

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 21-0922.02 Pierce Lively x2059

HOUSE BILL 21-1321

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House Committees

State, Civic, Military, & Veterans Affairs
Appropriations

Senate Committees

State, Veterans, & Military Affairs
Appropriations

SENATE
Amended 3rd Reading
June 8, 2021

A BILL FOR AN ACT

101 **CONCERNING VOTER TRANSPARENCY REQUIREMENTS TO INCREASE**
102 **INFORMATION ABOUT THE FISCAL IMPACT OF STATEWIDE**
103 **BALLOT MEASURES THAT WOULD RESULT IN A CHANGE IN**
104 **DISTRICT REVENUE, AND, IN CONNECTION THEREWITH, MAKING**
105 **AN APPROPRIATION.**

SENATE
Amended 2nd Reading
June 1, 2021

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

HOUSE
3rd Reading Unamended
May 27, 2021

The bill requires that certain language appear at the beginning of a ballot title for an initiated measure that would either increase or

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
May 26, 2021

decrease tax revenue through a tax policy change. In the case of a measure that would reduce state tax revenue through a tax policy change, the ballot title must begin "Shall funding available for state services that include but are not limited to (the three largest areas of program expenditures) be impacted by a reduction of (projected dollar figure of revenue reduction to the state in the first full fiscal year that the measure reduces revenue) in tax revenue...?". In the case of a measure that would reduce local district property tax revenue through a tax policy change, the ballot title must begin "Shall funding available for public services offered by counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes be impacted by a reduction of (projected dollar figure of revenue reduction to all districts in the first full fiscal year that the measure reduces revenue) in property tax revenue...?". In the case of a measure that would increase tax revenue for any district through a tax policy change, after the language required by section 20 (3)(c) of article X of the state constitution, the ballot title must state either "in order to increase or improve levels of public services", or, if applicable, "in order to increase or improve levels of public services, including, but not limited to (the program expenditure that the measure states will receive increased funding)".

The bill also creates additional requirements for the fiscal summary of an initiated measure that would increase or decrease the individual income tax rate or state sales tax rate. The bill requires the fiscal summary for such a measure to include a table that shows the average tax burden change for a filer in different income categories.

The bill changes the requirements for the ballot information booklet entry for certain measures. The bill requires the ballot information booklet entry for an initiated measure that would increase or decrease income tax revenue or state sales tax revenue to include a table that shows the number of tax filers in designated income categories, the total tax burden change for each of those income categories, and the average tax burden change for a filer within each of those income categories. If an initiated measure includes a tax policy change that reduces state tax revenue, the bill requires the ballot information booklet to include a description of the 3 largest areas of program expenditure funded by the affected revenue stream.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Short title.** The short title of this act is the "Ballot
3 Measure Fiscal Transparency Act of 2021".

4 **SECTION 2.** In Colorado Revised Statutes, 1-5-407, **amend** (7)

1 as follows:

2 **1-5-407. Form of ballots.** (7) No printing or distinguishing
3 marks shall be on the ballot except as specifically provided in this code
4 OR IN SECTION 1-40-106 (3)(e) TO (3)(g).

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6 **SECTION 3.** In Colorado Revised Statutes, 1-40-106, **add** (3)(e),
7 (3)(f), (3)(g), (3)(h), and (3)(i) as follows:

8 **1-40-106. Title board - meetings - ballot title - initiative and**
9 **referendum - definitions.** (3) (e) FOR MEASURES THAT REDUCE STATE
10 TAX REVENUE THROUGH A TAX CHANGE, THE BALLOT TITLE MUST
11 BEGIN "SHALL THERE BE A REDUCTION TO THE (DESCRIPTION OF TAX) BY
12 (THE PERCENTAGE BY WHICH THE TAX IS REDUCED IN THE FIRST FULL
13 FISCAL YEAR THAT THE MEASURE REDUCES REVENUE) THEREBY REDUCING
14 STATE REVENUE, WHICH WILL REDUCE FUNDING FOR STATE EXPENDITURES
15 THAT INCLUDE BUT ARE NOT LIMITED TO (THE THREE LARGEST AREAS OF
16 PROGRAM EXPENDITURE) BY AN ESTIMATED (PROJECTED DOLLAR FIGURE
17 OF REVENUE REDUCTION TO THE STATE IN THE FIRST FULL FISCAL YEAR
18 THAT THE MEASURE REDUCES REVENUE) IN TAX REVENUE...?". IF THE
19 BALLOT MEASURE SPECIFIES THE PUBLIC SERVICES OR PROGRAMS THAT
20 ARE TO BE REDUCED BY THE TAX CHANGE, THOSE PUBLIC SERVICES OR
21 PROGRAMS MUST BE STATED IN THE BALLOT TITLE. IF THE PUBLIC
22 SERVICES OR PROGRAMS IDENTIFIED IN THE MEASURE ARE INSUFFICIENT TO
23 ACCOUNT FOR THE FULL DOLLAR VALUE OF THE TAX CHANGE IN THE FIRST
24 FULL FISCAL YEAR THAT THE MEASURE REDUCES REVENUE, THEN THE
25 THREE LARGEST AREAS OF PROGRAM EXPENDITURE MUST BE STATED IN
26 THE BILL TITLE ALONG WITH THE PUBLIC SERVICES OR PROGRAMS
27 IDENTIFIED IN THE MEASURE. THE ESTIMATES REFLECTED IN THE BALLOT

1 TITLE SHALL NOT BE INTERPRETED AS RESTRICTIONS OF THE STATE'S
2 BUDGETING PROCESS.

3 (f) FOR MEASURES THAT REDUCE LOCAL DISTRICT PROPERTY TAX
4 REVENUE THROUGH A TAX CHANGE, THE BALLOT TITLE MUST BEGIN
5 "SHALL FUNDING AVAILABLE FOR COUNTIES, SCHOOL DISTRICTS, WATER
6 DISTRICTS, FIRE DISTRICTS, AND OTHER DISTRICTS FUNDED, AT LEAST IN
7 PART, BY PROPERTY TAXES BE IMPACTED BY A REDUCTION OF (PROJECTED
8 DOLLAR FIGURE OF PROPERTY TAX REVENUE REDUCTION TO ALL DISTRICTS
9 IN THE FIRST FULL FISCAL YEAR THAT THE MEASURE REDUCES REVENUE)
10 IN PROPERTY TAX REVENUE...?". THE TITLE BOARD SHALL EXCLUDE ANY
11 DISTRICTS WHOSE PROPERTY TAX REVENUE WOULD NOT BE REDUCED BY
12 THE MEASURE FROM THE MEASURE'S BALLOT TITLE. THE ESTIMATES
13 REFLECTED IN THE BALLOT TITLE SHALL NOT BE INTERPRETED AS
14 RESTRICTIONS OF A LOCAL DISTRICT'S BUDGETING PROCESS.

15 (g) FOR MEASURES THAT INCREASE TAX REVENUE FOR ANY
16 DISTRICT THROUGH A TAX CHANGE AND SPECIFY THE PUBLIC SERVICES
17 TO BE FUNDED BY THE INCREASED REVENUE, AFTER THE LANGUAGE
18 REQUIRED BY SECTION 20 (3)(c) OF ARTICLE X OF THE STATE
19 CONSTITUTION, THE BALLOT TITLE SHALL STATE "IN ORDER TO INCREASE
20 OR IMPROVE LEVELS OF PUBLIC SERVICES, INCLUDING, BUT NOT LIMITED TO
21 (THE PUBLIC SERVICE SPECIFIED IN THE MEASURE)...". FOR MEASURES
22 THAT INCREASE TAX REVENUE FOR ANY DISTRICT THROUGH A TAX
23 CHANGE AND DO NOT SPECIFY THE PUBLIC SERVICES TO BE FUNDED BY THE
24 INCREASED REVENUE, AFTER THE LANGUAGE REQUIRED BY SECTION 20
25 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION, THE BALLOT TITLE
26 SHALL STATE "IN ORDER TO INCREASE OR IMPROVE LEVELS OF PUBLIC
27 SERVICES...". THE ESTIMATES REFLECTED IN THE BALLOT TITLE SHALL NOT

1 BE INTERPRETED AS RESTRICTIONS OF A DISTRICT'S BUDGETING PROCESS.

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3 (h) IN DETERMINING WHETHER A BALLOT TITLE QUALIFIES AS BRIEF
4 FOR PURPOSES OF SECTIONS 1-40-102 (10) AND 1-40-106 (3)(b), THE
5 LANGUAGE REQUIRED BY SUBSECTION (3)(e), (3)(f), OR (3)(g) OF THIS
6 SECTION MAY NOT BE CONSIDERED.

7 (i) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
8 OTHERWISE REQUIRES:

9 (I) "AREAS OF PROGRAM EXPENDITURE" MEANS CATEGORIES OF
10 SPENDING BY ISSUE AREA. FOR STATE EXPENDITURES, "THE THREE
11 LARGEST AREAS OF PROGRAM EXPENDITURE" REFERS TO THE THREE
12 PROGRAM TYPES LISTED AS RECEIVING THE LARGEST GENERAL FUND
13 OPERATING APPROPRIATIONS IN THE JOINT BUDGET COMMITTEE'S ANNUAL
14 APPROPRIATIONS REPORT FOR THE MOST RECENT FISCAL YEAR.

15 (II) "TAX CHANGE" MEANS ANY INITIATED BALLOT ISSUE OR
16 INITIATED BALLOT QUESTION THAT HAS A PRIMARY PURPOSE OF LOWERING
17 OR INCREASING TAX REVENUES COLLECTED BY A DISTRICT, INCLUDING A
18 REDUCTION OR INCREASE OF TAX RATES, MILL LEVIES, ASSESSMENT
19 RATIOS, OR OTHER MEASURES, INCLUDING MATTERS PERTAINING TO TAX
20 CLASSIFICATION, DEFINITIONS, CREDITS, EXEMPTIONS, MONETARY
21 THRESHOLDS, QUALIFICATIONS FOR TAXATION, OR ANY COMBINATION
22 THEREOF, THAT REDUCE OR INCREASE A DISTRICT'S TAX COLLECTIONS.
23 "TAX CHANGE" DOES NOT MEAN AN INITIATED BALLOT ISSUE OR INITIATED
24 BALLOT QUESTION THAT RESULTS IN A DECREASE OR INCREASE IN
25 REVENUE TO A DISTRICT IN WHICH SUCH DECREASE OR INCREASE IS
26 INCIDENTAL TO THE PRIMARY PURPOSE OF THE INITIATED BALLOT ISSUE OR
27 INITIATED BALLOT QUESTION.

1 **SECTION 4.** In Colorado Revised Statutes, 1-40-124.5, **amend**
2 (1)(b) introductory portion, (1)(b)(II), and (1)(b)(III); and **add** (1)(b)(IV)
3 as follows:

4 **1-40-124.5. Ballot information booklet.** (1) (b) The director of
5 research of the legislative council of the general assembly shall prepare
6 a fiscal impact statement for every initiated or referred measure, taking
7 into consideration fiscal impact information submitted by the office of
8 state planning and budgeting, the department of local affairs or any other
9 state agency, and any proponent or other interested person. The fiscal
10 impact statement prepared for every measure shall be substantially similar
11 in form and content to the fiscal notes provided by the legislative council
12 of the general assembly for legislative measures pursuant to section
13 2-2-322. ~~C.R.S.~~ A complete copy of the fiscal impact statement for such
14 measure shall be available through the legislative council of the general
15 assembly. The ballot information booklet shall indicate whether there is
16 a fiscal impact for each initiated or referred measure and shall abstract the
17 fiscal impact statement for such measure. The abstract for every measure
18 shall appear after the arguments for and against such measure in the
19 analysis section of the ballot information booklet, and shall include, but
20 shall not be limited to:

21 (II) An estimate of the amount of any state and local government
22 recurring expenditures or fiscal liabilities if such measure is enacted; ~~and~~

23 (III) For any initiated or referred measure that modifies the state
24 tax laws, ~~an estimate of the impact to the average taxpayer, if feasible, if~~
25 ~~such measure is enacted~~ IF THE MEASURE WOULD EITHER INCREASE OR
26 DECREASE INDIVIDUAL INCOME TAX REVENUE OR STATE SALES TAX
27 REVENUE, A TABLE THAT SHOWS THE NUMBER OF TAX FILERS IN EACH

1 INCOME CATEGORY, THE TOTAL TAX BURDEN CHANGE FOR EACH INCOME
2 CATEGORY, AND THE AVERAGE TAX BURDEN CHANGE FOR EACH FILER
3 WITHIN EACH INCOME CATEGORY. IF THE CHANGE IN A TAX BURDEN
4 SHOWN IN THE TABLE IS AN INCREASE, THE CHANGE MUST BE EXPRESSED
5 AS A DOLLAR AMOUNT PRECEDED BY A PLUS SIGN. IF THE CHANGE IN A TAX
6 BURDEN SHOWN IN THE TABLE IS A DECREASE, THE CHANGE MUST BE
7 EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A NEGATIVE SIGN. THE
8 TABLE MUST USE THE FOLLOWING INCOME CATEGORIES:

9 (A) FEDERAL ADJUSTED GROSS INCOME OF FOURTEEN THOUSAND
10 NINE HUNDRED NINETY-NINE DOLLARS OR LESS;

11 (B) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
12 TO FIFTEEN THOUSAND DOLLARS AND LESS THAN THIRTY THOUSAND
13 DOLLARS;

14 (C) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
15 TO THIRTY THOUSAND DOLLARS AND LESS THAN FORTY THOUSAND
16 DOLLARS;

17 (D) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
18 TO FORTY THOUSAND DOLLARS AND LESS THAN FIFTY THOUSAND
19 DOLLARS;

20 (E) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
21 TO FIFTY THOUSAND DOLLARS AND LESS THAN SEVENTY THOUSAND
22 DOLLARS;

23 (F) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
24 TO SEVENTY THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
25 THOUSAND DOLLARS;

26 (G) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
27 TO ONE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE HUNDRED

1 FIFTY THOUSAND DOLLARS;

2 (H) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
3 TO ONE HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN TWO
4 HUNDRED THOUSAND DOLLARS;

5 (I) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
6 TO TWO HUNDRED THOUSAND DOLLARS AND LESS THAN TWO HUNDRED
7 FIFTY THOUSAND DOLLARS;

8 (J) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
9 TO TWO HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN FIVE
10 HUNDRED THOUSAND DOLLARS;

11 (K) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
12 TO FIVE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE MILLION
13 DOLLARS; AND

14 (L) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
15 TO ONE MILLION DOLLARS; AND

16 (IV) IF THE MEASURE CONTAINS A PROPOSED TAX CHANGE, AS
17 DEFINED IN SECTION 1-40-106 (3)(i)(II), THAT REDUCES STATE TAX
18 REVENUE, A DESCRIPTION OF THE THREE LARGEST AREAS OF PROGRAM
19 EXPENDITURE, AS DEFINED IN SECTION 1-40-106 (3)(i)(I).

20 **SECTION 5. Appropriation.** (1) For the 2021-22 state fiscal
21 year, \$7,865 is appropriated to the legislative department for use by the
22 legislative council. This appropriation is from the general fund and is
23 based on an assumption that the legislative council will require an
24 additional 0.1 FTE. The legislative council may use this appropriation to
25 implement this act.

26 (2) For the 2021-22 state fiscal year, \$36,000 is appropriated to
27 the department of state for use by the information technology division.

1 This appropriation is from the department of state cash fund created in
2 section 24-21-104 (3)(b), C.R.S. To implement this act, the division may
3 use this appropriation for personal services.

4 **SECTION 6. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety.