**CSD FIRE TAX AND ACCOUNTING**

The CSD Special Fire Tax was put into place in 2006 and is subject to a 2% annual increase.

**Expressed purposes of the tax are as follows:**

* Fire Protection Contract
* Operations - include but are not limited to personnel, insurance, supplies, equipment, and facility maintenance
* Administration - include office spaces equipment, supplies, telephones, computers. The original documents stated that the fire tax should cover 50% of these costs. Currently we charge 22% of fire fund income as an administration offset.
* Hazardous Fuel Reduction Program – the original estimate was that $15,000 would be required to start the program but a percentage of those were to administer the proposed fire tax ordinance that was never enacted. Over the past 10 years we have assumed $11k would be available with matching funds for HFT/HFR work.
* Equipment – the original initiative identified the immediate need for a Quick Attack Vehicle and future need for a water tender. These needs were identified regardless of future Fire Protection contracts or provisions.
* Facilities – either construction of a facility or a contribution to shared facilities with which the District may contract to or annex to.
* Incidentals – fees for the County to administer that tax collection process
* Clearly states that the Special Tax is available for these purposes

**Tax Collection:**

The tax is assessed via a process whereby the District provides the County with the annual assessment each year in August, which includes a 2% escalation if approved by a board resolution. Tax assessments (annual) are based on the following parcel types:

* Unimproved Residential - $188
* Unimproved Commercial - $376
* HOA Common Areas (as a lot of 30 parcels) - $847
* Improved Residential - $283
* Improved Multi-unit (Frac. Ownership, per unit) - $283
* Improved Multi-unit Commercial (Villas, per unit) - $565
* Golf course - $1,413
* Improved Commercial Retail – by specific unit

The CSD collects that tax via two methods:

1. Direct Billed – these include
   * Unimproved Multi-unit lots – 13 lots
   * Fractional Ownership Association – 8 units, 381 fractional shares
   * GMCSD owned parcels – 5 parcels
   * HOA Common area – 1 lot (30 parcels, 125 acres)
   * Unimproved Commercial – 12 lots
2. Via the County Property Tax Rolls
   * All Improved and Unimproved Residential lots
   * Commercial developed lots to include
     + Nakoma Lodge
     + Inn at Nakoma
     + Altitude Recreation Center
     + Golf Course (2 lots)
   * County charges a $2.50 administration fee per parcel

**Six Year Fire Tax Record**



**Direct Billed Delinquencies** – with on major exception, all Direct Billed properties pay on time. The one exception is Lot 342, previously owned by the HOA. This property sold at tax sale in January 2022 for $66,000. We have a claim in on this property for $10,283 including $8,975 in back Water and Sewer fees, and $1,308 in delinquent fire taxes. There are no other direct billed delinquencies.

Tax Roll Delinquencies – the District has little recourse for collecting delinquent fire taxes other than to wait for the 5-year tax sale process. We currently have the following tax role delinquencies (other than Lot 342):

* Private lots $1,731 – these are all in the 20/21 tax year and historically pay within 12 months
* Commercial Properties - $43,305. These primarily represent the same improved commercial properties year after year from 2018 to present. Note that the 2018 delinquencies will be eligible for tax sale in 2023 and it is unlikely that the owners will let it proceed that far. My expectation is that we will begin to see they payment of taxes as five year old properties cycle through the county process.

This year we received a delinquency report that showed the back year delinquencies through 2018. I reviewed the previous two year reports that we have on file, and they did NOT show either the 2018 or 2019 delinquencies. The $81k report also included back property tax assessments so was somewhat misleading. Actual County Fire Tax Delinquencies are included in the table above.