

REVENUE OPTIONS EXAMINED - WORKING DOCUMENT

APPENDIX G

G-1

	Consider		Research		No Consider		No Decision
#	SERVICE/FUND	TOOL	STABILIZATION	GAP	WHO PAYS	REVENUE POTENTIAL (in 2008 \$ unless otherwise noted)	ISSUES/EQUITY
	Sales Tax Related						
1	General Fund Services	Renew Sales Tax of 0.38% by 2011	No Change	Reduces but does not eliminate	48% Residents; 52% non-residents/businesses	No progress on new gap and continues old model of financing	Most critical revenue need. Maximum flexibility. Regressive Food Tax.
2	General Fund Services	Renew Designated Sales Tax of 0.15% by 2012	No Change	Reduces but does not eliminate	48% Residents; 52% non-residents/businesses	No progress on new gap and continues old model of financing	Need to increase flexibility but earmarked for HHS & Arts. Regressive Food Tax.
3	General Fund Services	Renew GF Extension Sales Tax of 0.15% by 2024	No Change	Reduces but does not eliminate	48% Residents; 52% non-residents/businesses	No progress on new gap and continues old model of financing	Expires near end of planning horizon.
4	Parks & Recreation	Renew Parks & Recreation 0.25% Sales Tax by 2015	No Change	Reduces but does not eliminate	48% Residents; 52% non-residents/businesses	No progress on new gap and continues old model of financing	Funding of maintenance needs rather than capital.
5	Open Space	Transfer sales tax capacity to GF of 0.33% Open Space Sales Tax when expires in 2018	No Change	Significantly reduces Gap	48% Residents; 52% non-residents/businesses	\$8.4M	Voters need to approve
6	Open Space	Transfer sales tax capacity to GF of 0.15% Open Space Sales Tax when expires in 2019	No Change	Reduces but does not eliminate	48% Residents; 52% non-residents/businesses	\$3.8M	Voters need to approve
7	All Funds with Sales Tax	Increase Differential Rate for prepared food. Currently in use	No	Yes	48% Residents; 52% non-residents/businesses	Raising rate by .0044 (bringing total to 4%, equal to Denver) would raise \$1.4M based on 2008 budget	Currently dedicated to BCVB; would need to change to GF

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8	All Funds with Sales Tax	Differential Rate – rental cars	No	Yes		Revenue generation likely to be minimal	
9	Capital Improvements	Public Improvement Fee - Method for paying for specific public improvements rather than a general revenue source	No	No		Depends on retail within the district; Varies from 0.5% to 2.25% in other CO municipalities	
10	All Funds with Sales Tax	Sales tax on goods purchased by Boulder users via the Internet	No	Yes	Residential & Non-Residential	Currently being researched	Add to Federal Legislative Agenda
11	All Funds with Sales Tax	Streamlined Sales Tax Project - State govt effort, with input from local govt and the priv sector, to simplify and modernize sales and use tax collection and admin. Proposals include tax law simplifications, more efficient admin procedures, and emerging tech to reduce the burden of tax collections. Proposals focused on improving tax admin systems for Main Street and remote sellers.	No		Yes by expanding base	No current opportunity for revenue; Estimates of loss from e-commerce vary widely	
	Miscellaneous Taxes						
12	General Fund Services	Increase admissions tax	Yes - Increases diversification No - Events that charge admission tax are discretionary purchases	Yes		Minor	Currently not charging University or non-profit events
13	General Fund Services	Real Estate transfer tax (RETT)	Yes	Yes		\$7.5M (Based on 2005 property transactions and Breckenridge's 1% RETT)	Currently not legal; add to Legislative Agenda
14	General Fund Services	Accommodations tax increase - Current rate is 5.5% and generates - \$2.7 million	Yes	Yes	Non-voters	1% increase - \$500K	1/11 goes to BVCB & 10/11 goes to GF
15	General Fund Services	Cellular phone tax					
16	General Fund Services	Satellite television transmission service					

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17	Utilities	Increase Utility Fees					Not a GF issue; simply shifts costs to other users
18	General Fund Services	Increase occupation tax on telephone suppliers	Yes	Yes	Those with land lines	generates \$768 K/yr; inc would be minimal	Need to research if under TABOR and requires a vote
19	General Fund Services	Increase Trash Tax	Yes	Up to \$3.50/mo residential, \$0.85/cu yd commercial and residential dumpsters. Earmarked in GF	Residents & Businesses	Minor revenue source; Given recent increase, not too much current revenue potential. 50% increase to generate \$500K	Voter approval; Household size not considered, regressive. Could lead to illegal dumping.
20	Transportation	Vehicle Miles Traveled Tax					
21	All Sales Taxes	Tax Services	Likely Yes	Yes	50% non-residents	Revenue may be significant; being researched	Mobility of businesses
22	All Funds with DET	Development Excise Tax (DET)	Yes	Yes	New Developments	\$3-6M if set at 1998 Study rate	Difficult politically; equity issues with existing residents Needs better index.
	User Charges/Fees						
23	General Fund and Transportation	Special Assessments - These are generally levies on property owners for the increased property values created by street improvements, generally curbs, gutters, sidewalks, storm drainage and street lighting, although they have also been used to construct recreational facilities and off-street parking.	Need clarification				Case-by-case recovers true cost.

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24	General Fund and Transportation	Right of way maintenance fees - Can be used to cover costs associated with specific services, such as sweeping and patching city streets, snow plowing, sidewalk repair, tree maintenance and trimming					Flood Drainage - need to be able to measure miles
25	Parks & Recreation	Parks Maintenance Fee	Yes	Yes	Residents	-\$900K	See Pro-Con Report
26	Transportation	Transportation utility fee	Yes	Yes	Residents & Businesses	-\$2.3M	See Pro-Con Report
27	General Fund and Transportation	Street lighting utility fee					
28		Expand Impact Fees				Didn't consider given it's relationship to DET	
29	General Fund Services	Vehicle Impact Fee					Need to determine if/how this differs from an ownership fee
30	General Fund Services	E-911 Monthly Telephone surcharge					Already doing
31	All Funds	Increase fines and surcharges					Already doing
32	All Funds	Index Fees and Charges - City passes fee ordinance annually to update fees, but not automatically indexed to inflation				Fees already adjusted annually	Already doing
33	All Funds	Establish broad-based fee policy - City underwent comprehensive fee study in 1990s. Major fee areas (P&R, Planning) update fees annually according to fee policy.				Minimal, a new comprehensive study may raise marginal revenue, but major fee areas updated according to policy annually	What True costs. What are hidden subsidies by not collecting fees or reduced fees for certain groups.
34	All Funds	Assess adequacy of fees to recover costs					

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#	SERVICE/FUND	TOOL	STABILIZATION	GAP	WHO PAYS	REVENUE POTENTIAL (in 2008 \$ unless otherwise noted)	ISSUES/EQUITY
35	General Fund Services	Transfers from utilities for direct and indirect costs - Cost allocation done annually and cost allocation study updated every other year. In intervening years, allocation rates adjusted by inflation.				Minimal, if any, to General fund. Citywide no new revenue potential	Already doing
36	Transportation	Transportation fee assessed on parking spaces					
37	General Fund Services	Fire - Med subscription fee - Used in other cities to fund paramedic positions, life saving equipment and advanced training. It covers household residents and visitors for the cost of providing these services on an annual basis				This voluntary fee has raised up to \$1 million a year in other cities, mostly in California	
	<b>Income Taxes</b>						
38	General Fund Services	Assess local personal income tax				Depends on rate	Not legal
39	General Fund Services	Assess a local payroll tax - Functions like an income tax, but, because it is assessed on payroll, it is less visible to taxpayers.				Depends on rate	Need to research if this is different than a head tax
	<b>Privilege Taxes</b>						
40	General Fund Services	Occupational privilege tax	Yes	Yes	Businesses & Employees	Independent Study: \$5/mo on ees and \$5/mo on ers would raise \$7.8M annually	Gov't ee's pay; if more than 500 ee's, can have gov't pay too; consider an income minimum
	<b>Property Taxes</b>						
41	General Fund Services	Increase rate	Yes	Yes	Residents & Businesses	1mill increase raises approximately \$2.4M based on 2008 rev for 2007 tax roll	Unpopular but low compared to other states

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42	General Fund Services	de-Bruce Property Tax	Yes, away from sales tax, toward more stable prop tax	Yes	Residents & Businesses	\$6.7M based upon 2008 tax revenue for 2007 tax roll	Already de-Bruced sales tax & 2 mills public safety property tax
43	General Fund Services	Parcel Tax - Flat rate per parcel property tax.					
	State Taxes						
44		Cigarette tax	No	No		\$385,000	State trade-off
45	Transportation	Local Option Gasoline tax	No	No		\$2 million	State trade-off; Could collect sales tax on gas in lieu of state tax
	Other Taxes						
46	General Fund	Carbon Tax	Yes	Yes	Residents & Businesses		Already doing
	Other Options						
47	General Fund/HHS	Negotiated payments in lieu of taxes by non-profit organizations - Negotiated with nonprofit community to help support local services generally supported by tax base					Not feasible and may be equity issues
48	All Funds	Market-based revenue opportunities - This category encompasses a variety of concepts, including advertising, exclusivity arrangements, rental agreements, and corporate sponsorships.	Yes	Yes		Uncertain: General rule of thumb is 2% of locally generated GF income, based on 2005 revenue would be \$1.4M	

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#	SERVICE/FUND	TOOL	STABILIZATION	GAP	WHO PAYS	REVENUE POTENTIAL (in 2008 \$ unless otherwise noted)	ISSUES/EQUITY
49	All Funds	Online Advertising - Can be part of a mkt-based rev approach or can be done as a separate initiative. Generally, a govt uses banner ads, featured placement, or sponsorship ads on City websites. Pricing expressed in cost per 1000 impressions. Charges based on actual click throughs or the click through rate, which is currently around 1%.	Yes	Yes		Uncertain	Less likely
50	Parks & Recreation	Corporate Sponsorships - Some corporations (Pepsi mentioned specifically in the planning documents for City of Hollister, CA) have programs to fund park and other recreation programs.	Yes	Yes		Depends on program	
51	All	Public private partnerships for facilities	Yes	Yes		Depends on project	Parks & Recreation exploring on a facility basis. & Conference center
52	All	Increase audit revenue	Yes	Yes	sales tax businesses	\$300k per auditor	Equity issue since not all 8,000 Boulder businesses audited; Negative image of city towards businesses; Focus s/b on customer education
53	All	Offer tax amnesty program				Depends on delinquency rate	Tie to education

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54	All	Tax Gap Project - Several governments have increased tax revenue by a public private partnership to upgrade their tax data through purchase of a data warehouse. A vendor creates the warehouse in return for a share of the increased taxes generated				Uncertain	
55	All	Sale and disposition of surplus property	Yes	Yes/No		TBD	Can reduce maintenance issues. One-time money. Already doing in places
56	All	Grant enterprise management - Comprehensive program to seek out and manage grants citywide	No	Yes		Depends on level of program	Has Value
57		Tax revenue anticipation notes	No	Minimal Impact	Future tax Payers	Offsets inflation differential	Cash Flow Issues; Not needed
58		Tax increment Financing - In areas with little or no property tax valuation and sales tax growth, public improvements that stimulate greater property value and activity are paid for with these new revs.					Brownfield, revenue sharing, parking structures
59		Securitize existing revenue stream					Currently very few revenue items to be securitize
	Policy Options						

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60	All	Adequate Public Facilities Requirement - Adequate public facilities (APF) mgmt system establishes mechanism to ensure that pub facilities and svcs needed to support development are available concurrently with the impacts of such development. Provides a mechanism to require the provision of services if devel. is shown to deteriorate current LOS					An overall policy issue; funding mechanism is in DET and Impact Fees; Boulder doesn't have the non-contiguous annexations typically associated w/ this
61		Selective Annexation - Certain unincorporated areas in "Boulder" get a portion of svcs from City already and the property tax increment might cover incremental services. Would need analysis to confirm	To some extent away from sales tax and toward more stable property tax			Depends upon how many properties might be included	Currently determined through Boulder Valley Comp Plan and action by City Council
62		Eliminate policy of selective exemptions					Creates hidden subsidies; Collect tax and reimburse so subsidies are apparent
63		Audit state revenue streams - Gasoline (HUTF), Vehicle Registration, Tobacco	Yes	Yes			Time and "return on investment"
64		Special districts for services				Not a revenue generator but does eliminate costs by transferring service provision responsibility to the district	Library; Fire; Recreation; mosquitos; weeds
65		Land Use Decisions					Gallagher Offset - Create policy regarding the conversion of commercial land to residential

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66		Business Attraction/Retention Policies & Programs					
67		Reduce General Fund Subsidies to Restricted Funds					Policy decision that could be considered to adjust subsidies
68		Reduce general fund subsidies to restricted funds whose revenue is growing beyond inflation	No	Yes (for General Fund)		Meaningful	Department's customers may be expecting service improvement or growth since earmarked fees, taxes etc. funding that service.