



## BOARD OF TRUSTEES REGULAR MEETING SEPTEMBER 2023

September 19, 2023 at 5:00 PM  
0110 Whispering Pines Circle, Blue River, CO

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### AGENDA

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The public is welcome to attend the meeting either in person or via Zoom.

The Zoom link is available on the Town website:

<https://townofblueriver.colorado.gov/board-of-trustees>

Please note that seating at Town Hall is limited.

#### 5:00 PM WORK SESSION:

Joint discussion with the Board of Trustees and Open Space & Trails Advisory Committee to review progress on the trail mapping application with Muller Engineering.

Overview of map interface

Basic functionality

Data layers and sources

Staff vs. Public Versions

Next steps & improvements

Update from Muller Engineering on the Spruce Creek Road project.

#### 6:00 PM REGULAR MEETING:

##### I. CALL TO ORDER, ROLL CALL

##### II. APPROVAL OF CONSENT AGENDA

A. Minutes for August 15, 2023

B. Approval of Bills-\$39,395.40

##### III. COMMUNICATIONS TO TRUSTEES

**Citizen Comments (Non-Agenda Items Only- 3-minute limit please). Any written communications are included in the packet.**

**IV. RESOLUTIONS**

**C.** Resolution 2023-04 Trail Signage Policies

**D.** Resolution 2023-05 Road Maintenance Request Policy

**V. NEW BUSINESS**

**VI. REPORTS**

**E.** Mayor

**F. i.** Citizen Advisory Committee - Trustee Finley

ii. Open Space and Trails Committee - Trustee Dixon

iii. Planning and Zoning - Trustee Hopkins

iv. Transit Authority - Trustee Pilling

v. Wildfire Council - Trustee Slaughter

vi. Roads - Trustee Fossett

**G.** Attorney

**H.** Staff Reports

**VII. EXECUTIVE SESSION**

**VIII. ADJOURN**

**NEXT MEETING -**

*Reports from the Town Manager, Mayor and Trustees; Scheduled Meetings and other matters are topics listed on the Regular Trustees Agenda. If time permits at the work session, the Mayor and Trustees may discuss these items. The Board of Trustees may make a Final Decision on any item listed on the agenda, regardless of whether it is listed as an action item.*



# BLUE RIVER BOARD OF TRUSTEES AUGUST 2023

August 15, 2023 at 5:00 PM  
0110 Whispering Pines Circle, Blue River, CO

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## MINUTES

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The public is welcome to attend the meeting either in person or via Zoom.

The Zoom link is available on the Town website:

<https://townofblueriver.colorado.gov/board-of-trustees>

Please note that seating at Town Hall is limited.

### 5:00 PM REGULAR MEETING

Mayor Babich called the regular meeting to order at 5:00 p.m.

#### I. CALL TO ORDER, ROLL CALL

PRESENT

Mayor Toby Babich

Trustee Joel Dixon

Trustee Kelly Finley

Trustee Mark Fossett

Trustee Noah Hopkins

Trustee Ted Pilling

Trustee Ted Slaughter

Also Present: Town Manager Michelle Eddy; Town Attorney Bob Widner

#### II. EXECUTIVE SESSION

Motion made by Trustee Dixon, Seconded by Trustee Finley Pursuant to **CRS 24-6-402(4)(b) and (e)** to receive legal advice and to instruct negotiators concerning a potential land acquisition.

Pursuant to **CRS 24-6-402(4)(b)** for the purpose of receiving legal advice concerning the laws governing the ownership, control, and use of real property for right-of-way. Pursuant to **CRS 24-6-402(4)(b)** to receive legal advice on the processing of a House Bill 1041 Application received

by the Town from the Colorado Department of Transportation at 5:06 p.m. Voting Yea: Mayor Babich, Trustee Dixon, Trustee Finley, Trustee Fossett, Trustee Hopkins, Trustee Pilling, Trustee Slaughter  
Finley moved and Fossett seconded to adjourn executive session with no action taken at 6:24 p.m. Motion passed unanimously.

**III. APPROVAL OF CONSENT AGENDA**

Motion made by Trustee Fossett, Seconded by Trustee Finley to approve the consent agenda. Voting Yea: Mayor Babich, Trustee Dixon, Trustee Finley, Trustee Fossett, Trustee Hopkins, Trustee Pilling, Trustee Slaughter. Motion passed unanimously.

- A. Minutes for July 25, 2023
- B. Approval of Bills-\$42,850.04

**IV. COMMUNICATIONS TO TRUSTEES**

**Citizen Comments (Non-Agenda Items Only- 3-minute limit please). Any written communications are included in the packet.**

- C. Written Public Comments

Mayor Babich noted emailed communication received. Discussion of the public comment received.

**V. NEW BUSINESS**

**VI. REPORTS**

- D. Mayor

Mayor Babich provided an update on policies for trail signs and road maintenance are being drafted and should be back for September.

- E. Trustees

- i. Citizen Advisory Committee -Trustee Finley

*Resident Grant Program*

- ii. Open Space and Trails Committee -Trustee Dixon

*Trails Tour Part 2-Sunday, August 20th, 9:30 a.m.-11 a.m.*

- iii. Planning and Zoning - Trustee Hopkins
- iv. Transit Authority - Trustee Pilling
- v. Wildfire Council - Trustee Slaughter
- vi. Roads- Trustee Fossett

Trustees

**i. Citizen Advisory Committee** -Trustee Finley

*Resident Grant Program*-Trustee Finley presented the proposed Resident Grant program which will provide grants for defensible space projects, bear resistant trash cans and natural night sky fixtures.

Fossett moved and Hopkins seconded to approve the resident grant program as presented. Motion passed unanimously.

**ii. Open Space and Trails Committee** -Trustee Dixon

*Trails Tour Part 2-Sunday, August 20th, 9:30 a.m.-11 a.m.*

iii. **Planning and Zoning** - Trustee Hopkins reported there was no meeting in August.

iv. **Transit Authority** - Trustee Pilling reported there was nothing new to report.

v. **Wildfire Council** - Trustee Slaughter no report.

vi. **Roads**- Trustee Fossett reported he had met with the road contractor in June and is aware of working being done and noted that work conducted seems to be holding up better than in years past.

F. Attorney

No report.

G. Staff Reports

See attached.

Discussion of the employee wellness benefit and changing how it is applied. It was approved to allow employees to purchase a wellness benefit of their choice and they will be reimbursed up to \$500.

Trustee Finley expressed gratitude to the staff especially PD for their work.

**VII. ADJOURN**

Motion made by Trustee Finley, Seconded by Trustee Fossett to adjourn the meeting at 7:15 p.m. Voting Yea: Mayor Babich, Trustee Dixon, Trustee Finley, Trustee Fossett, Trustee Hopkins, Trustee Pilling, Trustee Slaughter. Motion passed unanimously.

**NEXT MEETING -**

*Reports from the Town Manager, Mayor and Trustees; Scheduled Meetings and other matters are topics listed on the Regular Trustees Agenda. If time permits at the work session, the Mayor and Trustees may discuss these items. The Board of Trustees may make a Final Decision on any item listed on the agenda, regardless of whether it is listed as an action item.*

# Town of Blue River

Section II, Item B.

## A/P Aging Summary

As of September 19, 2023

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Beetle Kill Tree Guys Inc	2,540.00					\$2,540.00
Charles Abbott Associates		19,890.70				\$19,890.70
Early Childhood Options	3,900.00					\$3,900.00
John DeBee*	500.00					\$500.00
Muller Engineering Co	10,612.00					\$10,612.00
Widner Juran LLP	1,953.00					\$1,953.00
<b>TOTAL</b>	<b>\$19,505.00</b>	<b>\$19,890.70</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$39,395.70</b>

**TOWN OF BLUE RIVER, COLORADO**

**RESOLUTION 2023-04**

**A RESOLUTION APPROVING A TRAIL SIGNAGE POLICY**

WHEREAS, the Town of Blue River (the “Town”) is authorized to enact policies and procedures to govern public services and management of public lands and recreational programs; and

WHEREAS, the Town desires to ensure that persons using trails understand and are informed about the limitations and the rules governing trail use; and

WHEREAS, one means of educating and informing trail users of trail limitations and rules is the placement of properly located signs with consistent and clear messaging.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BLUE RIVER THAT,**

- 1. The Board of Trustees of the Town of Blue River hereby approves the attached *Trail Signage Policy* to guide the Town’s use of signs for trails.
- 2. This Resolution shall be effective immediately upon approval.

ADOPTED at a regular meeting of the Board of Trustees the 19<sup>th</sup> day of September, 2023.

\_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

Deputy Town Clerk





## Trail Signage Policy

### Policy:

Signage at the trailhead and throughout the trail should be used to inform and educate trail users. Properly located signs can be an indicator of location, distance, property boundaries or restricted uses, preventing unwanted conflicts, or confusion. Listed below are some objectives for trail signage. Town staff must approve all signs.

- Signs should be consistent with those used throughout the Town.
- Signs should be legible; this includes typography, vocabulary, and other design elements.
- Signs should inform users of the trail's use types, direction, location of the trail, location of private property, or other information that can assist and inform trail users.
- Signs should be low maintenance and be capable of withstanding extreme weather conditions and abuse.
- Signs should not obstruct the trail or natural scenery. Informational signs can be grouped together at the trailhead while warning signs should be located to give trail users a chance to react.
- Overuse of signs can diminish the natural effect while under use can leave the trail user confused.
- Carsonite with trail use indicators, rot resistant wood or stone should be used to maintain the most natural appearance.

Signage Example.





**TOWN OF BLUE RIVER, COLORADO**

**RESOLUTION 2023-05**

**A RESOLUTION APPROVING A  
ROAD MAINTENANCE REQUEST POLICY**

WHEREAS, the Town of Blue River (the “Town”) is authorized to enact policies and procedures to govern public services and the management, maintenance, and use of public roads; and

WHEREAS, the Town desires to establish a policy to best manage citizen requests for road maintenance in order to effectively and efficiently allocate the limited resources of time, money, and contractor effort.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BLUE RIVER THAT,**

- 1. The Board of Trustees of the Town of Blue River hereby approves the attached *Road Maintenance Request Policy* to guide the Town’s practices in addressing requests for road maintenance.
- 2. This Resolution shall be effective immediately upon approval.

ADOPTED at a regular meeting of the Board of Trustees the 19<sup>th</sup> day of September, 2023.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Deputy Town Clerk



## Road Maintenance Request Policy

### Background

Over the last several years, informal requests have been requested, and at times accommodated, from individuals requesting road maintenance. These requests were historically directed to the Town's road contractor while the contractor was in the field performing work. These informal requests created several issues throughout the Town including the diversion of resources for planned road maintenance (road base, sealing) and a disconnection with the Town's administration and oversight of planned and budgeted road needs.

### Policy

- Process
  - The Road Contractor and Town Manager will meet in the late summer/early fall to evaluate the needs and areas of concern identified by the road contractor.
  - A budget with priorities outlined for the year will be developed and presented to the Trustees.
- Policy
  - Any special request made to the Town or the Town's road contractor for additional or modified work will be submitted in writing to the Town Manager for review and consideration.
  - Consideration of any request will be reviewed by the Road Contractor in cooperation with the Town Manager. Road standards and best practices will be applied.
  - Requests will be given greater weight when made by a home or property owner that is proximate to the area of the requested maintenance.



**Blue River Staff Report**  
September 2023

Town of Blue River  
0110 Whispering Pines Circle  
Blue River, CO 80424

970-547-0545  
michelle@townofblueriver.org  
<https://townofblueriver.colorado.gov>



**Communications & Happenings**

- **Wildfire Mitigation Projects**
  - The Town received a \$155,000 grant from Colorado State Forest Service to conduct right-of-way mitigation work on all roads within the Town limits. The project will begin in 2024. Information on the project is attached.
  - An in-person presentation was conducted on September 7<sup>th</sup>. Twenty citizens and staff attended. Another presentation is scheduled via Zoom on September 21<sup>st</sup>, 6:00 p.m.
- **Broadband**
  - Staff has been working with the team from NEO Connect on a grant application with the Colorado Broadband Office. A partnership is being developed with the Town of Breckenridge and Summit County to bring fiber from the ice rink to Hoosier Pass. Blue River is the lead and the point of contact for the grant. The application is for \$7 million and is due at the end of September.
  - As of 9/13/23 Allo has agreed to sign on as the ISP (internet service provider) for the project. This is a big deal as they have existing work in the area and a relationship/agreement with Xcel which will be key in our application and construction plan. The agreement and additional partnership will further enhance the grant application.
- **Sherwood & Roads**
  - Work continues on the project. As cooperation with property owners continues and Muller Engineering continues their analysis, G & G Services (road contractor) has developed an interim plan for the winter in an effort to mitigate the issues at the intersection. The Contractor will be conducting culvert clearing and winter preparation/touch-ups in September.

### **Town Statistics**

Facebook Page Likes  
Town-1,300  
Police Department-900  
Instagram-1,232 followers  
Twitter (X)-75 followers  
Threads-84  
Residents on Email List-989  
Blue River News-1,164

**Business Licenses-264**

**Lodging Registrations-219**

### **Municipal Court September 2023**

Total tickets written for August Court: 32  
Total on the September Docket: 4  
Total September Failure to appear(s): 3  
Total September OJW(s): 0

### **Building Statistics**

**August 2023**

**Permits Issued: 33**  
**YTD: 160**  
**Inspections: 83**  
**New Construction 2023: 1**  
**Certificates of Occupancy 2023: 2**



## End of Month Report: August 2023

### Calls for Service

Total number of a calls: 201 Top 10 calls as follows:

Traffic Stop	104
Area Patrol	24
Trespass	8
Motorist Assist	8
Parking Violations	5
Animal Complaints	5
Noise Complaints	4
Criminal Mischief	4
VIN Inspections	3
Motor Vehicle Accident	3

**Summary:** Traffic enforcement and area patrol remain a priority for the department. Department sponsored traffic studies along Hwy. 9.

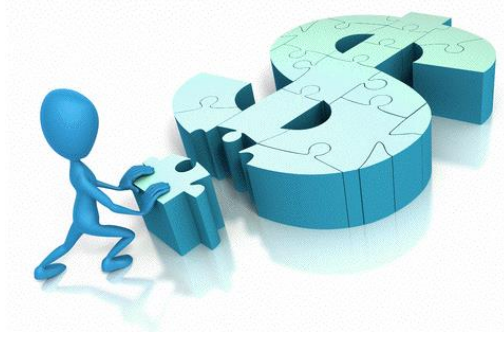
Arrests: DUI = 1, misdemeanor = 4.

### Current Administrative Focus

- Staffing – A new officer is completing field training.
- Patrol Vehicle– Is being outfitted with equipment to better serve the community and improve officer safety.
- Speed Trailer – Trailer has been placed on Hwy. 9 to capture highway safety data and improve driver awareness.

Report prepared by: Chief,  
David Close





**Financial Summary Report**

Prepared by: Michelle Eddy, Town Manager  
 Month Ending August 31, 2023

**Revenues/Expenditures:**

Revenues are tracking ahead of budget by 15.46%. Sales tax is tracking ahead of budget. Building is doing better than expected with many small permits. Other income including interest on investments are ahead of budget. Court is currently tracking behind budget but is picking up momentum as we become fully staffed again. Expenditures are above budget by 3.74%. Utilities continue to increase in expense primarily at Town Hall. Auto repairs are exceeded budget due to unforeseen repairs on the 2015 sedans. The Town is sitting in a good position and staying on track with planned revenues and expenditures.

**Reserve Accounts \*As of 8/31/2023**

Unrestricted	
Reserve accounts Alpine Bank:	\$1,378,740.97
First Bank Money Market Checking:	\$5017.85
First Bank Time Savings:	\$95,000.00
CD's Citywide Bank:	\$211,498.41
Colorado Trust:	\$931,993.34
CSAFE:	\$100.00
Illiquid Trust Funds:	\$1,187.42
<b>Total Unrestricted</b>	<b>\$2,623,537.99</b>
Restricted	
American Rescue Plan Funds:	\$231,485.23
Conservation Trust:	\$135,097.36
<b>Total Reserves Restricted</b>	<b>\$366,582.59</b>



# Town of Blue River

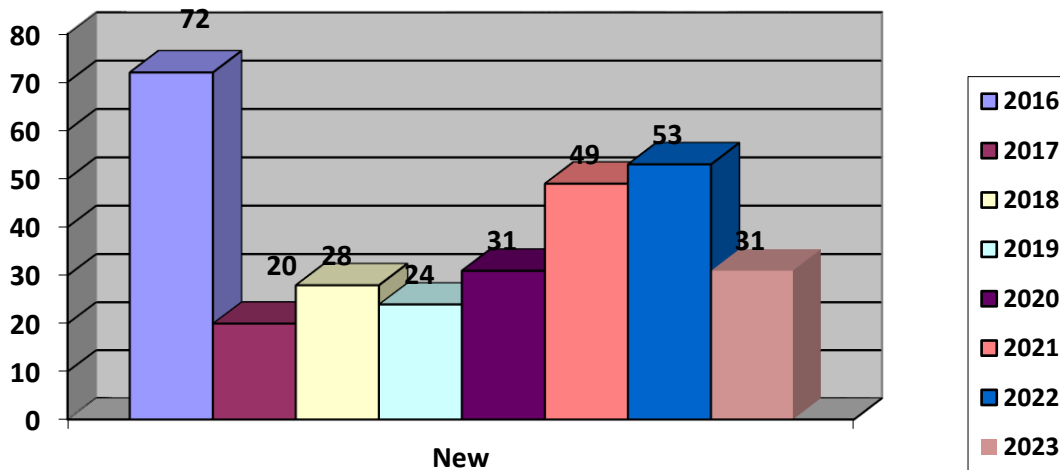
**Staff Report**  
**Short-term Rental Update**  
**August 31, 2023**  
**Submitted By: Michelle Eddy, Town Manager**

### Statistics

Issued by Year

2016	72	*Previous number included previous years prior to Town taking over program
2017	20	
2018	28	
2019	24	
2020	31	
2021	49	
2022	53	
2023	31	

**Total Active Licenses as of 8/31/2023: 219**



**New (never rented before) Licenses by year:**

- 2017-20
- 2018-25
- 2019-20
- 2020-25
- 2021-43
- 2022-35
- 2023-23

**License turnover (STR one owner to the next):**

- 2017-0
- 2018-3
- 2019-4
- 2020-6
- 2021-6
- 2022-18
- 2023-8

**Annual Revenue**

<b>Year</b>	<b>Sales Tax</b>	<b>Lodging Tax</b>
2016	\$264,757.05	\$123,742.00
2017	\$237,468.92	\$126,585.55
2018	\$286,968.54	\$155,511.07
2019	\$425,616.72	\$166,883.33
2020	\$842,141.13	\$176,339.81
2021	\$844,558.23	\$228,743.34
2022	\$1,002,256.27	\$327,762.62
2023	\$755,629.50	\$209,307.40

**Percentage of STRs by Subdivision**

***\*\*Please note the percentage of STRS is based on total homes built within each subdivision and NOT buildable lots.***

Subdivision	Built Lot	# STR	%STR **	% Build Out	% Full-Time Res.
96 Sub	37	9	24%	90%	30%
97 Sub	41	12	29%	84%	37%
Aspen View	16	7	44%	80%	13%
Blue Rock Springs	50	13	24%	93%	46%
Bryce Estates	4	1	25%	57%	0%
Clyde Lode	1	0	0%	50%	0%
Coronet	31	10	32%	78%	35%
Crown	67	22	33%	93%	30%
DOT Condo	36	6	14%	100%	31%
DOT Placer	2	0	0%	50%	100%
Golden Crown	5	3	60%	63%	20%
Lakeshore	40	11	28%	93%	23%
Leap Year	21	8	38%	91%	43%
Louise Placer	8	4	50%	73%	13%
McCullough Gulch	3	1	33%	43%	67%
Misc Sec TR7-77 Land	5	0	0%	22%	20%
Mountain View	44	13	27%	96%	34%
New Eldorado Sub	8	4	50%	73%	50%
New Eldorado Townhomes	9	1	11%	100%	56%
Pennsylvania Canyon	2	0	0%	100	0%
Pomeroy	0	0	0%	0%	0%
Rivershore	5	0	0%	63%	0%
Royal	67	16	24%	94%	31%
Sherwood Forest	78	19	24%	90%	24%
Silverheels	4	1	25%	67%	25%
Spillway	20	2	11%	90%	25%
Spruce Valley Ranch	45	0	0%	68%	20%
Sunnyslope	30	12	40%	86%	40%
Timber Creek Estates	71	28	39%	89%	8%
Wilderness	55	15	27%	96%	35%

**General Statistics**

- Total Percentage of short-term rentals 27%
- “Local” Breckenridge, Dillon, Frisco or Silverthorne addresses with STR License: 24 or 12%

**Code Violations 2015-2023**

<b>Total Violations:</b>	<b>299</b>
Violations for STR’s while licensed as an STR:	139 (46%)
Percentage of Repeat Offenders:	1%

# **Town of Blue River**

## **Hazard Tree Right-of-Way Mitigation**

### **Project**

#### **2024-2027**

**Purpose:**

The Town of Blue River has worked for the last ten years, to encourage residents to create defensible space around their homes. Through the Summit County Wildfire Council grants, 147 homes have been mitigated. An additional 30 homes were mitigated outside of the grant program. The Town has installed 21 cisterns throughout town to provide water resources in case of an emergency. The Colorado State Forest Action Plan identifies the need for proper road construction as well as hazards of narrow roads and densely spaced homes. It is necessary to reduce the risk of uncharacteristic fires. The project will reduce the risk of trees falling and blocking the road. This risk is identified for the Town of Blue River in the Summit County Hazard Mitigation Plan. The project area was selected due to its proximity to a proposed Colorado State Forest Service project. All homes within the project area are served by private wells. By reducing the fire risk, the project is protecting the ground water supply.

In addition to the right of way mitigation, the Town of Blue River will host a one-day chipping event to allow residents the opportunity to bring slash to the Town Park to be chipped. The wood chips will then serve for playground surface.

**Goals:**

The goal of the project is to enhance the safety of the roads and property through the entire town for emergency and mitigation purposes.

**Tentative Schedule:**

**2024:** 96 Sub; Blue Rock Springs; Coronet; Mountain View; Royal; Sherwood Forest; Wilderness

**2025:** 97 Sub; Aspen View; Crown; Golden Crown; Leap Year; Louise Placer McCullough Gulch; New Eldorado; Silverheels; Sunnyslope;

**2026:** Bryce Estates; Lakeshore; Rivershore; Spillway; Spruce Valley Ranch; Timber Creek Estates

**Process:**

The Town will work with Red, White and Blue Fire along with Beetle Kill Tree Service and TSH to identify hazard trees within 5' of road right-of-way on both sides of the road. Once identified, the Town will work with residents for agreement to remove the hazard trees.



COLORADO  
MUNICIPAL  
LEAGUE

303 831 6411 / 866 578 0936

303 860 8175

www.cml.org

1144 Sherman St., Denver, CO 80203

**Proposition HH: Reduce Property Taxes and Retain State Revenue**

Proposition HH will appear on Colorado voters’ November ballots. In addition to the below summary and analysis from CML, a detailed analysis of the measure by the General Assembly’s Legislative Council Staff is available at <http://leg.colorado.gov/ballots/reduce-property-taxes-and-retain-state-revenue>.

**CML Summary and Analysis**

*Assessment rate/valuation changes:* The General Assembly referred Proposition HH to voters by [SB 23-303](#). The measure temporarily lowers the assessment rates for both residential and certain types of nonresidential properties for a ten year-period. For the 2023 property tax year, the measure provides all residential properties with a \$50,000 reduction in value, and for the 2024 property tax year, provides all residential properties with a \$40,000 reduction in value. Starting in the 2025 tax year, the measure creates a distinction between owner-occupied primary residences and non-owner-occupied residences and, starting that same year, only owner-occupied homes will be afforded the \$40,000 reduction in actual value on an annual basis. The measure also creates a “qualified-senior primary residence” exemption of \$140,000 starting in the 2025 property tax year, which will be portable. Both the owner-occupied primary residence exemption and qualified-senior primary residence exemption require taxpayers to apply with their respective county assessor to obtain the exemption.

These changes to assessment rates and valuation provide some property tax relief by lowering the property taxes owed by property owners, compared to what would be owed without the measure. This results in a decrease in property tax revenue collected by local governments, compared with what is authorized under current law. This means that in property tax years when property values increase, like the 2023 property tax year, taxpayers will still see an increase in property taxes under Proposition HH, but the increase will likely be less than the increase would be without the measure; likewise, local governments may see an increase in property tax revenue even if Proposition HH passes, but it will likely be less of a revenue increase than would occur without the measure. If property values remain stagnant or decrease in future property tax years, Proposition HH may result in a greater decrease in property taxes owed by taxpayers and may result in a greater decrease in property tax revenue for local governments. This analysis rests on the assumption that local governments keep their mill levy the same each year, which is not typically the case, and would further impact the analysis.

*Revenue limit:* Starting in the 2023 property tax year, Proposition HH limits growth in property tax revenue for local governments, except for school districts and home rule municipalities and counties (but not any of their special purpose districts). The limit is the rate of inflation, as dictated by the Denver-Aurora-Lakewood CPI (based on the most recently published estimate of inflation for the prior calendar year), over the prior year’s property tax revenue. The measure sets forth certain categories of revenue that are exempt from this limit.



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303 831 6411 / 866 578 0936

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1144 Sherman St., Denver, CO 80203

Local governments can exceed the revenue limit if the governing body, on an annual basis, notifies the public, holds a public meeting for public comment, and adopts an ordinance or resolution. The local government’s decision would be a final decision that is not subject to appeal. This new limit applies in addition to local TABOR expenditure limits and any other legal limits on revenue. Notably, local governments already have authority to temporarily lower mill levies to provide property tax relief and many have implemented property revenue growth limitations. Although local governments are given authority to exceed this new inflationary limit, Proposition HH may constrain the authority of local governments to create locally appropriate solutions.

*Retention of state surplus and revenue backfill:* Finally, the measure allows the state to retain and spend part of the state surplus (TABOR cap) up to the “Proposition HH cap” through at least 2032.<sup>1</sup> This, in turn, reduces TABOR refunds.<sup>2</sup> Up to 20 percent of the retained revenue will be used to partially backfill the property tax revenues that local governments will lose out on because of the various reductions that will go into effect. However, lost property tax revenue resulting from reduced mill levies (e.g., due to the local property tax limit in the act) will not be reimbursed to local governments. Additionally, once a municipality reaches an increase of 20% or more in the assessed value of real property from the 2022 property tax year, it will no longer be eligible for backfill. Most local governments are likely to become ineligible for any backfill early in the ten-year period. Fire Districts, EMS, and Hospital Districts will receive 50% of their backfill amount if they go over the 20% increase in assessed value and are at the front of the line for available backfill dollars. Up to \$20 million of the state-retained revenue may go to rental assistance. The largest portion of the state-retained revenue will go to fund K-12 education and will likely increase significantly over the ten-year period.

Proposition HH is a complicated measure with many moving pieces, making it difficult to fully explain and understand the scope of changes, let alone for state and local governments to implement the changes. The measure will require state and local governments to establish new processes to effectuate these changes, making Proposition HH administratively difficult to navigate, particularly regarding municipal budgeting. To compound that challenge, the measure’s impact is dependent on many economic factors that are constantly in flux.

<sup>1</sup> The state can continue the Proposition HH cap after 2032, without further voter approval, if it maintains property tax decreases equivalent to those in the measure.

<sup>2</sup> For the 2023 tax year, the measure will distribute TABOR refunds to taxpayers in equal amounts rather than through the tiered refund system.