EAST GRAND FIRE PROTECTION DISTRICT NO. 4
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RESOLUTION 2026-8-19 – 2

A RESOLUTION TO INITIATE AN ELECTION TO ENACT A SALES TAX IN THE EAST GRAND COUNTY FIRE PROTECTION DISTRICT FOR THE PURPOSE OF MAINTAINING ADEQUATE LEVELS OF VOLUNTEER AND PAID FIREFIGHTER STAFF, AND REINFORCING REVENUE SOURCES FOR WILDFIRE MITIGATION, COMMUNITY EDUCATION, AND EMERGENCY RESPONSE CAPABILITY AND FACILITIES

1. ***Whereas***, the East Grand County Fire Protection District ("District") has determined that it requires additional revenue to keep up with rising operational costs, to maintain the high level of services the District provides to the community, and to equip and maintain facilities and apparatus required to meet increasing response needs resulting from a growing resident and visitor population and which are not able to be paid for with the current level of property taxes and impact fees alone;

2. ***Whereas***, it is the desire of the Board of Directors to implement a fair and equitable, diversified revenue mechanism that removes the sole tax burden from District property owners and distributes it, in part, amongst all residents, visitors and property owners who make taxable purchases within the District; and

3. ***Whereas***, Section 32-1-1107, C.R.S. (SB24-194), authorizes the District to levy a sales tax upon every eligible incident or transaction with respect to which a sales tax is levied by the state, subject to the approval of the District's eligible electors;

4. ***Whereas***, the District finds that the revenue from a sales tax would significantly assist the District in addressing the need for maintaining reliable and high quality fire and emergency service levels to the community as demands for services increase, and will further provide needed resources to finance wildfire mitigation, community education and the capital needs of the District to equip and maintain facilities and apparatus;

5. ***Whereas***, Section 32-1-1107(1)(a), C.R.S., permits the District to submit a ballot issue on the question of adopting a sales tax to its eligible electors at an election to be held on November 3, 2026; and

6. ***Whereas***, the District intends that its enactment of a sales tax as set forth herein shall comply and be interpreted to comply with the requirements of section 20, article X of the Constitution of the State of Colorado; article 1, title 32 C.R.S.; those provisions of article 2, title 29, C.R.S., as

may be applicable to the District; and all other applicable provisions of law (collectively, "***Applicable Law***").

Now, therefore, be it resolved by the Board of Directors of the East Grand County Fire Protection District that:

Definitions

Section 1 – Definitions. All terms used in this Resolution shall have the same meaning as provided for in Section 39-26-102, C.R.S.

Section 2 – Application of State Sales Tax. Unless otherwise provided in this Resolution and any amendments thereto, or pursuant to Applicable Law, the provisions of article 26, title 39, C.R.S., shall govern the collection, administration, and enforcement of this sales tax.

Sales Tax Imposed

Section 3 – Imposition of Sales Tax. Following approval of a ballot issue for this purpose, there is hereby imposed and there shall be collected a sales tax upon every eligible incident or transaction with respect to which a sales tax is levied by the state. The tax is imposed as provided for in Section 29-2-105(1)(d), C.R.S. The sales tax shall be set at a rate of 0.28 percent of the amount of each sale for the 2027 tax year commencing on January 1, 2027, and thereafter. The taxable amount of a sale shall not include the amount of any sales or use tax imposed by article 26, title 39, C.R.S.

Section 4 – Property and Services Taxed. The sales of tangible personal property and services taxable under this sales tax shall be the same as the sales of tangible personal property and services taxable for which a sales tax is levied by the State pursuant to Section 39-26-104, C.R.S.

Section 5 – Place of Sale. For the purpose of this sales tax, all retail sales are sourced as specified in Section 39-26-104(3), C.R.S.

Exemptions and Exclusions

Section 6 – General Sales Tax Exemptions. Except as otherwise provided herein or in Section 29-2-105(1)(d), C.R.S., the sales of tangible personal property and services taxable under this Resolution shall be subject to the same exemptions as those specified in part 7, article 26, title 39, C.R.S.

Section 7 – Specific Exemptions Required by Section 29-2-105(1)(d), C.R.S. In addition to the exemptions from the District's sales tax provided by part 7, article 26, title 39, C.R.S., the following additional exemptions from the District's sale tax shall apply:

a. The exemption for sales of machinery or machine tools specified in Section 39-26-709(1), C.R.S., other than machinery or machine tools used in the processing of recovered materials by a business listed in the inventory prepared by the department of public health and environment pursuant to Section 30-20-122(1)(a)(V), C.R.S.;

b. The exemption for sales of machinery or machine tools specified in Section 39-26-709(1), C.R.S., used in the processing of recovered materials by a business listed in the inventory prepared by the department of public health and environment pursuant to Section 30-20-122(1)(a)(V), C.R.S.;

c. The exemption for sales of electricity, coal, wood, gas, fuel oil, or coke specified in Section 39-26-715(1)(a)(II), C.R.S.;

d. The exemption for sales of food specified in Section 39-26-707(1)(e), C.R.S. For the purposes of this subsection, "food" is defined in Section 39-26-102(4.5), C.R.S.;

e. The exemption for vending machine sales of food specified in Section 39-26-714(2), C.R.S.;

f. The exemption for sales by a charitable organization specified in Section 39-26-718(1)(b), C.R.S.;

g. The exemption for sales of farm equipment and farm equipment under lease or contract specified in Section 39-26-716(4)(e) and (4)(f), C.R.S.;

h. The exemption for sales of motor vehicles, power sources, or parts used for converting such power sources as specified in Section 39-26-719(1), C.R.S.;

i. The exemption for sales of wood from salvaged trees killed or infested in Colorado by mountain pine beetles or spruce beetles as specified in Section 39-26-723, C.R.S.;

j. The exemption for sales of components used in the production of energy, including but not limited to alternating current electricity, from a renewable energy source specified in Section 39-26-724, C.R.S.;

k. The exemption for sales that benefit a Colorado school specified in Section 39-26-725, C.R.S.;

l. The exemption for sales by an association or organization of parents and teachers of public school students that is a charitable organization as specified in Section 39-26-718(1)(c), C.R.S.;

m. The exemption for sales of property for use in space flight specified in Section 39-26-728, C.R.S.;

n. The exemption for retail sales of marijuana upon which the retail marijuana sales tax is imposed pursuant to Section 39-28.8-202 as specified in Section 39-26-729, C.R.S.;

o. The exemption for manufactured homes, modular homes, tiny homes, and any closed panel system utilized in construction of a factory-built residential structure set forth in Section 39-26-721(3), C.R.S.;

p. The exemption for sales of period products as specified in Section 39-26-717(2)(m), C.R.S.;

q. The exemption for sales of incontinence products and diapers as specified in Section 39-26-717(2)(n), C.R.S.;

r. The exemption for sales of eligible decarbonization building materials set forth in Section 39-26-731, C.R.S.; and

s. The exemption for sales of energy storage systems set forth in Section 39-26-733, C.R.S.

Section 8 – Food. Notwithstanding any other provision of this sales tax regarding the taxation of food, this sales tax shall not apply to the following:

a. Sales of food purchased with funds provided by the supplemental nutrition assistance program. For the purposes of this subsection (a), "food" has the same meaning as provided in 7 U.S.C. § 2012, as currently in effect and subsequently amended; and

b. Sales of food purchased with funds provided by the special supplemental food program for women, infants, and children, 42 U.S.C. § 1786. For the purposes of this subsection (b), "food" has the same meaning as "supplemental food" provided in 42 U.S.C. § 1786, as currently in effect and subsequently amended.

Section 9 – Certain Construction and Building Materials. This sales tax shall not apply to the sale of "construction and building materials," as the term is used in Section 29-2-109, C.R.S., if the purchaser of such materials presents to the retailer a building permit or other documentation acceptable to the District evidencing that a local use tax has been paid or is required to be paid on the materials.

Section 10 – Cigarettes. This sales tax shall not apply to sales of cigarettes, as provided in C.R.S. § 29-2-105(9).

Section 11 – Sales to a Telecommunications Provider. This sales tax shall not apply to sales to a telecommunications provider of equipment used directly in the provision of telephone service, cable television service, broadband communications service, or mobile telecommunications service. It is the policy of this District that this exemption be applied in a uniform and nondiscriminatory manner to the telecommunications providers of telephone service, cable television service, broadband communications service, and mobile telecommunications service.

Section 12 – Sales Subject to Specific Ownership Tax. Sales of personal property on which a specific ownership tax has been paid or is payable are exempt from this sales tax when the sale meets both of the following conditions: (i) the purchaser is a nonresident of the District or has his/her/its principal

place of business outside the District and (ii) the personal property sold is registered or required to be registered outside the District's jurisdictional boundaries under the Colorado law.

Election

Section 13 – Submission to Registered Electors. The question of approval of the sales tax to be imposed pursuant to this Resolution shall be submitted to a vote of the District's eligible electors on November 3, 2026, as provided by Section 32-1-1107(1)(a), C.R.S. The election shall be conducted as a coordinated special election in accordance with all Applicable Law.

Section 14 – Agreements with Related Counties. The District is authorized to execute and enter into an intergovernmental agreement with Grand County to coordinate the conduct of the election and the preparation and mailing of the notice required by Section 20, article X of the Constitution of Colorado.

Section 15 – Designation of Election Official. Kristen Rybij shall serve as the Designated Election Official ("***DEO***") for the conduct of the election on behalf of the District. The DEO shall have full authority to take any and all actions necessary and appropriate to conduct the election in accordance with the requirements of Applicable Law.

Section 16 – Ballot Title. The ballot title for the sales tax question shall be in substantially the following form:

SHALL EAST GRAND COUNTY FIRE PROTECTION DISTRICT NO. 4 TAXES BE INCREASED BY $875,000 ANNUALLY COMMENCING ON JANUARY 1, 2027, AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, FROM A 0.28 PERCENT SALES TAX [ON SALES AND INCIDENTS TAXED BY THE STATE], FOR THE PURPOSE OF [MAINTAINING HIGH LEVELS OF FIRE AND EMERGENCY SERVICES, INCLUDING RECRUITING VOLUNTEER AND PAID FIREFIGHTERS, AND ENHANCING REVENUE SOURCES FOR WILDFIRE MITIGATION, COMMUNITY EDUCATION, AND EMERGENCY RESPONSE CAPABILITY AND NECESSARY CAPITAL UPGRADES, REPAIRS AND MAINTENANCE IMPROVEMENTS], SUCH SALES TAX TO BE IN ADDITION TO ALL OTHER TAXES LEVIED BY THE DISTRICT AND NOT TO SUPPLANT ANY FUNDING THAT THE DISTRICT VOTERS PREVIOUSLY AUTHORIZED OR WHICH IT IS ENTITLED TO RECEIVE BY LAW?

YES 4
NO 1

Collection, Administration, and Enforcement

Section 17 – Delivery and Notice to Colorado Department of Revenue of Approval of New or Changed Tax. If a new sales tax, or change to an existing sales tax as defined in Section 29-2-205(3), is approved by the District's eligible electors pursuant to this Resolution, the District's Fire Chief, DEO, or legal counsel as assigned shall provide a copy of this Resolution and notice of its adoption and approval to the executive director of the Colorado Department of Revenue at least 45 days prior to the effective date of the sales tax created or changed herein.

If the District subsequently makes any change to this sales tax that is permitted to be made without an election, and that will affect the Colorado Department of Revenue's collection of the tax, including any change to the percentage of sales tax to be collected if lower than the amount authorized in the first year, the District's Fire Chief or legal counsel as assigned shall also provide a copy of the change and notice of its adoption and approval to the executive director of the Colorado Department of Revenue at least 45 days prior to the effective date of the sales tax changed herein.

Section 18 – Delivery and Notice to the Colorado Department of Revenue of Proposal for New or Changed Tax. In addition to the notice required by section 17 of this Resolution, if the District will submit a question to its eligible electors at a general or special election that would impose a new sales tax that the Colorado Department of Revenue will collect, or make any change to an existing sales tax that will affect the Department's collection, as defined in Section 29-2-205(3), C.R.S., the District's Fire Chief, DEO, or legal counsel as assigned shall also provide written notice of the proposed sales tax question or change to the Colorado Department of Revenue prior to such election or implementation of such change, as applicable.

The District's Fire Chief, DEO, or legal counsel as assigned shall provide a copy of this Resolution submitting the question to the eligible electors and a copy of the measure that will appear on the ballot to the executive director of the Colorado Department of Revenue no later than 14 days after the adoption of this Resolution.

Section 19 – Colorado Department of Revenue to Enforce. The collection, administration, and enforcement of this sales tax shall be performed by the executive director of the Colorado Department of Revenue in the same manner as the collection, administration, and enforcement of the Colorado state sales tax, as supplemented by those provisions of article 2, title 29, C.R.S., as may be applicable to the District.

Section 20 – Liaison. Pursuant to Section 29-2-213, C.R.S., the District's Fire Chief is designated as the District's liaison to the Colorado Department of Revenue. The District's Fire Chief is authorized and directed to make agreements with the executive director of the Department, receive distributions, share information, and take any other actions necessary for the proper administration of the tax imposed by this Resolution. The District's Fire Chief is authorized to delegate these duties to additional or alternate liaisons upon written notice to the executive director of the Department.

Section 21 – Vendor Fee. To defray the retailer's expenses in collecting and remitting this sales tax, every retailer is permitted to retain the percent of the tax collected for the District that is provided for special districts under form DR1002, (currently 3.33%). If the retailer is delinquent in remitting the tax, other than in unusual circumstances shown to the satisfaction of the executive director of the Colorado Department of Revenue, the retailer is not allowed to retain any amount under this section, and the executive director shall deposit the local vendor fee remitted in the state general fund in accordance with section 39-26-105(1)(c)(III), C.R.S.

General Provisions

Section 22 – Effective Date. If approved by the District's eligible electors, this sales tax shall become effective on January 1, 2027.

Section 23 – Duration. If approved by the District's eligible electors, this sales tax shall continue until repealed.

Section 24 – Amendment. This Resolution and the sales tax adopted herein may be amended by subsequent Resolution, unless otherwise prohibited by Applicable Law.

Section 25 – Severability. If any portion of this Resolution or the sales tax proposed or approved to be adopted as set forth herein is declared to be void or ineffective by a court of competent jurisdiction, it shall be deemed severed from this Resolution and the sales tax adopted, as applicable. The remaining portions shall remain valid and in full force and effect.

Section 26 – Authority Vested in District Officials. The District's DEO and staff are authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Resolution and the sales tax (if approved by the District's eligible electors) adopted herein.

Section 27 – References to Colorado Law. References to Colorado law are to the versions of those laws in effect at the time this Resolution was adopted as well as any subsequent amendments thereto.

Adopted this 19th day of August, 2026 by the Board of Directors of the East Grand County Fire Protection District.

Garth Hein, President

Rick Kramer, Secretary