to preside over the meetings.

2. **TERMS.** Members of the TABOR Review Committee are appointed to serve until the scope of the work outlined by the City Council is complete or April 2024, whichever comes first.

3. **SCOPE OF WORK.** The TABOR Review Committee is charged with reviewing the TABOR amendment and analyzing its potential impacts on the City of Fruita. The Committee is asked to develop recommendations and a course of action for the city to follow in dealing with this constitutional provision. The Scope of Work is not limited to the following issues and can be expanded by either the committee or the City Council. Specific areas that the Committee is directed to review include the following:
 - A. Determine community sentiment and support for the current de-Brucing measure.
 - B. Determine the risks and benefits of a de-Brucing measure and how it would affect the financial condition of the city and future budgeting processes.
 - D. Analyze the potential of the ratchet-down effect occurring to the City of Fruita budget.
 - F. Make recommendations on what course of actions should be followed. Recommendations on the following issues should be made:
 - 1) For how long should a new de-Brucing measure be in effect?
 - 2) Should the excess revenues be used exclusively for any specific purpose, project(s), or operation?
 - 3) When should the question be placed on the ballot?
 - 4) How best can the public be educated about these issues?

4. **FINAL REPORT.** The TABOR Review Committee will present to the City Council a report detailing their findings and recommendations regarding the TABOR amendment and how best the City Council should address this issue by October 17, 2023.

**PASSED AND ADOPTED BY THE FRUITA CITY COUNCIL
THIS 20TH DAY OF JUNE, 2023**

ATTEST:

City of Fruita

City Clerk

Joel Kincaid, Mayor