Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

ENGROSSED

This Version Includes All Amendments Adopted on Second Reading in the House of Introduction

LLS NO. 26-0466.01 Rebecca Bayetti x4348 **HOUSE BILL 26-1084**

HOUSE SPONSORSHIP

Espenoza and Camacho,

SENATE SPONSORSHIP

Weissman and Lindstedt,

House Committees
State, Civic, Military, & Veterans Affairs

Senate Committees

A BILL FOR AN ACT

CONCERNING VOTER TRANSPARENCY REQUIREMENTS TO EXPAND INFORMATION ABOUT THE FUNDING OF INITIATED STATEWIDE BALLOT MEASURES, AND, IN CONNECTION THEREWITH, REQUIRING THE BALLOT TITLE AND ABSTRACT OF THE FISCAL IMPACT STATEMENT FOR CERTAIN INITIATED STATEWIDE BALLOT MEASURES TO IDENTIFY THE MAIN AREAS OF STATE EXPENDITURE THAT WOULD BE AFFECTED BY THE MEASURE.

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.)

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

HOUSE
Amended 2nd Reading
March 5, 2026

The bill requires that certain language appear in the ballot title for an initiated statewide measure that would increase state expenditures but does not identify and provide for a sufficient source of revenue or sufficient reductions in state spending for specific public services or program areas to account for the increased expenditures (measure that increases state expenditures). The ballot title for a measure that increases state expenditures must include language identifying the 3 largest program areas of state expenditures for which state expenditures will be reduced if the measure passes, which must be in a format substantially similar to the following language: "... will reduce state expenditures for program areas that include (the 3 largest areas of program expenditure) by an estimated (projected dollar figure of reduction to those areas in the first full fiscal year that the measure will cause the reduction) ...". If the ballot measure specifies the public services or programs that are to be reduced, those public services or programs must be stated in the ballot title.

The bill also requires the ballot information booklet entry for a measure that increases state expenditures to include a description of the measure's projected effect on the 3 largest areas of program expenditure of the state and modifies existing statutory language to mirror this change.

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

SECTION 1. In Colorado Revised Statutes, 1-40-106, **amend** (3)(e) and (3)(h); and **add** (3)(e.5) and (3)(i)(III) as follows:

1-40-106. Title board - meetings - ballot title - initiative and referendum - definitions - rules.

(3) (e) For measures that reduce state tax revenue through a tax change, the ballot title must begin "Shall there be a reduction to the (description of tax) by (the percentage by which the tax is reduced in the first full fiscal year that the measure reduces revenue) thereby reducing state revenue, which will LIKELY reduce funding for state expenditures that include but are not limited to (the three largest areas of program expenditure) by an estimated (projected dollar figure of revenue reduction to the state in the first full fiscal year that the measure reduces revenue)

in tax revenue...?". If the ballot measure specifies the public services or programs that are to be reduced by the tax change, those public services or programs must be stated in the ballot title. If the public services or programs identified in the measure are insufficient to account for the full dollar value of the tax change in the first full fiscal year that the measure reduces revenue, then the three largest areas of program expenditure must be stated in the bill title along with the public services or programs identified in the measure. The estimates reflected in the ballot title shall not be interpreted as restrictions of the state's budgeting process.

(e.5) FOR A MEASURE THAT INCREASES STATE EXPENDITURES AS DEFINED IN SUBSECTION (3)(i)(III) OF THIS SECTION, THE BALLOT TITLE MUST INCLUDE LANGUAGE IDENTIFYING THE TOP THREE AREAS OF STATE EXPENDITURES FOR WHICH STATE EXPENDITURES WILL LIKELY BE REDUCED IF THE MEASURE PASSES. THIS LANGUAGE MAY APPEAR ANYWHERE IN THE BALLOT TITLE AND MUST BE IN A FORMAT SUBSTANTIALLY SIMILAR TO THE FOLLOWING LANGUAGE: "... WILL LIKELY REDUCE STATE EXPENDITURES FOR PROGRAM AREAS THAT INCLUDE (THE THREE LARGEST AREAS OF PROGRAM EXPENDITURE) BY AN ESTIMATED (PROJECTED DOLLAR FIGURE OF REDUCTION TO THOSE AREAS IN THE FIRST FULL FISCAL YEAR THAT THE MEASURE WILL CAUSE THE REDUCTION) ...". IF THE BALLOT MEASURE SPECIFIES THE PUBLIC SERVICES OR PROGRAMS THAT ARE TO BE REDUCED, THOSE PUBLIC SERVICES OR PROGRAMS MUST BE STATED IN THE BALLOT TITLE. IF THE REDUCED PUBLIC SERVICES OR PROGRAMS IDENTIFIED IN THE MEASURE ARE INSUFFICIENT TO ACCOUNT FOR THE FULL DOLLAR VALUE OF THE PROJECTED REDUCTION IN THE FIRST FULL FISCAL YEAR THAT THE MEASURE REDUCES FUNDING, THEN THE THREE LARGEST AREAS OF PROGRAM EXPENDITURE MUST BE STATED IN

THE BILL TITLE ALONG WITH THE PUBLIC SERVICES OR PROGRAMS IDENTIFIED IN THE MEASURE. THE ESTIMATES REFLECTED IN THE BALLOT TITLE MUST NOT BE INTERPRETED AS RESTRICTIONS OF THE STATE'S BUDGETING PROCESS.

(h) In determining whether a ballot title qualifies as brief for purposes of section 1-40-102 (10) and subsection (3)(b) of this section, the language required by subsection (3)(e), ***(3)(e.5),*** (3)(f), (3)(g), or (3)(j) of this section may not be considered.

(i) As used in this subsection (3), unless the context otherwise requires:

(III) "MEASURE THAT INCREASES STATE EXPENDITURES" MEANS AN INITIATED BALLOT ISSUE THAT WILL RESULT IN INCREASED STATE EXPENDITURES, EXCEPT FOR DE MINIMIS AND ADMINISTRATIVE EXPENDITURES, AS SHOWN IN THE FISCAL SUMMARY PREPARED PURSUANT TO SECTION 1-40-105.5 (1.5), AND THAT DOES NOT IDENTIFY AND PROVIDE FOR A SUFFICIENT SOURCE OF REVENUE OR SUFFICIENT REDUCTIONS IN STATE SPENDING FOR SPECIFIC PUBLIC SERVICES OR PROGRAM AREAS TO ACCOUNT FOR THE INCREASED EXPENDITURES.

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

1-40-124.5. Ballot information booklet.

(1) (b) The director of research of the legislative council of the general assembly shall prepare a fiscal impact statement for every initiated or referred measure, taking into consideration fiscal impact information submitted by the office of state planning and budgeting, the department of local affairs or any other state agency, and any proponent

or other interested person. The fiscal impact statement prepared for every measure ~~shall~~ MUST be substantially similar in form and content to the fiscal notes provided by the legislative council of the general assembly for legislative measures pursuant to section 2-2-322. A complete copy of the fiscal impact statement for ~~such~~ THE measure ~~shall~~ MUST be available through the legislative council of the general assembly. The ballot information booklet ~~shall~~ MUST indicate whether there is a fiscal impact for each initiated or referred measure and ~~shall~~ MUST abstract the fiscal impact statement for ~~such~~ THE measure. The abstract for every measure ~~shall~~ MUST appear after the arguments for and against ~~such~~ THE measure in the analysis section of the ballot information booklet and ~~shall~~ MUST include, but ~~shall~~ IS not ~~be~~ limited to:

(III) For any initiated or referred measure that modifies the state tax laws, if the measure would either increase or decrease individual income tax revenue or state sales tax revenue, a table that shows the number of tax filers in each income category, the total change in the amount of tax owed for each income category, and the average change in the amount of tax owed for each filer within each income category. If the change in the amount of tax owed shown in the table is an increase, the change must be expressed as a dollar amount preceded by a plus sign. If the change in the amount of tax owed shown in the table is a decrease, the change must be expressed as a dollar amount preceded by a negative sign. The table must use the following income categories:

(L) Federal adjusted gross income greater than or equal to one million dollars; ~~and~~

(IV) If the measure contains a proposed tax change, as defined in section 1-40-106 (3)(i)(II), that reduces state tax revenue, a description of the MEASURE'S LIKELY EFFECT ON THE three largest areas of program expenditure, as defined in section 1-40-106 (3)(i)(I); AND

(V) FOR AN INITIATED MEASURE THAT IS A MEASURE THAT INCREASES STATE EXPENDITURES, AS DEFINED IN SECTION 1-40-106 (3)(i)(III), A DESCRIPTION OF THE MEASURE'S LIKELY EFFECT ON THE THREE LARGEST AREAS OF PROGRAM EXPENDITURE, AS DEFINED IN SECTION 1-40-106 (3)(i)(I).

SECTION 3. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to initiative petition drafts submitted to the secretary of state for title setting on or after the applicable effective date of this act.