

TOWN OF LYONS

REVENUE OPTIONS WORKSHOP

REVENUE: BOARD ACTION TO DATE

- Lodging Tax Increase
 - Local Marijuana Tax Increase
 - Fee Structure Increases
 - Parking
 - Camping
 - Special Events
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2024 OUTLOOK

- Current year revenue should cover all current year operational expenses before capital allocations are made
 - 2023 General Fund budget allowed for that while still managing to dedicate \$125,000 to the Streets Capital Fund, \$100,000 to capital projects, and \$150,000 to the flood reserve
 - No major increases in revenue will be projected for 2024
 - 2024 increases in operating expenses
 - Police: increase of \$125,000
 - Staff Salaries:
 - Salary survey resulted in increases needed above CPI of \$50,000 to get positions to average minimum of proposed salary ranges
 - Budgeting general salary CPI increase of 3.0%
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ADDITIONAL REVENUE OPTIONS

- Sales tax vendor fee
 - Excise tax on liquor
 - Sales tax increase
 - Mill levy dedicated to capital projects
 - Fees to cover increases in operations
 - Court
 - Shelter Rentals
 - Park Maintenance Fee
 - Stormwater Fee
 - Incentives for new retail development
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SALES TAX VENDOR FEE

- Municipal Code: The retail vendor shall be entitled to retain three and one-third percent ($3\frac{1}{3}\%$) of all collections subject to the sales tax as a collection fee
 - Like an administrative fee
 - Many municipalities have removed the service fee all together due to the quick, simplified methods to remit sales tax
 - Not as labor intensive as it used to be
 - Takes the Town Finance Director 5 minutes to remit sales tax for the electric fund
 - If the Board wishes to change or remove the fee, a signed ordinance must be delivered to the State no later than November 15, 2023
 - To be effective January 1, 2024
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SALES TAX VENDOR FEE IMPACT EXAMPLES

Vendor Fee Example #1

Monthly Business Sales	\$	25,000
Lyons Sales Tax Rate		3.50%
Lyons Sales Tax Collected from Customers	\$	875
Current Service Fee Allowed		3.33%
Service Fee Total	\$	29.14

Amount of Tax Owed to Lyons	\$	845.86
Amount of Tax Business Retains	\$	29.14

Vendor Fee Example #2

Monthly Business Sales	\$	100,000
Lyons Sales Tax Rate		3.50%
Lyons Sales Tax Collected from Customers	\$	3,500
Current Service Fee Allowed		3.33%
Service Fee Total	\$	116.55

Amount of Tax Owed to Lyons	\$	3,383.45
Amount of Tax Business Retains	\$	116.55

COMPARISON: SALES TAX VENDOR FEE

City/County	Service Fee	
	Rate	Cap?
Boulder County	None	N/A
Lyons	3.33%	No Cap
Estes Park	3.33%	No Cap
Louisville	None	N/A
Lafayette	2.50%	Cap
Boulder	None	N/A
Mead	None	N/A
Nederland	None	N/A
Berthoud	3.33%	No Cap
Longmont	3.00%	Cap
Fort Collins	None	N/A
Loveland	None	N/A
Denver	None	N/A

DEDICATED SALES TAX

- Dedicated sales tax for capital projects or other budget initiatives
 - Current Town sales tax in 3.5%
- All increases need to go to voters for approval
 - Elections: April or November 2024

% Increase in Sales Tax	Estimated Annual Revenue Generated
0.25%	\$ 117,500
0.50%	\$ 235,000
0.75%	\$ 352,500
1.00%	\$ 470,000

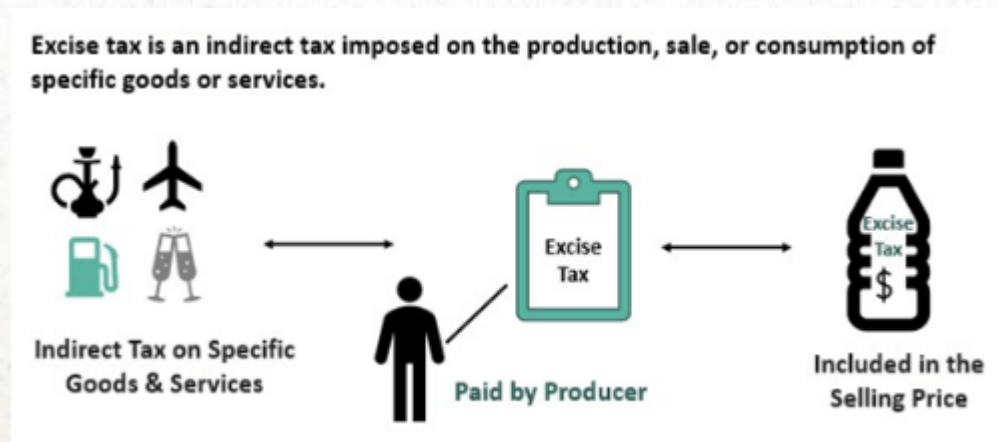
COMPARISON: SALES TAX

Sales Tax Comparison

Municipality	Rate
Town of Berthoud	4.00%
City of Boulder	3.86%
Town of Erie	3.50%
Town of Estes Park	5.00%
City of Fort Collins	3.85%
City of Lafayette	3.87%
City of Longmont	3.53%
City of Louisville	3.65%
City of Loveland	3.00%
Town of Lyons	3.50%
Town of Mead	3.00%
Town of Nederland	4.25%
Town of Superior	3.46%

EXCISE TAX

- Town currently has an excise tax on the first sale or transfer of retail marijuana in any form by a marijuana cultivation facility or a marijuana infused products facility within the Town
 - 5% of average market rate
- Additional excise taxes would need to be approved by voters
 - Examples: cigarettes, liquor, soda, gasoline, etc.



DEDICATED MILL LEVY: CAPITAL PROJECTS

- Dedicated property tax mill levy for capital projects
 - TABOR limits Town to 5.5% increase in property tax each year (not including growth)
 - Capital dedicated mill levies do not count towards the 5.5% limit
 - Examples: Street improvements, stormwater improvements, sidewalks, etc.
 - All increases need to go to voters for approval
 - Elections: April or November 2024
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PROPERTY TAX ALLOCATION: EXAMPLE

Assessed Value Example:		\$ 200,000	\$ 65,000
	<u>2022 Mill</u>	<u>Commercial</u>	<u>Residential</u>
<u>Taxing Entity</u>	<u>Levy*</u>	<u>Property Tax</u>	<u>Property Tax</u>
		<u>Paid</u>	<u>Paid</u>
St Vrain School	58.385	11,677.00	3,795.03
Boulder County	24.746	4,949.20	1,608.49
Town of Lyons	17.932	3,586.40	1,165.58
Lyons Fire	13.962	2,792.40	907.53
Lyons Library	5.859	1,171.80	380.84
Lefthand Water	1.406	281.20	91.39
NCWCD	1.00	200.00	65.00
Total	123.29	\$ 24,658.00	\$ 8,013.85

*2022 Mill Levy paid in 2023

FEE SCHEDULE



*Fee Schedule to be presented in December

ADDITIONAL FEES

- Maintenance Fees: can be added to monthly utilities bills
 - Stormwater fee – currently \$10 per month
 - Parks maintenance fee – no fee currently
 - Impact Fees:
 - Applies to new development
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THANK YOU FOR YOUR TIME

QUESTIONS?
