

**Town of Lyons, Colorado
Board of Trustees
BOT Agenda Cover Sheet
Agenda Item No: VIII - 6
Meeting Date: October 21, 2019**

TO: Mayor Sullivan and Members of Board of Trustees

FROM: Deb Anthony, Town Clerk

DATE: October 16, 2019

ITEM: Resolution 2019 – 109, a Resolution of the Town of Lyons, Colorado in Support of Proposition CC on the November 5, 2019 Statewide Election Ballot, a Measure to Allow the State to Invest Revenue Collected beyond current State Limits for State and Local Transportation Projects as well as K-12 Education and Higher Education.

ORDINANCE
 MOTION / RESOLUTION
 INFORMATION

I. Request or Issue:

Proposition CC (Prop CC) was referred to the November 5, 2019 statewide ballot by the Colorado General Assembly and, if passed, authorizes the state to annually keep and spend revenue collected above the state spending limit originally adopted in 1992, commonly known as the TABOR limit. The money would be divided equally between transportation improvements, K-12 public schools, and higher education.

II. Recommended Action/Next Steps:

To approve Resolution 2019-109 in support of Proposition CC

IV. Background Information: At the October 7 2019 BOT meeting the Board of Trustees directed staff to bring a Resolution to then at the October 21 2019 BOT meeting in support of Proposition CC.

If Prop CC is approved, one-third of the revenue retained by the state will be used for transportation, including everything from traditional highway projects to transit services and other alternative transportation modes. A portion of that money will flow directly to municipalities under a formula that has been part of state law for many years, commonly known as the Highway User Tax Fund (HUTF) formula. In just the first two years, state economists estimate that municipalities statewide may receive anywhere in the range of \$16 million to \$79 million in additional revenue to invest in local transportation improvements. In times of robust economic growth, just when demands for improved public infrastructure and services may also be skyrocketing, state leaders, at times, have taken the position that state revenues must be slashed in order for the state to comply with the cap. Such state revenue reductions may have the potential to harm

municipalities. For example, if the state were to cut mineral severance tax revenue to stay under the TABOR cap, local governments that directly benefit from these taxes would suffer. In general, if the state were relieved of the fiscal stress caused by the TABOR cap, municipalities would benefit both directly and indirectly from the state's ability to keep, save or invest revenue windfalls in times of strong economic growth.

V. **Legal Issues:** None

VI. **Conflicts or Environmental Issues:** None

VII. **Summary and Alternatives:** See attached, Frequently Asked Questions – Colorado Proposition CC: Authorizing the State of Colorado to retain and spend revenue in excess of Tabor Limits (put out by the Colorado Municipal League)

Proposed Motion: “ I move to approve Resolution 2019 – 109, a Resolution of the Town of Lyons, Colorado in Support of Proposition CC on the November 5, 2019 Statewide Election Ballot, a Measure to Allow the State to Invest Revenue Collected beyond current State Limits for State and Local Transportation Projects as well as K-12 Education and Higher Education.

Attachments: [**CML Recommendation to Support Proposition CC**](#)
[**FAQ Proposition CC**](#)
[**CC Yes, for Colorado**](#)