



Fire Service's Ability to Provide Service Jeopardized by Gallagher RAR Cut

Significant residential revenue cuts have been triggered by the Gallagher Amendment, a constitutional measure adopted in 1982 that limits the growth of residential property taxes. Under the Gallagher formula, residential properties are supposed to make up no more than 45 percent of the state property tax base.

- This year, the rate dropped to 7.2 percent from 7.96 percent of a property's value. In 2019, it's expected to fall again, to 6.11 percent. That would represent a 23 percent cut to the residential tax base in a three-year period
- No business, much less a fire department, can absorb a 23% revenue reduction in less than 4 years from their primary revenue source while demand for services continues to rise
- There are no other major sources of revenue available to replace the lost RAR revenue
- This crisis is not because of poor planning in fire departments, but because the residential assessment rate continues to ratchet down beyond our control
- More than 50% of all fire departments in Colorado are fire protection districts and most receive between 60% to 100% of their annual revenue from residential taxes.
- The reduction in RAR negatively impacts all fire departments, volunteer, combination, career, special districts or municipal, rural, suburban or urban, but is especially catastrophic on fire protection districts.
- In rural Colorado, where home values are growing more slowly, or not at all, the budgets of fire departments that rely on property taxes to provide public services have been hit hardest of all
- Rural communities already have increased response times because of continued decline in number of volunteer firefighters. Less revenue will only make the problem worse.
- The safety of both citizens and firefighters is at risk and Gallagher cuts have disparate effects in different parts of the state.
- Firefighters, volunteer and career, training and equipment are required to manage everything fire departments do for our citizens.... cardiac arrests, automobile extrications, fighting single-family home fires or making an initial attack on a wildland fire to stop it from entering our communities
- The reality is.....fire departments require adequate funding to operate safely

Immediate Legislative Action Required

- **Pass enabling legislation in the current 2018 legislative session to extend the 7.2% RAR for 4 years (until 2022)**
- Extending the 7.2% RAR should give stakeholders and the legislature time to find long term solutions to this unintended fiscal crisis for Colorado's fire departments

Feb 27, 2018