



COLORADO
MUNICIPAL
LEAGUE

NEWSLETTER

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STATE OF OUR CITIES & TOWNS

Power of Partnerships

By RACHEL WOOLWORTH, FORMER CML MUNICIPAL RESEARCH ANALYST,
and ALEX MILLER, CML PUBLICATION AND DESIGN SPECIALIST

Colorado Municipal League's 2025 State of Our Cities and Towns survey, administered from August to October 2024, inquired about the power of partnerships between Colorado municipalities and other local governments, including counties, school districts, and special districts. Specifically, the survey investigated how such partnerships are helping cities and towns overcome challenges across the key areas of emergency services, housing, public transportation, and utilities.

As another legislative session begins, the Colorado Municipal League's advocacy team will utilize survey results to better understand the challenges Colorado's municipalities are facing, as well as the collaborative solutions cities and towns are utilizing to address them.

This year's data reminds us why it is imperative for the state legislature to provide local governments space to work together to create place-based solutions to local problems. The full report is available on CML's website, cml.org.

KEY FINDINGS

- **Steady economies:** Municipalities reported few changes to local econom-



ic performance. Revenue growth has declined slightly since 2021. Municipalities reported increasing revenue from sales and use taxes, charges for services, investment and interest income, and property taxes.

- **Challenges:** Unfunded state mandates were the top reported challenge for municipalities, followed by lack of affordable housing, street maintenance, and inflation.

- **Partnerships:** The most common areas for intergovernmental partnership included emergency services, elections, and economic development.

- **High quality:** About two thirds of responding municipalities reported that

partnerships had improved the quality of municipal services.

- **Emergencies:** More than 80% of municipalities collaborate with other local governments to provide emergency services, including law enforcement, fire protection, and ambulance services.

- **Housing:** About 47% of municipalities reported partnering with other local governments on housing. Housing authorities are the most common form of collaboration. A majority of responding cities and towns have collaborated on housing needs assessments in the past four years.

- **Public transportation:** About 45% of municipalities reported partnering with other local governments to provide transportation. Fixed-route transit services, such as the Summit Stage bus route from Fairplay to Breckenridge, emerged as the most common area of partnership.

- **Utilities:** Half of responding municipalities provide at least one utility in partnership with another local government. About 85% of cities and towns provide broadband through a partnership. About 75% operate their own water utilities, while about 55% operate their own wastewater utilities.

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Get this newsletter by email. The CML Newsletter is available by email three days before it arrives in the mail! Sign up at bit.ly/CMLNewsletter.

CML STAFF ANNIVERSARIES



Rachel Bender



Allison Wright

CML is celebrating a pair of staff anniversaries this month. Senior Associate Counsel Rachel Bender is celebrating her third year with CML, and Finance and Administration Manager Allison Wright is celebrating her nineteenth year with the League. Congratulations!

CML EVENTS

Register for CML events at cml.org/home/education-training.

DIGITAL ACCESSIBILITY WEBINAR

Jan. 21 and 28 at 10 a.m.

Join CML and Aten Design Group's in-house IAAP-certified web accessibility expert in a two-part webinar series that will help you understand why websites should be accessible, what guidelines are recommended, and steps you can take to make your website more accessible for everyone.

MAYORS' SUMMIT

Reception Jan. 22, workshop Jan. 23 in Denver

Attention all mayors! Join us for a dynamic gathering designed to foster meaningful connections and provide insights into important municipal matters and relationships.

EPR PREPARATION FOR LOCAL GOVERNMENTS WEBINARS

Join CML and Recycle Colorado for a new monthly webinar series starting January 2025 to help local governments prepare for Colorado's statewide Extended Producer Responsibility (EPR) recycling program implementation in 2026. Registration is required. Registrants will receive a Zoom link prior to each session start.

- Jan. 30 at 2 p.m., Extended Producer Responsibility (EPR) 101
- Feb. 26 at 2 p.m., Collection Models
- March 27 at 2 p.m., End-Markets — The Whole Point of Recycling
- April 23 at 2 p.m., Partnership Models — You are not alone!
- May 22 at 2 p.m., Local Policy Dive
- July 23 at 2 p.m., EPR and the State

CELEBRATE WITH CML

CML wants to hear about your community's success. Tell us about a grant you've won, a new water tank, or anything else you're excited about. Email CML Publication & Design Specialist Alex Miller, amiller@cml.org.

NEWSLETTER BEGINS SHIFT TO DIGITAL PRODUCTION

BY KEVIN BOMMER, CML EXECUTIVE DIRECTOR

Nearly the entire time the Colorado Municipal League has existed — over 100 years — there has been a printed newsletter. Over the past three decades, the CML Newsletter has been dutifully assembled by staff, printed, and sent biweekly to around 4,000 members, associate members, and other stakeholders around the state.

In recent years, members have had the option to receive the newsletter by email as a PDF the same day it went to the printer, ensuring those recipients saw the newsletter a week or more before the print edition landed in people's mailboxes. However, only about 44% of recipients take advantage of the email option.

As of Jan. 1, new members and associate members will receive the newsletter exclusively by email, with an option to

temporarily opt-out and request a printed copy. Later this year, as part of a planned transition, everyone will begin to receive the CML Newsletter by email only, and the League will cease printing it altogether.

We have been here before, and history is instructive. In the 2000s, CML shifted from printing and mailing its Statehouse Report to providing it to members by email. It was not an easy transition — and I vividly remember needing to print the email and fax it to a member who had no computer, let alone an email address. Similarly, CML's online "Job Board," now a robust digital resource, began as a subscriber-based print document that was mailed twice a month, and it happens to be how I found my first job at CML in 1999.

The decision to go fully digital reflects a commitment to using member resources

more effectively. The reality is that the cost of printing and mailing over 100,000 newsletters per year is a significant expense, and those funds could be better directed at training, grassroots advocacy work, or other forms of information and resources for members. Utilizing electronic communication saves time and resources. In the future, you can expect the PDF version of the newsletter to shift to a true e-newsletter that is more accessible and compatible with electronic devices.

Finally, the League' award winning magazine — Colorado Municipalities — will continue to be printed quarterly with current and past editions available in PDF form.

Questions or requests to start receiving CML Newsletter via email right away should be sent to cml@cml.org.



20TH ANNIVERSARY

Murray Dahl Beery Renaud law firm is delighted to announce the celebration of its 20th anniversary, a testament to the hard work, dedication, and unwavering commitment of our team, partners, and clients.

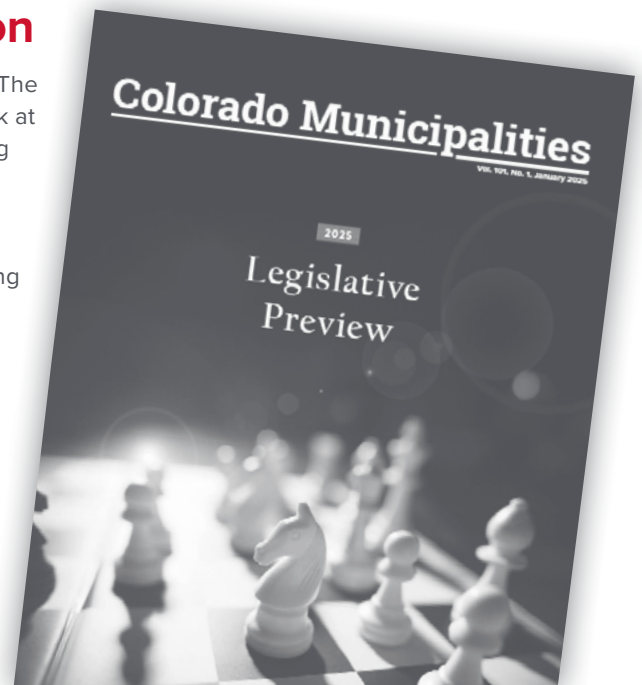


It is time to renew your associate membership to the Colorado Municipal League! Associate members play a vital role in CML's mission to represent the cities and towns of Colorado. The deadline for renewal is March 1. For more information, contact CML Engagement & Communications Manager Denise White, dwhite@cml.org.

Colorado Municipalities magazine offers preview of 2025 state legislative session

The First Regular Session of the Colorado General Assembly opened Jan. 8. The latest issue of CML's Colorado Municipalities magazine provides a sneak peak at the major issues affecting cities and towns that we expect will come up during the session. CML expects to see a range of policy proposals and priorities that will have a direct impact on local governments across the state. With a continued focus on affordability, sustainability, taxation, and criminal justice, municipalities should prepare for discussions on critical issues such as housing affordability, transportation infrastructure, climate resilience, municipal court sentencing, and local revenue mechanisms.

The magazine features articles written by members of CML's advocacy team that take a deep dive into public transportation, criminal justice, lodging taxes, and the state budget, which faces a projected shortfall of \$672 million. The magazine provides an overview of CML's annual State of Our Cities and Towns survey. And two new columns debut in this issue. The "President's Corner" provides members with an update on League activities, straight from the president of the CML Executive Board. And "Rural Voices" highlights issues of special concern to Colorado's small towns. The January issue of Colorado Municipalities is available online, tinyurl.com/CMLmagazine.



DOLA publishes local government guides for Housing Needs Assessments, best practices for parking management

The Department of Local Affairs (DOLA) has published a pair of useful handbooks for local governments. The new publications are guides to conducting housing needs assessments and managing public parking.

DOLA's "Housing Needs Assessment Guide for Local Communities" provides guidance on how to conduct a housing needs assessment (HNA), with a focus on state requirements established by Senate Bill 24-174. The guide serves as a comprehensive overview of the HNA process, providing a structured framework, guidance on data sources and methodologies, and best practices for conducting an effective HNA.

DOLA published "Best Practices in Parking Management Strategies for Colorado Communities" in partnership with the Colorado Department of Transportation and Colorado Energy Office. The handbook is informed by a literature review, survey, focus groups, and round of public comments on the draft report. The state agencies thank everyone who contributed to the report, particularly the Colorado communities highlighted that were willing to share their stories about parking policies and programs.

The publications are available online at tinyurl.com/yckbdnac.

Colorado begins taking applications for natural medicine licenses

Colorado began accepting applications for natural medicine licenses Dec. 31. The state is offering a wide range of licenses, include individual/owner licenses, natural medicine handler licenses, and business licenses for healing centers, natural medicine cultivation facilities, natural medicine products manufacturers, and natural medicine testing facilities.

The Colorado Natural Medicine Division has published a frequently asked question resource that is geared toward local governments. It is online at tinyurl.com/9e6ufv6c.

Unlocking funding: A guide to Community Project Requests

By Dante Moreno, NLC legislative manager, for finance, administration and intergovernmental relations

For many cities, securing funding for critical projects can be a challenge. However, there is a powerful tool available that could help communities access the resources they need: Community Project Requests, also known as Congressionally directed spending or earmarks. But what are these funding opportunities, and how can cities take advantage of them?

WHAT ARE COMMUNITY PROJECT REQUESTS?

Community Project Requests are one-time funding requests that can be spent over a one-year project period. Unlike a regular grant application, which are submitted to federal agencies, cities submit a project proposal directly to their Senators and respective House Member. In 2024, House Members were allowed to submit 15 requests, while Senate offices did not have a submission cap. If the project is selected for support by a Congressional office, the proposal is evaluated by the Appropriations Committee and voted on by the entire Congress to be included in the final spending bills passed by Congress and signed by the President. The number of projects selected by the Appropriations Committees in the House and Senate are limited by the amount of funding available each year.

These funds can be directed toward a variety of initiatives such as infrastructure improvements, public safety, economic development and flood mitigation. The aim is to help local governments — as well as nonprofits and other entities — initiate pilot programs, address projects that may need closing dollars or help purchase equipment costs that are otherwise difficult to fund through typical state or federal grant programs.

The House and Senate leadership create their own rules depending on the political party in power. For instance, in 2024 the House of Representatives did not accept requests for issues around mental health, substance abuse, or physical health programs. The rules are reviewed and



subject to change by the Chairs of the Appropriations Committees each new fiscal year

The earmarks process was once highly controversial, leading to a temporary ban in 2011. However, Congress brought these back with the revamped “Community Project Requests” with new transparency measures to improve accountability and equitable distribution in 2021.

HOW TO APPLY

While the application process may vary slightly between Congressional offices, the steps to submit a Community Project Request generally follow a similar framework:

- **Identify a Project:** The project must meet certain criteria to be considered for earmarks. Guidance for each of the 12 Appropriations subcommittees can be found here. Congressional offices prioritize projects that align with federal priorities, such as infrastructure, public safety, or economic development. It’s essential to choose a project that will have a significant impact on the community and meets an identified need.
- **Reach Out to Your Congressional Office:** Contact the office of your city’s U.S. representative or senator early. Unlike federal grants, community project

requests are personally reviewed and submitted by your elected representative’s office. NLC recommends that cities reach out to their elected representatives as early as possible to begin discussions.

- **Demonstrate Strong Community Support:** Congressional offices want to see that the project has broad community backing. Gather letters of support from local organizations, elected officials (such as councilmembers, state legislators, and neighboring communities), businesses, community groups and local nonprofits to show how the project aligns with the needs and values of the community. Demonstrating community support is essential in receiving funds.
- **Prepare Your Application:** A successful application includes a clear project description, an explanation of the need, a detailed budget, and any other supporting materials that demonstrate why the project deserves funding. Be specific about how the funds will be used and the outcomes you expect.

Community Project Requests are a vital resource for cities looking to enhance public services and infrastructure. By understanding the process and preparing early, your city can tap into this funding to build a stronger, more vibrant community.

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CML LEGAL CORNER



New competition for local sales tax revenue

By Rachel Bender,
CML senior associate counsel

Sales and use taxes have been the main revenue source for most Colorado municipalities for decades, with a historical average of three-quarters of general purpose tax revenue coming from sales and use taxes. Other local governments, in contrast, derive the largest portion of their general purpose tax revenue from property taxes. Given the volatility of property taxes and the General Assembly's recent push to reduce property taxes to the detriment of local governments, some local governments have sought alternative revenue sources. A prime example is the passage of Senate Bill 24-194 to benefit two types of special districts — fire protection districts and ambulance districts (“emergency services districts”).

SB24-194

Introduced late in the 2024 legislative session, without prior notice to or consultation with other local government partners, SB24-194 passed through the General Assembly with relative ease. Despite the Colorado Municipal League's veto request, the governor signed the bill into law on May 22, 2024. The law repealed the cooperative process for establishing impact fees on new development that was enacted in 2016 and gives emergency services districts independent authority to impose impact fees, as well as authority to levy sales taxes within their jurisdiction regardless of coordination with or input from overlapping counties or municipalities. Lawmakers declined to address existing impact fees imposed by municipalities to benefit fire protection districts.

NEW COMPETITION FOR SALES TAX REVENUE

This new authorization for emergency services districts to unilaterally impose sales tax raises concerns for municipalities. The primary concern is that it increases competition for limited sales tax revenue and has the potential to disrupt municipalities' tax bases, which primarily consist of sales and use tax revenue and is used to fund essential municipal services. These concerns remain despite the requirement for any new sales tax to be approved by voters pursuant to the Taxpayer's Bill of Rights (also referred to as TABOR). This is because sales tax is a finite resource and any increase in sales tax by one entity is likely to make it more difficult for any other overlapping jurisdiction to gain approval for a future sales tax increase in that same location.

Where local governments previously had an implicit understanding and cooperation regarding the imposition of sales tax and property tax, avoiding both competition for those revenues and imposing undue burdens on residents, that may no longer be the case when it comes to sales tax.

HOW TO LIMIT NEGATIVE IMPACTS

Some fire protection districts have already begun preparing to go to voters at the next election to seek a sales tax. There are several approaches municipalities may wish to consider in determining how best to work with their local emergency services district or to address a ballot measure for a new sales tax put forward by such a district.

In approaching discussions about seeking a new sales tax, consider asking the emergency services district about alternative options for raising revenue and help the district understand the nuances of reliance on sales and use tax. For example, the

district could seek to impose an impact fee instead of a sales tax. Alternatively, instead of imposing a broad sales tax in perpetuity, an emergency services district may be able to accomplish its needs by seeking a sales tax at a lower rate, with a sunset clause, or for limited purposes. Limiting the impact of the district's sales tax may ease the negative impacts to the municipality, at least in the long term.

If a district decides to move forward with asking voters to approve a new sales tax, whether broad or narrow, the municipality should consider appropriate next steps. If a municipality provides any funding to an emergency services district or has coordinated the imposition of an impact fee with revenue going to the district, it may wish to consider withdrawing or limiting that funding source. This may alleviate current or future budget impacts to municipalities as a result of a district's new sales tax.

Finally, if desired, the municipality can take an active role in the election process. Subject to limitations imposed by the Fair Campaign Practices Act, a municipality can engage the public leading up to the election by publicizing the election through usual channels to make voters aware of the election as, at times, elections by smaller political subdivisions can fly under the radar. Additionally, a municipality can submit comments for the ballot issue notice.

Ultimately, the goal is to maintain a collaborative and beneficial working relationship with overlapping emergency services districts despite this taxing shift. In doing so, municipalities should consider whether they need to utilize these or other tools to maintain their financial health.

This column is not intended and should not be taken as legal advice. Municipal officials are always encouraged to consult with their own attorneys.



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- CML newsletter begins shift to digital production
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- Legal Corner: New competition for local sales tax revenue

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