

RESOLUTION NO. 92-14

DECLARING THE HUDSON BOARD OF TRUSTEES' OPPOSITION TO AMENDMENT 1, WHICH WILL APPEAR ON THE NOVEMBER 3, 1992, GENERAL ELECTION BALLOT.

WHEREAS, a proposed constitutional amendment has been placed on the November 3, 1992, general election ballot as Amendment No. 1, which would unreasonably limit state and local government revenues, spending, and services; require numerous expensive elections on state and local finance issues; and impose additional costly requirements, thereby diverting public revenues from critical public services; and

WHEREAS, because the amendment addresses spending as well as revenues, it is much more confusing, complicated, and onerous than any prior local government limitation proposed to the Colorado electorate; and

WHEREAS, the amendment ties the Town's growth rate to the Denver/Boulder Consumer Price Index which has little relationship to growth in the rural areas; and

WHEREAS, the Town contracts for many municipal services, the charges for which are not within the Town's control; and

WHEREAS, the amendment will have immediate and long term adverse effects on the Town's operations and consequently on its ability to continue to provide services to its citizens; and

WHEREAS, the proposed amendment makes no provision for a temporary downturn in the local economy; and

WHEREAS, the Town's current shares of state collected, locally shared revenues in the form of motor fuel tax (\$21,500), cigarette tax (\$2,602), energy impact funds (\$350,000), and lottery funds (\$5,138) are also at risk due to the amendment's restrictions on state revenue and spending; and

WHEREAS, the combination of revenue, spending, and other restrictions will impair the community's ability to invest in economic development, job creation and infrastructure and to gain the resulting community benefits; and

WHEREAS, the amendment will make it difficult to maintain or improve existing services or to expand or add new services; and

WHEREAS, even though the municipal water utility is financed in part by fees paid by users, the amendment's "enterprise" exemption is so vague that these operations may be unable to serve consumer needs even though utility service demand levels and environmental mandates are not within the control of the municipality while private utilities are not similarly affected; and

WHEREAS, the amendment violates the principles of representative government in that decisions regarding local governmental programs and policies which relate to the expenditure of local public funds will be determined by the economy of the Metro area, bypassing the Board of Trustees who have been duly chosen by the citizens of Hudson to make such decisions; and

WHEREAS, the amendment undermines the principles of local control and home rule by subjecting day-to-day governmental decisions to arbitrary statewide limits without consideration for local needs and conditions of the Town and its residents; and

WHEREAS, the amendment imposes a constitutional straightjacket on every local government in Colorado without regard for the complexity of local government structures and restrictions and provides no options for citizens of a local government to adopt alternative local limits consistent with local needs; and

WHEREAS, local governments are already accountable to their constituents through regular elections, initiative, referendum and recall procedures, and a variety of financial controls; and

WHEREAS, if a local government experiences a revenue and spending shortfall in any year, its revenue and spending limit and its ability to provide services are permanently reduced even though revenues recover; and

WHEREAS, because of the cyclical nature of government revenues and spending and the delays inherent in the amendment's revenue and spending limitation, local governments will be unable to respond to economic conditions in a timely manner; and

WHEREAS, the effect of the amendment's requirement of voter approval of a wide variety of finance and service issues at elections held a maximum of three (or two) times in each two year cycle will cause a myriad of finance issues to be placed on the ballot at the same time, prevent timing of bond elections to take advantage of favorable market conditions, substantially restrict citizen emergency conditions which are not defined as emergencies in the amendment; and

WHEREAS, the amendment establishes costly, cumbersome, and confusing election procedures and requirements, with legal jeopardy to the citizens if required pro and con

statements, fiscal estimates or notices are later determined by the courts to be mistaken or inadequate; and

WHEREAS, the amendment requires additional elections to spend the proceeds of taxes approved by the voters at previous elections; and

WHEREAS, the Town and its citizens will be forced to absorb additional election, finance, administration, and legal costs in order to comply with the amendment's requirements; and

WHEREAS, the amendment requires local governments to divert funds from needed public services to create special reserves available only for extremely limited purposes; and

WHEREAS, passage of the amendment will require extensive and costly litigation in order for citizens and government officials to be confident about its meaning and to comply with its terms; and

WHEREAS, if a local government makes a mistake in interpreting and complying with the amendment, the local government and its citizens are subject to paying a 10% penalty for up to four years, plus refunding the excess and paying the costs and attorney's fees of the plaintiffs and of the local government.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Hudson, Colorado, that:

SECTION 1. Amendment 1 is hereby opposed because it would be severely detrimental to the Town and its citizens.

SECTION 2. Citizens are encouraged to become fully informed about the amendment and its effects on them, their community, and their state before voting on November 3.

SECTION 3. The citizens of Hudson are encouraged to vote no on Amendment No. 1.

INTRODUCED, READ AND ADOPTED by the Board of Trustees this 14th day of October, 1992.

TOWN OF HUDSON, COLORADO

Mayor

SEAL

ATTEST

Town Clerk