

**A RESOLUTION DESCRIBING A PROPOSAL FOR A .25% COUNTY-WIDE SALES
AND USE TAX TO ADDRESS THE SHORTAGE, HIGH COST, AND QUALITY OF
EARLY CHILDHOOD AND CHILDCARE PROGRAMS FOR FAMILIES IN LARIMER
COUNTY, REFERRING A BALLOT ISSUE TO THE 2025 COORDINATED
ELECTION BALLOT FOR THE APPROVAL OF SUCH PROPOSAL,
AND CALLING AN ELECTION**

WHEREAS, the 2024-2028 Larimer County Strategic Plan identified an objective that called for Larimer County to work collaboratively with public and private entities to increase the equity in the community's economy, including capacity for the childcare workforce in our community; and

WHEREAS, there is a significant gap between demand for and availability of childcare and preschool in Larimer County; and

WHEREAS, it is estimated that Larimer County needs at least another 3,000 spaces for children from birth to 24 months and another 2,500 spaces for those aged 2 to 5 to close the gap between the number of children with all parents working and the number of childcare slots; and

WHEREAS, the NoCo Works External Barriers Report (September 2024) identifies access to childcare as a major structural barrier to workforce participation and economic growth in Larimer County; and

WHEREAS, childcare is a significant cost burden to working families in Larimer County; and

WHEREAS, current funding sources, public and private, are insufficient to address both availability and affordability of quality childcare and preschool in Larimer County; and

WHEREAS, communities across Colorado have sought and secured dedicated local funding to address capacity shortages, make services more affordable for families, and to improve quality of services in their communities; and

WHEREAS, the Early Childhood Council of Larimer County, in partnership with the United Way of Larimer County, convened a Steering Committee of community leaders to address early childhood programs and access in Larimer County; and

WHEREAS, the Steering Committee reached the conclusion that dedicated funding for early childhood programs is essential to address such things as providing financial assistance for the cost of childcare and preschool programs for working families with children from birth to age five, investing in the early childhood system to expand capacity and improve quality, conducting evaluations, providing for administration, and other potential supports; and

WHEREAS, the Early Childhood Council of Larimer County was chosen via a competitive bidding process to help develop framework to achieve the stated purposes in this resolution, and should voters approve the proposed sales and use tax, to help administer the revenue subject to the parties negotiating a service contract; and

WHEREAS, the Early Childhood Council of Larimer County has asked the Larimer County Board of County Commissioners to refer a county-wide sales and use tax increase question on behalf of the Steering Committee to the voters for the purpose of supporting working parents, children, and early care and education programs and educators in Larimer; and

WHEREAS, the Larimer County Board of County Commissioners believes it is in the best interests and welfare of the Larimer County community that voters have the option of voting on a sales tax to fund increasing and sustaining the quality, accessibility, capacity, and affordability of early childhood services for residents of Larimer County including Berthoud, Estes Park, Fort Collins, Johnstown, Loveland, Timnath, Wellington, Windsor, and rural communities within Larimer County; and

WHEREAS, the County recognizes the importance of broad community input in establishing and operating these services; and

WHEREAS, pursuant to §26.5-5-104.5, Colorado Revised Statutes, Counties are urged to partner with community organizations and expend local governmental funds to evaluate, improve, and deliver early childhood services through a comprehensive early childhood system; and

WHEREAS, Article 2 of Title 29, Colorado Revised Statutes, as amended, authorizes referral of a county-wide sales and use tax to the registered electors of a county either by resolution adopted by the Board of County Commissioners of such county or by petition initiated and signed by five percent of the registered voters of such county, and if approved by a majority of registered electors voting thereon, such sales and use tax shall be effective throughout the incorporated and unincorporated portions of Larimer County; and

WHEREAS, pursuant to §29-2-104(3), Colorado Revised Statutes, as amended, the Board of County Commissioners of Larimer County ("County") in the State of Colorado ("State") desires to refer to the registered electors of the County a proposal for a county-wide sales and use tax at the next general election on November 4, 2025, a day which is within the next succeeding 120 days after the adoption of this Resolution; and

WHEREAS, §29-2-105, Colorado Revised Statutes, as amended, requires that a proposal for a county-wide sales and use tax contain certain provisions concerning the amount, levying and scope of such tax; and

WHEREAS, Article X, Section 20 of the State Constitution requires voter approval of the proposed county-wide sales and use tax.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LARIMER COUNTY that there shall be referred to the registered electors of the County at the general election to be held on November 4, 2025, the following proposal:

Section 1. THAT a county-wide one-quarter percent (.25%) sales tax beginning January 1, 2026 in accordance with the provisions of Article 2, Title 29, Colorado Revised Statutes, as amended, and ending December 31, 2045, shall be imposed on the sale of tangible personal property at retail and the furnishing of services in the County, as provided in §29-2-105(1)(d), Colorado Revised Statutes, as amended, and as is more fully hereinafter set forth.

- (a) For the purposes of this sales tax proposal, all retail sales are consummated as specified in the provisions of Article 26 of Title 39, Colorado Revised Statutes, as amended, and by rules and regulations promulgated by the State Department of Revenue.
- (b) The amount subject to tax shall not include the amount of any sales or use tax imposed by Article 26 of Title 39, Colorado Revised Statutes, as amended.
- (c) The tangible personal property and services taxable pursuant to this proposal shall be the same as the tangible personal property and services taxable pursuant to §39-26-104, Colorado Revised Statutes, as amended, and subject to the same exemptions as those specified in Part 7, Article 26, Title 39, Colorado Revised Statutes, as amended, and further subject to the exemptions for:
 - (1) The exemption for sales of food for domestic home consumption specified in §39-26-707 (1)(e) & 39-26-102 (4.5), C.R.S.;
 - (2) The exemption for sales of machinery and machine tools specified in §39-26-709 (1), C.R.S.;
 - (3) The exemption for sales of gas, electricity, and other specified fuels for residential use specified in §39-26-715 (1)(a)(II), C.R.S.;
 - (4) The exemption for low-volume sales by a charitable organization specified in §39-26-718 (1)(b), C.R.S.;
 - (5) The exemption for sales of farm equipment, not including animal identification equipment, specified in §39-26-716 (4)(e) & (4)(f);
 - (6) The exemption for food, not including candy and soft drinks, sold through vending machine specified in §39-26-714 (2), C.R.S.;
 - (7) The exemption for sales of certain medium and heavy-duty vehicles, engines, motors, and conversion parts purchased before 1/1/25 or 8/1/25 onward specified in §39-26-719 (1), C.R.S.;

- (8) The exemption for sales of renewable energy components specified in §39-26-724, C.R.S.
 - (9) The exemption for sales of incontinence products and diapers as specified in §39-26-717(2)(n), C.R.S.;
 - (10) The exemption for sales of period products as specified in §39-26-717(2)(m), C.R.S.;
 - (11) The exemption for Manufactured homes, Modular homes, and Tiny Homes constructed on a permanent chassis in compliance with Manufactured Homes Construction and Safety Standards (HUD Code) §39-26-721(3), C.R.S.
- (d) All sales of personal property on which a specific ownership tax has been paid or is payable shall be exempt from the sales tax imposed by the County when such sales meet both of the following conditions:
- (1) The purchaser is a non-resident of or has his principal place of business outside of the County; and
 - (2) Such personal property is registered or required to be registered outside the limits of the County under the laws of the State.
- (e) The county-wide sales tax shall not apply to the sale of construction and building materials, as the term is used in §29-2-109, Colorado Revised Statutes, as amended, if the purchaser of such materials presents to the retailer a building permit or other documentation acceptable to the County evidencing that a local use tax has been paid or is required to be paid.
- (f) The county-wide sales tax will not apply to the sale of tangible personal property at retail or the furnishing of services if the transaction was previously subjected to a sales or use tax already imposed on the purchaser or user by another statutory or home rule county equal to or in excess of that sought to be imposed by the County. A credit shall be granted against the sales tax imposed by the County with respect to such transaction equal in amount to the lawfully imposed local sales or use tax previously paid by the purchaser or user to the previous statutory or home rule county. The amount of the credit shall not exceed the sales tax imposed by the County.
- (g) The county-wide sales tax will not apply to the sale of food purchased with food stamps. For purposes of this paragraph, "food" shall have the meaning as provided in 7 U.S.C. § 2012(g) as such section existed on October 1, 1987, or as such section is thereafter amended.

- (h) The county-wide sales tax will not apply to the sale of food purchased with funds provided by the special supplemental food program for women, infants and children, 42 U.S.C. §1786. For purposes of this paragraph, "food" shall have the same meaning as provided in 42 U.S.C. §1786 as such section existed on October 1, 1987, or as such section is thereafter amended.
- (i) The vendor (retailer) shall not be entitled as collecting agent to withhold a collection fee unless such a fee, and the amount thereof is established by the Board of County Commissioners. If such fee is established, it will be administered as specified in §39-26-105, C.R.S. No vendor shall be entitled to the collection fee for any month that the vendor is or remains delinquent.
- (j) The sales tax imposed shall be collected, administered and enforced by the Executive Director of the Department of Revenue in the same manner as the collection, administration and enforcement of the State sales tax, as provided by Article 26 of Title 39, Colorado Revised Statutes, as amended.

Section 2. THAT a county-wide one-quarter percent (.25%) use tax beginning January 1, 2026 in accordance with the provisions of Article 2, Title 29, Colorado Revised Statutes, as amended, and ending December 31, 2045, shall be imposed for the privilege of using or consuming in the County any construction and building materials purchased at retail and for the privilege of storing, using, or consuming in the County any motor and other vehicles, purchased at retail on which registration is required. The use tax shall not apply:

- (a) to the storage, use, or consumption of any tangible personal property the sale of which is subject to a retail sales tax imposed by the County;
- (b) to the storage, use or consumption of any tangible personal property purchased for resale in the County either in its original form or as an ingredient of a manufactured or compounded product, in the regular course of a business;
- (c) to the storage, use or consumption of tangible personal property brought into the County by a non-resident thereof for his own storage, use, or consumption while temporarily within the County; however, this exemption does not apply to the storage, use, or consumption of tangible personal property brought into this state by a non-resident to be used in the conduct of a business in this state;
- (d) to the storage, use, or consumption of tangible personal property by the United States government, or the State, or its institutions, or its political subdivisions in their governmental capacities only or by religious or charitable corporations in the conduct of their regular religious or charitable functions;
- (e) to the storage, use, or consumption of tangible personal property by a person engaged in the business of manufacturing or compounding for sale, profit, or use any article, substance, or commodity, which tangible personal property enters into the processing of or becomes

an ingredient or component part of the product or service which is manufactured, compounded, or furnished and the container, label, or the furnished shipping case thereof;

- (f) to the storage, use, or consumption of any article of tangible personal property the sale or use of which has already been subjected to a legally imposed sales or use tax of another statutory or home rule county equal to or in excess of that imposed by the County. A credit shall be granted against the use tax imposed by the County with respect to a person's storage, use, or consumption in the County of tangible personal property purchased in another statutory or home rule county. The amount of the credit shall be equal to the tax paid by the person by reason of the imposition of a sales or use tax of the other statutory or home rule county on the purchase or use of the property. The amount of the credit shall not exceed the tax imposed by this proposal;
- (g) to the storage, use, or consumption of tangible personal property and household effects acquired outside of the County and brought into it by a nonresident acquiring residency;
- (h) to the storage or use of a motor vehicle if the owner is or was, at the time of purchase, a non-resident of the County and he purchased the vehicle outside of the County for use outside of the County and actually so used it for a substantial and primary purpose for which it was acquired and he registered, titled, and licensed said motor vehicle outside of the County;
- (i) to the storage, use or consumption of any construction and building materials and motor and other vehicles on which registration is required if a written contract for the purchase thereof was entered into prior to the effective date of this use tax;
- (j) to the storage, use, or consumption of any construction and building materials required or made necessary in the performance of any construction contract bid, let, or entered into, any time prior to the effective date of this use tax; or
- (k) to the storage of construction and building materials.

Section 3. THAT the use tax provided-for herein shall be applicable to every motor or other vehicle for which registration is required by the laws of the State of Colorado, and no registration shall be made of any motor or other vehicle for which registration is required, and no certificate of title shall be issued for such vehicle by the Department of Revenue or its authorized agents until any tax due upon the use, storage, or consumption thereof pursuant hereto has been paid. The use tax imposed hereby shall be collected by the authorized agent of the Department of Revenue in this county. The proceeds of said use tax shall be paid to the County periodically in accordance with an agreement entered into by and between the County and the Department of Revenue.

Section 4. THAT distribution of all sales and use tax collected by the Department of Revenue, pursuant to this proposal, shall be to the County, which shall expend such moneys as described herein.

Section 5. THAT except as provided by §39-26-208 Colorado Revised Statutes, as amended, any use tax imposed shall be collected, enforced and administered by the County:

- (a) Any person required to obtain a building permit within Larimer County and the owner of the real property shall be jointly and severally responsible for paying the Larimer County Sales and Use Tax. Prior to the issuance of a building permit, an amount of tax to be held on deposit shall be estimated by determining the building value for permit purposes and multiplying that value by a percentage prescribed by the Planning and Building Services Director. The County through the owner or contractor shall collect this amount. Upon payment of such sales or use tax deposit, the County shall issue a sales or use tax receipt identifying the address for which the purchase is being made and the county building permit number. It shall be the duty of the owner and/or contractor and subcontractors who are hired to do the stated work or any portion thereof to submit a project cost report to the Financial Officer, on forms authorized by the Financial Officer, stating the actual amounts of any purchases of fixtures or any other construction materials and supplies, tangible personal property and taxable services for such work and to remit any tax due in excess of the sales or use tax deposit. In any case, the general contractor and/or owner will be held liable for the payment of all taxes for such materials and services.
- (b) The owner and/or contractor shall keep and preserve all invoices, receipts and statements showing such purchases of construction materials and supplies, tangible personal property, and taxable services for a period of three (3) years after completion of construction. The County may, within that three-year period, conduct an audit of such records of the owner and/or contractor and any other relevant information to verify the actual cost of the construction materials and supplies, tangible personal property, and taxable services used therein to determine the actual tax due. If the actual tax due is more than that paid by the taxpayer, the Financial Officer shall serve a notice of determination, assessment and demand for payment on the taxpayer notifying him or her of the deficiency which may include penalty and interest.

Section 6. THAT if the majority of the qualified electors voting thereon vote for approval of the county-wide sales and use tax, such county-wide sales and use tax shall be effective throughout the incorporated and unincorporated portions of the County beginning January 1, 2026, and ending December 31, 2045.

Section 7. THAT revenues received by the County from the sales and use tax authorized hereby, net of expenses of the County in collecting, administering and enforcing such sales and use tax (the "net sales and use tax revenues"), and earnings from the investment of the net sales and use tax revenues shall be used only for the purposes set forth in this Resolution.

Section 8. THAT for purposes of State Constitution Article X, Section 20, the receipt and expenditure of the sales and use tax revenues and earnings from the investment of sales and use tax revenues shall be accounted for, budgeted and appropriated separately from other revenues and expenditures of the County and outside of the fiscal year spending of the County as calculated

under Article X, Section 20, and nothing in Article X, Section 20 shall limit the receipt and expenditure in each fiscal year of the full amount of such revenues, nor shall receipt and expenditure of such revenues affect or limit the receipt or expenditure of any and all other revenues of the County for any fiscal year.

Section 9. THAT the ballot title and ballot question on the county-wide sales and use tax proposal that shall be referred to the registered electors of the County at the general election to be held on Tuesday, November 4, 2025, shall be as follows:

SHALL LARIMER COUNTY TAXES BE INCREASED BY \$28.7 MILLION ANNUALLY (FIRST FISCAL YEAR INCREASE STARTING IN 2026), AND BY WHATEVER ADDITIONAL AMOUNTS MAY BE RAISED EACH YEAR THEREAFTER, TO ADDRESS THE SHORTAGE AND HIGH COST OF PRESCHOOL AND CHILDCARE PROGRAMS FOR FAMILIES IN LARIMER COUNTY, INCLUDING FOR EXAMPLE TO SUPPORT:

- INCREASING THE WAGES OF PRESCHOOL AND CHILDCARE TEACHERS AND STAFF TO ATTRACT AND RETAIN HIGH-QUALITY EDUCATORS; AND
- LOWERING THE COST OF PRESCHOOL AND CHILDCARE FOR LARIMER COUNTY FAMILIES; AND
- ADDRESSING QUALITY AND CAPACITY IN PRESCHOOL AND CHILDCARE THROUGH CLASSROOM IMPROVEMENTS, UPDATING LEARNING MATERIALS, AND CREATING SAFE CARE ENVIRONMENTS;

BY ESTABLISHING A .25% SALES AND USE TAX (EQUAL TO 25 CENTS ON A \$100 PURCHASE) TO EXPIRE IN 20 YEARS AND WITH EXEMPTIONS FOR SALES OF FOOD FOR HOME CONSUMPTION, GASOLINE, DIAPERS & PRESCRIPTION DRUGS AND OTHER SPECIFIED ITEMS;

WITH FUNDING SUBJECT TO AN ANNUAL AUDIT BY AN INDEPENDENT THIRD-PARTY EXPERT, AND SHALL THE COUNTY BE AUTHORIZED TO COLLECT, RETAIN AND SPEND ALL PROCEEDS OF SUCH TAX WITHOUT LIMITATION BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, ALL IN ACCORDANCE WITH THE BOARD OF COUNTY COMMISSIONERS' RESOLUTION REFERRING THIS BALLOT ISSUE APPROVED ON AUGUST 19, 2025?

_____ YES

_____ NO

Section 10. THAT the revenue shall be used to support a coordinated early childhood system in Larimer County, including but not limited to the following allowable uses:

- (a) Services to Families, including activities that increase access to early childhood programs and supports; outreach and engagement with medical, faith-based, and community partners; navigation assistance for families; culturally and linguistically responsive

services; development and maintenance of family-facing tools such as service portals; access to early childhood mental health resources; and strategies to lower the cost of child care for families across the county.

- (b) Support to Early Childhood Providers, such as efforts to expand childcare availability across diverse provider types based on family preferences; initiatives to strengthen and retain the early childhood workforce, including employee assistance resources; professional development, education, technical assistance, and small business support; and strategies to increase compensation for early childhood educators and staff in alignment with workforce needs.
- (c) Capital and Quality Investments, including infrastructure or facility improvements that increase the availability, accessibility, or quality of early childhood services in Larimer County. This may include enhancements to indoor or outdoor learning environments, health and safety upgrades, materials and equipment, or other physical and practice improvements that support quality care and education.
- (d) Administration of Services and Contract, not to exceed ten percent (10%) of total revenue, which may include independent evaluation, implementation of consumer and provider advisory processes, strategic planning, and required reporting to the Larimer County Board of County Commissioners.
- (e) Reserves or Other Early Childhood System Investments, including flexible or future-focused funding for emergent community needs, system innovation, or other expenditures aligned with strengthening the early childhood ecosystem in Larimer County.

Section 11. THAT the approval of this resolution shall be considered Final Action for setting the ballot title and ballot question and final action for all other purposes under §1-11-203.5 Colorado Revised Statutes.

Section 12. THAT the conduct of the election shall conform, so far as practicable, to the general election laws of the State. The County hereby adopts the provisions of §1-11-203.5, Colorado Revised Statutes, as amended, as the exclusive procedure for protesting or contesting the content of the ballot title set forth above.

Section 13. THAT the cost of the election shall be paid from the general fund of the County.

Section 14. THAT the County Clerk and Recorder is hereby designated as the County's "designated election official," as defined in §1-1-104(8), Colorado Revised Statutes, as amended, as the person responsible for running the election, and is directed and authorized to take such action as may be necessary to call, hold and canvass the election in accordance with law.

Section 15. THAT pursuant to §29-2-104(5), Colorado Revised Statutes, as amended, the County Clerk and Recorder shall cause to be published the text of the proposal for a county-

wide sales and use tax four separate times, a week apart, in the official newspaper of the County and each city and incorporated town within the County.

Section 16. THAT the County Clerk and Recorder shall cause to be published the notice required by §1-5-205, Colorado Revised Statutes, as amended, within the required timeframe and containing the information required by law. Such notice shall also be posted as required by §1-5-205(1.3), Colorado Revised Statutes, as amended.

Section 17. THAT the County Clerk and Recorder shall cause a notice to all registered electors of the County to be mailed in accordance with Article X, Section 20(3)(b) of the State Constitution and other applicable laws. Such notice shall be in the form and contain the information required by law.

Section 18. THAT a written notice of this Resolution, which includes the text of the measure that will appear on the ballot (**Section 9**), shall be submitted by the Larimer County Sales Tax Administration to the Executive Director of the Department of Revenue no later than fourteen (14) days after adoption of this Resolution.

Section 19. THAT a written notice of the adoption of this county-wide sales and use tax proposal by a majority of the registered electors voting thereon shall be submitted by the County to the Executive Director of the Department of Revenue no later than 45 days prior to the effective date of such tax, together with a certified copy of this Resolution.

Section 20. THAT the County is authorized to adopt such uniform rules and regulations as may be necessary for the administration and enforcement of the sales and use tax; and the Board of County Commissioners or their authorized representatives are hereby empowered to enter into and execute on behalf of the County any agreements necessary for the administration and enforcement of the sales and use tax. The Board of County Commissioners may change the procedures of collection of the sales and use tax, vendor fees, and the administration or enforcement of the sales and use tax, but may not add or eliminate exemptions without further voter approval, except the Board of County Commissioners may add, eliminate or change exemptions without further voter approval to reflect optional or mandatory changes in the exemptions as set forth in state law that becomes effective after the Board of County Commissioners adoption of this resolution.

Section 21. THAT the officers and employees of Larimer County and the Larimer County Clerk and Recorder are authorized to take all action necessary to carry out this resolution pursuant to Colorado law.

Section 22. THAT if any provision of this proposal or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the provisions or applications of this proposal regarding the sales and use tax which can be given affect without the invalid provision or application and to this end, the provisions of this proposal are declared to be severable.

ADOPTED this 19th day of August, 2025.

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF LARIMER

Kurti Sykes
Chair

ATTEST:

By: Dianne Cheney
Deputy Clerk of the Board



Reviewed and approved as to
form:

By: Winters 8-11-25

County Attorney Date

SHALL LARIMER COUNTY TAXES BE INCREASED BY \$28.7 MILLION ANNUALLY (FIRST FISCAL YEAR INCREASE STARTING IN 2026), AND BY WHATEVER ADDITIONAL AMOUNTS MAY BE RAISED EACH YEAR THEREAFTER, TO ADDRESS THE SHORTAGE AND HIGH COST OF PRESCHOOL AND CHILDCARE PROGRAMS FOR FAMILIES IN LARIMER COUNTY, INCLUDING FOR EXAMPLE TO SUPPORT:

- INCREASING THE WAGES OF PRESCHOOL AND CHILDCARE TEACHERS AND STAFF TO ATTRACT AND RETAIN HIGH-QUALITY EDUCATORS; AND
- LOWERING THE COST OF PRESCHOOL AND CHILDCARE FOR LARIMER COUNTY FAMILIES; AND
- ADDRESSING QUALITY AND CAPACITY IN PRESCHOOL AND CHILDCARE THROUGH CLASSROOM IMPROVEMENTS, UPDATING LEARNING MATERIALS, AND CREATING SAFE CARE ENVIRONMENTS;

BY ESTABLISHING A .25% SALES AND USE TAX (EQUAL TO 25 CENTS ON A \$100 PURCHASE) TO EXPIRE IN 20 YEARS AND WITH EXEMPTIONS FOR SALES OF FOOD FOR HOME CONSUMPTION, GASOLINE, DIAPERS & PRESCRIPTION DRUGS AND OTHER SPECIFIED ITEMS;

WITH FUNDING SUBJECT TO AN ANNUAL AUDIT BY AN INDEPENDENT THIRD-PARTY EXPERT, AND SHALL THE COUNTY BE AUTHORIZED TO COLLECT, RETAIN AND SPEND ALL PROCEEDS OF SUCH TAX WITHOUT LIMITATION BY ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, ALL IN ACCORDANCE WITH THE BOARD OF COUNTY COMMISSIONERS' RESOLUTION REFERRING THIS BALLOT ISSUE APPROVED ON AUGUST 19, 2025?

_____YES

_____NO