

Horizon Metropolitan District Nos. 1-10 Election Q&A

This Q&A is intended to provide general information regarding the elections to be held on November 3, 2026 (each District's election, the "Election," collectively, the "Elections") by Horizon Metropolitan District Nos. 1 – 10 (individually, the "District," and collectively, the "Districts").

This Q&A is provided for informational purposes only.

1. Why are the Districts each holding an Election?

Recent changes to Colorado law impose new limits on the amount of property tax revenue certain local governments, including metropolitan districts, may collect. The Elections are being held to ask eligible electors to authorize the Districts to continue collecting property taxes for operations and maintenance and to authorize the issuance of debt to finance public improvements, notwithstanding these new limitations. The ballot measures are intended to help ensure that the Districts have the financial authority necessary to operate, maintain public infrastructure, and finance public improvements in accordance with applicable law.

2. When are the Elections? Who will receive a ballot?

The Elections will be held on Tuesday, November 3, 2026. Each eligible elector in each District will receive one ballot. An eligible elector is a registered Colorado voter and (i) is a resident of one of the Districts, or (ii) who, whose spouse or civil union partner, is an owner to taxable real or personal property within one of the Districts, or is under contract to purchase taxable property in one of the Districts.

3. Why are voters being asked to approve the authorization of the Districts to retain and spend all revenues collected annually in “Ballot Issue 5B – TABOR Exemption – Any Revenues” and “Question 5A – Property Tax Waiver”? What is the difference between Ballot Issue 5B and Ballot Question 5A?

TABOR restricts how much revenue from all revenues sources (taxes, fees, etc.) the Districts can retain and spend each year. TABOR revenue limits are based on the previous year's revenue limit, adjusted for inflationary factors and population growth. If revenues collected in a year exceeds these limits, the excess revenue is typically refunded to taxpayers. Voter approval of Ballot Issue 5B will remove these revenue caps and allow the District to keep and spend all the revenue received in excess of these limits. The Districts currently have this authorization to retain and spend all revenues collected within the Districts.

State law limits on how much property tax revenue the Districts can collect year over year. Current law limits the annual increase in property tax revenue to 5.25% over the previous year with certain allowances and does not apply to property tax revenue collected for the payment of debt service on the outstanding Bonds. Voter approval of Ballot Question 5A – Property Tax Waiver means the District can retain all property tax revenue collected over the 5.25% limit.

Voter approval of Ballot Issue 5B and Ballot Question 5A will not increase existing mill levies imposed on property within the District. Mill levies are capped by each District's Service Plan. The amount of revenue generated by those mill levies may be capped if Ballot Question 5A is not approved, which may impact available funds to support ongoing expenses in the District.

4. What happens if the majority of voters do not vote in favor of Ballot Issues and the Ballot Question?

If the majority of voters do not vote in favor of one or more of the Ballot Issues and the Ballot Question, the Districts will still have voter authorization to impose mill levies and incur debt that the Districts received at elections held on May 5, 2020. However, the amount of revenue that the Districts can retain may be capped as discussed in Question #3 above.