Election — November 4, 2014

City of Longmont Ballot Issue



League of Women Voters® of Boulder County

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LONGMONT
BALLOT ISSUE 2A
[STREET FUND TAX
EXTENSION]

WITHOUT RAISING ADDITIONAL TAXES, SHALL ORDINANCE O-2014-42, EXTENDING THE EXISTING STREET SYSTEM MAINTENANCE AND IMPROVEMENT COMPONENT OF SALES AND USE TAXES, AT THE RATE OF THREE-QUARTERS OF A CENT, FROM DECEMBER 31, 2016 THROUGH DECEMBER 31, 2026, BE APPROVED AND BECOME EFFECTIVE?

Major Provisions

Ballot issue 2A authorizes the City to continue collecting the current three quarter cent sales and use tax for street maintenance, rehabilitation and improvements for ten years. Funds from the tax also will be used to improve transportation safety and efficiency. The ballot issue does not designate what percentage of the fund shall be allocated to different sectors such as street maintenance or transportation system management projects. This is a change from the previous sales and use tax ordinances. The ten-year extension also is a change.

Background

In 1986 Longmont increased the existing sales and use tax by three quarters of a cent for street system maintenance. Unless a new ordinance is adopted the tax will expire December 31, 2016, in which case the sales and use tax will revert to the amount collected before 1986.

Previously the ordinance was renewed every five years. The Street Fund dollars are often used to meet local match requirements when applying for county, state and federal grants. The ten-year time frame will allow the city to apply for grants for large projects that require a larger local match. All funds collected by the three quarter cent sales and use tax, as well as revenues received by the city from the county, state and federal government for street system operations and improvements, are allocated to the Street System Maintenance and

Improvement Fund (Street Fund). Money from the fund can be used only for operations, maintenance, rehabilitation and improvement of the city transportation system. The current tax generates approximately \$12 million a year. Longmont's current municipal sales and use tax rates are 3.275%, which is lower than most cities in the region.

Those IN FAVOR say:

- 1. The tax has worked well since 1986 to provide Longmont with a sound transportation system. The proposed tax extension for ten years will allow greater flexibility for the City to compete for additional county, state and national funding.
- 2. Removing the requirement to designate specific percentages for divisions within the Street Fund will provide greater flexibility to meet future needs.
- 3. A sales and use tax collects revenue from all who use the City street system in contrast to a property tax which would only be collected from those who own property within the City.

Those OPPOSED say:

No known opposition has been identified.

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