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COUNTY CONSOLIDATION IN COLORADO

By SCOVILLE R. HECKART and G. S. KLEMMEDSON

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SUMMARY

There is general agreement that there are more units of local government today than are needed with modern methods of transportation and communication.

In Colorado there are too many counties. The state has 63 counties differing widely in population, area and wealth. Many of them lack the necessary population and wealth to support the essential services of local government. This is mainly because there are more county seats than there are trade centers, more taxing units than there are trade and resource areas.

There are 41 counties which do not have a population of 10,000. There are also 41 counties which do not have a town of 2,500 population. There are about 40 counties whose county seats are not developing into active trade centers. The people of these counties are doing their banking and trading in the larger towns of adjoining counties. The result is that the accumulating wealth of these larger towns is taxed to support a smaller area than that from which it is derived. The strictly rural and mining counties thus suffer a high tax rate, or inferior governmental service, or both. As a matter of equity, county boundaries should be recast to conform with the new and larger economic areas which modern transportation and economic conditions have brought about.

This study indicates that the consolidation of counties might therefore be expected to reduce and equalize the cost of county government, and improve the quality of public services. The annual savings should amount to at least three-quarters of a million dollars annually in Colorado.

Some of the expenditures in county government can be reduced by postponement of less urgent matters, some by permanent elimination or curtailment of functions and activities which have been created over the last 20 years in response to the desire for expanded service by the community. Some of these expanded services are obsolete, but many of them meritorious.

There has also been the growth of useless duplication and waste. Economy should be effected so far as possible thru elimination of waste rather than thru blind, indiscriminate slashing of important functions.

Our 63 counties should probably be consolidated into not more than 30, with the possibility of reducing still further. We should continue to reduce the multiplicity of local governments. Many of these administrative units have been rendered obsolete by improved

communications and modern transportation. If the people of Colorado expect any relief from growing tax burdens, they must simplify their forms of local government structure.

The extraordinary financial difficulties that have been placed upon county government within the last 4 years have brought out many of the inherent weaknesses of the present system. One of the most serious defects is that many counties are too small and do not contain enough resources to furnish the necessary revenues to maintain essential county services without making the tax burden excessive. Another failing is that under present laws the administrative and financial organization and control are inadequate and decentralized. Centralization of responsibility in a county manager or executive is a necessity in increasing the efficiency of county government.

The trend toward state assumption of county functions such as highway construction and maintenance, old-age pensions, welfare and public health indicates that the county is breaking down as a governmental unit and will soon remain only a skeleton government carrying on a few minor functions.

Preservation of the county depends upon a reduction in county taxes and upon the county increasing its efficiency. If this is not done, the county is in danger of having many of its functions taken away until it will die a natural death.

COUNTY CONSOLIDATION IN COLORADO[1]

By SCOVILLE R. HECKART and G. S. KLEMMEDSON

THE PROBLEM.—The reason for this study is to find ways and means of reducing the present high cost of county government and increase its efficiency. Since it has been suggested that county consolidation is the solution to the problem, this study will analyze and carefully consider county consolidation and suggest better methods of reducing the cost if county consolidation is found to be impracticable.

There is a growing feeling that there is need of revising county areas to increase their size, and that there is needless waste and unnecessary overhead cost where county officers serve a small county. With the improvement in highways and the use of new means of transportation, it seems that there is little need for counties of less than 1,000 square miles.

In recasting county lines an effort should be made to encourage the development of communities with common economic and social interests. County areas might be revised either by a comprehensive reorganization, statewide in scope, or by consolidation of existing counties where local sentiment is favorable.

ACTIVITIES IN OTHER STATES.—There are only two instances of county consolidation in the United States at present—Hamilton and James counties in Tennessee and Campbell, Milton and Fulton counties in Georgia. There have been, in addition, several city and county consolidations in the United States. This activity and the definite proposals for consolidation of particular counties in 17 other states have directed the attention of the people of Colorado to this type of change.[2]

SCOPE AND DEFINITION OF THE PROBLEM.—The counties were studied from various angles: Geographical features, economic resources, present development of transportation and communication lines, assessed valuations and population trends. The Colorado constitution and session laws were studied with relation to the county and county officials to see how they may help or hinder changes that might be suggested. The scope of this bulletin includes 62 counties of Colorado and their governments. The city and county of Denver are excluded.

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[1]Mr. Scoville R. Heckart was assigned to make a study of this problem under a research fellowship in the Department of Economics. He is now with the Farm Credit Administration, Ninth Federal Land Bank of Wichita, Kansas.

[2]Manning, J. W., "The Progress of County Consolidation." National Municipal Review. 21:510 Aug. 1932.

The term "county consolidation" is used to designate the union of several counties to carry on the various county functions as a unit. It is the formation of what might be called greater counties from the now existing group of counties in Colorado.

CLASSIFICATION OF COUNTIES INTO RICH AND POOR COUNTIES.—As one of the first essential steps in making an analysis to determine an economic unit of county government, all the counties have been arranged into groups according to size or wealth as measured by their assessed valuations. This classification is maintained thruout the bulletin in order to make comparison easy among the different groups of counties. For purposes of discussion, counties with less than 20 million dollars assessed valuation in 1931 have been designated as "poor" counties while those with more than 20 million dollars assessed valuation have been designated as "rich" counties. (See Tables 9 and 10.)

It will be noted that the poor counties have a lower assessed valuation per county but a higher valuation per capita than the rich counties. Certain readers and citizens in the smaller counties may object to this method of classification but it simplifies the discussion.

IMPORTANCE OF PROBLEM.—The problem of reducing the cost of county government is important, especially at this time with a tremendous reduction in national, state and local income. At the same time a world-wide change in price levels is taking place, changing from high prices of 1929 to a pre-war level. County government costs simply cannot remain high while prices, costs and wages have been forced to adjust to a lower level.

The fact that tax delinquency is growing by leaps and bounds will force readjustments in the cost of county government even if some counties are forced to go thru bankruptcy. Big business, railroads, public utility corporations and other large taxpayers who pay a large proportion of the taxes in the small counties have gradually become aware of the problem and are demanding radical changes in county government and a reduction in the cost.

There has been considerable discussion concerning consolidation of counties for several years in the San Luis Valley area and recently in other areas of the state. Members of the legislature have introduced numerous bills to reform local government. They have introduced bills on budgeting, auditing, reduction of salaries of county officials, county consolidation, county manager form of government and other similar measures.

LOSS IN POPULATION INDICATES NEED FOR CONSOLIDATION.—Economic conditions due to the present depression may force several counties in Colorado to merge with other counties or force them to make other radical changes in the system of financing the county program because they have insufficient population to maintain even an inadequate type of county government. The decrease in population in the several counties since 1900 is shown in Table 1.

Table 1.—Counties with a decrease in population since 1900.[1]

County	1900	1930	Decrease in 30 years	
			Number	Percentage
1. Clear Creek	7,082	2,155	4,927	70
2. Custer	2,937	2,124	813	28
3. Gilpin	6,690	1,212	5,478	82
4. Hinsdale	1,609	449	1,160	72
5. Lake	18,054	4,899	13,155	73
6. Mineral	1,913	640	1,273	67
7. Ouray	4,731	1,784	2,947	62
8. Park	2,998	2,052	946	32
9. Pitkin	7,020	1,770	5,250	75
10. San Juan	5,379	1,935	3,444	64
11. San Miguel	2,343	2,184	159	7
12. Summit	2,744	987	1,757	64
13. Teller	29,002	4,141	24,861	86
Thirteen counties	92,502	26,332	66,170	72

[1]United States Census, 1920-1930.

This group of counties shows a loss of 66,170 in population in 30 years with Summit and Teller counties showing the largest decreases. Unless there is a revival of mining in the near future, these losses will increase. It will only be a question of time until these counties will be forced into combining their areas with neighboring counties.

POOR COUNTIES SHOW LARGE DECREASE IN POPULATION.—The need for county consolidation is shown by the fact that there has been a large decrease in population in the small counties, that is, those with less than 5 million dollars in assessed valuation in 1931. Counties in this group showed a loss of 57 percent in population from 1920 to 1930. The group of counties of average wealth, from 10 to 20 million dollars in assessed valuation, had an increase of 178 percent in

Table 2.—Trend of population in small counties of Colorado, 1900-1930.[1]

Number of counties	Counties grouped according to assessed valuation	Trend of population percentage increase
15	Under $5,000,000 valuation	57 (decrease)
13	$5,000,000 under $10,000,000	23
19	$10,000,000 under $20,000,000	178
15	Over $20,000,000 valuation	121
63	All counties, including Denver	51

[1]United States Census, 1920-1930.

population during this period while the wealthiest group of counties increased 121 percent in population. (See Table 2.)

INCREASE IN COST OF GOVERNMENT.—A part of the increase in government expenditure and of debts was caused by the increase in population in some cases, the rise in commodity prices and wages, the increases in the number of children attending school and in the large increase in the number attending high schools and colleges, and by the need for improvement of highways, welfare and health activities.

Total tax collections in Colorado for federal, state and local government but not including our share of customs or excise taxes paid on tobacco, automobiles and other indirect federal taxes, were $72,862,161 in 1931. (See Table 3.)

Table 3.—Taxes collected in Colorado in 1931.[1]

	Total Revenue
State:	
General property	$ 5,050,622
Estate and inheritance	955,264
Special taxes	6,112,341
Licenses or permits	2,588,224
Special assessments	152,888
Miscellaneous taxes	55,771
Total state	$14,915,110
Counties	$ 8,733,128
Municipalities:	
General property	$ 8,753,895
License or permits	479,774
Special assessments	1,892,766
Miscellaneous taxes	94,103
Total municipalities	$11,220,538
Schools and other civic divisions	$22,326,155
Total state and local	$57,194,931
Federal taxes	$15,667,230 [2]
Total tax collections	$72,862,161

[1]Federal and State Taxation. Sub-committee of House Ways and Means Committee, 72nd Congress, 2nd session. Washington, D. C., 1933.

[2]Does not include customs taxes collected in other states but paid by Colorado citizens.

PER CAPITA TAX BURDEN.—The total per capita tax burden in Colorado amounted to $70.34 in 1931 compared with $77.53 for all states. (See Table 4.) It is interesting to note the following facts which are brought out by the figures given in the tables.

First, the schools are the largest tax collectors, since this agency secures 31 percent of the total taxes collected in Colorado. The federal government comes second with a revenue of 22 percent of the total, state government third with 20 percent of the total, and county government 12 percent.

Table 4.—Per capita tax burden in Colorado and other states, 1931.

Collecting agency	Per capita tax burden		Percentage of total	
	Colorado	All states	Colorado	All states
Federal government	$15.12	$19.77	22	25.5
State government	14.40	16.02	20	20.6
County government	8.43	7.80	12	10.1
City government	10.84	24.26	15	31.3
School and other local governments	21.55	9.68	31	12.5
Total	$70.34	$77.53	100	100.0

Source: Federal and State Taxation, House Ways and Means Committee, Washington, D. C., 1933.

Second, the general property tax is the principal source of all taxes, accounting for not less than 78.4 percent of the total state and local collections. (See Table 5.)

Table 5.—Source of tax revenue, Colorado and other states, 1931.

	Percentage of total	
	Other states	Colorado
General property tax	71.8	78.4
Estate or inheritance	2.3	1.7
Special sales tax on specific articles	7.9	10.7
Licenses or permits	7.1	5.4
Special assessments	3.2	3.6
Income, franchise and miscellaneous taxes	7.7	.2
Total	100.0	100.0

Source: Federal and State Taxation, House Ways and Means Committee, Washington, D. C., 1933.

It is important to know what the general property-tax burden amounts to because county government is financed almost entirely from this tax. If other sources of wealth could be drawn on to carry their fair share of the burden of county government, real estate owners would be somewhat relieved.

COUNTY EXPENDITURES.—Information on county expenditures is unreliable and meager. The expenditures for county and road purposes as reported to the state examiner are given in Table 6.

GREAT VARIATION IN AREA AND POPULATION OF COUNTIES.—Colorado counties show great variation in area and population. Denver County, the smallest county in the state, has an area of 37,120 acres, while Las Animas, the largest, has 3,077,760 acres. The variations in population of counties are even greater than the variations in area. Three counties in Colorado had a population below 1,000 in 1930. Hinsdale had a population of 449, while Mineral County had only 640.

Table 6.—Expenditures of counties in Colorado, 1925-1931.[1]

Year	County expenses	County road expenses
1925	$ 7,843,350	$5,427,449
1926	7,914,856	5,732,625
1927	7,518,923	6,522,967
1928	6,797,308	5,910,957
1929	7,257,668	6,015,608
1930	10,064,416	6,304,165
1931	7,087,805	5,954,021

[1]J. M. Wood, Public Examiner. Auditor's reports.

Note: It will be noticed that county expenses were reduced about 3 million dollars from 1930 to 1931. Further reductions have been made since 1931.

Denver had a population of 287,644. The development of Colorado counties from the territorial division and as they appeared at its first legislative assembly in 1861 is shown in Figures 1 and 2.

An interesting comparison of the size of counties of the far West and those of the East is as follows: Colorado has 63 counties with an average area per county of 1,645 square miles; Wyoming has 23 counties with an average area of 4,268 square miles; while in the East, Kentucky has 120 counties with an average area of 338 square miles

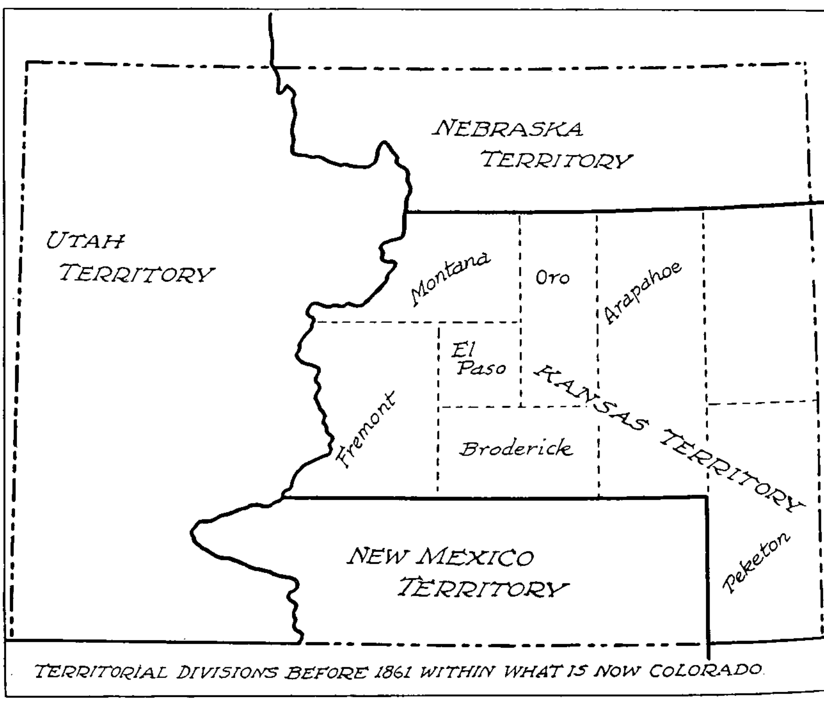
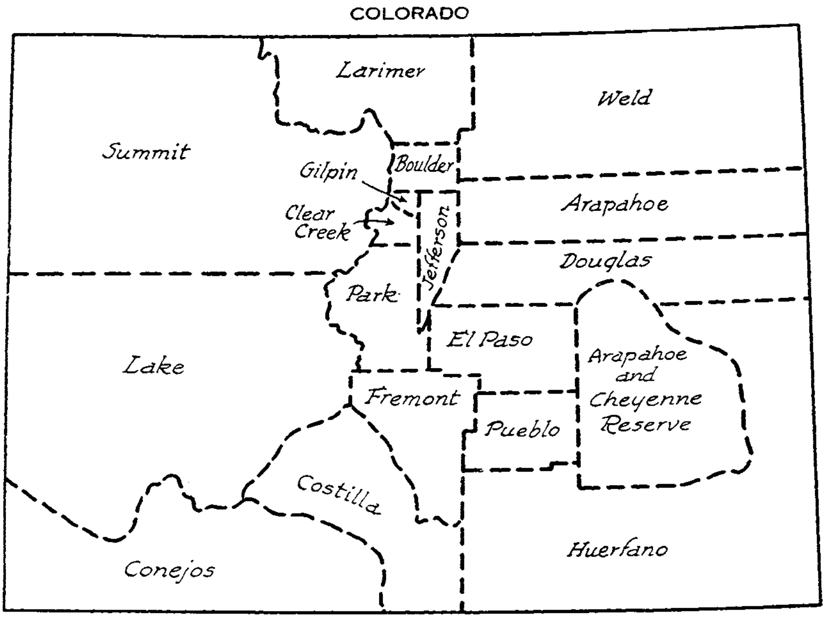


Figure 1.



COUNTIES AS ESTABLISHED BY FIRST LEGISLATIVE ASSEMBLY, 1861.

Figure 2.

per county; North Carolina has 100 counties with an average area of 524 square miles per county. Counties vary in size from San Bernardino of California with 20,175 miles, to the old county of New York, with 22 square miles. There are five counties in Texas with less than 100 persons living within their borders, and there are three counties in the country containing more than 2,000,000. Three counties of Georgia recently consolidated and the combined area of the new county is only 331 square miles.

The counties of Colorado have a large average area coupled with high mountain ranges, long distances between county seats such as between the town of Walden, in Jackson County, and Fort Collins, 106 miles to the east. Having the road closed from 3 to 4 months of the year by snow on the high mountain passes makes county consolidation questionable in a number of cases.

FACTORS INVOLVED IN COUNTY CONSOLIDATION

What should an economic unit of county government in Colorado contain in the way of area, wealth and population? Should county boundaries be changed, making counties larger in area, population and wealth so that they can more nearly conform to the economic unit of county government?

With the above ideas in mind the present counties were merged on paper into larger areas wherever possible, taking into consideration these additional factors: Areas after combining; location of new county seats and the distance of these county seats from the county boundaries as determined by drawing concentric circles around the county seat of combined or consolidated counties; distances between county seats; and amounts of public owned lands as another factor influencing county consolidation proposals. A study was also made of state maps to determine the location of highways, railroad connections, mountain passes and mountain ranges. Much of the detailed information in the original manuscript was eliminated in the preparation of this bulletin.

GEOGRAPHICAL AND TOPOGRAPHICAL FEATURES AS FACTORS IN COUNTY CONSOLIDATION.—Mountain ranges and passes are physical features in Colorado which affect county history. Colorado has 43 peaks that are more than 14,000 feet above sea level and two-thirds of the area of the state ranges from 6,000 feet to 14,000 feet in altitude. Mountain ranges have enclosed natural valleys and these ranges should have marked the boundary lines, but in many cases these natural boundary lines have not been adhered to in forming counties in the past. Two of these cases are Saguache County which crosses the Continental Divide on the north and Hinsdale County which is cut by the Continental Divide twice, thus placing it in three separate valleys.

The mining industry and the difficulty of traveling in mountainous areas in the early days have been the major causes for the creation of small counties. However, because of the development of good roads and rapid communication such counties as Gilpin, Clear Creek, Mineral, San Juan, Ouray, Teller and Custer could now be joined to other larger and wealthier counties.

Mountain ranges, passes and other topographical features almost force certain proposed consolidated areas. Jackson County, according to the arbitrary standards of an economic unit of county government, should be consolidated with another county. However, the county is hemmed in by high mountains and the passes and highways thru the ranges are closed for several months during the year. The same condition exists in San Juan, Grand and Summit counties. The San Luis Valley counties afford another example where a valley is practically surrounded by mountains forming a natural bowl. In the proposed consolidations no county lines cross a mountain range as is now the case in Saguache, Hinsdale and Mineral counties.

DISTANCE AS A FACTOR IN CONSOLIDATION.—In making the analysis, certain favorable areas for consolidation were taken into consideration, such as San Luis Valley counties; Yuma and Washington counties; and Pueblo, Fremont and Custer counties. In each of these areas the largest and most important town near the center of the new county was selected as a possible county seat for the group. Then 20, 40 and 80-mile concentric circles were drawn about these towns. For example, Alamosa is the largest town in San Luis Valley and also has the largest volume of business. Concentric circles were drawn around Alamosa with a radius of 40 miles and it was noted that this 40-mile circle included practically all of the productive land and the greater percentage of the population in that valley.

Then, in the case of the Pueblo-Fremont-Custer group of counties where the city of Pueblo is the largest, we discovered that all other towns of any importance were within a 40-mile radius about Pueblo. Therefore in many cases we were able to group counties and select county seats where the distance for the greater majority of the population was relatively short.

PRODUCTIVITY AND CHARACTER OF THE LAND AN IMPORTANT FACTOR IN CONSOLIDATION.—Land in all counties was classified, taking in all privately owned and public lands to see what effect the character of the land would have on consolidation. The 15 wealthy counties in Colorado have 74 percent of their area in privately owned lands which can be taxed by county governments. These same counties have only 5.42 percent in forest lands and 18.4 percent in other public land from which they derive little or no revenue since these lands are under state and federal control. On the other hand, the 47 small counties have 48.61 percent of their total area in privately owned or assessable lands, 30.84 in national forests, and a total non-assessable area of 45.74 percent. As a result of the large area in public lands, these 47 counties are at a great disadvantage when it comes to raising revenue for county purposes. (See Table 8.)

The area in public or non-assessable lands affects the proposed consolidations in many cases. The large area of public lands proves to be an important factor in the case of Chaffee, Clear Creek, Hinsdale, Lake, Mineral, Pitkin and San Juan counties because over 75 percent of their entire area is composed of public lands or non-taxable lands which means that, altho some county areas are large, much of the area is non-productive for tax revenue purposes.

Incidently Wisconsin, Minnesota, Michigan, New York and other states bordering on the Great Lakes have this same problem to solve. New York, which has much low-productive land, has solved the problem of local government cost in these areas by a novel method which might prove a solution for some of our Colorado counties. New York state has "zoned the state for local government; has prescribed op-

Table 8.—Land classified according to taxable and non-taxable land.

	Taxed by county	Non-taxable for county purposes			
County	Privately owned land	Homestead land	National forest	State land	Total in public land
	Percentage	Percentage	Percentage	Percentage	Percentage
Adams	93.58	....	....	3.62	3.62
Alamosa	64.77	10.06	6.24	10.01	26.31
Arapahoe	95.81	....	....	2.72	2.72
Archuleta	33.13	13.15	51.86	2.32	67.33
Baca	93.92	.05	....	1.88	1.93
Bent	80.87	.36	....	14.18	14.54
Boulder	59.73	.69	25.63	1.44	27.76
Chaffee	17.15	13.10	61.27	2.60	76.97
Cheyenne	94.71	.02	....	4.74	4.76
Clear Creek	24.31	6.75	68.64	.82	76.21
Conejos	32.58	31.17	34.47	7.69	73.33
Costilla	100.00	....	....	....	....
Crowley	82.80	.18	....	11.74	11.92
Custer	55.75	2.56	35.27	2.74	40.57
Delta	35.41	17.24	24.71	....	41.95
Dolores	31.14	7.46	49.20	1.28	57.94
Douglas	70.91	.01	25.21	1.63	26.85
Eagle	15.21	12.05	57.32	1.70	71.07
Elbert	91.28	.02	....	6.45	6.47
El Paso	75.06	.14	7.41	14.09	21.64
Fremont	38.37	33.96	7.02	5.78	46.76
Garfield	17.64	27.66	26.20	....	53.86
Gilpin	56.67	4.12	68.01	1.47	73.60
Grand	25.90	5.37	44.40	5.43	55.20
Gunnison	18.39	17.08	55.55	.94	73.55
Hinsdale	4.33	17.42	73.73	1.33	92.48
Huerfano	70.39	5.49	14.54	4.68	24.71
Jackson	30.76	16.35	38.67	4.91	59.93
Jefferson	70.54	.17	18.58	2.57	21.32
Kiowa	90.55	.05	....	5.41	5.46
Kit Carson	94.73	.02	....	4.15	4.17
Lake	27.13	10.09	67.04	.73	77.86
La Plata	37.73	12.85	32.08	1.32	46.25
Larimer	46.00	1.34	35.59	4.21	41.14
Las Animas	89.64	1.23	.99	5.05	7.27
Lincoln	90.66	.08	....	7.62	7.70
Logan	85.38	.11	....	12.30	12.41
Mesa	24.41	37.70	2.84	....	40.54
Mineral	5.60	....	95.27	.12	95.39
Moffat	33.79	47.23	1.41	6.94	55.58
Montezuma	24.44	16.87	17.74	2.69	37.30
Montrose	28.54	35.52	21.60	.01	57.13
Morgan	90.99	.08	....	7.20	7.28
Otero	78.85	.16	....	14.93	15.09
Ouray	50.55	7.59	38.09	.95	46.63
Park	34.02	4.75	43.74	6.11	54.60
Phillips	93.06	....	....	3.99	3.99
Pitkin	13.64	1.99	75.01	.20	77.20
Prowers	93.08	.08	....	4.34	4.42
Pueblo	77.16	.84	1.86	14.97	17.67
Rio Blanco	17.50	51.40	17.54	....	68.94
Rio Grande	39.46	13.26	40.55	2.55	56.36

County	Privately owned land	Homestead land	National forest	State land	Total in public land
	Percentage	Percentage	Percentage	Percentage	Percentage
Routt	42.92	3.69	37.83	4.76	46.28
Saguache	28.11	16.01	43.61	4.84	64.46
San Juan	8.83	15.87	64.71	2.56	83.14
San Miguel	29.43	37.65	21.45	2.62	61.72
Sedgwick	90.52	....	....	6.48	6.48
Summit	17.40	3.28	66.31	.23	69.82
Teller	53.47	8.06	30.45	3.03	41.54
Washington	91.99	.06	....	5.81	5.87
Weld	89.38	.09	....	6.85	6.94
Yuma	95.27	.04	....	3.62	3.66
Average	56.04	11.54	20.10	4.64	36.28

[1]Colorado Yearbook 1932. p. 14.

Note: Owing to inaccuracies in surveys and other causes, the figures for some counties do not always equal 100 percent, sometimes going over that total.

In addition to lands shown here there are in most counties areas not accounted for as to title. These areas are not included in this table.

tional forms of local government suitable to the several zones; and has permitted the complete withdrawal of local government from forest areas where it is incapable of efficient self-maintenance, such forest areas to be administered directly by the state.''[1]

WHAT IS AN ECONOMIC UNIT OF COUNTY GOVERNMENT?

ECONOMIC ORGANIZATION OF COUNTY GOVERNMENT.—In the more or less chaotic condition that exists in county government in Colorado at present there is need for reliable information on county organization and operation and consolidation. This need has not developed from a single cause, but from a combination of causes. Important among them are the rapid decrease in revenue from the mining industry and agriculture, the development of highways because of the automobile industry and changing economic conditions generally.

One of the fundamental requirements, and probably the most important one in county government, is the consolidation of small counties into suitable units of operation to form counties of sufficient population, area and economic wealth to support the essentials of local county government. The time that will be required to effect consolidation and reorganization of county government depends largely upon the market prices that may prevail for the products of the area, suitable adjustments of tax matters and other policies.

One of the outstanding needs in the further development of county government is a careful study or appraisal of the need for county government. Sparsely settled districts undoubtedly need less

[1]McCombs, Carl E., "Reorganization of Local Government in New York State." Natl. Mun. Rev. 23:131 March, 1933.

county government than densely settled districts. Any fair index of the need of county government must measure the need of a given quality of county government. A combination index should probably take into consideration the wealth, income, population, cost of living and other basic measures of governmental need.

It is evident from an analysis of the financial resources of the small counties that the income from the operation of the various industries and enterprises is not sufficient to meet all needs. The limited income will not permit excessive taxation or indebtedness. The hope of better days in business in the future no doubt explains the existence of so many of these counties apparently unable to support even a minimum program of county government.

To understand the ability of the county as an economic unit of government, to maintain an efficient system of county government, certain questions must be raised as to: (1) The resources of the county; (2) the drain of county expenditures upon the income of the population of the county; (3) the ability of the taxpayers to pay taxes; and (4) the significance of per capita cost of county services.

A COUNTY SHOULD HAVE SUFFICIENT ECONOMIC RESOURCES TO MAINTAIN GOVERNMENT.—It is important to find out whether the county in question contains economic resources in sufficient amounts to support a system of essential county government services based on the needs of the particular locality. A county needs sufficient population and resources in order to justify its existence.

WIDE RANGE IN WEALTH OF COUNTIES.—A rough measure of the economic resources or wealth of the counties can be obtained from the assessed valuation of town, city, farm, public service corporations, and tangible personal property in the various counties.

Table 9.—Wealth of Colorado counties as measured by the assessed valuation, 1931.

Group I. Assessed valuation under 10 million dollars:

County	Valuation in millions of dollars	County	Valuation in millions of dollars
1. Hinsdale	.9	15. Rio Blanco	4.
2. Mineral	1.	16. Montezuma	5.
3. Dolores	1.	17. Clear Creek	5.
4. Custer	2.	18. Moffat	6.
5. Jackson	3.	19. Grand	6.
6. Gilpin	3.	20. Eagle	7.
7. Pitkin	3.	21. Lake	7.
8. San Juan	3.	22. Conejos	7.
9. Ouray	3.	23. Park	8.
10. San Miguel	4.	24. Crowley	8.
11. Archuleta	4.	25. Saguache	8.
12. Summit	4.	26. Alamosa	9.
13. Teller	4.	27. Chaffee	9.
14. Costilla	4.	28. Rio Grande	9.

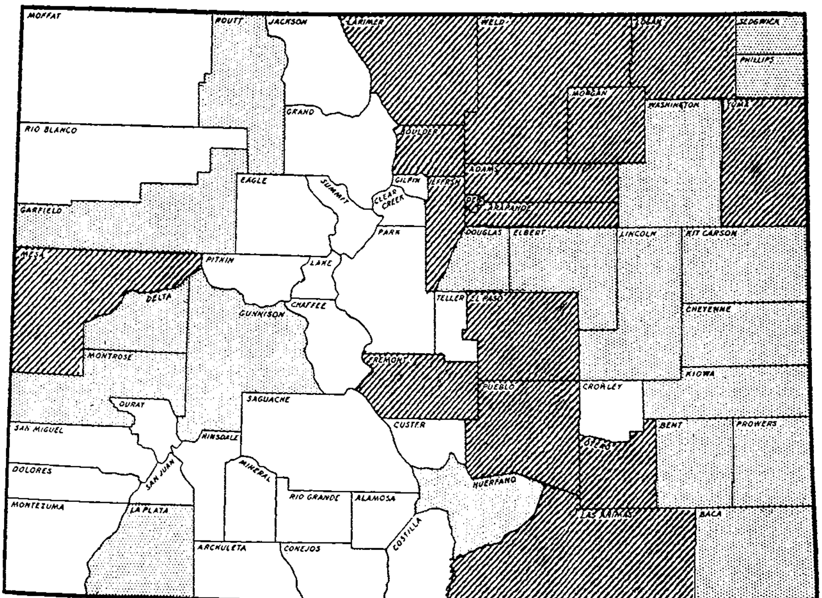
Group II. Assessed valuation 10 million, under 20 million dollars:

County	Valuation in millions of dollars	County	Valuation in millions of dollars
1. Montrose	10.	11. Huerfano	13.
2. Douglas	10.	12. Washington	13.
3. Kiowa	11.	13. Elbert	14.
4. Sedgwick	11.	14. Gunnison	14.
5. Cheyenne	11.	15. Routt	15.
6. Baca	12.	16. Lincoln	15.
7. Bent	12.	17. Garfield	16.
8. Delta	13.	18. Kit Carson	17.
9. Phillips	13.	19. Prowers	19.
10. La Plata	13.		

Group III. Assessed valuation over 20 million dollars:

1. Fremont	20.	9. Logan	32.
2. Yuma	20.	10. Las Animas	37.
3. Arapahoe	21.	11. Boulder	43.
4. Morgan	24.	12. Larimer	45.
5. Jefferson	25.	13. El Paso	70.
6. Mesa	27.	14. Pueblo	76.
7. Adams	28.	15. Weld	90.
8. Otero	29.		

COLORADO



Valuation from 20 to 100 million dollars
Valuation from 10 to 20 million dollars
Valuation from 0 to 10 million dollars

WEALTH OF COUNTIES

Figure 3.

Valuations of counties range from 900 thousand dollars to 90 million dollars per county. (See Table 9.) This comparison includes 62 counties, since Denver has been excluded in this comparison. These counties have been classified into three groups for the comparison of resources in the counties. The geographical location of these three groups of counties is shown in Figure 3.

The results of this comparison are significant, for of the 28 counties with an assessed valuation below 10 million dollars, only one, Crowley County, is in the eastern section of the state. You will also note that there is only one county above 20 million dollars in the western area, where most of the small counties are situated. Twelve counties in the low valuation group are in the plains area. (See Figure 3.)

Table 10.—Counties in Colorado grouped according to assessed valuation, 1931.

Number of counties	Grouped according to assessed valuation	Average assessed valuation per county	Assessed value per capita
15	Under 5 million dollars	$ 3,309,000	$1,552
13	$ 5,000,000 under $10,000,000	7,594,000	1,420
19	$10,000,000 under $20,000,000	13,720,000	1,526
15	Over $20,000,000	32,979,000	1,398
63	All counties, including Denver	$16,181,627	$1,341

Compiled from Colorado Tax Commission Reports, 1931, p. 114.

A SINGLE DENVER BUILDING HAS A HIGHER ASSESSED VALUE THAN SOME COUNTIES.—Another illustration which brings out the impracticability of the small county is shown by a comparison of the valuation of individual counties with seven large buildings in Denver. The assessed valuation of seven large Denver buildings is shown in Table 11.

Table 11.—Assessed valuation for seven large buildings in Denver, 1932.

Building	Land	Improvements	Total
A	$969,650	$520,660	$1,490,310
B	424,010	774,890	1,198,900
C	254,960	922,114	1,177,074
D	233,820	871,020	1,104,840
E	481,080	567,120	1,048,200
F	669,300	296,170	965,470
G	468,850	489,920	958,770
Total			$7,943,564

Source: McGlone, Wm. F., Manager of Revenue, City and County of Denver. April 21, 1933.

What would you think of a dry goods concern operating a county government? Believe it or not, the building designated by "A" located in Denver is assessed for more than any one of three counties in Colorado. It was assessed at $1,490,310 in 1932 while the three counties were assessed as follows: Hinsdale, $836,468; Mineral, $1,216,375; and Dolores, $1,270,075.

Seven buildings in Denver had almost as much value for taxation purposes as five adjoining counties containing 6,220 people and 2,938,880 acres. One would think it ridiculous if the occupants of the seven buildings in Denver attempted to operate and maintain five county governments with five sets of officials, five jails, and 30 school districts, yet five counties with a valuation only slightly greater than these seven buildings are attempting to do this. The list of five counties is shown in Table 12.

Table 12.—Five counties with very little wealth, 1931.[1]

County	Assessed valuation	Population	School districts
Hinsdale	$ 836,468	449	4
Mineral	1,216,375	640	3
Dolores	1,270,075	1,412	10
San Juan	3,247,994	1,935	1
Ouray	3,187,602	1,784	12
	$9,758,514	6,220	30

[1]Colorado Yearbook, 1932.

In 1931 there were 22 counties with valuations of less than 8 million dollars each; 10 of these had assessed valuations of less than 4 million dollars. These counties are trying to maintain county government machinery from taxes paid on property of approximately the same value of seven buildings in Denver. This means that property valued at the same amount as seven large buildings in Denver is required to bear the burden of supporting a county government headed by 14 elective officials and numerous other employees, not to mention schools, highways, poor relief, and law enforcement which the counties must support. Attention is directed toward this comparison to show the possibilities for constructive economy thru reorganization of local government and the elimination of useless counties.

HIGH TAX RATES INDICATE LACK OF WEALTH IN SOME COUNTIES. —A study of tax rates also gives a clew to the ability of a county to support essential county services. The tax rates for general county purposes, exclusive of general and special school levies, range from 2 mills to 20 mills. Ordinarily, high tax rates indicate a lack of sufficient wealth. The counties have been classified on the basis of tax rates into three groups in Table 13. Generally speaking, a low tax rate indicates that the county has sufficient wealth to support the county government without adding a burdensome mill levy. The geographical location of these three groups of counties is given in Figure 4.

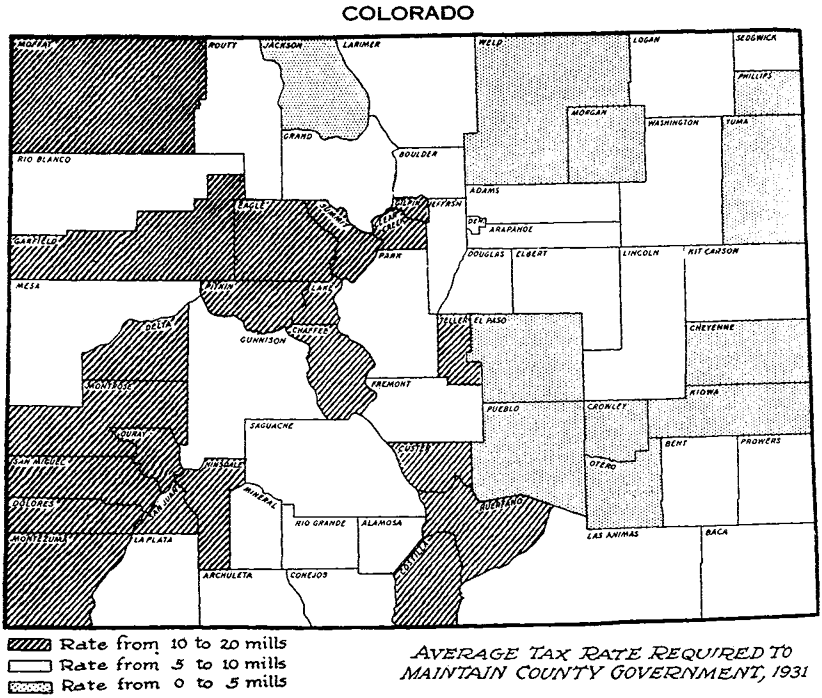


Figure 4.

Table 13.—Counties grouped according to 1931 general county tax rate.[1]

Tax rate for county purposes	No. of counties
Under 5 mills	11
5 mills, under 10 mills	30
10 mills, under 20 mills	21

[1]Tax Commission Report, 1931, p. 130 (Includes all levies for county purposes. General school levies are omitted.)

The 21 counties with tax rates above 10 mills are all in the western counties. There is only one county, Jackson, which has a tax rate under 5 mills in this western section of Colorado. The other 10 counties with low tax rates are in the eastern plains section.

TAX RATES SHOW TENDENCY TO RISE IN SMALL COUNTIES.—Poor counties, are the counties which show a marked tendency for the tax rates for general county purposes to rise higher and higher as the valuation drops below 20 million dollars. Above 20 million dollars valuation the tax rates tend to become stabilized at a low rate. (See Figure 5.)

The poor counties are also those having high tax rates, which are necessary to produce sufficient revenue for paying the cost of county government.

The rich counties can raise enough revenue from a low tax rate to support the county government.

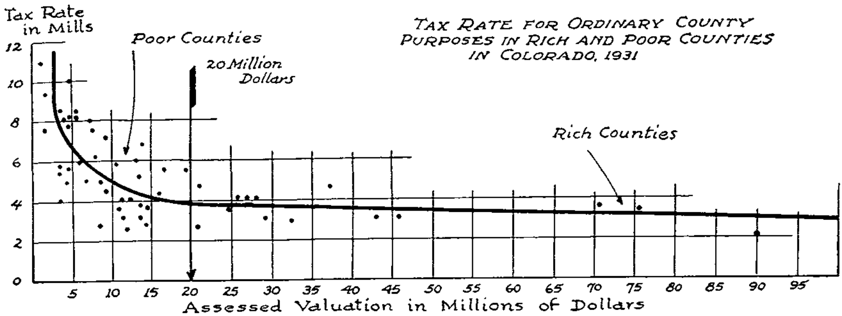


Figure 5.

Table 14.—Comparison of tax rates for general county purposes in poor and rich counties in Colorado, 1931.

Number of counties	Counties grouped according to assessed valuation	County tax rate per $100 valuation
15	Under $5,000,000	$12.36
13	$5,000,000 under $10,000,000	8.36
19	$10,000,000 under $20,000,000	5.00
15	Over $20,000,000	4.60
62	All counties, except Denver	$6.60

Source: Compiled from Colorado Tax Commission Report, 1931.

The tax rate in counties with less than 5 million dollars of assessed valuation was almost three times as high as the tax rate of the rich counties. The poor counties had a tax rate of 12.36 mills compared with a tax rate of only 4.6 mills in the rich counties. (See Table 14.) There are 28 counties which have far too low a valuation to carry the high costs of county government. It is doubtful whether taxpayers in these counties can support the essential services of county government under present conditions.

POOR COUNTIES ARE ALSO THOSE WHICH ARE SPARSELY SETTLED. —We have pointed out that the poor counties are the ones with the high tax rates. Further analysis shows also that the poor counties are sparsely settled. We find that all counties with 20 million dollars or more in assessed valuation, with the exception of one, have over 18,000 population.

We may assume then that the favored counties with high valuations and a dense population go hand in hand. Population is one of the measures of the need for county government which must be taken into consideration in the consolidation of counties. Sparsely settled counties as compared with densely settled counties have less need for an expensive type of county government.

The 15 rich counties have 62.58 percent of the population and have 59.19 percent of the assessed valuation, excluding Denver. In the group of poor counties with less than 20 million dollars assessed valuation, there is not a single county that has a population exceeding 18,000 people. (See Table 15.)

Table 15.—Relationship of wealth of counties to density of population, Colorado.[1]

Rich counties with more than 20 million valuation	Population U. S. Census 1930	Assessed valuation 1931
Adams	20,245	$28,039,200
Arapahoe	22,647	21,526,570
Boulder	32,456	43,721,245
El Paso	49,570	70,456,810
Fremont	18,896	20,609,397
Jefferson	21,810	25,457,475
Larimer	33,137	45,491,930
Las Animas	36,008	37,666,062
Logan	19,946	32,149,730
Mesa	25,908	27,083,185
Morgan	18,284	24,716,990
Otero	24,390	29,014,005
Pueblo	66,038	76,859,710
Weld	65,097	90,347,020
Yuma	13,613	20,672,840
	468,045	$593,812,169
Percentage 15 rich counties represent of the total population and value of the state	62.58	59.19

Source: Colorado Yearbook, 1931, and Colorado Tax Commission, 1931. p. 124.
[1]Denver is excluded in this table.

POOR COUNTIES TAKE THREE TIMES AS MUCH INCOME TO SUPPORT COUNTY GOVERNMENT AS RICH COUNTIES.—The small counties in Colorado took 3.3 percent of the gross income of the locality to support the county government compared with only 1.1 percent in the larger counties. The gross income of all the population of the small counties amounted to $2,324,218 per county compared with a gross income of $30,950,190 per county in the group of 15 rich counties. (See Table 16.)

THE DRAIN OF COUNTY DISBURSEMENTS UPON THE INCOME OF THE VARIOUS COUNTIES.—There should be enough money in the area to pay for the county services desired. In a comparison of gross income of the population of the counties with general county disbursements for the year 1929, the percentage of gross income appropriated by taxes ranged from 0.7 percent to 8.8 percent. The average amount of gross

Table 16.—Amount of gross income of the population required for county government in poor and rich counties in Colorado, 1929.

Number of counties	Grouped according to assessed valuation	Gross income of population per county[1]	Gross income per capita	Percentage of gross income taken for county taxes
15	Under $5,000,000	$2,324,218	$1,090	3.3
13	$5,000,000 under $10,000,000	5,968,762	1,117	1.9
19	$10,000,000 under $20,000,000	8,594,006	953	2.0
15	Over $20,000,000	30,950,190	1,092	1.1
62	All counties, except Denver	$11,936,700	$ 990	1.8

[1]Source: Compiled from records in Colorado Yearbook, Census of Distributions and other sources. Includes income from agriculture, mining, manufacturing, salaries of public officials and teachers, sales and other income. The total estimate for the state checked closely with Brookmire and other independent estimates.

income taken by county taxes is 1.8 percent. It should be understood that the school, town, city and state taxes are in addition to their county tax. In Figure 6 there are shown 33 counties which take more than 1.8 percent of the gross income for county government, and 26 counties which take less than 1.8 percent of the gross income. Thirty counties took more than 2 percent of the gross income of the entire population to pay county taxes. Governments cannot endure when the drain upon income becomes so great and county government in fact is becoming bankrupt. These figures are for the year 1929 when the period of prosperity was at its height. Since that time there has been some reduction in the cost of county government, but not enough to offset the decline in the price of farm and other commodities.

An economic unit of county government should be large enough so that sufficient funds can be raised from local taxes without penalizing the people with a heavy tax burden. Generally speaking, the assessed value of the county should amount to at least 20 million dollars and not more than 1.5 percent of the gross income of the population should be consumed for county purposes.

In 1931 the nation as a whole spent 1.84 percent of the total income of the entire population of the country for county government, the total expenditures for county government being 958 million dollars.[1]

HIGH TAX DELINQUENCY IN SMALL COUNTIES INDICATES LACK OF ABILITY TO PAY FOR PRESENT COUNTY GOVERNMENT.—The rapid decline in tax revenues secured from land is alarming. How to restore

[1]Federal and State Taxation. Subcommittee of the Committee on Ways and Means, 72nd Congress, 2nd Session, 1933.

County	Percentage
1. Hinsdale	8.8
2. Gilpin	6.4
3. Clear Creek	6.2
4. Mineral	5.6
5. Pitkin	5.0
6. Grand	4.7
7. Summit	4.6
8. Costilla	4.4
9. San Miguel	4.0
10. Ouray	3.8
11. Park	3.7
12. Archuleta	3.7
13. Douglas	3.6
14. Jefferson	3.1
15. Kit Carson	3.0
16. Washington	2.9
17. Gunnison	2.9
18. Dolores	2.8
19. Lincoln	2.7
20. Moffat	2.7
21. Baca	2.6
22. Kiowa	2.5
23. Eagle	2.4
24. Garfield	2.5
25. La Plata	2.2
26. Logan	2.2
27. Las Animas	2.1
28. Montezuma	2.1
29. Phillips	2.0
30. Huerfano	1.9
31. Montrose	1.9
32. Rio Blanco	1.9
33. Lake	1.9
34. San Juan	1.8
35. Sedgwick	1.8
36. Elbert	1.8
37. Bent	1.7
38. Chaffee	1.7
39. Cheyenne	1.7
40. Delta	1.7
41. Fremont	1.7
42. Larimer	1.7
43. Morgan	1.7
44. Teller	1.7
45. Yuma	1.6
46. Prowers	1.6
47. Saguache	1.6
48. Adams	1.6
49. Jackson	1.5
50. Weld	1.5
51. Conejos	1.4
52. Arapahoe	1.4
53. El Paso	1.4
54. Crowley	1.4
55. Boulder	1.3
56. Custer	1.3
57. Routt	1.2
58. Alamosa	1.2
59. Mesa	1.0
60. Otero	1.0
61. Pueblo	0.7
62. Rio Grande	0.7

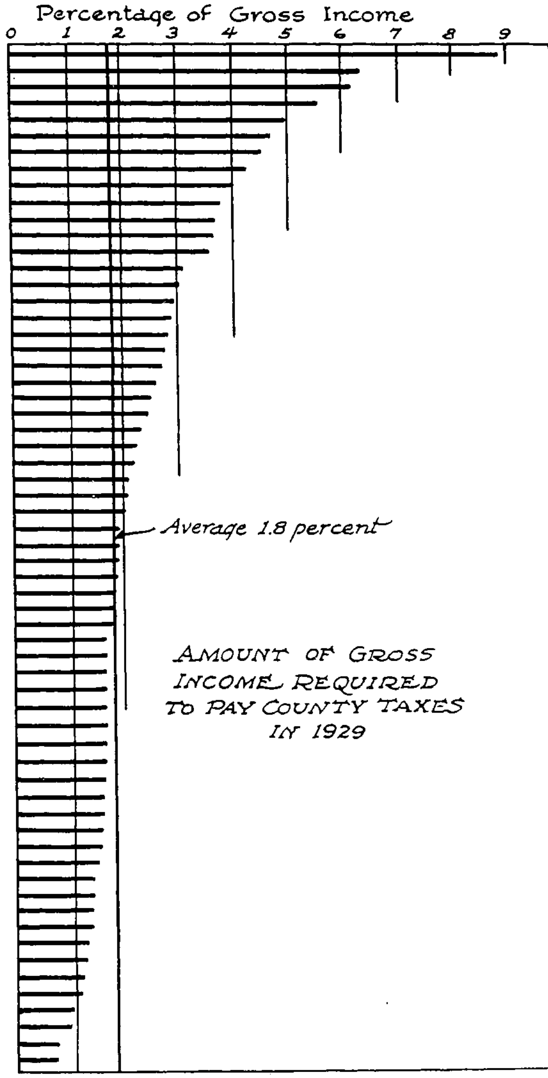


Figure 6.

tax-delinquent lands to the tax roll and keep them there is one of the most vital problems in the small counties. Lands have become delinquent not primarily because they are bad nor because they are operated by inefficient farmers or stockmen. All mountain land is good for purposes for which Nature intended it. Abnormal homesteading diverted much land into uses unprofitable under normal conditions. Delinquent tax collections indicate that people have about reached the limit in ability to pay taxes in certain counties. The percentage of taxes uncollected for the years 1926 to 1930 for all purposes in Colorado counties is given in Colorado Experiment Station Bul. 398. In considering the relationship of the wealth of the county to tax delinquency, we find that the rich counties with 20 million dollars assessed valuation or over, tend to have less tax delinquency. (See Figure 7.)

An analysis of tax collections indicates that the poor counties

County	Percentage
Costilla	62.42
Hinsdale	49.45
Dolores	46.40
Montezuma	38.78
San Miguel	37.30
Summit	35.88
Conejos	34.86
Teller	33.24
Clear Creek	30.58
Gilpin	27.98
San Juan	27.21
Pitkin	25.42
Routt	25.01
Alamosa	23.33
Moffat	22.95
Lake	22.35
Rio Grande	20.53
Mesa	17.83
Lincoln	16.59
Saguache	16.46
Delta	16.34
Crowley	16.18
Ouray	15.69
Mineral	15.39
Custer	14.72
Montrose	14.35
Las Animas	12.94
Gunnison	12.75
Kit Carson	12.62
Grand	11.78
Garfield	10.55
Adams	10.12
Rio Blanco	9.85
La Plata	9.32
Washington	8.94
Huerfano	8.88
Prowers	8.83
Archuleta	8.77
Arapahoe	8.65
Pueblo	8.22
Chaffee	8.13
Elbert	8.10
Park	8.09
Bent	8.04
Baca	7.19
Sedgwick	6.90
Logan	6.57
Cheyenne	6.42
Morgan	5.42
Weld	5.36
Larimer	5.25
Yuma	5.22
Boulder	5.20
Kiowa	4.99
Otero	4.72
Fremont	4.63
Jefferson	4.12
El Paso	3.54
Eagle	3.14
Douglas	3.09
Jackson	1.19
Phillips	1.09

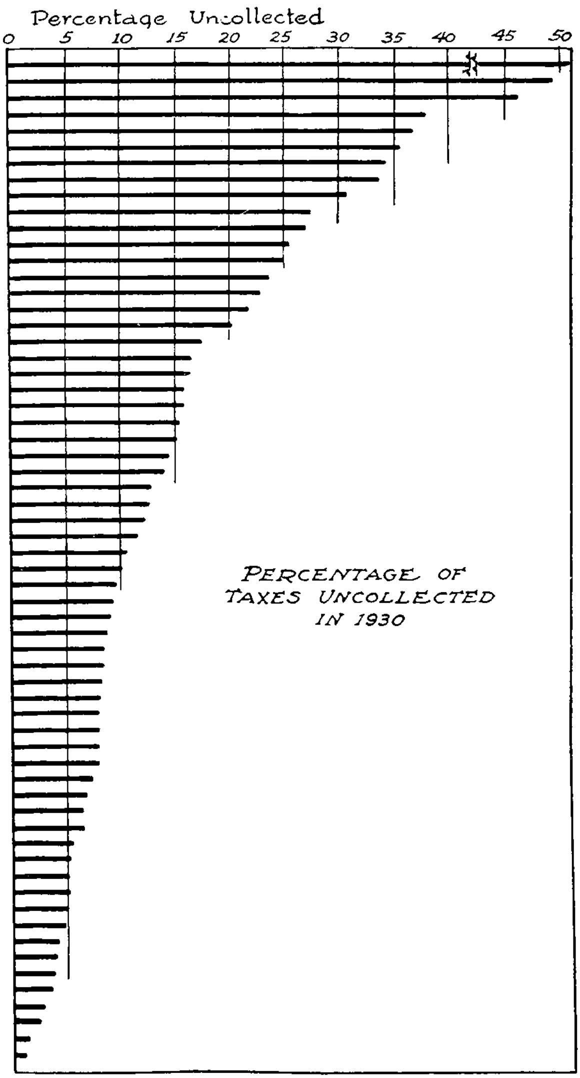


Figure 7.

have been able to collect only about two-thirds of their taxes in the last year or two. On the other hand the rich counties of Colorado have been able to collect about 85 percent of their taxes during this period. (See Table 17.)

Table 17.—Tax delinquency in Colorado counties, poor counties compared with rich counties. Taxes levied in 1931 collected in 1932.

Number of counties	Counties grouped according to assessed valuation	Percentage of taxes	
		Collected	Delinquent
15	Under $5,000,000	63	37
13	$5,000,000 under $10,000,000	68	32
19	$10,000,000 under $20,000,000	78	22
15	Over $20,000,000	86	14
62	All counties, except Denver	79	21

Source: Compiled from State Auditor's Records.

All counties show an increase in delinquency but the poor counties show a higher increase in delinquency than the rich counties. (See Figure 8.)

For the year 1931 the rich counties show an increased delinquency of 9.08 percent. The 47 small counties averaged 29 percent delin-

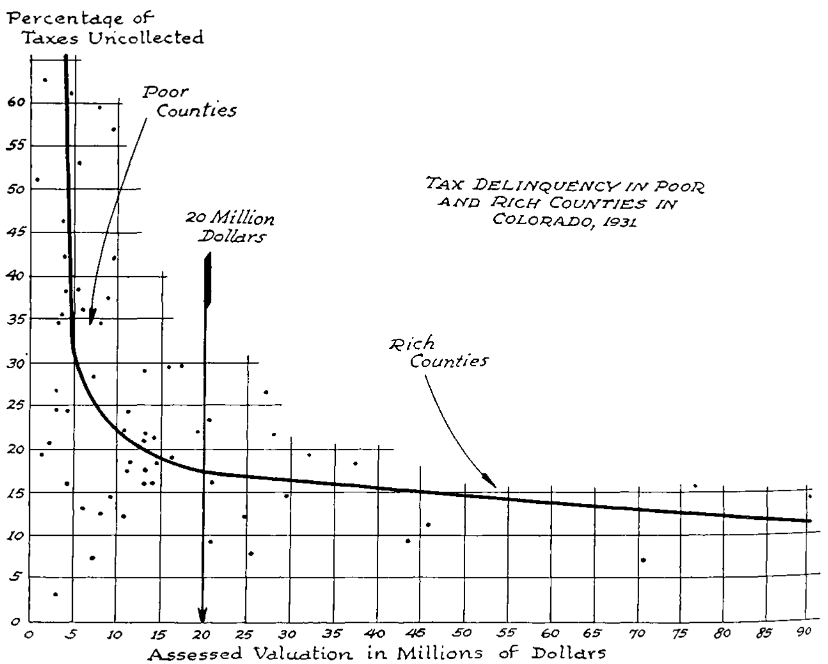


Figure 8.

quency in 1931 compared with 18 percent in 1930. In 1931, 32 small counties had more than 20 percent of their taxes uncollected while only 3 of the large counties had more than 20 percent of the taxes delinquent.

SMALL COUNTIES HAVE HIGH PER CAPITA COUNTY GOVERNMENT COST.—An analysis of county expenditures from tax revenues, exclusive of road expenditures, indicates that the less wealthy counties have the highest per capita cost for county government. The poor counties spend twice as much per capita as some of the rich counties for county government. Fifteen counties with less than 5 million dollars in assessed valuation per county had per capita expenditures amounting to $14.95 compared with $7.66 for the wealthiest group of 15 counties. (See Table 18.)

Table 18.—Comparison of per capita expenditures for county government in counties of varying wealth in Colorado, 1931.

Number of counties	Counties grouped according to assessed valuation	Per capita expenditures for county government[1]
15	Under $5,000,000	$14.95
13	$5,000,000 under $10,000,000	10.77
19	$10,000,000 under $20,000,000	8.78
15	Over $20,000,000	7.66
62	All counties, except Denver	$ 9.34

Source: State Auditor's Reports.
[1]County expenditures exclusive of road expenditures.

A concrete example of the high cost of small counties is given in the case of a Kansas farmer cited in Capper's Weekly. He owned land on the Colorado line, part of the land in Kansas and part in Colorado. The state line is an imaginary line. The land is of equal value on both sides of it. Last year this Kansas farmer paid four times as much taxes on the Kansas side of the line as he did on the Colorado side. The apparent reason was that the Kansas county, in which his farm was located, had less than one-fourth of the area and only one sixth of the population of the Colorado county just across the line. In other words one courthouse and one set of county officers on the Colorado side are serving more than four times the area and six times the population served by a similar set on the other side of the line in Kansas. That is irrefutable testimony to the inefficiency of a too-small county area.[1]

LARGE COUNTIES HAVE A LOWER PER CAPITA COST FOR SALARIES.—Another argument in favor of the large county is the favorable per

[1]Thomas H. Reed. Redrawing the Boundaries of Local Government, Government Series Lecture No. 11, University of Chicago Press, 1932.

capita costs of salaries of county officials in the large counties compared with the small counties. The salary cost per capita for county commissioners is five times as great for the group of 15 small counties as for the 15 large counties. (See Table 19.) The salary costs for the county clerks' offices were twice as large in the small as in the large counties. The sheriffs', treasurers' and county courts' costs for salaries were three times as large per capita in the group of small counties as they were in the group of large counties.

Table 19.—Variation in per capita cost to taxpayers for salaries of county officials in Colorado counties, 1931.

		Cost of county officials per capita				
Number of counties	Counties grouped according to assessed valuation	Commissioner	Clerk	Sheriff	Treasurer	County court
15	Less than $5,000,000	$.84	$.98	$.68	$1.14	$.60
13	$5,000,000 under $10,000,000	.46	.70	.45	.63	.38
19	$10,000,000 under $20,000,000	.30	.55	.37	.51	.30
15	Over $20,000,000	.17	.42	.24	.40	.21
62	All counties, except Denver	$.25	$.53	$.33	$.57	$.32

Source: Compiled from report of W. D. MacGinnis, Auditor of the State of Colorado, June 30, 1931 to June 30, 1932, p. 80, 89.

CONCLUSIONS CONCERNING A MODERN ECONOMIC UNIT OF COUNTY GOVERNMENT.—In order that citizens of Colorado may successfully meet the changed conditions, the general public needs to know much more of the principles involved in the economic operation of our county government.

It is evident that the old regime of county organization and practices in this region is slowly passing and that there will evolve out of the present situation certain new types of county organization which will succeed in meeting new conditions. Changed economic conditions in our agricultural and mining industries, as they come out of the depression period, demand that many adjustments be made in county organization.

Close examination of the available information points to certain factors that can be used as yardsticks in roughly determining an economic unit of county government in Colorado under present conditions. A radical change in price levels or economic conditions would possibly alter the size of the unit but would not change the general principle on which these conclusions are based. First, it may be said that 20 million dollars is about the minimum assessed valuation a county should have in Colorado in order to have an economic unit of county government with reasonable costs under present conditions. With less than this amount, the per capita costs of county government tend to increase rapidly. It is true that a certain amount of county organization and personnel is necessary regardless of the population, valuation, or area, if the following services are to be performed by the county government, namely, policing, supervision and maintenance of highways, care of the poor, welfare work, elections, judicial work, assessing and collecting of taxes. The only way these services can be performed efficiently is by trained personnel, devoting their full time and labor to their tasks.

In counties with an assessed valuation of less than 20 million dollars, the tax necessary to perform these services satisfactorily becomes confiscatory. Under the present constitution this condition cannot be greatly altered for the number of county officials cannot be reduced without an amendment to the constitution since they are all designated in the constitution. Counties are further handicapped in that most of the services are forced upon them by the state.

Under present conditions it is impossible to set up a government in a small county that can administer all the services economically that have been enumerated. Where there are less than 1,000 or even 5,000 people, the per capita cost will be too great to maintain a county organization even if it is only a skeleton organization.

Second, another fact that must be considered is the amount of income the entire population must have in order to support the county government. It may not be possible under present conditions to set any definite limits upon the percentage of income that should be taken to support county government but, in normal times, 0.5 percent to 1.5 percent would be perhaps a reasonable percentage.

Third, another factor of importance which must be taken into consideration is the concentration of population. In Colorado the population is very sparse. There are no great industrial areas or semi-urban areas where population per square mile is as great as 512 people per square mile as it is in Pennsylvania or 213 people per square mile as it is in Massachusetts. The population in the consolidated counties should be preferably over 20,000 but here again it is almost impossible to set up a practical county consolidation containing this number of people.

OBJECTIVES IN COUNTY CONSOLIDATION AS A MEANS OF TAX REDUCTION.—Therefore, after an analysis of the various economic factors, we have reached the conclusion that the following factors should be considered in setting up an economic unit of county government which should be the basis for consolidation of counties in Colorado:

1. The consolidated county should have at least 20 million dollars in assessed valuation under present conditions and price levels, or it should have sufficient wealth to maintain a county government at a reasonable cost to the taxpayers.

2. The consolidated county should have a population of at least 20,000 people.

3. Taxes for county purposes should not exceed 1.5 percent of the gross income of the population.

4. Distances to county seat should not be over 60 miles for the greater percentage of the population.

5. County lines should not cross mountain ranges.

6. The inhabitants should have easy accessibility to all parts of the county.

7. The natural flow of traffic should be toward the larger cities and towns.

THE ADVANTAGES OF COUNTY CONSOLIDATION

BIGGER AND CHEAPER COUNTIES NEEDED.—Study of the organization of county government in Colorado shows the defects in our present system of small counties and indicates the possibilities of saving by adopting larger taxing units for the support of county government.

The very weak organization of the present system defies administration which is either efficient or economical. The present poor organization manifests itself in improper administrative responsibilities, unnecessary duplication of services and an excessive number of small counties having power to levy taxes and incur indebtedness.

There has been too little attention paid to the reduction of the overhead and administrative costs of the units of government—school districts, road districts, towns, cities and counties. Our government units are too small. There is a multiplicity of petty offices and multiplication of costs.

TAXPAYERS CAN'T SUPPORT EIGHT JAILS.—In Colorado there is a block of eight contiguous counties in the San Juan Basin with a population of 31,743 in 1930, and an assessed valuation of only $31,-957,372 in 1932, where they maintain eight county governments, eight sets of county officers, eight county courts, eight courthouses, eight jails, eight boards of county commissioners, numerous town and city governments and sets of officers. This block of counties together have scarcely enough resources to maintain one courthouse and one set of county officers, and assessments for 1933 are 10 to 15 percent below those of 1932. These eight counties maintain 131 school districts and school boards, and many minor public officials administering public affairs and expending public money.

Table 20.—San Juan Basin counties, Colorado.[1]

County	Assessed valuation 1932	Population 1930	Number of school districts
Archuleta	$ 3,672,188	3,204	22
Dolores	1,270,075	1,414	10
Hinsdale	836,468	449	4
La Plata	11,770,815	12,975	38
Montezuma	4,543,050	7,798	30
Ouray	3,187,602	1,784	12
San Juan	3,247,994	1,935	1
San Miguel	3,429,180	2,184	14
	$31,957,372	31,743	131

[1]Colorado Tax Commission, 1932.

Think of the saving in having one courthouse, one jail, and one poor farm with their expensive upkeep costs, and one set of county officials where now there are several! Larimer County with only one set of county officials has a larger population and assessed valuation than the entire eight counties yet it has difficulty in supporting the essential services of county government. Larimer County's population was 33,137 in 1930 and its assessed valuation $39,082,190 in 1932.

CONSOLIDATION OF THINLY POPULATED AREAS. — Consolidation would work best where counties are small and thinly populated. There is little reason for such counties to have almost the same overhead and administrative expense as larger and more thickly populated counties. Then, again, Nature has fixed certain natural boundaries, such as the San Luis Valley of Southern Colorado, for which consolidation was first proposed. This valley, with all-year good roads, seems meant by Nature for one county and one judicial district, as it has one climate, one water shed and is entirely surrounded by high mountains. It already has many excellent consolidated schools.

Fred L. Morris, of the Morris Land Company, a supporter of county consolidation since 1925 says:

"One state in Old Mexico has three legislatures and seven governors! We laugh—why? San Luis Valley has six sets of officials for its population of 41,000 in 1930, one county having less than 700 people, and none having over 10,000 population with an assessed valuation of only $37,678,410."

If consolidation is a good thing for railroads and big business in eliminating overhead expenses, it is a good thing for the biggest business of all—government. Long ago the plan was recognized by school districts merging to save money or get better schools or both.

Heretofore the custom was to divide large counties. Farmers voted for the division in order to place themselves within driving distance of the county seat, but distance has been greatly eliminated by automobiles, good roads, telephones, rural mail, daily press, radio, and the nearest bank attending to the collection of the farmer's taxes and other business transacted by him in person. So the location of the county buildings and county officials is far less important than formerly.

In the horse-and-buggy age, 20 miles was a day's journey; now 200 miles in an automobile is a matter of hours. What does all this mean? It means that the unit of government can be enlarged without a surrender of the principle of local self government to which we are all committed. In practical effect, our states are not so large now as a county was 30 years ago. The people in the eight San Juan counties referred to have forfeited lands worth thousands of dollars because they cannot pay their taxes. These taxes were computed on the basis of eight jails and hundreds of other duplications for less than 32,000 people. They couldn't pay—they can't pay for eight jails!

COUNTY CONSOLIDATION WOULD EQUALIZE COUNTY TAX BURDEN.—The elimination of counties with a high cost of county administration by county consolidation would have a tendency to equalize taxes between counties. It is desirable to form consolidated counties with as large a valuation as possible, taking into consideration all the limiting factors of mountain ranges, accessibility, communication, transportation, natural flow of traffic, economic pursuits or common interests.

The smaller the area and wealth of county governments, study has shown, the greater the inequalities in costs of county government tend to become; the larger the areas, the more likely are these inequalities to be smoothed out. The same practice is recognized in giving federal aid to state highway construction. The need for highways in the different states bears no fixed relationship to their wealth or population. If the counties were larger the burden would probably tend to be equalized.[1]

Under the present system of 63 counties, the tax rates vary from very high to comparatively low rates, the amount of variation being determined by differences in wealth. For example, the tax rates necessary to support the present program of county government are from four to five times greater in the poorer counties than the tax rates required in the rich counties. In Hinsdale County the taxpayers pay more than five times the rate of the taxpayers in Weld

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[1]Porter, Kirk H. "County Consolidation and Lower Taxes." Journal of Business. University of Iowa. 12:8 April, 1932.

County in supporting the county program. Weld County probably gets a better quality of service too. It should be noted that the poorer counties almost invariably must bear a heavier tax in order to meet the actual county program now in operation.

TWO PLANS OF COUNTY CONSOLIDATION DISCUSSED

In order to illustrate how consolidation would equalize the tax burden in a typical group of counties, we shall take a group of counties which might form the basis of a consolidation. One test is to compare the county tax rate necessary to support the county program in counties of different degrees of wealth.

For example, the tax rate for ordinary county purposes in Jefferson County in 1931 was 4.21 mills, in Clear Creek County 8.20 mills, and in Gilpin County 8.50 mills. If these counties were grouped together in a consolidation which we will call Plan No. 1, an average tax rate of all the counties or 5.23 mills applied to all the property in the three counties should support the present county program. The mill levy would be increased slightly in Jefferson County but the levy in the other two counties would be reduced, resulting in an equalization for all counties, but there would be no reduction in the cost of operating the counties and therefore no object in consolidation under this plan.

Table 21.—Equalization of tax rate in a typical consolidation.

County	Ordinary county mill levy	Assessed valuation 1931	Revenue
Jefferson	4.21	$25,514,255	$107,415
Clear Creek	8.20	5,273,230	43,240
Gilpin	8.50	3,152,556	26,797
Results in consolidation	5.23	$33,940,041	$177,452

Carrying out this idea for other counties, we find that the range in tax rates is reduced under this plan from a maximum of 11 mills in 1931 (Hinsdale County) to a maximum of 7.72 mills (Chaffee consolidation.) Under this plan of consolidation, the highest tax for ordinary county purposes would be 7.72 mills, Chaffee consolidation proposal, and the lowest 2.39 mills, the Weld County consolidation proposal, if the proposed county consolidations were carried out. In 1931 the range in tax rates from highest to lowest was from 11 to 2 mills. In 1931, 11 counties had tax rates exceeding 7.72 mills for county purposes or 25 counties had more than 5.50 mills while under the consolidation proposals only five counties would have tax rates exceeding 5.5 mills. (See Table 22.)

This plan of consolidation is discarded because it merely equalizes the tax rate without reducing the cost of county government.

Table 22.—Tax rates for ordinary poor and contingent fund by individual counties, and weighted tax rates of county consolidations, 1931.

County consolidation under plan No. 1	1931 tax rates for ordinary, poor and contingent fund	Weighted tax rate for proposed county consolidation necessary to raise same revenue.	County consolidation under plan No. 1	1931 tax rates for ordinary, poor and contingent fund	Weighted tax rate for proposed county consolidation necessary to raise same revenue.
Group 1—Arapahoe	3.90		Group 13—Logan	3.17	
Adams	4.06		Phillips	3.23	
Douglas	3.75		Sedgwick	3.19	3.19
Elbert	2.69	3.71	Group 14—Mesa	4.00	
Group 2—Chaffee	7.50		Delta	6.15	4.70
Lake	8.00	7.72	Group 15—Montrose	5.91	
Group 3—Denver	4.39	4.39	Gunnison	3.82	
Group 4—El Paso	3.73		Hinsdale	11.00	
Parks	5.30		Ouray	5.80	
Teller	8.00	4.39	San Miguel	8.01	5.33
Group 5—Garfield	5.85		Group 16—Otero	3.05	
Eagle	7.50		Crowley	2.80	3.54
Pitkin	5.88		Group 17—Prowers	5.60	
Rio Blanco	5.60	6.19	Baca	4.2	
Group 6—Grand	5.00		Bent	4.11	
Summit	7.75	6.12	Kiowa	4.00	4.61
Group 7—Jackson	4.00	4.00	Group 18—Pueblo	3.51	
Group 8—Jefferson	4.21		Custer	9.00	
Clear Creek	8.20		Fremont	4.71	3.90
Gilpin	8.50	5.23	Group 19—Routt	3.80	
Group 9—Kit Carson	4.02		Moffat	6.00	4.43
Cheyenne	2.76		Group 20—San Luis Valley		
Lincoln	4.23	3.92	Alamosa	4.50	
Group 10—La Plata	5.22		Conejos	6.10	
Archuleta	5.00		Costilla	10.00	
Dolores	9.50		Mineral	7.50	
Montezuma	8.30		Rio Grande	5.00	
San Juan	8.50	6.40	Saguache	5.00	5.74
Group 11—Larimer	3.16		Group 21—Weld	2.08	
Boulder	3.00	3.08	Morgan	3.53	2.39
Group 12—Las Animas	4.51		Group 22—Yuma	2.65	
Huerfano	6.80	5.13	Washington	3.78	3.09

Source: Tax Commission Report, 1931.

Most of the proposed consolidations under Plan No. 2 center around a county which has a high valuation and a low tax rate. In other words, we have designated a strong county as the central unit of the consolidation. With very few exceptions these stronger counties do have the lowest tax rate of the proposed consolidated groups. With efficient administration, the new county should raise enough revenue from this low tax rate to defray all consolidated county costs.

The poorer counties have the most inefficient offices, the most lax financial practices, and highest overhead costs in relation to value of business done. It is reasonable to believe that if each of these weak counties were annexed to a strong county under Plan No. 2, the administrative staff of the larger county would have to be increased hardly at all, a better quality of service could be extended over the whole consolidation area, and the tax rate enjoyed by the whole area would be only slightly, if any, above that of the now more favored county.

The consolidation of counties might therefore be expected to reduce and at the same time equalize the cost of county government and improve the quality of public service.

Concrete illustrations show how the second plan works. For example, in 1931, Mesa County had $27,000,000 valuation and a 4-mill levy while Delta County had a $13,000,000 valuation and a 6.15-mill levy. This consolidation should be able to operate on 4 mills applied to the valuation of the two counties. (See Group 14, Table 22.)

In another typical case, Group 8, Jefferson County has a $25,000,000 valuation and a mill levy of 4.21 mills while Clear Creek has a valuation of $5,000,000 and a mill levy of 8.20. Gilpin County has a $3,000,000 valuation and an 8.50 mill levy. The proposed consolidation made up of these three counties should operate on 4 mills applied to the valuation of the three counties. Some areas, such as the San Luis Valley, Group 20, have no outstanding county with a high valuation and low mill levy but four out of the six counties have valuations ranging between 8 and 10 million dollars with levies of 4.5 to 5 mills for ordinary purposes.

The savings would be effected thru the elimination of waste and duplication rather than thru a reduction of important functions. Consolidation would result in constructive economy thru reorganization of county government and the elimination of useless officials, departments and county organizations.

The equalizing tendency of county consolidation is shown by the fact that there are no counties after consolidation with extremely high tax rates and others with very low tax rates. Taxpayers in the former small counties would pay under consolidation practically the same tax rate for county purposes as taxpayers in the more prosperous and abler counties did before consolidation. (See Figure 9.)

A state divided into comparatively large counties will reveal fewer extreme differences in ability to pay taxes than a state with

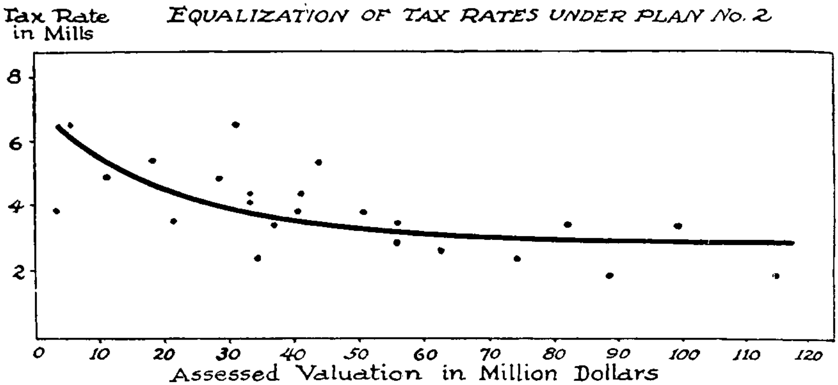


Figure 9.

small counties as taxing units. The smaller the counties, the greater the opportunity for extremes of wealth in individual counties. The larger the counties, the less probable it will be that any given county will be extremely wealthy or extremely poor. Analyses show that, altho the development of larger counties does reduce the extremes of inequality and improves the equalization situation, it can seldom result in entirely satisfactory equalization of burden.

The equalization principle demands that a satisfactory county program be made available in all localities without throwing more burden upon one locality than upon any other. Consolidation has a marked tendency to distribute the burden of county government equally among the people in all localities according to taxpaying ability.

County Consolidation Should Cut the Cost for Administrative Purposes.—The reduction in the cost of county government is the most important reason for suggesting consolidation. Taxpayers ask this question: Will it reduce county taxes? The possibility of making a savings by means of consolidation can be shown by taking a concrete example. To illustrate: Weld County government costs will be compared with proposed consolidated counties because it is one of the more favored counties with a low tax rate. It has a wide diversity in economic activities and natural resources. This should be true of all county units as far as possible and should be the aim of all consolidation efforts. The ordinary county fund will be used for purposes of illustration.

Weld County is paying less than other counties for the same kind and quality of governmental services. (See Table 22.) The following comparison between Weld County and certain proposed county consolidations for ordinary county expenditures for 1930 indicates

Table 23.—Proposed consolidated counties, tax rates, assessed valuation and population in Colorado, 1931.

Consolidated counties		Average weighted mill levies for counties consolidated. Plan 1.	Present revenue for ordinary poor and contingent fund.	Valuation of consolidated counties in 1931	Population 1930 census	Mill levy of strongest county entering consolidation. Plan 2.
1.	Arapahoe	3.71	$ 275,519	$ 74,195,693	52,970	2.50
2.	Chaffee	7.72	128,767	16,678,563	13,025	5.50
3.	Denver	4.39	1,948,760	435,632,685	287,861	4.40
4.	El Paso	4.39	342,101	83,025,030	55,763	3.50
5.	Garfield	6.19	197,270	31,867,508	18,649	5.85
6.	Grand	6.12	64,839	10,592,402	3,095	5.00
7.	Jackson	4.00	12,445	3,167,830	1,386	4.00
8.	Jefferson	5.23	177,452	33,883,261	25,177	4.21
9.	Kit Carson	3.92	167,240	44,488,842	21,298	5.50
10.	La Plata	6.40	181,130	28,304,650	27,324	5.00
11.	Larimer	3.08	274,755	89,213,175	65,593	2.00
12.	Las Animas	5.13	264,844	51,609,915	53,070	4.00
13.	Logan	3.19	181,076	56,716,855	31,323	3.00
14.	Mesa	4.70	188,829	40,171,975	40,112	4.00
15.	Montrose	5.33	178,543	33,481,641	21,686	4.50
16.	Otero	3.54	112,210	37,484,875	30,324	3.54
17.	Prowers	4.61	256,950	55,769,160	38,252	3.50
18.	Pueblo	3.90	390,701	100,123,369	87,058	3.50
19.	Routt	4.43	95,750	21,584,228	14,213	3.80
20.	San Luis	5.74	237,093	41,295,652	41,027	4.50
21.	Weld	2.39	275,047	115,064,010	83,381	2.00
22.	Yuma	3.09	105,459	34,096,746	23,204	2.65
Total		4.21	$6,056,780	$1,438,448,065	1,035,791	3.70
Weld county alone used as basis for comparison		2.08	$ 187,922	$ 90,347,028	65,097	2.00

Source: Colorado Tax Commission. See Table 26 for list of counties in each consolidation designated here by leading county of the group.

what the probable savings would be from consolidation. Weld County costs for supporting the county program were $187,000; Larimer and Boulder $274,755; six San Luis Valley counties $237,093; Arapahoe, Adams, Elbert and Douglas $275,519; Prowers, Baca, Bent and Kiowa $256,950. None of these larger areas of two or more counties included in the proposed consolidations should be paying much more for county services than Weld County. (See Table 23.)

If the expenditures of these counties by means of consolidation were reduced to the same cost basis as Weld County, for example, Larimer and Boulder counties joined together would have the same population as Weld and should save $87,000 annually; Arapahoe, Adams, Elbert and Douglas should save $87,000; Prowers, Kiowa, Bent and Baca should save $88,000; and the San Luis Valley counties should reduce costs $50,000.

SMALL COUNTIES HAVE HIGH PROPERTY VALUE PER PERSON.—If poorer counties are annexed or merged with the wealthier counties, the tax rate of the consolidated areas should not be increased above that enjoyed by the wealthiest county in the merged group.

Half of the counties in the state have less than 5,000 population, but at the same time these same counties have practically the same assessed valuation per capita as the wealthier counties. The 15 poor counties have an average per capita assessed valuation of $1,552 while the 15 rich counties have an average per capita assessed valuation of $1,398. (See Table 10.) Ten of these 15 poor counties have greater assessed valuations per capita than any of the counties in the wealthier group. In fact, in the group of 47 counties below 20 million dollars, 26 counties have more assessed valuation per capita than any of the counties above 20 million dollars in assessed valuation. Therefore a consolidation of small counties should reduce the rates to the level of that enjoyed now by the more favored counties.

Jefferson County, with a tax rate of 4.21 mills for ordinary county purposes, has $1,170 per capita assessed valuation, and since this county is able to carry on administrative purposes on this tax rate and per capita assessed valuation, other counties should be able to perform the same services with the same tax rate in neighboring areas if the per capita assessed valuation of the neighboring areas is as great. The per capita assessed valuations in the adjoining counties of Clear Creek and Gilpin are $2,002 and $2,032 per capita. Jefferson County would receive more than enough revenue from these two counties to pay for the extra costs of assuming administration of this area. Clear Creek and Gilpin counties would enjoy a cut in tax rate of one-half from their present tax rate which is 8.2 and 8.5 mills respectively.

POOR COUNTIES WILL NOT BE ADDITIONAL BURDEN ON RICH COUNTIES UNDER CONSOLIDATION.—In the greater majority of cases the consolidations center around a county with high assessed valuation and a low tax rate. The tax rate of this wealthy county should be large enough for the group as pointed out above.

It would be a somewhat different problem if all wealthy counties had $2,000 or $3,000 per capita assessed valuation and all the poorer counties had only $200 or $300 per capita assessed valuation. If this were true it would tend to drive the tax rate of the wealthiest county upward in order to support the small counties. These poorer areas would then be a burden on the stronger and wealthier counties. But, in 1931 there were only five counties in the state with a per capita assessed valuation below $1,000.

It follows then, that if this plan No. 2 were used in a proposed consolidaton it would be possible to effect a saving of $737,000. (See Table 24.)

Table 24.—Savings in ordinary, poor and contingent funds due to consolidation of counties in Colorado.

Proposed consolidated counties*	Tax rate of largest county in the consolidated group, per $100 valuation	Revenues from low mill levy of wealthiest county if applied to the entire consolidation	1931 revenues of consolidated counties under the present system	Possible savings by consolidation in Plan No. 2
1. Arapahoe	$2.50	$ 185,489	$ 275,519	$ 90,030
2. Chaffee	5.50	91,732	128,767	37,035
3. Denver	4.40	1,948,760	1,948,760	....
4. El Paso	3.50	290,584	342.101	51,517
5. Garfield	5.85	186,424	197.280	10,856
6. Grand	5.00	52,962	64,839	11,877
7. Jackson	4.00	12,445	12,445	....
8. Jefferson	4.21	142,648	177.452	34,804
9. Kit Carson	3.50	155,711	167,240	11,529
10. La Plata	5.00	141,523	181,130	39,607
11. Larimer	2.00	176,426	274,750	98,324
12. Las Animas	4.00	206,439	264,844	58,405
13. Logan	3.00	170.151	181,076	10,925
14. Mesa	4.00	160,688	188,829	28,141
15. Montrose	4.50	150,667	178,543	27,876
16. Otero	3.54	112,210	112.210	....
17. Prowers	3.50	195,175	256,950	61,775
18. Pueblo	3.50	350,432	390,701	40,269
19. Routt	3.80	82,020	95,750	13,730
20. San Luis Valley	4.50	185,830	237,093	51,263
21. Weld	2.00	230,128	275,047	44,919
22. Yuma	2.65	90,356	105,459	15,103
Total	$3.70	$5.318,800	$6,056,785	$737,985

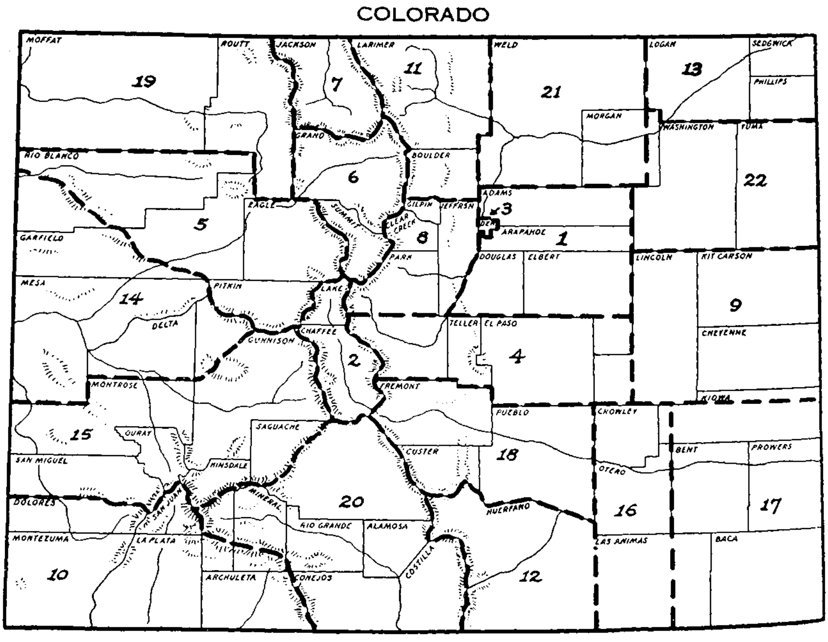
Source: Compiled from Colorado Tax Commission Records, 1931.

*Key county in proposed consolidation. See Table 26 for list of other counties in each consolidation.

With the creation of new counties in the past has come a rapid increase in indebtedness and many are now facing a condition comparable to bankruptcy. Hinsdale County, with a population of 449 people, had outstanding bonds amounting to $105,500 in 1932. In a consolidation, the present county would have to assume any existing debt. This, however, should not prevent the elimination of other overhead expense thru a merger.

STRONGER COUNTY GOVERNMENT POSSIBLE UNDER CONSOLIDATION.—County consolidation would make it possible for the counties to have stronger governments, that is, better trained and more efficient officers capable of giving better service at less cost to the taxpayer by elimination of much overhead expense.

The merged or consolidated county is less apt to feel the economic stress as soon as the small county, and diversification of industry may be such that all industries are not affected at the same time. Therefore, strong governments are desirable and this can be brought about to a considerable degree by county consolidation whereby practically all the weaker counties can be eliminated.



MAP SHOWING PROPOSED CONSOLIDATIONS OF COUNTIES

Figure 10.

PROPOSED COUNTY CONSOLIDATIONS FOR COLORADO

From the foregoing study of many factors considered in the operation of county government, we propose that the 63 counties of Colorado be grouped into 22 consolidated areas. In this proposal, due consideration has been given to such factors as: The wealth measured by assessed valuations, population, area in square miles, railroad and highway connections, gross incomes of county population, costs of administration, costs of total county expenditures, mountain ranges, mountain passes, natural trade centers, public debt, tax collections, county lines, distance between county seats, economic pursuits of the people, and the amount of patented, forest, homestead and non-patented lands. Many other factors have been considered that will not be mentioned. The counties have been listed in Table 26 as they would be grouped in the proposed consolidation and Figure 10 is map showing the proposed grouping, with the new county lines as proposed in this study. Table 25 gives the approximate areas, assessed valuation and population for the proposed county consolidations.

One or two consolidations will be discussed in detail to illustrate

Table 25.—Proposed county consolidation in Colorado.

Proposed consolidated county*	Area in square miles	Assessed valuation 1931	Population 1930 U. S. census
1. Arapahoe	4,250	$ 74,195,693	52,970
2. Chaffee	1,778	16,678,563	13,025
3. Denver	576	435,632,685	287,861
4. El Paso	4,532	83,025,030	55,763
5. Garfield	7,483	31,867,508	18,649
6. Grand	2,515	10.592,402	3,095
7. Jackson	1,632	3,167,830	1,386
8. Jefferson	2,390	33,883,261	25,177
9. Kit Carson	6,452	44.488,842	21,298
10. La Plata	7,108	28,304,650	27,324
11. Larimer	3,573	89,213,175	65,593
12. Las Animas	3,473	51,609,915	53,070
13. Logan	3,077	56,716,855	31,323
14. Mesa	4,027	40,171,975	40,112
15. Montrose	10,192	33,481,641	21,686
16. Otero	4,985	37,484,875	30,324
17. Prowers	6,550	55,769,160	38,252
18. Pueblo	4,849	100.123,369	87,058
19. Routt	6,967	21,584,228	14,213
20. San Luis Valley	7,413	41,295,652	41,027
21. Weld	4,948	115.064,010	83,381
22. Yuma	4,880	34,096,746	23,204
Total	103,650	$1,438,448,065	1,035,791

Source: Colorado Yearbook 1932, p. 216.

*Only the key or major county in the consolidation is designated here. See the following table for complete list of counties in each consolidation.

Table 26.—Counties grouped for proposed consolidation.

Present county	Consolidated county designated by key county as:	Present county	Consolidated county designated by key county as:
Adams	Arapahoe No. 1	Logan	Logan No. 13
Arapahoe		Phillips	
Douglas		Sedgwick	
Elbert		Mesa	Mesa No. 14
Chaffee	Chaffee No. 2	Delta	
Lake		Montrose	Montrose No. 15
Denver	Denver No. 3	Ouray	
El Paso	El Paso No. 4	San Miguel	
Teller		Hinsdale	
Part of Park		Gunnison	
Garfield	Garfield No. 5	Otero	Otero No. 16
Rio Blanco		Crowley	
Eagle		Prowers	Prowers No. 17
Pitkin		Baca	
Grand	Grand No. 6	Bent	
Summit		Kiowa	
Jackson	Jackson No. 7	Pueblo	Pueblo No. 18
Jefferson	Jefferson No. 8	Fremont	
Clear Creek		Custer	
Gilpin		Routt	Routt No. 19
Kit Carson	Kit Carson No. 9	Moffat	
Cheyenne		Alamosa	San Luis Valley No. 20
Lincoln		Conejos	
La Plata	La Plata No. 10	Costilla	
Archuleta		Mineral	
Montezuma		Rio Grande	
Dolores		Saguache	
Boulder	Larimer No. 11	Weld	Weld No. 21
Larimer		Morgan	
Las Animas	Las Animas No. 12	Yuma	Yuma No. 22
Huerfano		Washington	

the manner in which each consolidation was considered. The first consolidation to be discussed is that of the San Luis Valley.

The San Luis Valley Consolidation Offers a Means of Reducing Taxes

A detailed discussion of one of the consolidations is given to show the manner of analyzing each group. Space does not permit a detailed discussion of other consolidations which are contained in the original study on file in the college library.

PHYSICAL FEATURES OF THE SAN LUIS VALLEY CONSOLIDATION.—The San Luis Valley was once the location of an immense lake. It is drained by the Rio Grande River which flows thru the valley from a northwesterly to a southeasterly direction. The mountains encircle this valley north, east and west, and it opens on the south into New Mexico. The continental divide forms the western and northwestern boundary while the Sangre de Cristo and Culebra ranges form the eastern line. At the junction of these mountain ranges and the divide on the north, there is an outlet to the north. This northern pass is open the year round. All the other passes are very high and closed at times. (See Figure 11.)

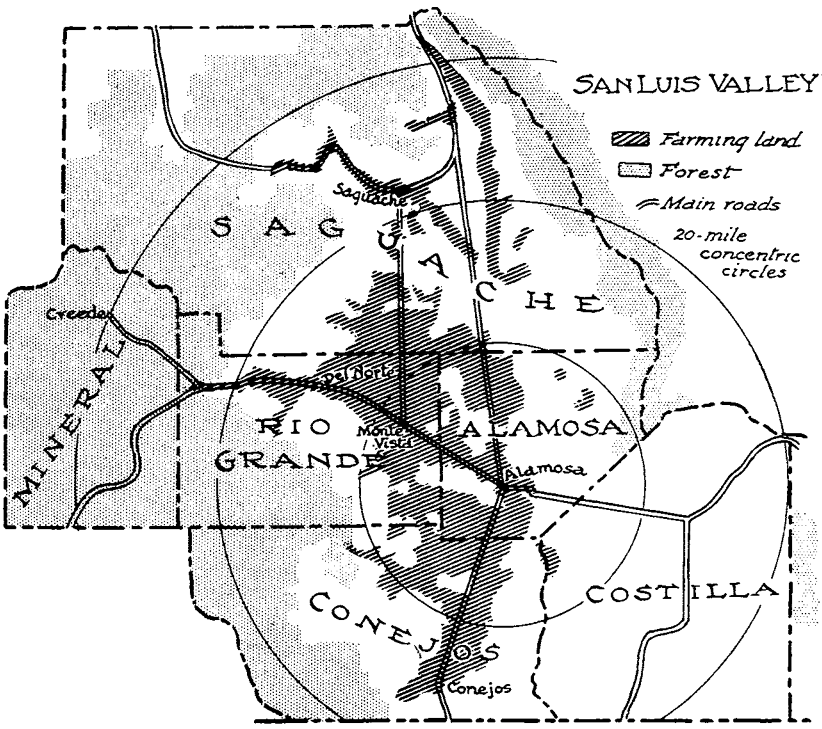


Figure 11.

Cumbers Pass is 10,003 feet in elevation; Wolf Creek Pass is 10,850 feet; Cochetopa Pass, 10,032 feet. These are all in the continental divide. La Veta Pass is 9,339 feet in elevation and is the main outlet on the eastern side.

The entire area of the six counties involved contains 8,061 square miles. Of this amount 5,694 square miles or 70.64 percent of the area is comprised of non-patented lands or non-taxable land. Mineral and Saguache counties both cross the continental divide and that portion across the continental divide, if taken off, would probably cut 800 or 1,000 more square miles from the original area of six counties in the valley. The area within the valley would be approximately 7,000 square miles, with probably 55 to 60 percent of this in non-patented lands and 18 percent in grazing land. A circle with a radius of 20 miles drawn around Alamosa, the only town in the valley over 5,000 population, includes nearly all the farming land except land to the north around the town of Saguache which is within 52 miles of Alamosa. Most of the land not included in the 20-mile radius is largely non-patented land of little value except for grazing purposes.

The areas that do not lie in the valley should be excluded from the consolidation for they are inaccessible to the county seat when snow closes the passes. Furthermore, they are not a part of the valley, and people on the north side of the range in Saguache County do business in Gunnison while those on the south side of the range in Mineral County go to Pagosa Springs or Durango. These towns are logical centers of trade and interest. At times the sheriff under present conditions cannot reach these mountain areas on the other side of the range for months at a time.

TAX REVENUE OF THE SAN LUIS VALLEY.—Six counties, Alamosa, Conejos, Costilla, Mineral, Rio Grande, Saguache and a small part of Hinsdale, are trying to carry on a six-county government in this area. Sixty percent of the area yields practically no tax revenue and 18 percent consists of grazing land which yields very little. This leaves 20 to 25 percent of the area to carry the tax load since taxes are based on the ownership of property. The six counties had an assessed valuation of $41,295,652 and a population of 41,027 in 1931. Not one of these counties contains more than 10 million dollars of assessed

Table 27.—San Luis Valley county statistics, 1931.

County	Assessed valuation 1931	Tax rate per $100 valuation for ordinary, poor and contingent fund	Revenue derived from the mill levy on general property	Population 1930
Alamosa	$ 9,061,216	$ 4.50	$ 40,775	8,602
Conejos	7,865,665	6.10	47,981	9,803
Costilla	4,549,550	10.00	45,596	5,779
Mineral	1,468,280	7.50	11,012	640
Rio Grande	9,416,732	5.00	47,084	9,953
Saguache	8,934,209	5.00	44,671	6,250
Total and average	$41,295,652	$ 5.74	$237,119	41,027

Source: Colorado Yearbook 1932. p. 216, 217.

valuation, and in the previous discussion, 20 million dollars marked the dividing line between rich and poor counties.

ESTIMATED SAVINGS FROM CONSOLIDATION. — These six counties raised $237,093 for administration of the county program which was $50,000 more than was necessary for the same purpose in Weld County, and Weld County has 20,000 more people.

AMOUNT OF INCOME NECESSARY TO PAY COUNTY TAXES.—Taxes for county purposes consumed on an average of 1.4 percent of the gross income of the people of these counties compared with 1.5 percent in Weld County and 1.1 percent in the 15 rich counties. (See Table 28.)

Table 28.—Relationship between gross income and county disbursements in San Luis Valley counties, 1929.

Counties	Gross[1] income	County[2] disbursements	Percentage county expense is of gross income
Alamosa	$ 9,257,830	$107,385	1.2
Conejos	7,685.251	105,725	1.4
Costilla	2,169,919	94,418	4.4
Mineral	836,877	46,870	5.6
Rio Grande	13,365,604	92,097	.7
Saguache	8,690.659	139,763	1.6
	$42,006,140	$586,258	1.4

[1]Compiled by Tax Division. Colorado Agricultural College.
[2]Source: Colorado Tax Commission Report, 1929.

TAX DELINQUENCY.—Two of these counties, Costilla and Mineral, have been in bad financial shape for years. Conejos has not been much better. For the 5-year period, 1927 thru 1931, Costilla County was able to collect only 45 percent of the taxes and in 1931 only 39 percent was collected. Conejos collected only 71 percent of her taxes for the same 5-year period and for the year 1931, 40 percent of the taxes. Tax collections for 1931 were extremely low, averaging 60.6 percent for the six counties. (See Table 29.)

This table shows the marked reduction in tax collections between the years 1930 and 1931, Costilla being the only county which did not have a reduction from the previous year.

INDUSTRIAL ACTIVITY.—Agriculture is the main industry of the valley. Alamosa is the only county in the area with any manufacturing. The income from manufacturing amounted to $1,500,000 in 1929. Under present economic conditions prices of grain, livestock and truck gardening are so low that people are unable to pay their taxes, consequently county governments are unable to raise enough revenue to

Table 29.—Tax collections for the six counties of San Luis Valley for 1930, 1931 and a 5-year period, 1927 to 1931 inclusive.

County	Percentage of Taxes Collected 1930	1931	5-year average 1927-1931
Alamosa	76.67	57.92	78.17
Conejos	65.14	40.27	71.71
Costilla	37.58	39.08	45.27
Mineral	84.61	80.58	87.95
Rio Grande	79.47	43.03	80.65
Saguache	83.54	62.34	85.55
Average	71.13	60.60	74.55

Source: State Auditor's records. Denver, Colorado.

meet the current expenditures. These counties are doubly handicapped because of their distance from markets and the high cost of transportation. As a result, producers are unable to sell much of their produce outside of the valley at a profit at the present time.

SOCIAL FACTORS.—The standard of living is much lower in some counties than in others because of the large Spanish population. Some difficulties might arise because of this factor if an attempt were made to consolidate the Spanish populated counties with the other counties in the valley.

ADVANTAGES TO BE GAINED BY CONSOLIDATION.—County consolidation in San Luis Valley of six counties, Alamosa, Conejos, Costilla, Mineral, Rio Grande and Saguache, would mean one government instead of six. It would equalize taxes. There would be one county consisting of 41 million dollars of assessed valuation and 41,000 population.

Geographical features do not prevent this change but tend to favor the consolidation of counties into one economic unit. Distance from county seat for the greater majority of the people would be under 50 miles in most cases. County lines would not cross mountain ranges, the inhabitants would have ready access to the county seat, and the natural flow of traffic would be toward the largest town.

Finally, the San Luis Valley consolidation should offer a means for reducing the cost of administering the county program at least $50,000 annually. The quality of county governmental services should improve considerably.

COUNTY CONSOLIDATION HAS CERTAIN DRAWBACKS

OBSTACLES TO COUNTY CONSOLIDATION.—In attempting to outline a plan of county consolidation we must recognize that certain difficult obstacles must be overcome. Obstacles to be faced by those who advocate county consolidation are the constitutional barriers, the opposition of political parties and the present office holders, the pride of the local citizen in his county, the loss of patronage, and the difference in wealth and population among the counties. The paramount question in the minds of all taxpayers is: Will it save money and will it improve government?

CONSTITUTIONAL OBSTACLES IN COLORADO.—There are a number of constitutional changes necessary to change the present county boundaries, to consolidate or change the form of county government.

How county consolidation may be accomplished is not very clear. It is not mentioned in the constitution, neither does it mention how new counties may be created. However, it is implied that the latter may be done by the legislature alone.

In a test case that arose over the formation of Teller County, the Supreme Court ruled that the legislature alone had power to create new counties.[1]

"Where counties are created by name in the State constitution the legislature has no power to create or to provide for new counties. When it is found desirable to create new counties in such a case a constitution amendment is necessary."[2]

Counties are not created by name in the Colorado constitution, as Article XIV, Section 1, reads: "The several counties of the Territory of Colorado as they now exist, are hereby declared to be counties of the state."[3] This statement eliminates any necessity of amending the constitution.

The general assembly does not have the power to move a county seat, but this is provided by general law. The act requires a majority of the qualified electors of the county, voting at a general election, to change the county seat. It cannot be voted on oftener than every 4 years.[4]

The question of the location of the county seat is an old one and many bitter fights have been waged over this problem. This same battle would arise again under consolidation. However, the legislature may designate a temporary location and the people may select the permanent location later.

There are numerous instances where county boundaries could be profitably changed. For example, Saguache County crosses the con-

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[1]Frost and Pfieffer. 26.C.343.59 p. 147.

[2]Fairlie and Kneir. County Government and Administration. p. 58. 1930.

[3]Colorado Constitution. Art. XIV, Sec. 1.

[4]Colorado Constitution. Art. XIX, Sec. 2.

tinental divide. The portion of the county across the divide on the north could be added to Gunnison County to the advantage of both. Hinsdale is another county that lies in three separate valleys, being cut twice by the continental divide. The striking off and the adding of territory is provided for in the constitution. "No part of the territory of any county shall be striken off and added to an adjoining county, without first submitting the question to the qualified voters of the county from which the territory is proposed to be striken off; nor unless a majority of all the qualified voters of the said county voting on the question shall vote therefore."[1]

POLITICAL OPPOSITION.—Political parties ordinarily resent and fight any change in form of county government or county consolidation. Consolidation would destroy many county organizations and would necessitate reorganization. It would give rise to jealousies since the smaller county groups would not relish the fact that their party or group would come under the control of larger and stronger bodies. The less populous county will object to consolidation, because its citizens will be in the minority on election day. For example, many small counties have elected Democrats to office year after year. After consolidation the Republicans might predominate because larger counties have often elected Republicans year after year. The vote of the smaller Democratic groups would be lost. In other cases the Republicans would probably lose. There would also be fewer officials and appointive positions or political plums.

Porter contends that "The practical, political resistance to such a program would be tremendous. The very foundations of our party system are deeply rooted in the county. Resistance of office holders and their friends would practically be unanimous, for such a project would affect them all. Every member of legislature would be involved. Indeed it would be hard to imagine any sort of reform measure that would affect more positions or go deeper into the governmental structure than a program of county consolidation."[2]

Political opposition may be overcome by the vote of the people. The task is a hard one and requires much organized work and effort on the part of the taxpayers. The press is also an important factor in such an undertaking. People must be convinced of the desirability and soundness of the change. A concrete example of political opposition is given in the resolution passed by the Colorado Association of County Commissioners which went on record opposing county con-

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1Colorado Constitution. Art. XIV, Sec. 3.

2Porter, Kirk H., "County Consolidation and Lower Taxes." Journal of Business, University of Iowa, p. 7, Vol. 12, No. 5. April, 1932.

solidation. Large road-machinery companies sponsored these resolutions, according to reports of the House of Representatives which threatened to make an investigation.

The State Association of County Commissioners of Colorado at its twenty-fifth annual convention in Denver on January 20, 1933, passed the following resolution opposing county consolidation: "Be it resolved that this Association go on record as opposing any legislation designed with the view of proposing consolidation of any county, or group of counties, in the State of Colorado, into a different County."[1] The resolution was voted on and carried unanimously.

It might be asked, What would become of the office holders who would lose their jobs? Forty county governments, or approximately this number, would be discontinued. This would throw many out of work who would have to find new employment. Hinsdale County has only 449 people or about 90 families in the entire county and about one family out of five is employed by the county in some capacity. The present office holders would be forced into other types of employment.

OPPOSITION OF THE PEOPLE.—The opposition to county consolidation because of local pride, tradition and hopes of the people for the future development of the county are real obstacles to such a plan.

The time has arrived when economic conditions have made people desirous of most any change that will reduce costs. The press is full of the demands of the taxpayers asking for more changes, more savings, and more efficiency in government.

An interview with prominent business men and bankers in some of the small counties indicated that there was a need for consolidation and that these men favored county consolidation provided, however, that the county seat of the consolidated area was placed in their home town.

People will require a vast amount of education and influential individuals will have to be convinced or persuaded that the new reform would benefit them directly by lower taxes and an extraordinary return in governmental service for their tax dollar before any constructive action is taken.

The average citizen does not take up new ideas in government very readily. He is extremely conservative and will not change his ideas or viewpoints quickly. He is afraid of the unknown.

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[1]Proceedings and Annual Report of the State Association of County Commissioners. Denver, Colorado. Jan. 20, 1933. p. 162.

A specific example of the opposition of the people to county consolidation was illustrated by the Taxpayers League of Alamosa County. The league on February 25, 1933, unanimously voted down all measures that would involve consolidation with any county. They further instructed their state senators and representatives from that district to oppose such measures.

The passage of this resolution took place after talks made by two county commissioners of Alamosa County. These two county commissioners attended the twenty-fifth annual convention of the county commissioners which adopted a resolution opposing any measure for county consolidation. The move suggests the kind of political activity to be expected in opposition to consolidation.

COUNTY CONSOLIDATION WOULD RAISE THE OLD FIGHT OVER COUNTY SEATS.—There are many instances in the early history of western states where towns within the counties fought over the location of the county seat. This was especially true in Kansas. Colorado has had many such fights, the latest being in Chaffee County between Salida and Buena Vista. The former town was able to outvote the latter and move the county seat to Salida. Another case is that of Greeley and Evans in Weld County. Weld County citizens stole the county courthouse books and took them to Greeley and from that time on Greeley has been the county seat.

OPPOSITION OF THE PRESS TO CONSOLIDATION.—The Alamosa Daily Courier has published numerous articles and editorials on county consolidation during the last year. These editorials have drawn fire from several towns. The Center newspaper publisher is the latest to express his opinion. After reviewing all the arguments against consolidation, he declares finally that "citizens of his town would agree to the combining of counties if Center would be selected as the county seat."[1] This reaction is typical. We are all in favor of county consolidation if we get the benefit of such a move. Therefore, it seems obvious that the communities will not get together of their own free will, even for the sake of saving money in government; hence it is futile to seek action within the county.

Thus we see there would be a real problem in establishing county seats. Alamosa would be the logical county seat for the San Luis Valley, yet no other town would vote for this town. People do not like to see another town progressing more than their town and they are prone to be jealous of these larger centers.

Newspaper editors of the counties likely to be affected waxed indignant over the bill introduced in the regular session of legisla-

[1]Alamosa Daily Courier, Jan. 5, 1933.

ture in 1933 by Senator Manly of Denver, which would reduce the number of Colorado counties from 63 to 35.

"The proposal," says the Del Norte Prospector, "is impractical, unreasonable, fantastic, and will prove to be nothing more than just one more bill relegated to the ash can. What we cannot understand is why George, since he is so perturbed over the 'tax burden,' did not propose in his bill to make Denver the county seat of all Colorado and thus cut taxes to the bone."

The Leadville Herald-Democrat, discussing reapportionment as well as the movement to reduce the number of counties, becomes almost plaintive:

"The drive is on. The 'ghost counties' must go, and all we can do here in these mountains is to hearten our own representatives, and to make them feel that their own people are behind them."

The editor of the Hugo Ledger, however, is not inclined to a policy of non-resistance.

"Some 'bright' Denver lawyer who happens to be a member of the Colorado legislature has conceived the idea that what the state needs to do to reduce taxes is to combine the counties and cut out expenses of such government."

"There is no economy in such a proposal, and the people of this district will readily unite to prevent the bill from becoming a reality.

"Mr. Manly, the said Denver lawyer, is all 'wet' on such a proposal, and is being misled by a small group of citizens. The main thing he forgot to include in such a bill was to turn the country back to the Indians and have a territorial government with Denver at the head, so that the people would not be burdened with any county administration or expenses at all."[1]

Senator Chas. F. Rumbaugh, representing Hinsdale, San Juan, Ouray and Archuleta counties, introduced a county consolidation enabling act in the second special session of the legislature in 1933, in spite of the above criticism.

AVOIDING OBSTACLES OF CONSOLIDATION

In the previous discussion, the advantages and disadvantages of county consolidation have been discussed. However, the obstacles to be overcome, such as constitutional changes, political opposition and the opposition of office holders are so great as to make the reform very difficult to attain. It is always difficult to up-root existing

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[1]Editorial, Rocky Mountain News, Denver, Colorado, Jan. 1933.

governments, or to change political boundaries or abolish existing offices.

REDISTRIBUTION OF COUNTY FUNCTIONS.—As a means of overcoming these difficulties that face changes in area it is believed that better results in reducing local property taxes can be obtained by a redistribution of county functions to units of larger area or to the state. Certain functions such as supervision and maintenance of highways, schools, policing, health work, the support of tuberculosis work, the financing of old-age pensions, the care of unemployed and certain other welfare works are no longer confined to local areas, but are of state and national scope. It is much easier to shift one function that is already under state aid or supervision which the people have become accustomed to than it is to change completely county areas or the forms of government.

Many of these functions are already being shifted to state control and taxpayers would not raise much objection to shifting the entire support of many functions to the state if the shift would lighten the general property tax. Recently in Colorado, the support of old-age pensions, formerly a county function, has been shifted from a local tax on the general property to state and locally administered taxes, licenses and fees.[1] The care of the insane, the feeble-minded, orphans and juvenile cases was shifted from the county to state support several years ago. Again, for example, if it were possible to shift the responsibility of the entire county road system to state control and support, and as a result, finance the operation of the county roads from the gasoline and motor vehicle taxes without calling upon the general property tax, the county taxpayers would not be apt to resist. Taxpayers realize that counties are no longer able to support the primary roads and in many counties they are fast coming to the conclusion that they cannot finance the secondary system of highways. Nearly all the states have taken over certain primary roads which have been centralized under a state department of highways.

The State of North Carolina in 1931 assumed the additional burden of maintenance of every mile of public road in the state and the full responsibility for the operation of a state-wide public-school term for 8 months, and as a result the counties and municipalities have been relieved of this burden on property, which heretofore has constituted a considerable proportion of local governmental cost.

North Carolina was the first state in the union to take over responsibility for all public roads. Pennsylvania, Virginia and New

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[1]Senate Bill 500. An Act Relating to Old Age Pensions, 29th General Assembly, Session Laws of Colorado, 1933. Chap. 144, 145.

York have also relieved the counties of the expense of maintaining county roads by transferring the responsibility for maintaining county roads to the state. The roads will be maintained without any property tax and the cost to the citizens will be much less.

The organization of a systematic state-wide school and road system has resulted in large savings in many states In 1930 the counties of North Carolina spent more than $8,000,000 on maintenance of local roads. The first year of state maintenance developed an improved standard at two-thirds the cost, and the appropriations for the next 2 years for this purpose is less than half the cost of county maintenance under the old system. The road bill abolished over 600 local road officials.

The trend to relieve property taxes in North Carolina has now reached the point that property is taxable only by local governments, and taxable by them mainly for local government debt service obligations and the ordinary general expenses of governments, the state having taken over all other costs of schools and roads. Under these measures, property tax levies will be extremely low.

Policing is another function that is becoming more of a state responsibility every year. The sheriff has always been considered a state officer. Counties have not been able to cope with the modern criminal for there is no organized or close cooperation of sheriffs between counties. Thus, New York, New Jersey, Pennsylvania and other states have organized a system of state police. Practically all states have organized traffic police control for the highways.

The solution of our perplexing county government problem may be in taking away the more important functions of the county government, leaving a mere shell or skeleton of local government because certain functions can be handled more economically by spreading the cost of maintaining these functions over a larger area. The tendency is toward a larger and larger degree of state responsibility for the financing of certain functions thru state aid, state-administered taxes, and centralization of control directly in the hands of the state. None except the most local roads carry a preponderance of local traffic, and the mileage of such roads within a given area is too limited to justify a full complement of modern machinery. Roads are no longer for neighborhood use; they are avenues of inter-community and interstate transport and justice demands a broad base of support. Roads should be supported largely from motor-vehicle taxes and the state should serve as the collecting agent. Whether it is better that the revenue be distributed to the localities to be locally expended or that the state assume the administration of the roads and other functions only experience will determine.

COUNTIES MAY UNITE TO CARRY ON CERTAIN FUNCTIONS.—There is yet another type of redistribution of county functions which does not involve the state that could be used by Colorado counties to advantage. Certain states allow the counties to unite to carry on certain functions. Virginia permits counties to organize district poor farms. North Carolina counties have a system of district jails and road camps. In Kansas, counties may have district road engineers. District road engineers are also used in Michigan, Wisconsin, Pennsylvania, South Dakota and Oregon.

REDISTRIBUTION OF FUNCTIONS TO LARGER DISTRICTS.—Much has also been accomplished in the redistribution of county functions to larger areas in the various states. Virginia by an act of 1918, of the general assembly, authorized counties and cities to eliminate their almshouses by consolidating them into a district home for the poor which would serve all the cooperating units.[1] As a result 67 counties in Virginia had abolished their almshouses by mid-year 1929, and in some cases as many as 8 counties had cooperated in establishing a district home.[2]

CONCLUSION

This study of county consolidation suggests that it is important as a means of reducing the cost of county government but because of certain practical obstacles it will take a long time before many consolidations are put into effect.

A more practical method for reducing the high cost of county government seems to be a redistribution of certain county functions to units of large area such as districts comprising several counties or to the state. In other words, the financing of such functions as highways, education, policing, and certain types of welfare and health work should be taken over by the state and in some cases administered by state officials rather than by numerous county officials. No doubt there is a certain amount of danger in centralizing the administration in the hands of a few individuals thus making the corruption of government easier and precautions should be taken to avoid this in any reorganization of local government.

The counties can reduce the cost of the county program by adopting modern business methods such as the budget system, modern accounting, independent audits, centralized purchasing, better methods of financing indebtedness, long-term planning and improved personnel methods, to name a few.

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[1]Virginia Code. Sec. 2812.

[2]Manning, J. W., The Progress of County Consolidation. Natl. Munic. Rev. Aug. 1932. p. 512.

Furthermore, the adoption of optional forms of county government with centralization of responsibility in a county executive or the adoption of the county-manager plan would reduce the cost of county government in counties adapted to this system.

The excellence of this solution is demonstrated by the excellent results obtained from better business methods and the county-manager plan in such states as North Carolina, Virginia, New York, Pennsylvania and California.

The citizens and taxpayers of Colorado will probably obtain more satisfactory and more rapid results by supporting the latter suggestion than by means of county consolidations. Any effort to reduce the cost of county government, regardless of the method used, will meet with obstacles of various kinds. The greatest obstacle to overcome is the lack of knowledge on the part of the taxpayers.

Then, there is local prejudice, local pride and selfish motives to overcome. It is said that county consolidation takes local self-government away from the people. Political opposition is important. The small counties would lose representation in the general assembly under any plan of county consolidation. The resistance of office holders, road equipment and machinery concerns and of political organizations is so great that rapid progress is impossible.

Furthermore, there are legal obstructions in the way of any attempt to modernize county government. These must be overcome and the trail is long and tedious. It is obvious that no matter how burdensome the taxes may become the consolidation of counties will take place at a very slow rate.

In time most of the obstacles will be overcome and county government will be placed on a high level similar to that of our best-managed cities and states.

In an emergency like the present, the weaknesses in our government become more apparent and public attention to government and taxes offers opportunity for their revision.

Every dollar of decrease in expense, every plan of consolidation in governmental activities touches some sensitive spot where it causes pain and resentment. Until people as a whole demand and applaud these endeavors toward economy and efficiency in county government, the complaints and threats of groups greatly impede the concrete efforts of all executives and legislators.