## STATEWIDE ELECTION DAY IS Tuesday, November 6, 2018

Voter service and polling centers open 7 a.m. to 7 p.m. on Election Day.

Ballots are mailed to all registered voters the week of October 15, 2018.

Select voter service and polling centers are open beginning October 22, 2018.

For election information, contact your county election office. Contact information is provided inside the back cover of this booklet.



# 2018 STATE BALLOT INFORMATION BOOKLET

and

**Recommendations on Retention of Judges** 

http://leg.colorado.gov/bluebook

Legislative Council of the Colorado General Assembly

Research Publication No. 702-2

A "YES/FOR" vote on any ballot issue is a vote IN FAVOR OF changing current law or existing circumstances, and a "NO/AGAINST" vote on any ballot issue is a vote AGAINST changing current law or existing circumstances.

This publication, as well as a link to the full text of the fiscal impact statements for each measure, can be found at:

http://leg.colorado.gov/bluebook

An audio version of the book is available through the Colorado Talking Book Library at:

http://myctbl.cde.state.co.us/legislative-blue-book

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September 11, 2018

This booklet provides information on the 13 statewide measures on the November 6, 2018, ballot and on the judges who are on the ballot for retention in your area. The information is presented in two sections.

#### Section One — Analyses and Titles and Text

**Analyses.** Each statewide measure receives an analysis that includes a description of the measure and major arguments for and against. Careful consideration has been given to the arguments in an effort to fairly represent both sides of the issue. Each analysis also includes an estimate of the fiscal impact of the measure. More information on the fiscal impact of measures can be found at <a href="http://leg.colorado.gov/bluebook">http://leg.colorado.gov/bluebook</a>. The state constitution requires that the nonpartisan research staff of the General Assembly prepare these analyses and distribute them in a ballot information booklet to registered voter households.

**Titles and text.** Following each analysis is the title that appears on the ballot, which includes information about whether the measure changes the constitution or statute. Following the ballot title is the legal language of each measure, which shows new laws in capitalized letters and laws that are being eliminated in strikeout type.

#### Amendments and Propositions

A measure placed on the ballot by the state legislature that amends the state constitution is labeled an "Amendment," followed by a letter. A measure placed on the ballot by the state legislature that amends the state statutes is labeled a "Proposition," followed by a double letter.

A measure placed on the ballot through the signature-collection process that amends the state constitution is labeled an "Amendment," followed by a number between 1 and 99. A measure placed on the ballot through the signature-collection process that amends the state statutes is labeled a "Proposition," followed by a number between 100 and 199.

#### Constitutional vs. Statutory Changes

The first line of the analysis of each measure indicates whether the measure is a change to the constitution, statute, or both. Of the 13 measures on the ballot, 8 propose changes to the state constitution, 4 propose changes to the state statutes, and 1 proposes changes to both the state constitution and state statutes. Voter approval is required in the future to change any constitutional measure adopted by the voters, although the

legislature may adopt statutes that clarify or implement these constitutional measures as long as they do not conflict with the constitution. The state legislature, with the approval of the Governor, may change any statutory measure in the future without voter approval.

Under provisions in the state constitution, passage of a constitutional amendment requires at least 55 percent of the votes cast, except that when a constitutional amendment is limited to a repeal, it requires a simple majority vote. In 2018, Amendments V, W, X, Y, and Z, and Amendments 73, 74, and 75 require 55 percent of the vote to pass, and Amendment A requires a simple majority vote. Additionally, the four statutory measures, Propositions 109, 110, 111, and 112, require a simple majority vote to pass.

#### Section Two — Recommendations on Retaining Judges

The second section contains information about the performances of the Colorado Supreme Court justices, the Colorado Court of Appeals judges, and district and county court judges in your area who are on this year's ballot. The information was prepared by the state commission and district commissions on judicial performance. The narrative for each judge includes a recommendation on whether a judge "Meets Performance Standards" or "Does Not Meet Performance Standards."

#### Information on Local Election Officials

The booklet concludes with addresses and telephone numbers of local election officials. Your local election official can provide you with information on voter service and polling centers, absentee ballots, and early voting.

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<sup>\*</sup> These referred measures are constitutional amendments requiring at least 55 percent of the vote to pass pursuant to Article XIX, Section 2, of the Colorado Constitution.

<sup>\*\*</sup>These initiatied measures are constitutional amendments requiring at least 55 percent of the vote to pass pursuant to Article V, Section 1, of the Colorado Constitution.

#### Amendment V

#### Lower Age Requirement for Members of the State Legislature

(This measure requires at least 55 percent of the vote to pass.)

#### **ANALYSIS**

#### Amendment V proposes amending the Colorado Constitution to:

• lower the age requirement for serving in the state legislature from 25 to 21.

#### **Summary and Analysis**

**Requirements for serving in the state legislature.** The state constitution requires that a representative or senator in the state legislature be at least 25 years old, be a U.S. citizen, and reside in the district from which he or she is elected for at least 12 months prior to being elected. Amendment V lowers the minimum age requirement to 21.

**Comparison of state age requirements.** Every state, with the exception of Vermont, has minimum age requirements ranging from 18 to 30 years old for members of the state legislature. In Colorado, an individual must be at least 25 years old to become a state representative or state senator. Forty-three states set the minimum age requirement for state representatives at either 18 or 21. For state senators, about half of the states set the minimum age requirement between 25 and 30, and the other half set it at either age 18 or 21.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

#### **Argument For**

1) Excluding 21- to 24-year-olds from seeking election to the state legislature is an unnecessary restriction. A 21-year-old is considered an adult under the law. Voters can judge whether a candidate possesses the maturity, ability, and competence to hold political office. In addition, allowing younger candidates to run for office encourages the civic engagement of young people.

#### **Argument Against**

 The current age requirement strikes an appropriate balance between youth and experience. Younger candidates may lack the maturity and expertise to be effective legislators. The policy decisions and political pressures that legislators face are best handled by people with more life experience. Lack of experience could hinder a young legislator's ability to represent his or her constituents effectively.

#### **Estimate of Fiscal Impact**

This measure has no impact on state or local government revenue or spending.

#### TITLE AND TEXT

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning a reduction in the age qualification for a member of the general assembly from twenty-five years to twenty-one years?

#### Text of Measure:

Be It Resolved by the Senate of the Seventy-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the election held on November 6, 2018, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, amend section 4 of article V as follows:

- **Section 4. Qualifications of members.** No person shall be a representative or senator who shall not have attained the age of twenty-five TWENTY-ONE years, who shall not be a citizen of the United States, and who shall not for at least twelve months next preceding his OR HER election, have resided within the territory included in the limits of the district in which he OR SHE shall be chosen.
- **SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning a reduction in the age qualification for a member of the general assembly from twenty-five years to twenty-one years?"
- **SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution.

## Amendment W Election Ballot Format for Judicial Retention Elections

(This measure requires at least 55 percent of the vote to pass.)

#### **ANALYSIS**

#### Amendment W proposes amending the Colorado Constitution to:

 change the ballot format for judicial retention elections to remove the requirement that a retention question be asked for each justice and judge.

#### **Summary and Analysis**

**Background**. In 1966, Colorado voters approved a constitutional amendment that repealed the partisan election of justices and judges and enacted the current process. This process requires justices and judges to be nominated by a judicial nominating commission and then appointed by the Governor. Thereafter, justices and judges must go before voters in a retention election to maintain their seat on the bench. Colorado justices serve on the Supreme Court, and judges serve in all other courts.

**Judicial retention elections.** A retention election asks voters whether incumbent justices or judges should remain in office for another term. In Colorado, justices and judges stand for retention at the end of their judicial terms, and elections are held during the November general election in even-numbered years. Justices or judges do not face an opponent and retain their position if the majority of voters cast a "yes" vote.

**Colorado state court types.** Colorado law requires judicial retention elections for all levels of state courts, including the Supreme Court, district courts, county courts, City and County of Denver Probate Court, Denver Juvenile Court, and any other state court created by the state legislature, such as the Court of Appeals.

**Current ballot format.** Under current law, ballots must be formatted according to the type of office up for election. Federal offices are required to be first on the ballot, followed by state, county, and local offices. The judicial retention candidates are listed after the county or local officers, but before the introduction of ballot measures.

For judicial retention elections, the Colorado Constitution requires that a separate question be placed on the ballot for each justice or judge up for retention as follows:

"Shall Justice (Judge) ... of the Supreme (or other) Court be retained in office?" YES/NO

**Judicial retention ballot format under Amendment W.** Amendment W requires the county clerk and recorder to display the retention question once for each court type followed by a list of each individual justice or judge seeking retention on that court with the "yes" or "no" option next to each name.

"Shall the following Justices (Judges) of the Supreme (or other) Court be retained in office?" YES/NO

Figure 1 provides a mock-up of a judicial retention ballot both under current law and Amendment W.

Sample Ballot Under Current Law

Potential Ballot Under Amendment W

Judicial					Judicial			
Colorado Supreme Court	Shall the following justices of the Colorado							
(Vote Yes or No)	Supreme Court be retained in office?							
Shall Justice Robert Smith of the		(Vote Yes or No for	each just	tice)				
Supreme Court be retained in office?				Robert Smith	Yes	0	No	0
	No Col	O	[	Maria Rodriguez	Yes	0	No	0
Shall Justice Maria Rodriguez of the Colorado			Shall the following judges of the Colorado					
Supreme Court be retained in office?				Court of Appeals b				
Yes O	No	О		(Vote Yes or No for				
Colorado Court of Appeals			1 F			90)		
(Vote Yes or No)				James Johnson	Yes	O	No	O
Shall Judge James Johnson of the	1 [	Mary Adams	Yes	$\overline{\Omega}$	No	$\overline{}$		
Court of Appeals be retained in office		- Wai y Addinio	100		-140			
Yes O	No	0		John Franklin	Yes	Ο	No	Ο
Shall Judge Mary Adams of the Colorado Court			]					
of Appeals be retained in office?								
Yes O	No	Ο						
Shall Judge John Franklin of the Colorado			]					
Court of Appeals be retained in office?								
Yes O	No	0	_					

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

#### **Argument For**

1) Amendment W helps make the ballot more concise and reader-friendly. A well-designed and shorter ballot will allow voters to complete it more efficiently, which may encourage voter participation. A more compact ballot may also save counties printing and mailing costs, particularly in more populous counties that elect multiple justices or judges and counties that are required to print ballots in both English and Spanish.

#### **Argument Against**

1) Amendment W is unnecessary and risks confusing voters. Under the changes proposed in Amendment W, voters may be uncertain whether they are casting votes in a multi-candidate election or for each individual justice or judge. This potential confusion may increase the likelihood that voters will skip judicial retention questions.

#### **Estimate of Fiscal Impact**

**Local government impact.** Amendment W decreases county clerk and recorder workload by a minimal amount and may reduce ballot printing and mailing costs.

<sup>\*</sup> These sample ballots were prepared by Legislative Council Staff. Should Amendment W be adopted by the voters, actual ballots will vary based on county clerk and recorder ballot designs.

#### **TITLE AND TEXT**

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

# ANALYSIS

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning a change in the format of the election ballot for judicial retention elections?

#### Text of Measure:

Be It Resolved by the House of Representatives of the Seventy-first General Assembly of the State of Colorado, the Senate concurring herein:

**SECTION 1.** At the election held on November 6, 2018, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, amend section 25 of article VI as follows:

**Section 25. Election of justices and judges.** A justice of the supreme court or a judge of any other court of record, who shall desire to retain his OR HER judicial office for another term after the expiration of his OR HER then term of office shall file with the secretary of state, not more than six months nor less than three months prior to the general election next prior to the expiration of his OR HER then term of office, a declaration of his OR HER intent to run for another term. Failure to file such a declaration within the time specified shall create a vacancy in that office at the end of his OR HER then term of office. Upon the filing of such a declaration DECLARATIONS, a question FOR EACH TYPE OF COURT SPECIFIED IN SECTION 1 OF THIS ARTICLE VI shall be placed on the appropriate ballot at such general election, as follows:

"Shall Justice (Judge) THE FOLLOWING JUSTICES (JUDGES) .... of the Supreme (or other) Court be retained in office?" The NAME OF EACH JUSTICE OR JUDGE STANDING FOR RETENTION MUST BE PRINTED OR WRITTEN ON THE BALLOT UNDER THE APPROPRIATE QUESTION. OPPOSITE OR BELOW THE NAME OF EACH JUSTICE OR JUDGE ON THE BALLOT MUST APPEAR THE WORDS: "YES/..../NO/..../." If a majority of those voting on the question vote "Yes", the justice or judge is thereupon elected to a succeeding full term. If a majority of those voting on the question vote "No", this will cause a vacancy to exist in that office at the end of his OR HER then present term of office.

In the case of a justice of the supreme court or any intermediate appellate court, the electors of the state at large; in the case of a judge of a district court, the electors of that judicial district; and in the case of a judge of the county court or other court of record, the electors of that county; shall vote on the question of retention in office of the justice or judge.

**SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning a change in the format of the election ballot for judicial retention elections?"

**SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution.

## Amendment X Industrial Hemp Definition

(This measure requires at least 55 percent of the vote to pass.)

#### **ANALYSIS**

#### Amendment X proposes amending the Colorado Constitution to:

remove the definition of "industrial hemp" from the Colorado constitution and, instead, use the
definition in federal law or state statute.

#### **Summary and Analysis**

**Background.** Amendment 64, which legalized the recreational use of marijuana in Colorado in 2012, added a definition of "industrial hemp" to the Colorado Constitution. The definition states that industrial hemp is "the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol [THC] concentration that does not exceed three-tenths [0.3] percent on a dry weight basis." The definition of industrial hemp in federal law sets the same limit for THC concentration.

*Impact of the measure.* Amendment X removes the definition of industrial hemp from the state constitution and gives the term the same meaning as in federal law or state statute. In the event that federal law changes, Colorado would maintain compliance with federal regulation.

**What is industrial hemp?** Industrial hemp (commonly referred to as "hemp") is an agricultural commodity that belongs to the cannabis family. Industrial hemp is not marijuana. Cultivated hemp has trace amounts of delta-9 tetrahydrocannabinol (THC), typically around 0.3 percent. Industrial hemp's applications include building material, food, fuel, medicine, paper, plastic substitute, rope, and textiles.

*Industrial hemp and federal law.* Under current federal law, all cannabis varieties including industrial hemp, are classified as controlled substances regulated by the federal Drug Enforcement Agency in the U.S. Department of Justice. The U.S. Congress currently has legislation pending regarding industrial hemp.

*Industrial hemp industry in Colorado.* As of June 1, 2018, there are 688 registered hemp growers in Colorado cultivating 23,500 outdoor acres and 3.9 million indoor square feet of industrial hemp.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

#### **Argument For**

Colorado is the leading producer of industrial hemp in the country and the only state with a
definition of industrial hemp in its constitution. Striking this definition will allow Colorado's hemp
industry to remain competitive with other states as the regulatory landscape evolves for this crop.

#### **Argument Against**

1) Colorado voters added the definition of industrial hemp to the Colorado Constitution through the initiative process. The measure may deviate from the voters' original intent.

#### **Estimate of Fiscal Impact**

Removing the definition of industrial hemp from the Colorado constitution has no impact on the revenue or expenditures of any state or local government agencies.

#### **TITLE AND TEXT**

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning changing the industrial hemp definition from a constitutional definition to a statutory definition?

#### Text of Measure:

Be It Resolved by the Senate of the Seventy-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the election held on November 6, 2018, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, section 16 of article XVIII, amend (2)(d) as follows:

- Section 16. Personal use and regulation of marijuana. (2) Definitions. As used in this section, unless the context otherwise requires,
- (d) "Industrial hemp" means the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed three-tenths percent on a dry weight basis HAS THE SAME MEANING AS IT IS DEFINED IN FEDERAL LAW OR AS THE TERM IS DEFINED IN COLORADO STATUTE.
- **SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning changing the industrial hemp definition from a constitutional definition to a statutory definition?"
- **SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution.

## Amendment Y Congressional Redistricting

(This measure requires at least 55 percent of the vote to pass.)

#### **ANALYSIS**

#### Amendment Y proposes amending the Colorado Constitution to:

- create the Independent Congressional Redistricting Commission, consisting of an equal number of members from each of the state's two largest political parties and unaffiliated voters, to amend and approve congressional district maps drawn by nonpartisan legislative staff;
- establish a process for selecting commissioners, new requirements for transparency and ethics, and a procedure for judicial review of commission maps; and
- establish and prioritize the criteria the commission must use for adopting the state's U.S. congressional district map.

#### **Summary and Analysis**

Amendment Y establishes a new process for congressional redistricting. Amendment Z, which is also on the 2018 ballot, proposes a similar but separate process for state legislative redistricting.

**Reapportionment and redistricting.** The U.S. Census Bureau counts the U.S. population every ten years. After this, the congressional reapportionment process occurs, by which each state is granted seats in the U.S. House of Representatives based on its share of the total U.S. population. The states must then redraw their districts so that the number of people in each district is equal.

Congressional redistricting process in Colorado. Colorado currently has seven seats in the U.S. House of Representatives. Under the state constitution, the state legislature is responsible for dividing the state into these congressional districts. If the state legislature fails to complete a new map of congressional districts during the legislative session after the census, legal challenges may result in state courts drawing the map. The process has resulted in court action the last four times congressional redistricting has occurred. Current law lists factors that the courts consider when evaluating maps, but does not direct how the courts should prioritize these factors.

Amendment Y transfers the authority to draw congressional district maps from the state legislature to a newly created Independent Congressional Redistricting Commission (commission). The commission must have 12 members, 4 from the state's largest political party, which is currently the Democratic Party, 4 from the state's second largest political party, which is currently the Republican Party, and 4 who are not affiliated with any political party. These members are appointed from a pool of applicants as described below.

Application and appointment process. Amendment Y sets minimum qualifications for commissioners. An applicant must be registered to vote and have voted in the previous two general elections in Colorado, and have been either affiliated with the same party or unaffiliated with any party for the last five consecutive years. An applicant may not be appointed to the commission if he or she has been a candidate for federal office within the last five years, or within the last three years been: a professional registered lobbyist; an elected public official; an elected political party official above the precinct level; or paid by a member of or candidate for Congress. Commissioners may not also serve on the Independent Legislative Redistricting Commission proposed in Amendment Z.

The measure requires nonpartisan legislative staff to prepare an application form for commissioners after receiving public input on the application at one or more public hearings. All applications submitted must be posted on a public website. Nonpartisan legislative staff must review commission applications to ensure applicants meet the minimum qualifications.

The Chief Justice of the Colorado Supreme Court designates a panel of three of the most recently retired judges from the Colorado Supreme Court or Colorado Court of Appeals to facilitate the selection of commissioners. No more than one of the three judges may be registered with any one political party, and the panel's decisions must be unanimous. Selected judges may not also serve on the panel that facilitates the selection of the proposed Independent Legislative Redistricting Commission. From all of the qualified applicants, the panel of retired judges randomly selects a pool of 1,050 applicants. The panel then narrows the applicant pool to 150 applicants using criteria related to applicants' experience, analytical skills, and ability to be impartial and promote consensus.

From the 150-person applicant pool, the panel randomly chooses 2 commissioners affiliated with the state's largest political party, 2 commissioners affiliated with the state's second largest political party, and 2 commissioners who are not affiliated with a political party. For the remaining 6 commissioners, the panel selects 2 additional unaffiliated commissioners from the pool of 1,050 applicants, and 4 commissioners from applicant pools determined by legislative leaders. The final 12-member commission will have 4 Democrats, 4 Republicans, and 4 unaffiliated members, unless another political party becomes the largest or second largest political party in the state. The final composition of the commission should reflect Colorado's racial, ethnic, gender, and geographic diversity, and must include members from each congressional district, including at least one member from the Western Slope.

**Commission operations.** Under the measure, the commission is responsible for adopting rules to govern its administration and operation, and the commissioners are subject to open meeting laws. Staff for the commission must be assigned from nonpartisan legislative staff agencies. Commissioners are prohibited from communicating with nonpartisan legislative staff about any maps outside of a public meeting or hearing, and staff are prohibited from communicating with outside parties concerning the development of a redistricting map. Any commissioner who participates in prohibited communication must be removed from the commission. Any person who receives compensation for advocating to the commission, one or more commissioners, or staff is considered a lobbyist and must disclose his or her compensation and its source to the Secretary of State for publication.

Criteria for drawing a congressional district map. The U.S. Constitution requires that all congressional districts within a state have equal populations. Under the federal Voting Rights Act of 1965, the state cannot change voting standards, practices, or procedures in a way that denies or limits the right to vote based on race or color or membership in a language minority group. In particular, the act requires that a minority group's voting strength not be diluted under a redistricting map. Amendment Y incorporates principles of the Voting Rights Act into state law and prohibits the approval of a map that violates these principles.

Amendment Y also adds criteria for the commission to follow when adopting a map. After achieving population equality and complying with the Voting Rights Act, the commission must preserve whole political subdivisions and communities of interest as much as possible, and districts must be as compact as possible. After the consideration of these criteria, Amendment Y requires the commission to maximize the number of politically competitive districts, which are defined as having the reasonable potential for the party affiliation of the district's representative to change at least once over the decade, to the extent possible. Maps cannot be drawn for the purpose of protecting incumbents, candidates, or political parties.

**Map consideration and public involvement.** The measure directs nonpartisan commission staff to create a preliminary redistricting map, and requires them to consider public comments while developing the map. Members of the public may also present proposed redistricting maps and written comments for the commission's consideration. The commission must hold at least three public hearings in each congressional district to receive public input before approving a redistricting map. At least ten commissioners must attend each hearing, either in person or electronically. These hearings must be broadcast online, and the commission must maintain a website through which Colorado residents may

submit maps or written comments. All written comments pertaining to redistricting must be published on the website. After the commission holds its hearings on the preliminary map, staff must prepare additional maps. The commission can adopt standards and guidelines for staff to follow when developing staff maps. Any commissioner can request at a public hearing that staff prepare additional maps or amendments to maps. The commission can adopt a final map at any time after the presentation of the first staff map.

*Final map.* Under the measure, the commission must adopt a final map and submit it to the Colorado Supreme Court for review. At least 8 of the 12 commissioners, including at least 2 unaffiliated commissioners, must approve the final map, and the map must be made public before the commission votes on it. If the commission fails to submit a final map, a staff map must be submitted, without amendments, to the Colorado Supreme Court for judicial review.

The Colorado Supreme Court must approve the final map unless the court finds that the commission abused its discretion in applying or failing to apply required criteria, in which case the court must return it to the commission. If returned, the commission has 12 days to hold a hearing and submit a revised map to the Colorado Supreme Court. If the commission fails to submit a revised map, nonpartisan staff have an additional three days to submit a revised map. The Colorado Supreme Court must approve a congressional redistricting map by December 15 of the redistricting year.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

#### **Arguments For**

- 1) Amendment Y limits the role of partisan politics in the congressional redistricting process by transferring the legislature's role to an independent commission. The measure creates a system of checks and balances to ensure that no one political party controls the commission. Republicans, Democrats, and unaffiliated voters must be appointed to the commission in equal numbers. Lobbyists and politicians are prohibited from serving on the new commission. Additionally, nonpartisan legislative staff draw the district maps, and a map's approval requires a supermajority vote of the commission, including at least two unaffiliated commissioners. These provisions encourage political compromise by keeping political parties and politicians with a vested interest in the outcome from controlling the redistricting process.
- 2) The measure makes the redistricting process more transparent and provides greater opportunity for public participation. Congressional redistricting is conducted by an independent commission in public meetings, with safeguards against undue influence in the preparation and adoption of maps. All Coloradans will have the opportunity to engage in the process because the commission will conduct meetings throughout the state rather than only at the State Capitol. The commission is subject to state open records and open meetings laws, and anyone paid to lobby the commission has 72 hours to disclose their lobbying activities. By requiring that map-related communications occur in public, Coloradans will be able to see exactly how the districts are drawn.
- 3) The measure brings structure to the redistricting process by using clear, ordered, and fair criteria in the drawing of districts. By prioritizing factors such as communities of interest, city and county lines, and political competitiveness, it provides specific direction to the commission about how it should evaluate proposed maps. It also prevents the adoption of a map that protects incumbents, candidates, or political parties, or a map that dilutes the electoral influence of racial or ethnic minorities. Along with these prioritized criteria, the measure prescribes a structured court review process and provides more guidance regarding the court's role than has existed in prior redistricting cycles.

#### **Arguments Against**

- 1) Amendment Y takes accountability out of the redistricting process. Unlike state legislators who are subject to election and campaign finance requirements, unelected commissioners are not accountable to the voters of Colorado. The selection process relies on unelected retired judges to screen applicants and select half of the commissioners. Further, the commission is staffed by government employees who are not accountable to the voters, and they may end up drawing the final map if the commission cannot reach an agreement.
- 2) The commissioner selection process outlined in the measure is complex, and half of the members are determined by random chance. This complicated and random selection process may prevent individuals with important experience and knowledge from becoming commissioners. While the goal of the random selection may be to remove politics from redistricting, unaffiliated commissioners with partisan views could still be selected, and the selection process may not result in a commission that can be impartial and promote consensus.
- 3) The measure outlines criteria that may be difficult to apply in an objective manner. For example, the broad definition of communities of interest is vague and open to interpretation. The measure also leaves the commission to determine what a competitive district is without specifying what factors to consider. Additionally, the four unaffiliated commissioners will have political leanings that may be difficult to discern, but that could sway how they apply the criteria and influence the final map, since many critical votes require their support. The resulting map may serve to protect certain segments of the population at the expense of others and could result in districts that make no sense to voters.

#### **Estimate of Fiscal Impact**

**State revenue.** Beginning in FY 2020-21, Amendment Y may minimally increase Secretary of State cash fund revenue from fines collected from lobbyists who fail to disclose the required information.

**State expenditures.** Overall, Amendment Y increases state expenditures to fund the commission by \$31,479 in FY 2020-21 and \$642,745 in FY 2021-22 as compared with the expenses for the current process.

#### TITLE AND TEXT

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning a change to the way that congressional districts are drawn, and, in connection therewith, taking the duty to draw congressional districts away from the state legislature and giving it to an independent commission, composed of twelve citizens who possess specified qualifications; prohibiting any one political party's control of the commission by requiring that one-third of commissioners will not be affiliated with any political party, one-third of the commissioners will be affiliated with the state's largest political party, and one-third of the commissioners will be affiliated with the state's second largest political party; prohibiting certain persons, including professional lobbyists, federal campaign committee employees, and federal, state, and local elected officials, from serving on the commission; limiting judicial review of a map to a determination by

the supreme court of whether the commission or its nonpartisan staff committed an abuse of discretion; requiring the commission to draw districts with a focus on communities of interest and political subdivisions, such as cities and counties, and then to maximize the number of competitive congressional seats to the extent possible; and prohibiting maps from being drawn to dilute the electoral influence of any racial or ethnic group or to protect any incumbent, any political candidate, or any political party?

#### Text of Measure:

Be It Resolved by the Senate of the Seventy-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the election held on November 6, 2018, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, amend section 44 of article V as follows:

Section 44. Representatives in congress - congressional districts - commission created. (1) Declaration of the people. The PEOPLE OF THE STATE OF COLORADO FIND AND DECLARE THAT:

- (a) THE PRACTICE OF POLITICAL GERRYMANDERING, WHEREBY CONGRESSIONAL DISTRICTS ARE PURPOSEFULLY DRAWN TO FAVOR ONE POLITICAL PARTY OR INCUMBENT POLITICIAN OVER ANOTHER, MUST END;
- (b) THE PUBLIC'S INTEREST IN PROHIBITING POLITICAL GERRYMANDERING IS BEST ACHIEVED BY CREATING A NEW AND INDEPENDENT COMMISSION THAT IS POLITICALLY BALANCED, PROVIDES REPRESENTATION TO VOTERS NOT AFFILIATED WITH EITHER OF THE STATE'S TWO LARGEST PARTIES, AND UTILIZES NONPARTISAN LEGISLATIVE STAFF TO DRAW MAPS;
- (c) THE REDISTRICTING COMMISSION SHOULD SET DISTRICT LINES BY ENSURING CONSTITUTIONALLY GUARANTEED VOTING RIGHTS, INCLUDING THE PROTECTION OF MINORITY GROUP VOTING, AS WELL AS FAIR AND EFFECTIVE REPRESENTATION OF CONSTITUENTS USING POLITICALLY NEUTRAL CRITERIA;
- (d) COMPETITIVE ELECTIONS FOR MEMBERS OF THE UNITED STATES HOUSE OF REPRESENTATIVES PROVIDE VOTERS WITH A MEANINGFUL CHOICE AMONG CANDIDATES, PROMOTE A HEALTHY DEMOCRACY, HELP ENSURE THAT CONSTITUENTS RECEIVE FAIR AND EFFECTIVE REPRESENTATION, AND CONTRIBUTE TO THE POLITICAL WELL-BEING OF KEY COMMUNITIES OF INTEREST AND POLITICAL SUBDIVISIONS;
- (e) FOR YEARS CERTAIN POLITICAL INTERESTS OPPOSED COMPETITIVE DISTRICTS IN COLORADO BECAUSE THEY ARE PRIMARILY CONCERNED ABOUT MAINTAINING THEIR OWN POLITICAL POWER AT THE EXPENSE OF FAIR AND EFFECTIVE REPRESENTATION; AND
- (f) CITIZENS WANT AND DESERVE AN INCLUSIVE AND MEANINGFUL CONGRESSIONAL REDISTRICTING PROCESS THAT PROVIDES THE PUBLIC WITH THE ABILITY TO BE HEARD AS REDISTRICTING MAPS ARE DRAWN, TO BE ABLE TO WATCH THE WITNESSES WHO DELIVER TESTIMONY AND THE REDISTRICTING COMMISSION'S DELIBERATIONS, AND TO HAVE THEIR WRITTEN COMMENTS CONSIDERED BEFORE ANY PROPOSED MAP IS VOTED UPON BY THE COMMISSION AS THE FINAL MAP.
- (2) Congressional districts commission created. THERE IS HEREBY CREATED THE INDEPENDENT CONGRESSIONAL REDISTRICTING COMMISSION. The general assembly COMMISSION shall divide the state into as many congressional districts as there are representatives in congress apportioned to this state by the congress of the United States for the election of one representative to congress from each district. When a new apportionment shall be IS made by congress, the general assembly COMMISSION shall divide the state into congressional districts accordingly.
- (3) **Definitions.** AS USED IN THIS SECTION AND IN SECTIONS 44.1 THROUGH 44.6 OF THIS ARTICLE V, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- (a) "COMMISSION" MEANS THE INDEPENDENT CONGRESSIONAL REDISTRICTING COMMISSION CREATED IN SUBSECTION (2) OF THIS SECTION.
- (b) (I) "COMMUNITY OF INTEREST" MEANS ANY GROUP IN COLORADO THAT SHARES ONE OR MORE SUBSTANTIAL INTERESTS THAT MAY BE THE SUBJECT OF FEDERAL LEGISLATIVE ACTION, IS COMPOSED OF A REASONABLY PROXIMATE POPULATION, AND THUS SHOULD BE CONSIDERED FOR INCLUSION WITHIN A SINGLE DISTRICT FOR PURPOSES OF ENSURING ITS FAIR AND EFFECTIVE REPRESENTATION.
  - (II) SUCH INTERESTS INCLUDE BUT ARE NOT LIMITED TO MATTERS REFLECTING:
- (A) SHARED PUBLIC POLICY CONCERNS OF URBAN, RURAL, AGRICULTURAL, INDUSTRIAL, OR TRADE AREAS; AND
- (B) SHARED PUBLIC POLICY CONCERNS SUCH AS EDUCATION, EMPLOYMENT, ENVIRONMENT, PUBLIC HEALTH, TRANSPORTATION, WATER NEEDS AND SUPPLIES, AND ISSUES OF DEMONSTRABLE REGIONAL SIGNIFICANCE.
- (III) GROUPS THAT MAY COMPRISE A COMMUNITY OF INTEREST INCLUDE RACIAL, ETHNIC, AND LANGUAGE MINORITY GROUPS, SUBJECT TO COMPLIANCE WITH SUBSECTIONS (1)(b) AND (4)(b) OF SECTION 44.3 OF THIS ARTICLE V, WHICH SUBSECTIONS PROTECT AGAINST THE DENIAL OR ABRIDGEMENT OF THE RIGHT TO VOTE DUE TO A PERSON'S RACE OR LANGUAGE MINORITY GROUP.
- (IV) "COMMUNITY OF INTEREST" DOES NOT INCLUDE RELATIONSHIPS WITH POLITICAL PARTIES, INCUMBENTS, OR POLITICAL CANDIDATES.
- (c) "RACE" OR "RACIAL" MEANS A CATEGORY OF RACE OR ETHNIC ORIGIN DOCUMENTED IN THE FEDERAL DECENNIAL CENSUS.
- (d) "REDISTRICTING YEAR" MEANS THE YEAR FOLLOWING THE YEAR IN WHICH THE FEDERAL DECENNIAL CENSUS IS TAKEN.
- (e) "STAFF" OR "NONPARTISAN STAFF" MEANS THE STAFF OF THE GENERAL ASSEMBLY'S LEGISLATIVE COUNCIL AND OFFICE OF LEGISLATIVE LEGAL SERVICES, OR THEIR SUCCESSOR OFFICES, WHO ARE ASSIGNED TO ASSIST THE COMMISSION BY THE DIRECTORS OF THOSE OFFICES IN ACCORDANCE WITH SECTION 44.2 OF THIS ARTICLE V.
- (4) **Adjustment of dates.** If any date prescribed in sections 44.1 through 44.5 of this article V falls on a Saturday, Sunday, or legal holiday, then the date is extended to the next day that is not a Saturday, Sunday, or legal holiday.

In the constitution of the state of Colorado, **add** sections 44.1, 44.2, 44.3, 44.4, 44.5, and 44.6 to article V as follows:

- **Section 44.1. Commission composition and appointment vacancies.** (1) AFTER EACH FEDERAL DECENNIAL CENSUS OF THE UNITED STATES, THE MEMBERS OF THE COMMISSION SHALL BE APPOINTED AND CONVENED AS PRESCRIBED IN THIS SECTION.
  - (2) THE COMMISSION CONSISTS OF TWELVE MEMBERS WHO HAVE THE FOLLOWING QUALIFICATIONS:
- (a) COMMISSIONERS MUST BE REGISTERED ELECTORS WHO VOTED IN BOTH OF THE PREVIOUS TWO GENERAL ELECTIONS IN COLORADO:
- (b) COMMISSIONERS MUST EITHER HAVE BEEN UNAFFILIATED WITH ANY POLITICAL PARTY OR HAVE BEEN AFFILIATED WITH THE SAME POLITICAL PARTY FOR A CONSECUTIVE PERIOD OF NO LESS THAN FIVE YEARS AT THE TIME OF THE APPLICATION; AND

- (c) NO PERSON MAY BE APPOINTED TO OR SERVE ON THE COMMISSION IF HE OR SHE:
- (I) IS OR HAS BEEN A CANDIDATE FOR FEDERAL ELECTIVE OFFICE WITHIN THE LAST FIVE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION:
- (II) IS OR HAS BEEN, WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION, COMPENSATED BY A MEMBER OF, OR A CAMPAIGN COMMITTEE ADVOCATING THE ELECTION OF A CANDIDATE TO, THE UNITED STATES HOUSE OF REPRESENTATIVES OR THE UNITED STATES SENATE;
- (III) IS OR HAS BEEN, WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION, AN ELECTED PUBLIC OFFICIAL AT THE FEDERAL. STATE. COUNTY. OR MUNICIPAL LEVEL IN COLORADO:
- (IV) IS OR HAS BEEN, WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION, AN ELECTED POLITICAL PARTY OFFICIAL ABOVE THE PRECINCT LEVEL IN COLORADO OR AN EMPLOYEE OF A POLITICAL PARTY;
- (V) IS A MEMBER OF THE COMMISSION RESPONSIBLE FOR DIVIDING THE STATE INTO SENATORIAL AND REPRESENTATIVE DISTRICTS OF THE GENERAL ASSEMBLY; OR
- (VI) IS OR HAS BEEN A PROFESSIONAL LOBBYIST REGISTERED TO LOBBY WITH THE STATE OF COLORADO, WITH ANY MUNICIPALITY IN COLORADO, OR AT THE FEDERAL LEVEL WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION.
- (3) (a) BY AUGUST 10 OF THE YEAR PRIOR TO THE REDISTRICTING YEAR, NONPARTISAN STAFF SHALL, AFTER HOLDING ONE OR MORE PUBLIC HEARINGS, PREPARE AN APPLICATION FORM THAT WILL ALLOW APPOINTING AUTHORITIES TO EVALUATE A PERSON'S EXPERIENCE AND QUALIFICATIONS AND MAKE SUCH APPLICATION AVAILABLE ON THE GENERAL ASSEMBLY'S WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC.
- (b) The application form must clearly state the legal obligations and expectations of potential appointees. Information required of applicants must include, but is not necessarily limited to, professional background, party affiliation, a description of past political activity, a list of all political and civic organizations to which the applicant has belonged within the previous five years, and whether the applicant meets the qualifications stated in subsection (2) of this section. In addition, the application form must require the applicant to explain why they want to serve on the commission and afford the applicant an opportunity to make a statement about how they will promote consensus among commissioners if appointed to the commission. Applicants may also choose to include up to four letters of recommendation with their application.
- (4) By November 10 of the year prior to the redistricting year, any person who seeks to serve on the commission must submit a completed application to nonpartisan staff. All applications are public records and must be posted promptly after receipt on the general assembly's website or comparable means of communicating with the public.
- (5) (a) No later than January 5 of the redistricting year, the chief justice of the Colorado supreme court shall designate a panel to review the applications. The panel must consist of the three justices or judges who most recently retired from the Colorado supreme court or the Colorado court of appeals, appointed sequentially starting with the most recent justice or judge to retire who has been affiliated with the same political party or unaffiliated with any political party for the two years prior to appointment; except that no appointee, within two years prior to appointment, shall have been affiliated with the same political party as a justice or judge already appointed to the panel. If any of the three justices or judges who most recently retired from the Colorado supreme court or the Colorado court of appeals is unable or unwilling to serve on the

PANEL OR HAS BEEN AFFILIATED WITHIN TWO YEARS PRIOR TO APPOINTMENT WITH A POLITICAL PARTY ALREADY REPRESENTED ON THE PANEL, THEN THE CHIEF JUSTICE SHALL APPOINT THE NEXT JUSTICE OR JUDGE WHO MOST RECENTLY RETIRED FROM THE COLORADO SUPREME COURT OR THE COLORADO COURT OF APPEALS AND WHO HAS NOT BEEN AFFILIATED WITHIN TWO YEARS PRIOR TO APPOINTMENT WITH THE SAME POLITICAL PARTY AS ANY JUSTICE OR JUDGE ALREADY APPOINTED TO THE PANEL. IF, AFTER CONSIDERING ALL JUSTICES AND JUDGES WHO HAVE RETIRED FROM THE COLORADO SUPREME COURT AND THE COLORADO COURT OF APPEALS, FEWER THAN THREE ELIGIBLE PARTICIPANTS FOR THE PANEL HAVE BEEN IDENTIFIED WHO ARE ABLE AND WILLING TO SERVE, THE CHIEF JUSTICE SHALL APPOINT THE MOST RECENTLY RETIRED DISTRICT COURT JUDGE WHO HAS NOT BEEN AFFILIATED WITHIN TWO YEARS PRIOR TO APPOINTMENT WITH THE SAME POLITICAL PARTY AS ANY PREVIOUS APPOINTEE TO THE PANEL AND WHO ACCEPTS SUCH APPOINTMENT. NO JUSTICE OR JUDGE SHALL SERVE BOTH ON THIS PANEL AND THE PANEL ASSISTING IN THE PROCESS OF CHOOSING MEMBERS OF THE COMMISSION RESPONSIBLE FOR DIVIDING THE STATE INTO STATE SENATE AND STATE HOUSE OF REPRESENTATIVES DISTRICTS.

- (b) ALL DECISIONS OF THE PANEL REGARDING THE SELECTION OF APPLICANTS PURSUANT TO THIS SECTION REQUIRE THE AFFIRMATIVE APPROVAL OF ALL THREE MEMBERS OF THE PANEL.
- (c) THE GENERAL ASSEMBLY SHALL PRESCRIBE BY LAW THE COMPENSATION OF MEMBERS OF THE PANEL. NONPARTISAN STAFF SHALL ASSIST THE PANEL IN CARRYING OUT ITS DUTIES.
- (6) AFTER APPLICATIONS ARE SUBMITTED, NONPARTISAN STAFF, WITH THE COOPERATION AND ASSISTANCE OF THE SECRETARY OF STATE, SHALL MAKE AN OBJECTIVE AND FACTUAL FINDING BASED ON, TO THE EXTENT POSSIBLE, PUBLICLY AVAILABLE INFORMATION, INCLUDING INFORMATION CONTAINED IN THE APPLICATION AND INFORMATION CONTAINED WITHIN THE RECORDS MAINTAINED BY THE SECRETARY OF STATE, WHETHER EACH APPLICANT MEETS THE QUALIFICATIONS SPECIFIED IN SUBSECTION (2) OF THIS SECTION. NO LATER THAN JANUARY 11 OF THE REDISTRICTING YEAR, NONPARTISAN STAFF SHALL MAKE ITS FINDINGS PUBLICLY AVAILABLE AND NOTIFY THE APPLICANTS OF THE STAFF'S FINDING. IF THE STAFF FINDS THAT AN APPLICANT IS NOT ELIGIBLE, THEN THE STAFF SHALL INCLUDE THE REASONS IN ITS FINDING.
- (7) By January 18 of the redistricting year, the panel, in a public meeting, shall randomly select by lot from all of the applicants who were found to meet the qualifications specified in subsection (2) of this section the names of three hundred applicants who are affiliated with the state's largest political party, three hundred applicants who are affiliated with the state's second largest political party, and four hundred fifty applicants who are not affiliated with any political party, or such lesser number as there are total applicants who meet the qualifications specified in subsection (2) of this section for each of those groups.
- (8) (a) IN ONE OR MORE PUBLIC HEARINGS CONDUCTED ON OR BEFORE FEBRUARY 1 OF THE REDISTRICTING YEAR, AFTER REVIEWING THE APPLICATIONS OF THE APPLICANTS SELECTED IN ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION, THE PANEL SHALL IDENTIFY FIFTY APPLICANTS WHO ARE AFFILIATED WITH THE STATE'S LARGEST POLITICAL PARTY, FIFTY APPLICANTS WHO ARE AFFILIATED WITH THE STATE'S SECOND LARGEST POLITICAL PARTY, AND FIFTY APPLICANTS WHO ARE UNAFFILIATED WITH ANY POLITICAL PARTY AND WHO BEST DEMONSTRATE:
- (I) EXPERIENCE IN ORGANIZING, REPRESENTING, ADVOCATING FOR, ADJUDICATING THE INTERESTS OF, OR ACTIVELY PARTICIPATING IN GROUPS, ORGANIZATIONS, OR ASSOCIATIONS IN COLORADO; AND
- (II) RELEVANT ANALYTICAL SKILLS, THE ABILITY TO BE IMPARTIAL, AND THE ABILITY TO PROMOTE CONSENSUS ON THE COMMISSION.
- (b) NO LATER THAN FEBRUARY 1 OF THE REDISTRICTING YEAR, FROM THE APPLICANTS IDENTIFIED IN SUBSECTION (8)(a) OF THIS SECTION, THE PANEL SHALL CHOOSE BY LOT SIX APPLICANTS TO SERVE ON THE COMMISSION AS FOLLOWS:
  - (I) TWO COMMISSIONERS WHO ARE NOT AFFILIATED WITH ANY POLITICAL PARTY;
  - (II) TWO COMMISSIONERS WHO ARE AFFILIATED WITH THE STATE'S LARGEST POLITICAL PARTY; AND

- (III) TWO COMMISSIONERS WHO ARE AFFILIATED WITH THE STATE'S SECOND LARGEST POLITICAL PARTY.
- (c) In the process of choosing applicants by lot for appointment to the commission, no applicant whose name is chosen may be appointed if he or she is registered to vote in a congressional district that is already represented on the commission; except that, when all then-existing congressional districts in Colorado are represented on the commission, a congressional district may be represented by a second commissioner. No congressional district may be represented by more than two commissioners. Any persons whose names are chosen but duplicate a congressional district's representation on the commission and are not appointed to the commission shall be eligible for appointment pursuant to subsections (9) and (10) of this section.
- (9) (a) BY FEBRUARY 16 OF THE REDISTRICTING YEAR, THE MAJORITY LEADER OF THE STATE SENATE, THE MINORITY LEADER OF THE STATE SENATE, THE MAJORITY LEADER OF THE STATE HOUSE OF REPRESENTATIVES, AND THE MINORITY LEADER OF THE STATE HOUSE OF REPRESENTATIVES SHALL EACH SELECT A POOL OF TEN APPLICANTS WHO ARE AFFILIATED WITH ONE OF THE STATE'S TWO LARGEST POLITICAL PARTIES FROM ALL APPLICATIONS SUBMITTED TO NONPARTISAN STAFF AND NOTIFY THE PANEL OF THEIR SELECTIONS.
- (b) AS DETERMINED BY THE LEGISLATIVE LEADERS IN SELECTING THEIR RESPECTIVE POOLS, THE APPLICANTS SELECTED FOR EACH POOL MUST MEET THE QUALIFICATIONS SET FORTH IN SUBSECTION (2) OF THIS SECTION AND DEMONSTRATE THE QUALITIES LISTED IN SUBSECTION (8)(a) OF THIS SECTION.
- (c) FOR EACH CONGRESSIONAL DISTRICT NOT REPRESENTED BY A COMMISSIONER APPOINTED PURSUANT TO SUBSECTIONS (8)(b) AND (8)(c) OF THIS SECTION, EACH POOL MUST CONSIST OF AT LEAST ONE APPLICANT WHO IS REGISTERED TO VOTE IN THAT CONGRESSIONAL DISTRICT.
- (d) IF THERE IS AN INSUFFICIENT NUMBER OF AVAILABLE APPLICANTS THAT MEET THE REQUIREMENTS OF SUBSECTION (9)(b) OF THIS SECTION TO SELECT ANY COMPLETE POOL, THEN THE POOL MUST CONSIST OF ONLY THOSE APPLICANTS WHO MEET THOSE REQUIREMENTS.
- (10) By March 1 of the redistricting year, the panel of judges shall select, in such order as the panel determines, one commissioner from each legislative leader's pool of applicants and two commissioners from those applicants who are not affiliated with any political party and whose names were randomly selected by lot pursuant to subsection (7) of this section. The panel of judges must ensure that the commission includes four commissioners who are not affiliated with any political party, four commissioners who are affiliated with the state's largest political party, and four commissioners who are affiliated with the state's second largest political party. The panel of judges may interview applicants before making the appointments. In selecting applicants, the panel shall, in addition to considering applicants' other qualifications:
- (a) TO THE EXTENT POSSIBLE, ENSURE THAT THE COMMISSION REFLECTS COLORADO'S RACIAL, ETHNIC, GENDER, AND GEOGRAPHIC DIVERSITY;
- (b) Ensure that at least one commissioner is registered to vote in each congressional district but no more than two commissioners are registered to vote in any single congressional district;
  - (c) ENSURE THAT AT LEAST ONE COMMISSIONER RESIDES WEST OF THE CONTINENTAL DIVIDE; AND
- (d) Ensure that all commissioners meet the qualifications set forth in subsection (2) of this section and demonstrate the qualities listed in subsection (8)(a) of this section.
- (11) (a) A COMMISSIONER'S POSITION ON THE COMMISSION WILL BE DEEMED VACANT IF HE OR SHE, HAVING BEEN APPOINTED AS A REGISTERED ELECTOR WHO IS NOT AFFILIATED WITH A POLITICAL PARTY, AFFILIATES WITH A POLITICAL PARTY BEFORE THE SUPREME COURT HAS APPROVED A PLAN PURSUANT TO SECTION 44.5 OF THIS ARTICLE V. A COMMISSIONER'S POSITION ON THE COMMISSION WILL ALSO BE DEEMED VACANT IF HE OR SHE, HAVING BEEN AFFILIATED WITH ONE OF THE STATE'S TWO LARGEST POLITICAL PARTIES AT THE TIME OF APPOINTMENT, AFFILIATES WITH A DIFFERENT POLITICAL PARTY OR BECOMES UNAFFILIATED WITH ANY POLITICAL PARTY BEFORE THE SUPREME COURT HAS APPROVED A PLAN PURSUANT TO SECTION 44.5 OF THIS ARTICLE V.

- (b) ANY VACANCY ON THE COMMISSION, INCLUDING ONE THAT OCCURS DUE TO DEATH, RESIGNATION, REMOVAL, FAILURE TO MEET THE QUALIFICATIONS OF APPOINTMENT, REFUSAL OR INABILITY TO ACCEPT AN APPOINTMENT, OR OTHERWISE, MUST BE FILLED AS SOON AS POSSIBLE BY THE DESIGNATED APPOINTING AUTHORITY FROM THE DESIGNATED POOL OF ELIGIBLE APPLICANTS FOR THAT COMMISSIONER'S POSITION AND IN THE SAME MANNER AS THE ORIGINALLY CHOSEN COMMISSIONER; EXCEPT THAT NO COMMISSIONER CHOSEN TO FILL A VACANCY WILL BE BYPASSED FOR APPOINTMENT IF ALL CONGRESSIONAL DISTRICTS ARE ALREADY REPRESENTED ON THE COMMISSION.
- (12) FOR PURPOSES OF THIS SECTION, THE STATE'S TWO LARGEST POLITICAL PARTIES SHALL BE DETERMINED BY THE NUMBER OF REGISTERED ELECTORS AFFILIATED WITH EACH POLITICAL PARTY IN THE STATE ACCORDING TO VOTER REGISTRATION DATA PUBLISHED BY THE SECRETARY OF STATE FOR THE EARLIEST DAY IN JANUARY OF THE REDISTRICTING YEAR FOR WHICH SUCH DATA IS PUBLISHED.
- Section 44.2. Commission organization procedures transparency voting requirements.
  (1) Initial organization, officers, procedures, rules, and transparency. (a) The Governor shall convene the commission no later than March 15 of the redistricting year and appoint a temporary chairperson from the commission's members. Upon convening, the commission shall elect a chair and a vice-chair, who are not members of the same political party, and other such officers as it determines.
- (b) The director of research of the legislative council and the director of the office of legislative legal services, or the directors of successor nonpartisan offices of the general assembly, shall appoint nonpartisan staff from their respective offices as needed to assist the commission and the panel of judges as described in section 44.1 of this article V. Nonpartisan staff shall acquire and prepare all necessary resources, including computer hardware, software, and demographic, geographic, and political databases, as far in advance as necessary to enable the commission to begin its work immediately upon convening.
- (c) THE COMMISSION MAY RETAIN LEGAL COUNSEL IN ALL ACTIONS AND PROCEEDINGS IN CONNECTION WITH THE PERFORMANCE OF ITS POWERS, DUTIES, AND FUNCTIONS, INCLUDING REPRESENTATION OF THE COMMISSION BEFORE ANY COURT.
- (d) The general assembly shall appropriate sufficient funds for the payment of the expenses of the commission, the compensation and expenses of nonpartisan staff, and the compensation and expenses of the panel of judges as described in section 44.1 of this article V. Members of the commission shall be reimbursed for their reasonable and necessary expenses and may also receive such per diem allowance as may be established by the general assembly. Subject to available appropriations, hardware and software necessary for the development of plans may, at the request of any commissioner, be provided to the commissioner. The commission and its staff must have access to statistical information compiled by the state and its political subdivisions as necessary for its duties. State agencies and political subdivisions shall comply with requests from the commission and its staff for such statistical information.
- (e) THE COMMISSION SHALL ADOPT RULES TO GOVERN ITS ADMINISTRATION AND OPERATION. THE COMMISSION MUST PROVIDE AT LEAST SEVENTY-TWO HOURS OF ADVANCE PUBLIC NOTICE OF ALL PROPOSED RULES PRIOR TO CONSIDERATION FOR ADOPTION; EXCEPT THAT PROPOSED RULES MAY BE AMENDED DURING COMMISSION DELIBERATIONS WITHOUT SUCH ADVANCE NOTICE OF SPECIFIC, RELATED AMENDMENTS. NEITHER THE COMMISSION'S PROCEDURAL RULES NOR ITS MAPPING DECISIONS ARE SUBJECT TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., OR ANY SUCCESSOR STATUTE. RULES MUST INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING:
  - (I) THE HEARING PROCESS AND REVIEW OF MAPS SUBMITTED FOR ITS CONSIDERATION;
- (II) MAINTENANCE OF A RECORD OF THE COMMISSION'S ACTIVITIES AND PROCEEDINGS, INCLUDING A RECORD OF WRITTEN AND ORAL TESTIMONY RECEIVED, AND OF THE COMMISSION'S DIRECTIONS TO NONPARTISAN STAFF ON PROPOSED CHANGES TO ANY PLAN AND THE COMMISSION'S RATIONALE FOR SUCH CHANGES;

- (III) THE PROCESS FOR REMOVING COMMISSIONERS FOR PARTICIPATING IN COMMUNICATIONS PROHIBITED UNDER THIS SECTION:
- (IV) THE PROCESS FOR RECOMMENDING CHANGES TO PLANS SUBMITTED TO THE COMMISSION BY NONPARTISAN STAFF; AND
- (V) THE ADOPTION OF A STATEWIDE MEETING AND HEARING SCHEDULE, INCLUDING THE NECESSARY ELEMENTS OF ELECTRONIC ATTENDANCE AT A COMMISSION HEARING.
- (2) **Voting requirements.** A SIMPLE MAJORITY OF THE APPOINTED COMMISSIONERS MAY APPROVE RULES AND PROCEDURAL DECISIONS. THE ELECTION OF THE COMMISSION'S CHAIR AND VICE-CHAIR REQUIRES THE AFFIRMATIVE VOTE OF AT LEAST EIGHT COMMISSIONERS, INCLUDING THE AFFIRMATIVE VOTE OF AT LEAST ONE COMMISSIONER WHO IS UNAFFILIATED WITH ANY POLITICAL PARTY. REMOVAL OF ANY COMMISSIONER AS PROVIDED IN THIS SECTION REQUIRES THE AFFIRMATIVE VOTE OF AT LEAST EIGHT COMMISSIONERS, INCLUDING THE AFFIRMATIVE VOTE OF AT LEAST TWO COMMISSIONERS WHO ARE UNAFFILIATED WITH ANY POLITICAL PARTY. ADOPTION OF THE FINAL PLAN FOR SUBMISSION TO THE SUPREME COURT AND THE ADOPTION OF A REVISED PLAN AFTER A PLAN IS RETURNED TO THE COMMISSION FROM THE SUPREME COURT REQUIRES THE AFFIRMATIVE VOTE OF AT LEAST EIGHT COMMISSIONERS, INCLUDING THE AFFIRMATIVE VOTE OF AT LEAST TWO COMMISSIONERS WHO ARE UNAFFILIATED WITH ANY POLITICAL PARTY. THE COMMISSION SHALL NOT VOTE UPON A FINAL PLAN UNTIL AT LEAST SEVENTY-TWO HOURS AFTER IT HAS BEEN PROPOSED TO THE COMMISSION IN A PUBLIC MEETING OR AT LEAST SEVENTY-TWO HOURS AFTER IT HAS BEEN AMENDED BY THE COMMISSION IN A PUBLIC MEETING, WHICHEVER OCCURS LATER; EXCEPT THAT COMMISSIONERS MAY UNANIMOUSLY WAIVE THE SEVENTY-TWO HOUR REQUIREMENT.
- (3) **Public involvement hearing process.** (a) ALL COLORADO RESIDENTS, INCLUDING INDIVIDUAL COMMISSIONERS, MAY PRESENT PROPOSED REDISTRICTING MAPS OR WRITTEN COMMENTS, OR BOTH, FOR THE COMMISSION'S CONSIDERATION.
- (b) THE COMMISSION MUST, TO THE MAXIMUM EXTENT PRACTICABLE, PROVIDE OPPORTUNITIES FOR COLORADO RESIDENTS TO PRESENT TESTIMONY AT HEARINGS HELD THROUGHOUT THE STATE. THE COMMISSION SHALL NOT APPROVE A REDISTRICTING MAP UNTIL AT LEAST THREE HEARINGS HAVE BEEN HELD IN EACH CONGRESSIONAL DISTRICT, INCLUDING AT LEAST ONE HEARING THAT IS HELD IN A LOCATION WEST OF THE CONTINENTAL DIVIDE AND AT LEAST ONE HEARING THAT IS HELD IN A LOCATION EAST OF THE CONTINENTAL DIVIDE AND EITHER SOUTH OF EL PASO COUNTY'S SOUTHERN BOUNDARY OR EAST OF ARAPAHOE COUNTY'S EASTERN BOUNDARY. NO GATHERING OF COMMISSIONERS CAN BE CONSIDERED A HEARING FOR THIS PURPOSE UNLESS IT IS ATTENDED, IN PERSON OR ELECTRONICALLY, BY AT LEAST TEN COMMISSIONERS. THE COMMISSION SHALL ESTABLISH BY RULE THE NECESSARY ELEMENTS OF ELECTRONIC ATTENDANCE AT A COMMISSION HEARING.
- (c) THE COMMISSION SHALL MAINTAIN A WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC THROUGH WHICH ANY COLORADO RESIDENT MAY SUBMIT PROPOSED MAPS OR WRITTEN COMMENTS, OR BOTH, WITHOUT ATTENDING A HEARING OF THE COMMISSION.
- (d) The commission shall publish all written comments pertaining to redistricting on its website or comparable means of communicating with the public as well as the name of the Colorado resident submitting such comments. If the commission or nonpartisan staff have a substantial basis to believe that the person submitting such comments has not truthfully or accurately identified himself or herself, the commission need not consider and need not publish such comments but must notify the commenter in writing of this fact. The commission may withhold comments, in whole or in part, from the website or comparable means of communicating with the public that do not relate to redistricting maps, policies, or communities of interest.
- (e) THE COMMISSION SHALL PROVIDE SIMULTANEOUS ACCESS TO THE REGIONAL HEARINGS BY BROADCASTING THEM VIA ITS WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC AND MAINTAIN AN ARCHIVE OF SUCH HEARINGS FOR ONLINE PUBLIC REVIEW.

- (4) Ethical obligations transparency lobbyist reporting. (a) COMMISSIONERS ARE GUARDIANS OF THE PUBLIC TRUST AND ARE SUBJECT TO ANTIBRIBERY AND ABUSE OF PUBLIC OFFICE REQUIREMENTS AS PROVIDED IN PARTS 3 AND 4 OF ARTICLE 8 OF TITLE 18, C.R.S., AS AMENDED, OR ANY SUCCESSOR STATUTE.
  - (b) TO ENSURE TRANSPARENCY IN THE REDISTRICTING PROCESS:
- (I) (A) THE COMMISSION AND THE COMMISSIONERS ARE SUBJECT TO OPEN MEETINGS REQUIREMENTS AS PROVIDED IN PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S., AS AMENDED, OR ANY SUCCESSOR STATUTE.
- (B) EXCEPT AS PROVIDED IN SUBSECTION (4)(b)(l)(D) OF THIS SECTION, A COMMISSIONER SHALL NOT COMMUNICATE WITH NONPARTISAN STAFF ON THE MAPPING OF CONGRESSIONAL DISTRICTS UNLESS THE COMMUNICATION IS DURING A PUBLIC MEETING OR HEARING OF THE COMMISSION.
- (C) EXCEPT FOR PUBLIC INPUT AND COMMENT, NONPARTISAN STAFF SHALL NOT HAVE ANY COMMUNICATIONS ABOUT THE CONTENT OR DEVELOPMENT OF ANY PLAN OUTSIDE OF PUBLIC HEARINGS WITH ANYONE EXCEPT OTHER STAFF MEMBERS. NONPARTISAN STAFF SHALL REPORT TO THE COMMISSION ANY ATTEMPT BY ANYONE TO EXERT INFLUENCE OVER THE STAFF'S ROLE IN THE DRAFTING OF PLANS.
- (D) ONE OR MORE NONPARTISAN STAFF MAY BE DESIGNATED TO COMMUNICATE WITH COMMISSIONERS REGARDING ADMINISTRATIVE MATTERS, THE DEFINITION AND SCOPE OF WHICH SHALL BE DETERMINED BY THE COMMISSION.
- (E) ANY COMMISSIONER WHO PARTICIPATES IN A COMMUNICATION PROHIBITED IN THIS SECTION MUST BE REMOVED FROM THE COMMISSION, AND SUCH VACANCY MUST BE FILLED WITHIN SEVEN DAYS.
- (II) THE COMMISSION, EACH COMMISSIONER, AND NONPARTISAN STAFF ARE SUBJECT TO OPEN RECORDS REQUIREMENTS AS PROVIDED IN PART 1 OF ARTICLE 72 OF TITLE 24, C.R.S., AS AMENDED, OR ANY SUCCESSOR STATUTE; EXCEPT THAT MAPS IN DRAFT FORM AND NOT SUBMITTED TO THE COMMISSION ARE NOT PUBLIC RECORDS SUBJECT TO DISCLOSURE. WORK PRODUCT AND COMMUNICATIONS AMONG NONPARTISAN STAFF ARE SUBJECT TO DISCLOSURE ONCE A PLAN IS SUBMITTED TO THE SUPREME COURT.
- (III) PERSONS WHO CONTRACT FOR OR RECEIVE COMPENSATION FOR ADVOCATING TO THE COMMISSION, TO ONE OR MORE COMMISSIONERS, OR TO THE NONPARTISAN STAFF FOR THE ADOPTION OR REJECTION OF ANY MAP, AMENDMENT TO A MAP, MAPPING APPROACH, OR MANNER OF COMPLIANCE WITH ANY OF THE MAPPING CRITERIA SPECIFIED IN SECTION 44.3 OF THIS ARTICLE V ARE LOBBYISTS WHO MUST DISCLOSE TO THE SECRETARY OF STATE ANY COMPENSATION CONTRACTED FOR, COMPENSATION RECEIVED, AND THE PERSON OR ENTITY CONTRACTING OR PAYING FOR THEIR LOBBYING SERVICES. SUCH DISCLOSURE MUST BE MADE NO LATER THAN SEVENTY-TWO HOURS AFTER THE EARLIER OF EACH INSTANCE OF SUCH LOBBYING OR ANY PAYMENT OF SUCH COMPENSATION. THE SECRETARY OF STATE SHALL PUBLISH ON THE SECRETARY OF STATE'S WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC THE NAMES OF SUCH LOBBYISTS AS WELL AS THE COMPENSATION RECEIVED AND THE PERSONS OR ENTITIES FOR WHOM THEY WORK WITHIN TWENTY-FOUR HOURS OF RECEIVING SUCH INFORMATION. THE SECRETARY OF STATE SHALL ADOPT RULES TO FACILITATE THE COMPLETE AND PROMPT REPORTING REQUIRED BY THIS SUBSECTION (4)(b)(III) AS WELL AS A COMPLAINT PROCESS TO ADDRESS ANY LOBBYIST'S FAILURE TO REPORT A FULL AND ACCURATE DISCLOSURE, WHICH COMPLAINT MUST BE HEARD BY AN ADMINISTRATIVE LAW JUDGE, WHOSE DECISION MAY BE APPEALED TO THE COURT OF APPEALS.
- Section 44.3. Criteria for determinations of congressional districts definition. (1) IN ADOPTING A CONGRESSIONAL REDISTRICTING PLAN. THE COMMISSION SHALL:
- (a) Make a good-faith effort to achieve precise mathematical population equality between districts, justifying each variance, no matter how small, as required by the constitution of the United States. Districts must be composed of contiguous geographic areas;

- (b) COMPLY WITH THE FEDERAL "VOTING RIGHTS ACT OF 1965", 52 U.S.C. SEC. 50301, AS AMENDED.
- (2) (a) AS MUCH AS IS REASONABLY POSSIBLE, THE COMMISSION'S PLAN MUST PRESERVE WHOLE COMMUNITIES OF INTEREST AND WHOLE POLITICAL SUBDIVISIONS, SUCH AS COUNTIES, CITIES, AND TOWNS.
  - (b) DISTRICTS MUST BE AS COMPACT AS IS REASONABLY POSSIBLE.
- (3) (a) THEREAFTER, THE COMMISSION SHALL, TO THE EXTENT POSSIBLE, MAXIMIZE THE NUMBER OF POLITICALLY COMPETITIVE DISTRICTS.
- (b) In its hearings in various locations in the state, the commission shall solicit evidence relevant to competitiveness of elections in Colorado and shall assess such evidence in evaluating proposed maps.
- (c) When the commission approves a plan, or when nonpartisan staff submits a plan in the absence of the commission's approval of a plan as provided in section 44.4 of this article V, the nonpartisan staff shall, within seventy-two hours of such action, make publicly available, and include in the commission's record, a report to demonstrate how the plan reflects the evidence presented to, and the findings concerning, the extent to which competitiveness in district elections is fostered consistent with the other criteria set forth in this section.
- (d) For purposes of this subsection (3), "competitive" means having a reasonable potential for the party affiliation of the district's representative to change at least once between federal decennial censuses. Competitiveness may be measured by factors such as a proposed district's past election results, a proposed district's political party registration data, and evidence-based analyses of proposed districts.
  - (4) NO MAP MAY BE APPROVED BY THE COMMISSION OR GIVEN EFFECT BY THE SUPREME COURT IF:
- (a) IT HAS BEEN DRAWN FOR THE PURPOSE OF PROTECTING ONE OR MORE INCUMBENT MEMBERS, OR ONE OR MORE DECLARED CANDIDATES, OF THE UNITED STATES HOUSE OF REPRESENTATIVES OR ANY POLITICAL PARTY; OR
- (b) IT HAS BEEN DRAWN FOR THE PURPOSE OF OR RESULTS IN THE DENIAL OR ABRIDGEMENT OF THE RIGHT OF ANY CITIZEN TO VOTE ON ACCOUNT OF THAT PERSON'S RACE OR MEMBERSHIP IN A LANGUAGE MINORITY GROUP, INCLUDING DILUTING THE IMPACT OF THAT RACIAL OR LANGUAGE MINORITY GROUP'S ELECTORAL INFLUENCE.
- Section 44.4. Preparation, amendment, and approval of plans public hearings and participation. (1) The commission shall begin by considering a plan, created by nonpartisan staff alone, to be known as the "preliminary plan". The preliminary plan must be presented and published no earlier than thirty days and no later than forty-five days after the commission has convened or the necessary census data are available, whichever is later. Within the first twenty days after the commission has convened, any member of the public and any member of the commission may submit written comments to nonpartisan staff on the creation of the preliminary plan and on communities of interest that require representation in one or more specific areas of the state. Nonpartisan staff shall consider such comments in creating the preliminary plan and such comments must be part of the record of the commission's activities and proceedings. At the first public hearing at which the preliminary plan is presented, nonpartisan staff shall explain how the plan was created, how the plan addresses the categories of public comments received, and how the plan complies with the criteria prescribed in section 44.3 of this article V.
- (2) By July 7 of the redistricting year, the commission shall complete public hearings on the preliminary plan in several places throughout the state in accordance with section 44.2 of this article V.

- (3) SUBSEQUENT TO HEARINGS ON THE PRELIMINARY PLAN, NONPARTISAN STAFF SHALL PREPARE, PUBLISH ONLINE. AND PRESENT TO THE COMMISSION NO FEWER THAN THREE PLANS, EXCEPT AS PROVIDED IN SUBSECTION (5) OF THIS SECTION. THESE PLANS WILL BE KNOWN AS THE "STAFF PLANS" AND MUST BE NAMED. AND NUMBERED SEQUENTIALLY FOR PURPOSES OF SUBSECTION (6) OF THIS SECTION. STAFF PLANS MUST BE PREPARED, PUBLISHED ONLINE, AND PRESENTED IN ACCORDANCE WITH A TIMETABLE ESTABLISHED BY THE COMMISSION; EXCEPT THAT EACH STAFF PLAN MUST BE PRESENTED TO THE COMMISSION NO FEWER THAN TEN DAYS AFTER THE PRESENTATION OF ANY PREVIOUS STAFF PLAN AND NO FEWER THAN TWENTY-FOUR HOURS AFTER IT HAS BEEN PUBLISHED ONLINE. IF THE COMMISSION FAILS TO ESTABLISH A TIMETABLE FOR THE PRESENTATION OF STAFF PLANS WITHIN TEN DAYS AFTER THE COMPLETION OF HEARINGS ON THE PRELIMINARY PLAN, NONPARTISAN STAFF SHALL ESTABLISH SUCH TIMETABLE. NONPARTISAN STAFF SHALL KEEP EACH PLAN CONFIDENTIAL UNTIL IT IS PUBLISHED ONLINE OR BY A COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC USING GENERALLY AVAILABLE TECHNOLOGIES. THE COMMISSION MAY PROVIDE DIRECTION, IF APPROVED BY AT LEAST EIGHT COMMISSIONERS INCLUDING AT LEAST ONE COMMISSIONER UNAFFILIATED WITH ANY POLITICAL PARTY, FOR THE DEVELOPMENT OF STAFF PLANS THROUGH THE ADOPTION OF STANDARDS, GUIDELINES, OR METHODOLOGIES TO WHICH NONPARTISAN STAFF SHALL ADHERE, INCLUDING STANDARDS, GUIDELINES, OR METHODOLOGIES TO BE USED TO EVALUATE A PLAN'S COMPETITIVENESS, CONSISTENT WITH SECTION 44.3 (3)(d) OF THIS ARTICLE V. IN PREPARING ALL STAFF PLANS, NONPARTISAN STAFF SHALL ALSO CONSIDER PUBLIC TESTIMONY AND PUBLIC COMMENTS RECEIVED BY THE COMMISSION THAT ARE CONSISTENT WITH THE CRITERIA SPECIFIED IN SECTION 44.3 OF THIS ARTICLE V.
- (4) ANY COMMISSIONER OR GROUP OF COMMISSIONERS MAY REQUEST NONPARTISAN STAFF TO PREPARE ADDITIONAL PLANS OR AMENDMENTS TO PLANS. ANY SUCH REQUEST MUST BE MADE IN A PUBLIC HEARING OF THE COMMISSION BUT DOES NOT REQUIRE COMMISSION APPROVAL. PLANS OR AMENDMENTS DEVELOPED IN RESPONSE TO SUCH REQUESTS ARE SEPARATE FROM STAFF PLANS FOR PURPOSES OF SUBSECTION (6) OF THIS SECTION.
- (5) (a) THE COMMISSION MAY ADOPT A FINAL PLAN AT ANY TIME AFTER PRESENTATION OF THE FIRST STAFF PLAN, IN WHICH CASE NONPARTISAN STAFF DOES NOT NEED TO PREPARE OR PRESENT ADDITIONAL STAFF PLANS.
- (b) NO LATER THAN SEPTEMBER 1 OF THE REDISTRICTING YEAR, THE COMMISSION SHALL ADOPT A FINAL PLAN, WHICH MUST THEN BE SUBMITTED TO THE SUPREME COURT FOR ITS REVIEW AND DETERMINATION IN ACCORDANCE WITH SECTION 44.5 OF THIS ARTICLE V.
- (c) THE COMMISSION MAY ADJUST THE DEADLINES SPECIFIED IN THIS SECTION IF CONDITIONS OUTSIDE OF THE COMMISSION'S CONTROL REQUIRE SUCH AN ADJUSTMENT TO ENSURE ADOPTING A FINAL PLAN AS REQUIRED BY THIS SUBSECTION (5).
- (d) THE COMMISSION MAY GRANT NONPARTISAN STAFF THE AUTHORITY TO MAKE TECHNICAL DE MINIMIS ADJUSTMENTS TO THE ADOPTED PLAN PRIOR TO ITS SUBMISSION TO THE SUPREME COURT.
- (6) IF FOR ANY REASON THE COMMISSION DOES NOT ADOPT A FINAL PLAN BY THE DATE SPECIFIED IN SUBSECTION (5) OF THIS SECTION, THEN NONPARTISAN STAFF SHALL SUBMIT THE UNAMENDED THIRD STAFF PLAN TO THE SUPREME COURT.
- Section 44.5. Supreme court review. (1) The supreme court shall review the submitted plan and determine whether the plan complies with the criteria listed in section 44.3 of this article V. The court's review and determination shall take precedence over other matters before the court. The supreme court shall adopt rules for such proceedings and for the production and presentation of supportive evidence for such plan. Any legal arguments concerning such plan must be submitted to the supreme court pursuant to the schedule established by the court.
- (2) THE SUPREME COURT SHALL APPROVE THE PLAN SUBMITTED UNLESS IT FINDS THAT THE COMMISSION OR NONPARTISAN STAFF, IN THE CASE OF A STAFF PLAN SUBMITTED IN THE ABSENCE OF A COMMISSION-APPROVED PLAN, ABUSED ITS DISCRETION IN APPLYING OR FAILING TO APPLY THE CRITERIA LISTED IN SECTION 44.3 OF THIS ARTICLE V, IN LIGHT OF THE RECORD BEFORE THE COMMISSION. THE SUPREME COURT MAY CONSIDER ANY MAPS SUBMITTED TO THE COMMISSION IN ASSESSING WHETHER THE COMMISSION OR NONPARTISAN STAFF, IN THE CASE OF A STAFF PLAN SUBMITTED IN THE ABSENCE OF A COMMISSION-APPROVED PLAN, ABUSED ITS DISCRETION.

- (3) IF THE SUPREME COURT DETERMINES THAT THE SUBMITTED PLAN CONSTITUTES AN ABUSE OF DISCRETION IN APPLYING OR FAILING TO APPLY THE CRITERIA LISTED IN SECTION 44.3 OF THIS ARTICLE V, IN LIGHT OF THE RECORD BEFORE THE COMMISSION, THE SUPREME COURT SHALL RETURN THE PLAN TO THE COMMISSION WITH THE COURT'S REASONS FOR DISAPPROVAL.
- (4) (a) BY NOVEMBER 1 OF THE REDISTRICTING YEAR, THE SUPREME COURT SHALL APPROVE THE PLAN SUBMITTED OR RETURN THE PLAN TO THE COMMISSION.
- (b) IF THE COURT RETURNS THE PLAN TO THE COMMISSION, THE COMMISSION SHALL HAVE TWELVE DAYS TO HOLD A COMMISSION HEARING THAT INCLUDES PUBLIC TESTIMONY AND TO RETURN AN ADOPTED PLAN THAT RESOLVES THE COURT'S REASONS FOR DISAPPROVAL.
- (c) IF THE COMMISSION FAILS TO ADOPT AND RETURN A PLAN TO THE COURT WITHIN TWELVE DAYS, NONPARTISAN STAFF SHALL HAVE AN ADDITIONAL THREE DAYS TO PREPARE A PLAN THAT RESOLVES THE COURT'S REASONS FOR DISAPPROVAL AND RETURN IT TO THE COURT FOR APPROVAL.
- (d) THE SUPREME COURT SHALL REVIEW THE REVISED PLAN IN ACCORDANCE WITH SUBSECTIONS (1), (2), AND (3) OF THIS SECTION.
- (5) THE SUPREME COURT SHALL APPROVE A PLAN FOR THE REDRAWING OF CONGRESSIONAL DISTRICTS NO LATER THAN DECEMBER 15 OF THE REDISTRICTING YEAR. THE COURT SHALL ORDER THAT SUCH PLAN BE FILED WITH THE SECRETARY OF STATE NO LATER THAN SUCH DATE.
- **Section 44.6. Severability.** If any provision of sections 44.1 through 44.5 of this article V is found by a court of competent jurisdiction to be unconstitutional, or if any application of these sections is found by such a court to be unconstitutional, such invalidity shall not affect other provisions or applications of the remaining provisions of these sections that can be given effect without the invalid provision or application. The provisions of sections 44.1 through 44.5 of this article V are deemed and declared severable.
- SECTION 2. Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning a change to the way that congressional districts are drawn, and, in connection therewith, taking the duty to draw congressional districts away from the state legislature and giving it to an independent commission, composed of twelve citizens who possess specified qualifications; prohibiting any one political party's control of the commission by requiring that one-third of commissioners will not be affiliated with any political party, one-third of the commissioners will be affiliated with the state's largest political party, and one-third of the commissioners will be affiliated with the state's second largest political party; prohibiting certain persons, including professional lobbyists, federal campaign committee employees, and federal, state, and local elected officials, from serving on the commission; limiting judicial review of a map to a determination by the supreme court of whether the commission or its nonpartisan staff committed an abuse of discretion; requiring the commission to draw districts with a focus on communities of interest and political subdivisions, such as cities and counties, and then to maximize the number of competitive congressional seats to the extent possible; and prohibiting maps from being drawn to dilute the electoral influence of any racial or ethnic group or to protect any incumbent, any political candidate, or any political party?"
- **SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution.

## Amendment Z Legislative Redistricting

(This measure requires at least 55 percent of the vote to pass.)

#### **ANALYSIS**

#### Amendment Z proposes amending the Colorado Constitution to:

- replace the Colorado Reapportionment Commission with the Independent Legislative Redistricting Commission, consisting of an equal number of members from each of the state's two largest political parties and unaffiliated voters, to amend and approve state legislative district maps drawn by nonpartisan legislative staff;
- establish a process for selecting commissioners, new requirements for transparency and ethics, and a procedure for judicial review of commission maps; and
- expand and prioritize the criteria the commission must use for adopting state legislative district maps

#### **Summary and Analysis**

Amendment Z establishes a new process for state legislative redistricting. Amendment Y, which is also on the 2018 ballot, proposes a similar but separate process for congressional redistricting.

**Redistricting.** The state legislature has 35 state senators and 65 state representatives. The U.S. Census is conducted every ten years, and afterward state legislative districts are redrawn to have nearly equal populations.

Legislative redistricting process in Colorado. Since voters approved its creation in 1974, the Colorado Reapportionment Commission (reapportionment commission) has convened after each U.S. Census to draw new state legislative district maps. The reapportionment commission consists of 11 members appointed by legislative leaders, the Governor, and the Chief Justice of the Colorado Supreme Court. Up to 6 of the 11 members may be affiliated with the same political party. The state legislature provides the reapportionment commission with nonpartisan staff support. The reapportionment commission is required to draft preliminary maps for state senate and house districts and hold public hearings on the maps throughout the state. Its final maps must have the support of a simple majority of commissioners, and they are submitted to the Colorado Supreme Court for approval.

Amendment Z replaces the reapportionment commission with the Independent Legislative Redistricting Commission (commission), which is charged with drawing the state's legislative districts. The new commission must have 12 members, 4 from the state's largest political party, which is currently the Democratic Party, 4 from the state's second largest political party, which is currently the Republican Party, and 4 who are not affiliated with any political party. These members are appointed from a pool of applicants as described below.

Application and appointment process. Amendment Z sets minimum qualifications for commissioners. An applicant must be registered to vote and have voted in the previous two general elections in Colorado, and have been either affiliated with the same party or unaffiliated with any party for the last five consecutive years. An applicant may not be appointed to the commission if he or she has been a candidate for the state legislature within the last five years, or within the last three years been: a professional registered lobbyist; an elected public official; an elected political party official above the precinct level; or paid by a member of or candidate for the state legislature. Commissioners may not also serve on the Independent Congressional Redistricting Commission proposed in Amendment Y.

The measure requires nonpartisan legislative staff to prepare an application form for commissioners after receiving public input on the application at one or more public hearings. All applications submitted

must be posted on a public website. Nonpartisan legislative staff must review commission applications to ensure applicants meet the minimum qualifications.

The Chief Justice of the Colorado Supreme Court designates a panel of three of the most recently retired judges from the Colorado Supreme Court or Colorado Court of Appeals to facilitate the selection of commissioners. No more than one of the three judges may be registered with any one political party, and the panel's decisions must be unanimous. Selected judges may not also serve on the panel that facilitates the selection of the proposed Independent Congressional Redistricting Commission. From all of the qualified applicants, the panel of retired judges randomly selects a pool of 1,050 applicants. The panel then narrows the applicant pool to 150 applicants using criteria related to applicants' experience, analytical skills, and ability to be impartial and promote consensus.

From the 150-person applicant pool, the panel randomly chooses 2 commissioners affiliated with the state's largest political party, 2 commissioners affiliated with the state's second largest political party, and 2 commissioners who are not affiliated with a political party. For the remaining 6 commissioners, the panel selects 2 additional unaffiliated commissioners from the pool of 1,050 applicants, and 4 commissioners from applicant pools determined by legislative leaders. The final 12-member commission will have 4 Democrats, 4 Republicans, and 4 unaffiliated members, unless another political party becomes the largest or second largest political party in the state. The final composition of the commission should reflect Colorado's racial, ethnic, gender, and geographic diversity, and must include members from each congressional district, including at least one member from the Western Slope.

Commission operations. Under the measure, the commission is responsible for adopting rules to govern its administration and operation, and the commissioners are subject to open meeting laws. Staff for the commission must be assigned from nonpartisan legislative staff agencies. Commissioners are prohibited from communicating with nonpartisan legislative staff about any maps outside of a public meeting or hearing, and staff are prohibited from communicating with outside parties concerning the development of redistricting maps. Any commissioner who participates in prohibited communication must be removed from the commission. Any person who receives compensation for advocating to the commission, one or more commissioners, or staff is considered a lobbyist and must disclose his or her compensation and its source to the Secretary of State for publication.

*Criteria for drawing legislative district maps.* The U.S. and Colorado constitutions require state legislative districts to be as nearly equal in population as possible. Under the federal Voting Rights Act of 1965, the state cannot change voting standards, practices, or procedures in a way that denies or limits the right to vote based on race or color or membership in a language minority group. In particular, the act requires that a minority group's voting strength not be diluted under a redistricting map.

Additionally, current state law requires, when drawing state legislative maps, that:

- districts be contiguous and as compact in area as possible;
- the division of counties and cities among multiple districts be minimized; and
- communities of interest be preserved where possible.

Amendment Z maintains these criteria, but prioritizes the preservation of communities of interest and certain political subdivisions that, in their entirety, fit within a district. It limits the splitting of cities, towns, and counties to those circumstances when a community of interest, which is a group sharing specific state legislative interests, has a reason for being kept together in a district that is more essential to the fair and effective representation of voters. The measure also incorporates principles of the Voting Rights Act into state law and prohibits the approval of a map that violates these principles.

After these criteria are considered, Amendment Z requires the commission to maximize the number of politically competitive districts, which are defined as having the reasonable potential for the party affiliation of the district's representative to change at least once over the decade, to the extent possible. Maps cannot be drawn for the purpose of protecting incumbents, candidates, or political parties.

Map consideration and public involvement. The measure directs nonpartisan commission staff to create preliminary redistricting maps for the state senate and House of Representatives, and requires them to consider public comments while developing the maps. Members of the public may also present proposed redistricting maps and written comments for the commission's consideration. The commission must hold at least three public hearings in each congressional district to receive public input before approving redistricting maps. At least ten commissioners must attend each hearing, either in person or electronically. These hearings must be broadcast online, and the commission must maintain a website through which Colorado residents may submit maps or written comments. All written comments pertaining to redistricting must be published on the website. After the commission holds its hearings on the preliminary maps, staff must prepare additional maps. The commission can adopt standards and guidelines for staff to follow when developing staff maps. Any commissioner can request at a public hearing that staff prepare additional maps or amendments to maps. The commission can adopt final maps at any time after the presentation of the first staff maps.

**Final maps.** Under the measure, the commission must adopt final maps for state senate and house districts and submit them to the Colorado Supreme Court for review. At least 8 of the 12 commissioners, including at least 2 unaffiliated commissioners, must approve the final maps, and the maps must be made public before the commission votes on them. If the commission fails to submit the final maps, staff maps must be submitted, without amendments, to the Colorado Supreme Court for judicial review.

The Colorado Supreme Court must approve the final maps unless the court finds that the commission abused its discretion in applying or failing to apply required criteria, in which case the court must return them to the commission. If returned, the commission has 12 days to hold a hearing and submit the revised maps to the Colorado Supreme Court. If the commission fails to submit revised maps, nonpartisan staff have an additional three days to submit revised maps. The Colorado Supreme Court must approve the legislative redistricting maps by December 29 of the redistricting year.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html

#### **Arguments For**

- 1) Amendment Z limits the role of partisan politics in the legislative redistricting process. Through the commissioner selection process, checks and balances are in place to ensure no one political party controls the commission. Applicants must be qualified to serve on the commission and, unlike the current reapportionment commission, lobbyists and politicians are prohibited from serving. The selection process limits the appointment power of party leaders by relying on retired judges and random selection. Republicans, Democrats, and unaffiliated voters must be appointed to the commission in equal numbers. Additionally, nonpartisan legislative staff draw the district maps, and each map's approval requires a supermajority vote of the commission, including at least two unaffiliated commissioners. These provisions encourage political compromise by keeping political parties and politicians with a vested interest in the outcome from controlling the redistricting process.
- 2) The measure makes the redistricting process more transparent and provides greater opportunity for public participation. Legislative redistricting is conducted by a more independent commission than currently exists, with safeguards against undue influence in the preparation and adoption of maps. The commission is subject to state open records and open meetings laws, and anyone paid to lobby the commission has 72 hours to disclose their lobbying activities. By requiring that map-related communications occur in public, Coloradans will be able to see exactly how the districts are drawn.
- 3) The measure brings structure to the redistricting process by using clear, ordered, and fair criteria in the drawing of districts. By prioritizing factors such as communities of interest, city and county

lines, and political competitiveness, it provides specific direction to the commission about how it should evaluate proposed maps. It also prevents the adoption of maps that protect incumbents, candidates, or political parties, or maps that dilute the electoral influence of racial or ethnic minorities.

#### **Arguments Against**

- 1) Amendment Z reduces accountability in the redistricting process. The selection process the measure proposes will result in a group of commissioners who are not only not elected, but are not even accountable to elected officials. This process relies on unelected retired judges to screen applicants and select half of the commissioners. Further, the commission is staffed by government employees who are not accountable to the voters, and they may end up drawing the final maps if the commission cannot agree. Legislative staff may have a vested interest in the outcome of legislative elections that could bias their work drawing district maps.
- 2) The commissioner selection process outlined in the measure is complex, and half of the members are determined by random chance. This complicated and random selection process may prevent individuals with important experience and knowledge from becoming commissioners. While the goal of the random selection may be to remove politics from redistricting, unaffiliated commissioners with partisan views could still be selected, and the selection process may not result in a commission that can be impartial and promote consensus.
- 3) The measure outlines criteria that may be difficult to apply in an objective manner. For example, the broad definition of communities of interest is vague and open to interpretation. The measure also leaves the commission to determine what a competitive district is without specifying what factors to consider. Additionally, the four unaffiliated commissioners will have political leanings that may be difficult to discern, but that could sway how they apply the criteria and influence the final maps, since many critical votes require their support. The resulting maps may serve to protect certain segments of the population at the expense of others and could result in districts that make no sense to voters.

#### **Estimate of Fiscal Impact**

**State revenue.** Beginning in FY 2020-21, Amendment Z may minimally increase Secretary of State cash fund revenue from fines collected from lobbyists who fail to disclose the required information.

**State expenditures.** Overall, Amendment Z increases state expenditures to fund the Independent Legislative Redistricting Commission by \$252,065 in FY 2020-21, and decreases state expenditures by \$65,977 in FY 2021-22, as compared with the expenses for the current Reapportionment Commission.

#### TITLE AND TEXT

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution concerning a change to the manner in which state senate and state house of representatives districts are drawn, and, in connection therewith, reforming the existing legislative reapportionment commission by expanding the commission to twelve members and authorizing the appointment of members who possess specified qualifications; prohibiting any one political party's control of the commission by requiring that one-third of commissioners will not be

affiliated with any political party, one-third of the commissioners will be affiliated with the state's largest political party, and one-third of the commissioners will be affiliated with the state's second largest political party; prohibiting certain persons, including professional lobbyists, federal campaign committee employees, and federal, state, and local elected officials, from serving on the commission; limiting judicial review of a map to a determination by the supreme court of whether the commission or its nonpartisan staff committed an abuse of discretion; requiring the commission to draw state legislative districts using communities of interest as well as political subdivisions, such as cities and counties, and then to maximize the number of competitive state legislative seats to the extent possible; and prohibiting maps from being drawn to dilute the electoral influence of any racial or ethnic group or to protect any incumbent, any political candidate, or any political party?

#### Text of Measure:

Be It Resolved by the Senate of the Seventy-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the election held on November 6, 2018, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, amend section 46 of article V as follows:

Section 46. Senatorial and representative districts - commission created. (1) Declaration of the people. The PEOPLE OF THE STATE OF COLORADO FIND AND DECLARE THAT:

- (a) THE PRACTICE OF POLITICAL GERRYMANDERING, WHEREBY LEGISLATIVE DISTRICTS ARE PURPOSEFULLY DRAWN TO FAVOR ONE POLITICAL PARTY OR INCUMBENT POLITICIAN OVER ANOTHER, MUST END;
- (b) THE PUBLIC'S INTEREST IN PROHIBITING POLITICAL GERRYMANDERING IS BEST ACHIEVED BY CREATING A NEW AND INDEPENDENT COMMISSION THAT IS POLITICALLY BALANCED, PROVIDES REPRESENTATION TO VOTERS NOT AFFILIATED WITH EITHER OF THE STATE'S TWO LARGEST PARTIES, AND UTILIZES NONPARTISAN LEGISLATIVE STAFF TO DRAW MAPS;
- (c) THE REDISTRICTING COMMISSION SHOULD SET DISTRICT LINES BY ENSURING CONSTITUTIONALLY GUARANTEED VOTING RIGHTS, INCLUDING THE PROTECTION OF MINORITY GROUP VOTING, AS WELL AS FAIR AND EFFECTIVE REPRESENTATION OF CONSTITUENTS USING POLITICALLY NEUTRAL CRITERIA:
- (d) COMPETITIVE ELECTIONS FOR MEMBERS OF THE GENERAL ASSEMBLY PROVIDE VOTERS WITH A MEANINGFUL CHOICE AMONG CANDIDATES, PROMOTE A HEALTHY DEMOCRACY, HELP ENSURE THAT CONSTITUENTS RECEIVE FAIR AND EFFECTIVE REPRESENTATION, AND CONTRIBUTE TO THE POLITICAL WELL-BEING OF KEY COMMUNITIES OF INTEREST AND POLITICAL SUBDIVISIONS;
- (e) FOR YEARS CERTAIN POLITICAL INTERESTS OPPOSED COMPETITIVE DISTRICTS IN COLORADO BECAUSE THEY ARE PRIMARILY CONCERNED ABOUT MAINTAINING THEIR OWN POLITICAL POWER AT THE EXPENSE OF FAIR AND EFFECTIVE REPRESENTATION; AND
- (f) CITIZENS WANT AND DESERVE AN INCLUSIVE AND MEANINGFUL LEGISLATIVE REDISTRICTING PROCESS THAT PROVIDES THE PUBLIC WITH THE ABILITY TO BE HEARD AS REDISTRICTING MAPS ARE DRAWN, TO BE ABLE TO WATCH THE WITNESSES WHO DELIVER TESTIMONY AND THE REDISTRICTING COMMISSION'S DELIBERATIONS, AND TO HAVE THEIR WRITTEN COMMENTS CONSIDERED BEFORE ANY PROPOSED MAP IS VOTED UPON BY THE COMMISSION AS THE FINAL MAP.
- (2) **Legislative districts commission created.** THERE IS HEREBY CREATED THE INDEPENDENT LEGISLATIVE REDISTRICTING COMMISSION. The state COMMISSION shall be divided DIVIDE THE STATE into as many senatorial and representative districts as there are members of the senate and house of representatives respectively. each district in each house having a population as nearly equal as may be, as required by the constitution of the United States, but in no event shall there be more than five percent

deviation between the most populous and the least populous district in each house. After each federal decennial census, the senatorial districts and representative districts shall be established, revised, or altered, and the members of the senate and the house of representatives apportioned among them, by the independent legislative redistricting commission.

- (3) **Definitions.** As used in this section and in sections 47 through 48.4 of this article V, unless the context otherwise requires:
- (a) "COMMISSION" MEANS THE INDEPENDENT LEGISLATIVE REDISTRICTING COMMISSION CREATED IN SUBSECTION (2) OF THIS SECTION.
- (b) (I) "COMMUNITY OF INTEREST" MEANS ANY GROUP IN COLORADO THAT SHARES ONE OR MORE SUBSTANTIAL INTERESTS THAT MAY BE THE SUBJECT OF STATE LEGISLATIVE ACTION, IS COMPOSED OF A REASONABLY PROXIMATE POPULATION, AND THUS SHOULD BE CONSIDERED FOR INCLUSION WITHIN A SINGLE DISTRICT FOR PURPOSES OF ENSURING ITS FAIR AND EFFECTIVE REPRESENTATION.
  - (II) SUCH INTERESTS INCLUDE BUT ARE NOT LIMITED TO MATTERS REFLECTING:
- (A) SHARED PUBLIC POLICY CONCERNS OF URBAN, RURAL, AGRICULTURAL, INDUSTRIAL, OR TRADE AREAS; AND
- (B) SHARED PUBLIC POLICY CONCERNS SUCH AS EDUCATION, EMPLOYMENT, ENVIRONMENT, PUBLIC HEALTH, TRANSPORTATION, WATER NEEDS AND SUPPLIES, AND ISSUES OF DEMONSTRABLE REGIONAL SIGNIFICANCE.
- (III) GROUPS THAT MAY COMPRISE A COMMUNITY OF INTEREST INCLUDE RACIAL, ETHNIC, AND LANGUAGE MINORITY GROUPS, SUBJECT TO COMPLIANCE WITH SUBSECTIONS (1)(b) AND (4)(b) OF SECTION 48.1 OF THIS ARTICLE V, WHICH SUBSECTIONS PROTECT AGAINST THE DENIAL OR ABRIDGEMENT OF THE RIGHT TO VOTE DUE TO A PERSON'S RACE OR LANGUAGE MINORITY GROUP.
- (IV) "COMMUNITY OF INTEREST" DOES NOT INCLUDE RELATIONSHIPS WITH POLITICAL PARTIES, INCUMBENTS, OR POLITICAL CANDIDATES.
- (c) "RACE" OR "RACIAL" MEANS A CATEGORY OF RACE OR ETHNIC ORIGIN DOCUMENTED IN THE FEDERAL DECENNIAL CENSUS.
- (d) "REDISTRICTING YEAR" MEANS THE YEAR FOLLOWING THE YEAR IN WHICH THE FEDERAL DECENNIAL CENSUS IS TAKEN.
- (e) "STAFF" OR "NONPARTISAN STAFF" MEANS THE STAFF OF THE GENERAL ASSEMBLY'S LEGISLATIVE COUNCIL AND OFFICE OF LEGISLATIVE LEGAL SERVICES, OR THEIR SUCCESSOR OFFICES, WHO ARE ASSIGNED TO ASSIST THE COMMISSION BY THE DIRECTORS OF THOSE OFFICES IN ACCORDANCE WITH SECTION 48 OF THIS ARTICLE V.
- (4) **Adjustment of dates.** If any date prescribed in sections 47 through 48.3 of this article V falls on a Saturday, Sunday, or legal holiday, then the date is extended to the next day that is not a Saturday, Sunday, or legal holiday.

In the constitution of the state of Colorado, **repeal and reenact, with amendments**, section 47 of article V as follows:

Section 47. Commission composition and appointment - vacancies. (1) AFTER EACH FEDERAL DECENNIAL CENSUS OF THE UNITED STATES, THE MEMBERS OF THE COMMISSION SHALL BE APPOINTED AND CONVENED AS PRESCRIBED IN THIS SECTION.

- (2) THE COMMISSION CONSISTS OF TWELVE MEMBERS WHO HAVE THE FOLLOWING QUALIFICATIONS:
- (a) COMMISSIONERS MUST BE REGISTERED ELECTORS WHO VOTED IN BOTH OF THE PREVIOUS TWO GENERAL ELECTIONS IN COLORADO;
- (b) COMMISSIONERS MUST EITHER HAVE BEEN UNAFFILIATED WITH ANY POLITICAL PARTY OR HAVE BEEN AFFILIATED WITH THE SAME POLITICAL PARTY FOR A CONSECUTIVE PERIOD OF NO LESS THAN FIVE YEARS AT THE TIME OF THE APPLICATION; AND
  - (c) NO PERSON MAY BE APPOINTED TO OR SERVE ON THE COMMISSION IF HE OR SHE:
- (I) IS OR HAS BEEN A CANDIDATE FOR THE GENERAL ASSEMBLY WITHIN THE LAST FIVE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION:
- (II) IS OR HAS BEEN, WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION, COMPENSATED BY A MEMBER OF, OR A CAMPAIGN COMMITTEE ADVOCATING THE ELECTION OF A CANDIDATE TO, THE GENERAL ASSEMBLY;
- (III) IS OR HAS BEEN, WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION, AN ELECTED PUBLIC OFFICIAL AT THE FEDERAL, STATE, COUNTY, OR MUNICIPAL LEVEL IN COLORADO;
- (IV) IS OR HAS BEEN, WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION, AN ELECTED POLITICAL PARTY OFFICIAL ABOVE THE PRECINCT LEVEL IN COLORADO OR AN EMPLOYEE OF A POLITICAL PARTY;
- (V) IS A MEMBER OF THE COMMISSION RESPONSIBLE FOR DIVIDING THE STATE INTO CONGRESSIONAL DISTRICTS; OR
- (VI) IS OR HAS BEEN A PROFESSIONAL LOBBYIST REGISTERED TO LOBBY WITH THE STATE OF COLORADO, WITH ANY MUNICIPALITY IN COLORADO, OR AT THE FEDERAL LEVEL WITHIN THE LAST THREE YEARS PRECEDING THE DATE ON WHICH APPLICATIONS FOR APPOINTMENT TO THE COMMISSION ARE DUE UNDER SUBSECTION (4) OF THIS SECTION.
- (3) (a) BY AUGUST 10 OF THE YEAR PRIOR TO THE REDISTRICTING YEAR, NONPARTISAN STAFF SHALL, AFTER HOLDING ONE OR MORE PUBLIC HEARINGS, PREPARE AN APPLICATION FORM THAT WILL ALLOW APPOINTING AUTHORITIES TO EVALUATE A PERSON'S EXPERIENCE AND QUALIFICATIONS AND MAKE SUCH APPLICATION AVAILABLE ON THE GENERAL ASSEMBLY'S WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC.
- (b) The application form must clearly state the legal obligations and expectations of potential appointees. Information required of applicants must include, but is not necessarily limited to, professional background, party affiliation, a description of past political activity, a list of all political and civic organizations to which the applicant has belonged within the previous five years, and whether the applicant meets the qualifications stated in subsection (2) of this section. In addition, the application form must require the applicant to explain why they want to serve on the commission and afford the applicant an opportunity to make a statement about how they will promote consensus among commissioners if appointed to the commission. Applicants may also choose to include up to four letters of recommendation with their application.
- (4) BY NOVEMBER 10 OF THE YEAR PRIOR TO THE REDISTRICTING YEAR, ANY PERSON WHO SEEKS TO SERVE ON THE COMMISSION MUST SUBMIT A COMPLETED APPLICATION TO NONPARTISAN STAFF. ALL APPLICATIONS ARE PUBLIC RECORDS AND MUST BE POSTED PROMPTLY AFTER RECEIPT ON THE GENERAL ASSEMBLY'S WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC.

- (5) (a) NO LATER THAN JANUARY 5 OF THE REDISTRICTING YEAR, THE CHIEF JUSTICE OF THE COLORADO SUPREME COURT SHALL DESIGNATE A PANEL TO REVIEW THE APPLICATIONS. THE PANEL MUST CONSIST OF THE THREE JUSTICES OR JUDGES WHO MOST RECENTLY RETIRED FROM THE COLORADO SUPREME COURT OR THE COLORADO COURT OF APPEALS, APPOINTED SEQUENTIALLY STARTING WITH THE MOST RECENT JUSTICE OR JUDGE TO RETIRE WHO HAS BEEN AFFILIATED WITH THE SAME POLITICAL PARTY OR UNAFFILIATED WITH ANY POLITICAL PARTY FOR THE TWO YEARS PRIOR TO APPOINTMENT; EXCEPT THAT NO APPOINTEE, WITHIN TWO YEARS PRIOR TO APPOINTMENT, SHALL HAVE BEEN AFFILIATED WITH THE SAME POLITICAL PARTY AS A JUSTICE OR JUDGE ALREADY APPOINTED TO THE PANEL. IF ANY OF THE THREE JUSTICES OR JUDGES WHO MOST RECENTLY RETIRED FROM THE COLORADO SUPREME COURT OR THE COLORADO COURT OF APPEALS IS UNABLE OR UNWILLING TO SERVE ON THE PANEL OR HAS BEEN AFFILIATED WITHIN TWO YEARS PRIOR TO APPOINTMENT WITH A POLITICAL PARTY ALREADY REPRESENTED ON THE PANEL, THEN THE CHIEF JUSTICE SHALL APPOINT THE NEXT JUSTICE OR JUDGE WHO MOST RECENTLY RETIRED FROM THE COLORADO SUPREME COURT OR THE COLORADO COURT OF APPEALS AND WHO HAS NOT BEEN AFFILIATED WITHIN TWO YEARS PRIOR TO APPOINTMENT WITH THE SAME POLITICAL PARTY AS ANY JUSTICE OR JUDGE ALREADY APPOINTED TO THE PANEL. IF, AFTER CONSIDERING ALL JUSTICES AND JUDGES WHO HAVE RETIRED FROM THE COLORADO SUPREME COURT AND THE COLORADO COURT OF APPEALS, FEWER THAN THREE ELIGIBLE PARTICIPANTS FOR THE PANEL HAVE BEEN IDENTIFIED WHO ARE ABLE AND WILLING TO SERVE, THE CHIEF JUSTICE SHALL APPOINT THE MOST RECENTLY RETIRED DISTRICT COURT JUDGE WHO HAS NOT BEEN AFFILIATED WITHIN TWO YEARS PRIOR TO APPOINTMENT WITH THE SAME POLITICAL PARTY AS ANY PREVIOUS APPOINTEE TO THE PANEL AND WHO ACCEPTS SUCH APPOINTMENT. NO JUSTICE OR JUDGE SHALL SERVE BOTH ON THIS PANEL AND THE PANEL ASSISTING IN THE PROCESS OF CHOOSING MEMBERS OF THE COMMISSION RESPONSIBLE FOR DIVIDING THE STATE INTO CONGRESSIONAL DISTRICTS.
- (b) ALL DECISIONS OF THE PANEL REGARDING THE SELECTION OF APPLICANTS PURSUANT TO THIS SECTION REQUIRE THE AFFIRMATIVE APPROVAL OF ALL THREE MEMBERS OF THE PANEL.
- (c) THE GENERAL ASSEMBLY SHALL PRESCRIBE BY LAW THE COMPENSATION OF MEMBERS OF THE PANEL. NONPARTISAN STAFF SHALL ASSIST THE PANEL IN CARRYING OUT ITS DUTIES.
- (6) AFTER APPLICATIONS ARE SUBMITTED, NONPARTISAN STAFF, WITH THE COOPERATION AND ASSISTANCE OF THE SECRETARY OF STATE, SHALL MAKE AN OBJECTIVE AND FACTUAL FINDING BASED ON, TO THE EXTENT POSSIBLE, PUBLICLY AVAILABLE INFORMATION, INCLUDING INFORMATION CONTAINED IN THE APPLICATION AND INFORMATION CONTAINED WITHIN THE RECORDS MAINTAINED BY THE SECRETARY OF STATE, WHETHER EACH APPLICANT MEETS THE QUALIFICATIONS SPECIFIED IN SUBSECTION (2) OF THIS SECTION. NO LATER THAN JANUARY 11 OF THE REDISTRICTING YEAR, NONPARTISAN STAFF SHALL MAKE ITS FINDINGS PUBLICLY AVAILABLE, AND NOTIFY THE APPLICANTS OF THE STAFF'S FINDING. IF THE STAFF FINDS THAT AN APPLICANT IS NOT ELIGIBLE, THEN THE STAFF SHALL INCLUDE THE REASONS IN ITS FINDING.
- (7) By January 25 of the redistricting year, the panel, in a public meeting, shall randomly select by lot from all of the applicants who were found to meet the qualifications specified in subsection (2) of this section the names of three hundred applicants who are affiliated with the state's largest political party, three hundred applicants who are affiliated with the state's second largest political party, and four hundred fifty applicants who are not affiliated with any political party, or such lesser number as there are total applicants who meet the qualifications specified in subsection (2) of this section for each of those groups.
- (8) (a) In one or more public hearings conducted on or before February 15 of the redistricting year, after reviewing the applications of the applicants selected in accordance with subsection (7) of this section, the panel shall identify fifty applicants who are affiliated with the state's largest political party, fifty applicants who are identified with the state's second largest political party, and fifty applicants who are unaffiliated with any political party and who best demonstrate:
- (I) EXPERIENCE IN ORGANIZING, REPRESENTING, ADVOCATING FOR, ADJUDICATING THE INTERESTS OF, OR ACTIVELY PARTICIPATING IN GROUPS, ORGANIZATIONS, OR ASSOCIATIONS IN COLORADO; AND
- (II) RELEVANT ANALYTICAL SKILLS, THE ABILITY TO BE IMPARTIAL, AND THE ABILITY TO PROMOTE CONSENSUS ON THE COMMISSION.

- (b) NO LATER THAN FEBRUARY 15 OF THE REDISTRICTING YEAR, FROM THE APPLICANTS IDENTIFIED IN SUBSECTION (8)(a) OF THIS SECTION, THE PANEL SHALL CHOOSE BY LOT SIX APPLICANTS TO SERVE ON THE COMMISSION AS FOLLOWS:
  - (I) TWO COMMISSIONERS WHO ARE NOT AFFILIATED WITH ANY POLITICAL PARTY;
  - (II) TWO COMMISSIONERS WHO ARE AFFILIATED WITH THE STATE'S LARGEST POLITICAL PARTY; AND
  - (III) TWO COMMISSIONERS WHO ARE AFFILIATED WITH THE STATE'S SECOND LARGEST POLITICAL PARTY.
- (c) In the process of choosing applicants by lot for appointment to the commission, no applicant whose name is chosen may be appointed if he or she is registered to vote in a congressional district that is already represented on the commission; except that, when all then-existing congressional districts in Colorado are represented on the commission, a congressional district may be represented by a second commissioner. No congressional district may be represented by more than two commissioners. Any persons whose names are chosen but duplicate a congressional district's representation on the commission and are not appointed to the commission shall be eligible for appointment pursuant to subsections (9) and (10) of this section.
- (9) (a) BY FEBRUARY 16 OF THE REDISTRICTING YEAR, THE MAJORITY LEADER OF THE STATE SENATE, THE MINORITY LEADER OF THE STATE SENATE, THE MAJORITY LEADER OF THE STATE HOUSE OF REPRESENTATIVES, AND THE MINORITY LEADER OF THE STATE HOUSE OF REPRESENTATIVES SHALL EACH SELECT A POOL OF TEN APPLICANTS WHO ARE AFFILIATED WITH ONE OF THE STATE'S TWO LARGEST POLITICAL PARTIES FROM ALL APPLICATIONS SUBMITTED TO NONPARTISAN STAFF AND NOTIFY THE PANEL OF THEIR SELECTIONS.
- (b) AS DETERMINED BY THE LEGISLATIVE LEADERS IN SELECTING THEIR RESPECTIVE POOLS, THE APPLICANTS SELECTED FOR EACH POOL MUST MEET THE QUALIFICATIONS SET FORTH IN SUBSECTION (2) OF THIS SECTION AND DEMONSTRATE THE QUALITIES LISTED IN SUBSECTION (8)(a) OF THIS SECTION.
- (c) For each congressional district not represented by a commissioner appointed pursuant to subsections (8)(b) and (8)(c) of this section, each pool must consist of at least one applicant who is registered to vote in that congressional district.
- (d) IF THERE IS AN INSUFFICIENT NUMBER OF AVAILABLE APPLICANTS THAT MEET THE REQUIREMENTS OF SUBSECTION (9)(b) OF THIS SECTION TO SELECT ANY COMPLETE POOL, THEN THE POOL MUST CONSIST OF ONLY THOSE APPLICANTS WHO MEET THOSE REQUIREMENTS.
- (10) BY MARCH 16 OF THE REDISTRICTING YEAR, THE PANEL OF JUDGES SHALL SELECT, IN SUCH ORDER AS THE PANEL DETERMINES, ONE COMMISSIONER FROM EACH LEGISLATIVE LEADER'S POOL OF APPLICANTS AND TWO COMMISSIONERS FROM THOSE APPLICANTS WHO ARE NOT AFFILIATED WITH ANY POLITICAL PARTY AND WHOSE NAMES WERE RANDOMLY SELECTED BY LOT PURSUANT TO SUBSECTION (7) OF THIS SECTION. THE PANEL OF JUDGES MUST ENSURE THAT THE COMMISSION INCLUDES FOUR COMMISSIONERS WHO ARE NOT AFFILIATED WITH ANY POLITICAL PARTY, FOUR COMMISSIONERS WHO ARE AFFILIATED WITH THE STATE'S LARGEST POLITICAL PARTY, AND FOUR COMMISSIONERS WHO ARE AFFILIATED WITH THE STATE'S SECOND LARGEST POLITICAL PARTY. THE PANEL OF JUDGES MAY INTERVIEW APPLICANTS BEFORE MAKING THE APPOINTMENTS. IN SELECTING APPLICANTS, THE PANEL SHALL, IN ADDITION TO CONSIDERING APPLICANTS' OTHER QUALIFICATIONS:
- (a) TO THE EXTENT POSSIBLE, ENSURE THAT THE COMMISSION REFLECTS COLORADO'S RACIAL, ETHNIC, GENDER, AND GEOGRAPHIC DIVERSITY:
- (b) ENSURE THAT AT LEAST ONE COMMISSIONER IS REGISTERED TO VOTE IN EACH CONGRESSIONAL DISTRICT BUT NO MORE THAN TWO COMMISSIONERS ARE REGISTERED TO VOTE IN ANY SINGLE CONGRESSIONAL DISTRICT;
  - (c) ENSURE THAT AT LEAST ONE COMMISSIONER RESIDES WEST OF THE CONTINENTAL DIVIDE; AND
- (d) Ensure that all commissioners meet the qualifications set forth in subsection (2) of this section and demonstrate the qualities listed in subsection (8)(a) of this section.

- (11) (a) A COMMISSIONER'S POSITION ON THE COMMISSION WILL BE DEEMED VACANT IF HE OR SHE, HAVING BEEN APPOINTED AS A REGISTERED ELECTOR WHO IS NOT AFFILIATED WITH A POLITICAL PARTY, AFFILIATES WITH A POLITICAL PARTY BEFORE THE SUPREME COURT HAS APPROVED A PLAN PURSUANT TO SECTION 48.3 OF THIS ARTICLE V. A COMMISSIONER'S POSITION ON THE COMMISSION WILL ALSO BE DEEMED VACANT IF HE OR SHE, HAVING BEEN AFFILIATED WITH ONE OF THE STATE'S TWO LARGEST POLITICAL PARTIES AT THE TIME OF APPOINTMENT, AFFILIATES WITH A DIFFERENT POLITICAL PARTY OR BECOMES UNAFFILIATED WITH ANY POLITICAL PARTY BEFORE THE SUPREME COURT HAS APPROVED A PLAN PURSUANT TO SECTION 48.3 OF THIS ARTICLE V.
- (b) ANY VACANCY ON THE COMMISSION, INCLUDING ONE THAT OCCURS DUE TO DEATH, RESIGNATION, REMOVAL, FAILURE TO MEET THE QUALIFICATIONS OF APPOINTMENT, REFUSAL OR INABILITY TO ACCEPT AN APPOINTMENT, OR OTHERWISE, MUST BE FILLED AS SOON AS POSSIBLE BY THE DESIGNATED APPOINTING AUTHORITY FROM THE DESIGNATED POOL OF ELIGIBLE APPLICANTS FOR THAT COMMISSIONER'S POSITION AND IN THE SAME MANNER AS THE ORIGINALLY CHOSEN COMMISSIONER; EXCEPT THAT NO COMMISSIONER CHOSEN TO FILL A VACANCY WILL BE BYPASSED FOR APPOINTMENT IF ALL CONGRESSIONAL DISTRICTS ARE ALREADY REPRESENTED ON THE COMMISSION.
- (12) FOR PURPOSES OF THIS SECTION, THE STATE'S TWO LARGEST POLITICAL PARTIES SHALL BE DETERMINED BY THE NUMBER OF REGISTERED ELECTORS AFFILIATED WITH EACH POLITICAL PARTY IN THE STATE ACCORDING TO VOTER REGISTRATION DATA PUBLISHED BY THE SECRETARY OF STATE FOR THE EARLIEST DAY IN JANUARY OF THE REDISTRICTING YEAR FOR WHICH SUCH DATA IS PUBLISHED.

In the constitution of the state of Colorado, **repeal and reenact**, **with amendments**, section 48 of article V as follows:

- Section 48. Commission organization procedures transparency voting requirements. (1) Initial organization, officers, procedures, rules, and transparency. (a) The Governor shall convene the commission no later than March 30 of the redistricting year and appoint a temporary chairperson from the commission's members. Upon convening, the commission shall elect a chair and a vice-chair, who are not members of the same political party, and other such officers as it determines.
- (b) The director of research of the legislative council and the director of the office of legislative legal services, or the directors of successor nonpartisan offices of the general assembly, shall appoint nonpartisan staff from their respective offices as needed to assist the commission and the panel of judges as described in section 47 of this article V. Nonpartisan staff shall acquire and prepare all necessary resources, including computer hardware, software, and demographic, geographic, and political databases, as far in advance as necessary to enable the commission to begin its work immediately upon convening.
- (c) THE COMMISSION MAY RETAIN LEGAL COUNSEL IN ALL ACTIONS AND PROCEEDINGS IN CONNECTION WITH THE PERFORMANCE OF ITS POWERS, DUTIES, AND FUNCTIONS, INCLUDING REPRESENTATION OF THE COMMISSION BEFORE ANY COURT.
- (d) The general assembly shall appropriate sufficient funds for the payment of the expenses of the commission, the compensation and expenses of nonpartisan staff, and the compensation and expenses of the panel of judges as described in section 47 of this article V. Members of the commission shall be reimbursed for their reasonable and necessary expenses and may also receive such per diem allowance as may be established by the general assembly. Subject to available appropriations, hardware and software necessary for the development of plans may, at the request of any commissioner, be provided to the commissioner. The commission and its staff must have access to statistical information compiled by the state and its political subdivisions as necessary for its duties. State agencies and political subdivisions shall comply with requests from the commission and its staff for such statistical information.
- (e) THE COMMISSION SHALL ADOPT RULES TO GOVERN ITS ADMINISTRATION AND OPERATION. THE COMMISSION MUST PROVIDE AT LEAST SEVENTY-TWO HOURS OF ADVANCE PUBLIC NOTICE OF ALL PROPOSED RULES PRIOR TO CONSIDERATION FOR ADOPTION; EXCEPT THAT PROPOSED RULES MAY BE AMENDED DURING

COMMISSION DELIBERATIONS WITHOUT SUCH ADVANCE NOTICE OF SPECIFIC, RELATED AMENDMENTS. NEITHER THE COMMISSION'S PROCEDURAL RULES NOR ITS MAPPING DECISIONS ARE SUBJECT TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, C.R.S., OR ANY SUCCESSOR STATUTE. RULES MUST INCLUDE BUT NEED NOT BE LIMITED TO THE FOLLOWING:

- (I) THE HEARING PROCESS AND REVIEW OF MAPS SUBMITTED FOR ITS CONSIDERATION;
- (II) MAINTENANCE OF A RECORD OF THE COMMISSION'S ACTIVITIES AND PROCEEDINGS, INCLUDING A RECORD OF WRITTEN AND ORAL TESTIMONY RECEIVED, AND OF THE COMMISSION'S DIRECTIONS TO NONPARTISAN STAFF ON PROPOSED CHANGES TO ANY PLAN AND THE COMMISSION'S RATIONALE FOR SUCH CHANGES;
- (III) THE PROCESS FOR REMOVING COMMISSIONERS FOR PARTICIPATING IN COMMUNICATIONS PROHIBITED UNDER THIS SECTION:
- (IV) THE PROCESS FOR RECOMMENDING CHANGES TO PLANS SUBMITTED TO THE COMMISSION BY NONPARTISAN STAFF: AND
- (V) THE ADOPTION OF A STATEWIDE MEETING AND HEARING SCHEDULE, INCLUDING THE NECESSARY ELEMENTS OF ELECTRONIC ATTENDANCE AT A COMMISSION HEARING.
- (2) **Voting requirements.** A SIMPLE MAJORITY OF THE APPOINTED COMMISSIONERS MAY APPROVE RULES AND PROCEDURAL DECISIONS. THE ELECTION OF THE COMMISSION'S CHAIR AND VICE-CHAIR REQUIRES THE AFFIRMATIVE VOTE OF AT LEAST EIGHT COMMISSIONERS, INCLUDING THE AFFIRMATIVE VOTE OF AT LEAST ONE COMMISSIONER WHO IS UNAFFILIATED WITH ANY POLITICAL PARTY. REMOVAL OF ANY COMMISSIONER AS PROVIDED IN THIS SECTION REQUIRES THE AFFIRMATIVE VOTE OF AT LEAST EIGHT COMMISSIONERS, INCLUDING THE AFFIRMATIVE VOTE OF AT LEAST TWO COMMISSIONERS WHO ARE UNAFFILIATED WITH ANY POLITICAL PARTY. ADOPTION OF THE FINAL PLAN FOR SUBMISSION TO THE SUPREME COURT AND THE ADOPTION OF A REVISED PLAN AFTER A PLAN IS RETURNED TO THE COMMISSION FROM THE SUPREME COURT REQUIRES THE AFFIRMATIVE VOTE OF AT LEAST EIGHT COMMISSIONERS, INCLUDING THE AFFIRMATIVE VOTE OF AT LEAST TWO COMMISSIONERS WHO ARE UNAFFILIATED WITH ANY POLITICAL PARTY. THE COMMISSION SHALL NOT VOTE UPON A FINAL PLAN UNTIL AT LEAST SEVENTY-TWO HOURS AFTER IT HAS BEEN PROPOSED TO THE COMMISSION IN A PUBLIC MEETING OR AT LEAST SEVENTY-TWO HOURS AFTER IT HAS BEEN AMENDED BY THE COMMISSION IN A PUBLIC MEETING, WHICHEVER OCCURS LATER; EXCEPT THAT COMMISSIONERS MAY UNANIMOUSLY WAIVE THE SEVENTY-TWO HOUR REQUIREMENT.
- (3) **Public involvement hearing process.** (a) ALL COLORADO RESIDENTS, INCLUDING INDIVIDUAL COMMISSIONERS, MAY PRESENT PROPOSED REDISTRICTING MAPS OR WRITTEN COMMENTS, OR BOTH, FOR THE COMMISSION'S CONSIDERATION.
- (b) The commission must, to the maximum extent practicable, provide opportunities for Colorado residents to present testimony at hearings held throughout the state. The commission shall not approve a redistricting map until at least three hearings have been held in each congressional district, including at least one hearing that is held in a location west of the continental divide and at least one hearing that is held in a location east of the continental divide and either south of El Paso county's southern boundary or east of Arapahoe county's eastern boundary. No gathering of commissioners can be considered a hearing for this purpose unless it is attended, in person or electronically, by at least ten commissioners. The commission shall establish by rule the necessary elements of electronic attendance at a commission hearing.
- (c) THE COMMISSION SHALL MAINTAIN A WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC THROUGH WHICH ANY COLORADO RESIDENT MAY SUBMIT PROPOSED MAPS OR WRITTEN COMMENTS, OR BOTH, WITHOUT ATTENDING A HEARING OF THE COMMISSION.
- (d) THE COMMISSION SHALL PUBLISH ALL WRITTEN COMMENTS PERTAINING TO REDISTRICTING ON ITS WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC AS WELL AS THE NAME OF THE COLORADO RESIDENT SUBMITTING SUCH COMMENTS. IF THE COMMISSION OR NONPARTISAN STAFF HAVE A

SUBSTANTIAL BASIS TO BELIEVE THAT THE PERSON SUBMITTING SUCH COMMENTS HAS NOT TRUTHFULLY OR ACCURATELY IDENTIFIED HIMSELF OR HERSELF, THE COMMISSION NEED NOT CONSIDER AND NEED NOT PUBLISH SUCH COMMENTS BUT MUST NOTIFY THE COMMENTER IN WRITING OF THIS FACT. THE COMMISSION MAY WITHHOLD COMMENTS, IN WHOLE OR IN PART, FROM THE WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC THAT DO NOT RELATE TO REDISTRICTING MAPS, POLICIES, OR COMMUNITIES OF INTEREST.

- (e) THE COMMISSION SHALL PROVIDE SIMULTANEOUS ACCESS TO THE REGIONAL HEARINGS BY BROADCASTING THEM VIA ITS WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC AND MAINTAIN AN ARCHIVE OF SUCH HEARINGS FOR ONLINE PUBLIC REVIEW.
- (4) **Ethical obligations transparency lobbyist reporting.** (a) Commissioners are guardians of the public trust and are subject to antibribery and abuse of public office requirements as provided in parts 3 and 4 of article 8 of title 18, C.R.S., as amended, or any successor statute.
  - (b) TO ENSURE TRANSPARENCY IN THE REDISTRICTING PROCESS:
- (I) (A) THE COMMISSION AND THE COMMISSIONERS ARE SUBJECT TO OPEN MEETINGS REQUIREMENTS AS PROVIDED IN PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S., AS AMENDED, OR ANY SUCCESSOR STATUTE.
- (B) EXCEPT AS PROVIDED IN SUBSECTION (4)(b)(l)(D) OF THIS SECTION, A COMMISSIONER SHALL NOT COMMUNICATE WITH NONPARTISAN STAFF ON THE MAPPING OF LEGISLATIVE DISTRICTS UNLESS THE COMMUNICATION IS DURING A PUBLIC MEETING OR HEARING OF THE COMMISSION.
- (C) EXCEPT FOR PUBLIC INPUT AND COMMENT, NONPARTISAN STAFF SHALL NOT HAVE ANY COMMUNICATIONS ABOUT THE CONTENT OR DEVELOPMENT OF ANY PLAN OUTSIDE OF PUBLIC HEARINGS WITH ANYONE EXCEPT OTHER STAFF MEMBERS. NONPARTISAN STAFF SHALL REPORT TO THE COMMISSION ANY ATTEMPT BY ANYONE TO EXERT INFLUENCE OVER THE STAFF'S ROLE IN THE DRAFTING OF PLANS.
- (D) ONE OR MORE NONPARTISAN STAFF MAY BE DESIGNATED TO COMMUNICATE WITH COMMISSIONERS REGARDING ADMINISTRATIVE MATTERS, THE DEFINITION AND SCOPE OF WHICH SHALL BE DETERMINED BY THE COMMISSION.
- (E) ANY COMMISSIONER WHO PARTICIPATES IN A COMMUNICATION PROHIBITED IN THIS SECTION MUST BE REMOVED FROM THE COMMISSION, AND SUCH VACANCY MUST BE FILLED WITHIN SEVEN DAYS.
- (II) THE COMMISSION, EACH COMMISSIONER, AND NONPARTISAN STAFF ARE SUBJECT TO OPEN RECORDS REQUIREMENTS AS PROVIDED IN PART 1 OF ARTICLE 72 OF TITLE 24, C.R.S., AS AMENDED, OR ANY SUCCESSOR STATUTE; EXCEPT THAT MAPS IN DRAFT FORM AND NOT SUBMITTED TO THE COMMISSION ARE NOT PUBLIC RECORDS SUBJECT TO DISCLOSURE. WORK PRODUCT AND COMMUNICATIONS AMONG NONPARTISAN STAFF ARE SUBJECT TO DISCLOSURE ONCE A PLAN IS SUBMITTED TO THE SUPREME COURT.
- (III) PERSONS WHO CONTRACT FOR OR RECEIVE COMPENSATION FOR ADVOCATING TO THE COMMISSION, TO ONE OR MORE COMMISSIONERS, OR TO NONPARTISAN STAFF FOR THE ADOPTION OR REJECTION OF ANY MAP, AMENDMENT TO A MAP, MAPPING APPROACH, OR MANNER OF COMPLIANCE WITH ANY OF THE MAPPING CRITERIA SPECIFIED IN SECTION 48.1 OF THIS ARTICLE V ARE LOBBYISTS WHO MUST DISCLOSE TO THE SECRETARY OF STATE ANY COMPENSATION CONTRACTED FOR, COMPENSATION RECEIVED, AND THE PERSON OR ENTITY CONTRACTING OR PAYING FOR THEIR LOBBYING SERVICES. SUCH DISCLOSURE MUST BE MADE NO LATER THAN SEVENTY-TWO HOURS AFTER THE EARLIER OF EACH INSTANCE OF SUCH LOBBYING OR ANY PAYMENT OF SUCH COMPENSATION. THE SECRETARY OF STATE SHALL PUBLISH ON THE SECRETARY OF STATE'S WEBSITE OR COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC THE NAMES OF SUCH LOBBYISTS, AS WELL AS THE COMPENSATION RECEIVED AND THE PERSONS OR ENTITIES FOR WHOM THEY WORK WITHIN TWENTY-FOUR HOURS OF RECEIVING SUCH INFORMATION. THE SECRETARY OF STATE SHALL ADOPT RULES TO FACILITATE THE COMPLETE AND PROMPT REPORTING REQUIRED BY THIS SUBSECTION (4)(b)(III) AS WELL AS A COMPLAINT PROCESS TO ADDRESS ANY LOBBYIST'S FAILURE TO REPORT A FULL AND ACCURATE DISCLOSURE, WHICH COMPLAINT MUST BE HEARD BY AN ADMINISTRATIVE LAW JUDGE, WHOSE DECISION MAY BE APPEALED TO THE COURT OF APPEALS.

In the constitution of the state of Colorado, **add** sections 48.1, 48.2, 48.3, and 48.4 to article V as follows:

Section 48.1. Criteria for determination of legislative districts - definition. (1) IN ADOPTING A LEGISLATIVE REDISTRICTING PLAN, THE COMMISSION SHALL:

- (a) Make a good-faith effort to achieve mathematical population equality between districts, as required by the constitution of the United States, but in no event shall there be more than five percent deviation between the most populous and the least populous district in each house. Districts must be composed of contiguous geographic areas.
  - (b) COMPLY WITH THE FEDERAL "VOTING RIGHTS ACT OF 1965", 52 U.S.C. SEC. 50301, AS AMENDED.
- (2) (a) AS MUCH AS IS REASONABLY POSSIBLE, THE COMMISSION'S PLAN MUST PRESERVE WHOLE COMMUNITIES OF INTEREST AND WHOLE POLITICAL SUBDIVISIONS, SUCH AS COUNTIES, CITIES, AND TOWNS. TO FACILITATE THE EFFICIENT AND EFFECTIVE PROVISION OF GOVERNMENTAL SERVICES, WITH REGARD TO ANY COUNTY, CITY, CITY AND COUNTY, OR TOWN WHOSE POPULATION IS LESS THAN A DISTRICT'S PERMITTED POPULATION, THE COMMISSION SHALL PRESUME THAT SUCH COUNTY, CITY, CITY AND COUNTY, OR TOWN SHOULD BE WHOLLY CONTAINED WITHIN A DISTRICT; EXCEPT THAT A DIVISION OF SUCH COUNTY, CITY, CITY AND COUNTY, OR TOWN IS PERMITTED WHERE, BASED ON A PREPONDERANCE OF THE EVIDENCE IN THE RECORD, A COMMUNITY OF INTEREST'S LEGISLATIVE ISSUES ARE MORE ESSENTIAL TO THE FAIR AND EFFECTIVE REPRESENTATION OF RESIDENTS OF THE DISTRICT. WHEN THE COMMISSION DIVIDES A COUNTY, CITY, CITY AND COUNTY, OR TOWN, IT SHALL MINIMIZE THE NUMBER OF DIVISIONS OF THAT COUNTY, CITY, CITY AND COUNTY, OR TOWN.
  - (b) DISTRICTS MUST BE AS COMPACT AS IS REASONABLY POSSIBLE.
- (3) (a) THEREAFTER, THE COMMISSION SHALL, TO THE EXTENT POSSIBLE, MAXIMIZE THE NUMBER OF POLITICALLY COMPETITIVE DISTRICTS.
- (b) In its hearings in various locations in the state, the commission shall solicit evidence relevant to competitiveness of elections in Colorado and shall assess such evidence in evaluating proposed maps.
- (c) When the commission approves a plan, or when nonpartisan staff submits a plan in the absence of the commission's approval of a plan as provided in section 48.2 of this article V, the nonpartisan staff shall, within seventy-two hours of such action, make publicly available, and include in the commission's record, a report to demonstrate how the plan reflects the evidence presented to, and the findings concerning, the extent to which competitiveness in district elections is fostered consistent with the other criteria set forth in this section.
- (d) For purposes of this subsection (3), "competitive" means having a reasonable potential for the party affiliation of the district's representative to change at least once between federal decennial censuses. Competitiveness may be measured by factors such as a proposed district's past election results, a proposed district's political party registration data, and evidence-based analyses of proposed districts.
  - (4) NO MAP MAY BE APPROVED BY THE COMMISSION OR GIVEN EFFECT BY THE SUPREME COURT IF:
- (a) IT HAS BEEN DRAWN FOR THE PURPOSE OF PROTECTING ONE OR MORE INCUMBENT MEMBERS, OR ONE OR MORE DECLARED CANDIDATES, OF THE SENATE OR HOUSE OF REPRESENTATIVES, OR ANY POLITICAL PARTY; OR
- (b) IT HAS BEEN DRAWN FOR THE PURPOSE OF OR RESULTS IN THE DENIAL OR ABRIDGEMENT OF THE RIGHT OF ANY CITIZEN TO VOTE ON ACCOUNT OF THAT PERSON'S RACE OR MEMBERSHIP IN A LANGUAGE MINORITY GROUP, INCLUDING DILUTING THE IMPACT OF THAT RACIAL OR LANGUAGE MINORITY GROUP'S ELECTORAL INFLUENCE.

- Section 48.2. Preparation, amendment, and approval of plans public hearings and participation. (1) The COMMISSION SHALL BEGIN BY CONSIDERING A PLAN FOR THE STATE SENATE AND A PLAN FOR THE STATE HOUSE OF REPRESENTATIVES, CREATED BY ITS NONPARTISAN STAFF ALONE, TO BE KNOWN AS THE "PRELIMINARY SENATE PLAN" AND THE "PRELIMINARY HOUSE PLAN". SUCH PLANS MUST BE PRESENTED AND PUBLISHED NO EARLIER THAN THIRTY DAYS AND NO LATER THAN FORTY-FIVE DAYS AFTER THE COMMISSION HAS CONVENED OR THE NECESSARY CENSUS DATA ARE AVAILABLE, WHICHEVER IS LATER. WITHIN THE FIRST TWENTY DAYS AFTER THE COMMISSION HAS CONVENED, ANY MEMBER OF THE PUBLIC AND ANY MEMBER OF THE COMMISSION MAY SUBMIT WRITTEN COMMENTS TO NONPARTISAN STAFF ON THE CREATION OF THE PRELIMINARY PLANS AND ON COMMUNITIES OF INTEREST THAT REQUIRE REPRESENTATION IN ONE OR MORE SPECIFIC AREAS OF THE STATE. NONPARTISAN STAFF SHALL CONSIDER SUCH COMMENTS IN CREATING THE PRELIMINARY PLANS, AND SUCH COMMENTS SHALL BE PART OF THE RECORD OF THE COMMISSION'S ACTIVITIES AND PROCEEDINGS. AT THE FIRST PUBLIC HEARING AT WHICH THE PRELIMINARY PLANS ARE PRESENTED, NONPARTISAN STAFF SHALL EXPLAIN HOW THE PLANS WERE CREATED, HOW THE PLANS ADDRESS THE CATEGORIES OF PUBLIC COMMENTS RECEIVED, AND HOW THE PLANS COMPLY WITH THE CRITERIA PRESCRIBED IN SECTION 48.1 OF THIS ARTICLE V.
- (2) By July 21 of the redistricting year, the commission shall complete public hearings on the preliminary senate plan and the preliminary house plan in several places throughout the state in accordance with section 48 of this article V.
- (3) SUBSEQUENT TO HEARINGS ON THE PRELIMINARY SENATE PLAN AND THE PRELIMINARY HOUSE PLAN, NONPARTISAN STAFF SHALL PREPARE, PUBLISH ONLINE, AND PRESENT TO THE COMMISSION NO FEWER THAN THREE PLANS FOR THE STATE SENATE AND THREE PLANS FOR THE STATE HOUSE OF REPRESENTATIVES, EXCEPT AS PROVIDED IN SUBSECTION (5) OF THIS SECTION. THESE PLANS WILL BE KNOWN AS THE "STAFF PLANS" AND MUST BE NAMED AND NUMBERED SEQUENTIALLY FOR PURPOSES OF SUBSECTION (6) OF THIS SECTION. STAFF PLANS MUST BE PREPARED, PUBLISHED ONLINE, AND PRESENTED IN ACCORDANCE WITH A TIMETABLE ESTABLISHED BY THE COMMISSION; EXCEPT THAT EACH STAFF PLAN MUST BE PRESENTED TO THE COMMISSION NO FEWER THAN TEN DAYS AFTER THE PRESENTATION OF ANY PREVIOUS STAFF PLAN, AND NO FEWER THAN TWENTY-FOUR HOURS AFTER IT HAS BEEN PUBLISHED ONLINE. IF THE COMMISSION FAILS TO ESTABLISH A TIMETABLE FOR THE PRESENTATION OF STAFF PLANS WITHIN TEN DAYS AFTER THE COMPLETION OF HEARINGS ON THE PRELIMINARY PLAN, NONPARTISAN STAFF SHALL ESTABLISH SUCH TIMETABLE. NONPARTISAN STAFF SHALL KEEP EACH PLAN CONFIDENTIAL UNTIL IT IS PUBLISHED ONLINE OR BY A COMPARABLE MEANS OF COMMUNICATING WITH THE PUBLIC USING GENERALLY AVAILABLE TECHNOLOGIES. THE COMMISSION MAY PROVIDE DIRECTION, IF APPROVED BY AT LEAST EIGHT COMMISSIONERS INCLUDING AT LEAST ONE COMMISSIONER UNAFFILIATED WITH ANY POLITICAL PARTY, FOR THE DEVELOPMENT OF STAFF PLANS THROUGH THE ADOPTION OF STANDARDS, GUIDELINES, OR METHODOLOGIES TO WHICH NONPARTISAN STAFF SHALL ADHERE, INCLUDING STANDARDS, GUIDELINES, OR METHODOLOGIES TO BE USED TO EVALUATE A PLAN'S COMPETITIVENESS, CONSISTENT WITH SUBSECTION (3)(d) OF SECTION 48.1 OF THIS ARTICLE V. IN PREPARING ALL STAFF PLANS, NONPARTISAN STAFF SHALL ALSO CONSIDER PUBLIC TESTIMONY AND PUBLIC COMMENTS RECEIVED BY THE COMMISSION THAT ARE CONSISTENT WITH THE CRITERIA SPECIFIED IN SECTION 48.1 OF THIS ARTICLE V.
- (4) ANY COMMISSIONER OR GROUP OF COMMISSIONERS MAY REQUEST NONPARTISAN STAFF TO PREPARE ADDITIONAL PLANS OR AMENDMENTS TO PLANS. ANY SUCH REQUEST MUST BE MADE IN A PUBLIC HEARING OF THE COMMISSION BUT DOES NOT REQUIRE COMMISSION APPROVAL. PLANS OR AMENDMENTS DEVELOPED IN RESPONSE TO SUCH REQUESTS ARE SEPARATE FROM STAFF PLANS, FOR PURPOSES OF SUBSECTION (6) OF THIS SECTION.
- (5) (a) THE COMMISSION MAY ADOPT A FINAL SENATE OR HOUSE PLAN AT ANY TIME AFTER PRESENTATION OF THE FIRST STAFF PLANS, IN WHICH CASE NONPARTISAN STAFF DOES NOT NEED TO PREPARE OR PRESENT ADDITIONAL STAFF PLANS FOR THE HOUSE FOR WHICH A MAP HAS BEEN ADOPTED.
- (b) NO LATER THAN SEPTEMBER 15 OF THE REDISTRICTING YEAR, THE COMMISSION SHALL ADOPT FINAL SENATE AND HOUSE PLANS, WHICH MUST THEN BE SUBMITTED TO THE SUPREME COURT FOR ITS REVIEW AND DETERMINATION IN ACCORDANCE WITH SECTION 48.3 OF THIS ARTICLE V.
- (c) THE COMMISSION MAY ADJUST THE DEADLINES SPECIFIED IN THIS SECTION IF CONDITIONS OUTSIDE OF THE COMMISSION'S CONTROL REQUIRE SUCH AN ADJUSTMENT TO ENSURE ADOPTING A FINAL PLAN AS REQUIRED BY THIS SUBSECTION (5).

- (d) THE COMMISSION MAY GRANT ITS NONPARTISAN STAFF THE AUTHORITY TO MAKE TECHNICAL DE MINIMIS ADJUSTMENTS TO THE ADOPTED SENATE AND HOUSE PLANS PRIOR TO THEIR SUBMISSION TO THE SUPREME COURT.
- (6) IF, FOR ANY REASON, THE COMMISSION DOES NOT ADOPT A FINAL PLAN FOR BOTH HOUSES OF THE GENERAL ASSEMBLY BY THE DATE SPECIFIED IN SUBSECTION (5) OF THIS SECTION, THEN NONPARTISAN STAFF SHALL SUBMIT THE UNAMENDED THIRD STAFF PLAN TO THE SUPREME COURT FOR REVIEW PURSUANT TO SECTION 48.3 OF THIS ARTICLE V. IF THE COMMISSION APPROVES A PLAN FOR ONE HOUSE OF THE GENERAL ASSEMBLY BUT NOT THE OTHER HOUSE, THEN THE PLAN FOR THE APPROVED HOUSE SHALL BE SUBMITTED TO THE SUPREME COURT AS THE FINAL PLAN FOR THAT HOUSE, AND THE UNAMENDED THIRD STAFF PLAN SHALL BE SUBMITTED TO THE SUPREME COURT AS THE FINAL PLAN FOR THE HOUSE FOR WHICH THE COMMISSION DID NOT APPROVE A PLAN.
- Section 48.3. Supreme court review. (1) The supreme court shall review the submitted plans and determine whether the plans comply with the criteria listed in section 48.1 of this article V. The court's review and determination shall take precedence over other matters before the court. The supreme court shall adopt rules for such proceedings and for the production and presentation of supportive evidence for such plans. Any legal arguments concerning such plans shall be submitted to the supreme court pursuant to the schedule established by the court.
- (2) THE SUPREME COURT SHALL APPROVE THE PLANS SUBMITTED UNLESS IT FINDS THAT THE COMMISSION OR NONPARTISAN STAFF, IN THE CASE OF A STAFF PLAN SUBMITTED IN THE ABSENCE OF A COMMISSION-APPROVED PLAN, ABUSED ITS DISCRETION IN APPLYING OR FAILING TO APPLY THE CRITERIA LISTED IN SECTION 48.1 OF THIS ARTICLE V, IN LIGHT OF THE RECORD BEFORE THE COMMISSION. THE SUPREME COURT MAY CONSIDER ANY MAPS SUBMITTED TO THE COMMISSION IN ASSESSING WHETHER THE COMMISSION OR NONPARTISAN STAFF, IN THE CASE OF A STAFF PLAN SUBMITTED IN THE ABSENCE OF A COMMISSION-APPROVED PLAN, ABUSED ITS DISCRETION.
- (3) IF THE SUPREME COURT DETERMINES THAT THE SUBMITTED STATE SENATE PLAN OR THE SUBMITTED STATE HOUSE OF REPRESENTATIVES PLAN CONSTITUTES AN ABUSE OF DISCRETION IN APPLYING OR FAILING TO APPLY THE CRITERIA LISTED IN SECTION 48.1 OF THIS ARTICLE V, IN LIGHT OF THE RECORD BEFORE THE COMMISSION, THE SUPREME COURT SHALL RETURN THE RESPECTIVE PLAN TO THE COMMISSION WITH THE COURT'S REASONS FOR DISAPPROVAL.
- (4) (a) By November 15 of the redistricting year, the supreme court shall approve or return to the commission the submitted state senate plan and the submitted state house of representatives plan.
- (b) IF THE COURT RETURNS A PLAN TO THE COMMISSION, THE COMMISSION SHALL HAVE TWELVE DAYS TO HOLD A COMMISSION HEARING THAT INCLUDES PUBLIC TESTIMONY AND TO RETURN AN ADOPTED PLAN THAT RESOLVES THE COURT'S REASONS FOR DISAPPROVAL.
- (c) IF THE COMMISSION FAILS TO ADOPT AND RETURN A PLAN TO THE COURT WITHIN TWELVE DAYS, NONPARTISAN STAFF SHALL HAVE AN ADDITIONAL THREE DAYS TO PREPARE A PLAN THAT RESOLVES THE COURT'S REASONS FOR DISAPPROVAL AND RETURN IT TO THE COURT FOR APPROVAL.
- (d) THE SUPREME COURT SHALL REVIEW THE REVISED PLAN IN ACCORDANCE WITH SUBSECTIONS (1), (2), AND (3) OF THIS SECTION.
- (5) THE SUPREME COURT SHALL APPROVE PLANS FOR THE REDRAWING OF STATE SENATE DISTRICTS AND STATE HOUSE OF REPRESENTATIVE DISTRICTS NO LATER THAN DECEMBER 29 OF THE REDISTRICTING YEAR. THE COURT SHALL ORDER THAT SUCH PLANS BE FILED WITH THE SECRETARY OF STATE NO LATER THAN SUCH DATE.
- **Section 48.4. Severability.** If any provision of sections 46 through 48.3 of this article V is found by a court of competent jurisdiction to be unconstitutional, or if any application of these sections is found by such a court to be unconstitutional, such invalidity shall not affect other provisions or applications of the remaining provisions of these sections that can be given effect

WITHOUT THE INVALID PROVISION OR APPLICATION. THE PROVISIONS OF SECTIONS 46 THROUGH 48.3 OF THIS ARTICLE V ARE DEEMED AND DECLARED SEVERABLE.

**SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning a change to the manner in which state senate and state house of representatives districts are drawn, and, in connection therewith, reforming the existing legislative reapportionment commission by expanding the commission to twelve members and authorizing the appointment of members who possess specified qualifications; prohibiting any one political party's control of the commission by requiring that one-third of commissioners will not be affiliated with any political party, one-third of the commissioners will be affiliated with the state's largest political party, and one-third of the commissioners will be affiliated with the state's second largest political party; prohibiting certain persons, including professional lobbyists, federal campaign committee employees, and federal, state, and local elected officials, from serving on the commission: limiting judicial review of a map to a determination by the supreme court of whether the commission or its nonpartisan staff committed an abuse of discretion; requiring the commission to draw state legislative districts using communities of interest as well as political subdivisions, such as cities and counties, and then to maximize the number of competitive state legislative seats to the extent possible: and prohibiting maps from being drawn to dilute the electoral influence of any racial or ethnic group or to protect any incumbent, any political candidate, or any political party?"

**SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution

# Amendment A Prohibit Slavery and Involuntary Servitude in All Circumstances

# <u>ANALYSIS</u>

# Amendment A proposes amending the Colorado Constitution to:

• remove language that currently allows slavery and involuntary servitude to be used as punishment for the conviction of a crime.

# **Summary and Analysis**

**Definitions.** "Slavery," as defined by Black's Law Dictionary, is a situation in which one person has absolute power over the life, fortune, and liberty of another person. The U.S. Supreme Court has defined "involuntary servitude" as a condition of servitude in which one person is forced to work for another person by the use or threat of physical restraint or physical injury, or by the use or threat of coercion through law or the legal process.

*U.S.* and *Colorado Constitutions*. The 13<sup>th</sup> Amendment to the U.S. Constitution prohibits slavery and involuntary servitude, except as punishment for a crime for which a person has been convicted. The Supreme Court has ruled that the 13<sup>th</sup> Amendment's prohibition of involuntary servitude does not prohibit a state from requiring a person to fulfill duties that the person owes to the state. The amendment gives the U.S. Congress the power to enforce the amendment through legislation.

Article II, Section 26 of the Colorado Constitution also prohibits slavery and involuntary servitude, except as punishment for a crime for which a person has been convicted. Amendment A removes this exception, clarifying that slavery and involuntary servitude are prohibited in all circumstances.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html

# **Argument For**

1) This measure eliminates slavery and involuntary servitude in all circumstances.

#### **Argument Against**

1) The measure can be viewed as making a change to the Colorado constitution that is redundant.

# **Estimate of Fiscal Impact**

The measure may minimally impact state and local government revenue, costs, and workload if court filings increase due to offenders filing additional lawsuits.

# **TITLE AND TEXT**

The ballot title below is a summary drafted by the professional legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was referred to the voters because it passed by a two-thirds majority vote of the state senate and the state house of representatives.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution that prohibits slavery and involuntary servitude as punishment for a crime and thereby prohibits slavery and involuntary servitude in all circumstances?

#### Text of Measure:

WHEREAS, The Colorado constitution has prohibited involuntary servitude, which is the coerced service of one individual for the benefit of another, since 1877; and

WHEREAS, That prohibition has, by its express terms, never been applied when involuntary servitude is imposed upon an individual as punishment for a crime for which the individual has been duly convicted; and

WHEREAS, The state should not have the power to compel individuals to labor against their will; and

WHEREAS, The state recognizes that allowing individuals convicted of a crime to perform work incident to such convictions, including labor at penal institutions or pursuant to work-release programs, assists in such individuals' rehabilitations, teaches practical and interpersonal skills that may be useful upon their reintegration with society, and contributes to healthier and safer penal environments; and

WHEREAS, Because work provides myriad individual and collective benefits, the purpose of this proposed constitutional amendment is not to withdraw legitimate opportunities to work for individuals who have been convicted of a crime, but instead to merely prohibit compulsory labor from such individuals; now, therefore,

Be It Resolved by the House of Representatives of the Seventy-first General Assembly of the State of Colorado, the Senate concurring herein:

**SECTION 1.** At the election held on November 6, 2018, the secretary of state shall submit to the registered electors of the state the ballot title set forth in section 2 for the following amendment to the state constitution:

In the constitution of the state of Colorado, amend section 26 of article II as follows:

**Section 26. Slavery prohibited.** There shall never be in this state either slavery or involuntary servitude. except as a punishment for crime, whereof the party shall have been duly convicted.

**SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against" on the following ballot title: "Shall there be an amendment to the Colorado constitution that prohibits slavery and involuntary servitude as punishment for a crime and thereby prohibits slavery and involuntary servitude in all circumstances?"

**SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment will become part of the state constitution.

# Amendment 73 Funding for Public Schools

(This measure requires at least 55 percent of the vote to pass.)

# **ANALYSIS**

# Amendment 73 proposes amending the <u>Colorado Constitution and Colorado</u> statutes to:

- ♦ increase funding for preschool through twelfth grade (P-12) public education;
- ◆ raise the state individual income tax rate for taxpayers with taxable income over \$150,000, and increase the state corporate income tax rate to provide additional funding for education; and
- for property taxes levied by school districts, set the assessment rate at 7.0 percent for residential properties and decrease the assessment rate to 24.0 percent for most nonresidential properties.

# **Summary and Analysis**

Amendment 73 increases funding for P-12 public education by raising the individual income tax rate for some individuals, increasing the corporate income tax rate, and setting new assessment rates for property taxes levied by school districts. This analysis describes current funding for public education, how the measure increases school funding, and how the measure changes Colorado's income and property tax systems.

# **Education Funding**

Current P-12 education funding. P-12 public schools in Colorado are funded through a combination of state, local, and federal sources. Based on the latest available data, total education funding is approximately \$9.7 billion, of which \$6.6 billion is allocated to school districts through a formula in state law. Formula funding begins with the same amount of funding per student, known as the base per pupil funding, which is constitutionally required to increase by at least the rate of inflation annually. In budget year 2017-18, the base per pupil amount was \$6,546. The base funding amount is then adjusted by the following factors to determine a final per pupil amount that varies by district:

- district size factor, which provides additional funding based on student enrollment, with smaller districts receiving more funding;
- cost-of-living factor, which provides additional funding based on the cost of living in a given district relative to other districts;
- at-risk factor, which provides additional funding based on the number of low-income and non-English speaking students; and
- **budget stabilization factor**, which was adopted in 2010 as a budget-balancing tool and applies an equal percentage reduction in formula funding across all school districts.

After the factors were applied, final per pupil amounts ranged from \$7,236 to \$16,247 across all school districts in budget year 2017-18. Once the funding is distributed to districts, each locally elected school board determines how to spend the revenue in its own district.

Formula funding sources. Formula funding is provided by state and local sources. The state pays for the portion of the formula that school districts are unable to fund with their local revenue. Of the \$6.6 billion distributed through the formula in budget year 2017-18, the state share was \$4.1 billion and the local share was \$2.5 billion. The state share is funded by income taxes, sales taxes, and other state revenues, while the local share is funded through local property taxes and vehicle ownership taxes.

Other funding sources. In addition to funding set by the formula, districts receive additional state assistance for specific programs, known as "categoricals." Categoricals include special education, English language learning, gifted and talented and vocational programs, and transportation and totaled \$297.6 million in budget year 2017-18. Additional sources of revenue for education include federal funding, district-assessed fees, competitive state grants for specific purposes, and state capital construction programs, among other sources.

In many school districts, voters have approved property tax revenue above the amount authorized through the school finance formula. These additional property taxes are called "mill levy overrides," and are used for specific local education needs. As of 2018, voters in 121 out of 178 districts have approved mill levy overrides. For those districts, the additional per pupil funding ranges from \$32 to \$5,024 per student.

**Education funding under the measure.** The measure encourages the state legislature to adopt a new public school finance act that distributes funding to public schools. The new distribution formula must be transparent and easy to understand, and meet criteria related to:

- an increase in base per pupil funding;
- equitable allocation of funding among districts, based on certain student and district characteristics;
- additional funding for certain specialized and early childhood programs; and
- the recruitment and retention of teachers.

Until a new act is adopted, the additional revenue generated by the measure must be spent as shown in Table 1. Of the \$1.6 billion in new revenue generated in the first year of implementation (budget year 2019-20), \$866 million must be spent on specific funding criteria. The remaining \$738.6 million must also be spent on public education, as determined by the state legislature.

Table 1. Funding Requirements Under Amendment 73
Until a New Formula is Adopted

Funding Criteria	Under Current Law For Budget Year 2018-19	Under Amendment 73 For Budget Year 2019-20	
Base Per-Student Funding	\$6,769 per student	\$7,300 per student	
Fully Fund Kindergarten	Districts receive approximately half of the per-student funding for each kindergarten student.	Districts receive full per-student funding for each kindergarten student.	
Low-income Students	Districts receive funding based on the number of students whose families earn below a certain income level.	Relaxes the income requirements for students to be considered low-income for funding purposes	
Special Education	\$176.1 million	\$296.1 million (an increase of \$120 million)	
Gifted and Talented	\$12.5 million	\$22.5 million (an increase of \$10 million)	
English Language Proficiency	\$21.6 million	\$41.6 million (an increase of \$20 million)	
Preschool	\$121.0 million	\$131.0 million (an increase of \$10 million)	
Remaining funding generated by the measure to be spent on public education as determined by the state legislature.		\$738.6 million*	

<sup>\*</sup>Money generated in budget year 2018-19 and future years is also required to be spent on public education.

#### Tax Changes to Fund Education

*Income taxes.* Amendment 73 increases income tax rates to provide additional revenue for public education. Colorado's current individual and corporate income tax rate is a flat 4.63 percent. Beginning in 2019, the measure creates a graduated individual income tax rate for taxable income above \$150,000, and increases the corporate tax rate from 4.63 percent to 6.0 percent. The measure is expected to generate \$1.6 billion in budget year 2019-20, the first year of implementation, to be spent on public education. This revenue is exempt from constitutional spending limits.

Individual income tax. Table 2 shows the change in individual income tax rates under the measure and the percentage of filers in each tax bracket. The income tax increase will impact 8.2 percent of individual and joint income tax filers. For joint filers, the income tax tiers shown in Table 2 apply to the joint filers' combined taxable income. The graduated income tax rate also applies to estates, trusts, and businesses that file individually. The change in income tax rates is expected to increase state revenue by an estimated \$1.4 billion in budget year 2019-20.

Table 2. Individual Income Tax Rates Under Amendment 73

Taxable income* between	is taxed at a rate of	Percent of filers whose maximum income is in each tax bracket
\$0 and \$150,000	4.63% (current rate)	91.8%
\$150,001 and \$200,000	5.0%	3.2%
\$200,001 and \$300,000	6.0%	2.5%
\$300,001 and \$500,000	7.0%	1.4%
Over \$500,000	8.25%	1.1%

<sup>\*</sup>These taxable income tiers apply to single, head of household, and joint filers.

Those with taxable income equal to or less than \$150,000 will not experience an income tax increase under the measure. The impact of the graduated tax increase on taxpayers with higher earnings will differ based on a taxpayer's taxable income. For example, a taxpayer with taxable income equal to \$250,000 would be taxed at 4.63 percent for the first \$150,000 in income. The subsequent \$50,000 would be taxed at a rate of 5.0 percent, and the final \$50,000 would be taxed at a rate of 6.0 percent. Table 3 shows examples of average annual increases in individual income tax liability under the measure.

Table 3. Example Individual Income Tax Increases Under Amendment 73

If your taxable income* is	The measure will increase your annual income tax liability** by	
less than \$150,000	\$0	
\$200,000	\$185	
\$250,000	\$870	
\$400,000	\$3,925	
\$1.0 million	\$24,395	

<sup>\*</sup> These examples apply to single, head of household, and joint filers.

Corporate income tax. The measure increases the corporate income tax rate from 4.63 percent to 6.0 percent. In contrast to the measure's individual tax rate changes, the increase in the corporate income tax rate is not a graduated tax rate and applies to all corporate taxpayers. The change is expected to generate \$229.4 million in budget year 2019-20. On average, each corporate income taxpayer with an income tax liability is expected to pay an additional \$14,139 per year under the measure.

**Property taxes.** Property taxes are paid on a portion of a property's value, determined by an assessment rate. Under current law, the assessment rate for most nonresidential property is set at 29 percent, and the rate for residential property is determined by the state legislature based on a formula in the state constitution. Over time, the residential assessment rate has declined from 21 percent in 1983 to the current rate of 7.2 percent. Based on the most recent projection published by Legislative Council Staff, the rate is expected to fall to approximately 6.1 percent for 2019 and 2020. The actual rate will be determined during the 2019 legislative session.

<sup>\*\*</sup>Actual tax liability may vary based on state income tax credits.

Changes to property taxes under Amendment 73. For school district property taxes only, beginning in 2019, Amendment 73 reduces the nonresidential assessment rate from 29 percent to 24 percent, thereby reducing taxes for nonresidential property. The measure reduces the current residential assessment rate from 7.2 percent to 7.0 percent, and sets it at this lower rate, keeping it from falling further. Relative to a projected 6.1 percent residential assessment rate, the rate under the measure will result in a tax increase for residential property taxpayers. The measure does not impact the assessment rates for mines and lands producing oil and gas.

Taxpayer impacts. As explained above, the measure is expected to decrease school district property taxes for most nonresidential property taxpayers, and increase school district property taxes for residential property taxpayers above what would be paid in 2019 without the measure. The impact on property owners will vary significantly based on several factors, including the school finance formula mill levy rate for the local school district, the actual value of the property, the 2019 residential assessment rate without the measure, and whether and what type of mill levy overrides have been approved by the voters in the school district. For information about the projected impacts on taxpayers in a particular school district, please visit <a href="http://www.coloradobluebook.com/amendment73map">http://www.coloradobluebook.com/amendment73map</a>.

School finance impacts. In 2019, the measure is projected to decrease school district property tax revenue by \$62.4 million, reflecting a decrease in nonresidential property tax revenue of \$317.8 million, partially off-set by an increase in residential property tax revenue of \$255.3 million. This decrease in school district revenue in 2019 could be replaced by state funding, which could come from the additional income tax revenue generated by the measure, depending on decisions made by the state legislature. In future years, local property tax revenue for school districts will only be impacted by changes in property values and mill levy rates, not by a changing residential assessment rate.

### **Reporting Requirements**

Amendment 73 requires the Colorado Department of Education, within five years of the measure's implementation, to review how the additional revenue is spent and identify best practices for promoting continuous student achievement. In addition, the state legislature, within ten years of the implementation of the new school finance formula, is required to review the formula and make any necessary adjustments.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/Initiatives/Home.html">http://www.sos.state.co.us/pubs/elections/Initiatives/Initiatives/Home.html</a>

# **Arguments For**

- The state needs a sustainable source of revenue to adequately and equitably fund public education. Colorado cut P-12 public education funding as a result of the Great Recession, and funding levels have not recovered relative to what the formula would otherwise require, even though Colorado has one of the healthiest economies in the nation. Since the 2010-11 budget year, the budget stabilization factor has cut education funding by a total of \$7.2 billion. As a result, school districts have had to make difficult choices, such as limiting teacher salaries, increasing class sizes, limiting mental health and counseling services for students, and narrowing course offerings. Further, approximately half of Colorado school districts are currently operating on four-day weeks. The measure alleviates the impact of these historical cuts by providing a dedicated income tax increase to fund public education.
- 2) The measure provides property tax relief for business property owners, farmers, and ranchers who have paid an increasingly higher proportion of property taxes compared to residential property owners. Since 1983, the nonresidential assessment rate has been set at 29 percent, while the residential assessment rate has fallen from 21 percent to the current 7.2 percent. The measure lessens these inequities between residential and nonresidential property owners by both stabilizing the residential assessment rate and lowering the nonresidential assessment rate for school district property taxes.

- 3) One of the government's most important functions is to provide children with a high-quality public education. Local school districts will prioritize how to spend the new revenue in ways that best fit their community, such as recruiting and retaining highly qualified teachers, improving access to early childhood education programs, strengthening science and math, vocational, and literacy programs, and providing a safe learning environment for all students. These are key investments in a successful public education system, which could help ensure a strong Colorado economy that is capable of competing in today's global market.
- 4) Constitutional constraints have suppressed local property tax revenue in many areas and led to greater pressure on the state general operating budget to meet required education funding levels. Stabilizing the local share of required school formula funding and creating a dedicated source of state revenue for education provide additional flexibility for the state to use more of its general operating budget on other core programs, such as transportation, public safety, and health care.

# **Arguments Against**

- 1) The measure imposes a tax increase without any guarantee of increased academic achievement. A focus on educational reform and opportunity rather than new revenue is more likely to improve student outcomes. Policymakers should find efficiencies within the current system and reprioritize existing revenue in order to meet current education funding requirements. Since the 2012-13 budget year, total formula funding has increased by between 1.3 percent and 7.4 percent annually, and just this year, the state share of school formula funding increased by \$425.6 million without a tax increase.
- 2) Increasing the state income tax rate could negatively impact the state's economy. Individuals will have less money to spend, save, and invest, and businesses will have less money to invest in their workers. Many businesses report their earnings through individual income tax returns and would pay the higher income tax rates under the measure. Colorado may also have a harder time attracting or retaining workers and businesses, as the top income tax rate under the measure would be 8.25 percent, the ninth highest state income tax rate in the country. This puts Colorado at a competitive disadvantage compared to other states.
- 3) The measure increases the property tax burden on homeowners, providing a tax cut for businesses at the expense of homeowners. In addition, it complicates an already complicated property tax system. By creating one assessed value for school districts and another assessed value for all other local taxing entities, the measure will lead to confusion among taxpayers and further complicate tax administration for state and local governments.
- 4) The measure does not allow the state legislature to adjust the income tax thresholds to account for inflation. As a result, over time, more taxpayers will end up in the higher tax brackets as their incomes are adjusted for inflation, resulting in additional revenue that must be spent only on education. To the extent that more revenue is raised than is needed to sufficiently fund education, the state will not be able to use this money to address other critical needs such as transportation and health care. Finally, the additional revenue generated by the measure is exempt from the state's constitutional spending limit, thereby removing an important protection for taxpayers.

# **Estimate of Fiscal Impact**

**State revenue.** The measure increases state revenue by \$750.9 million in budget year 2018-19 (half-year impact) and \$1.6 billion in budget year 2019-20. This amount is from individual income taxes and corporate income taxes. This revenue is exempt from constitutional spending limits and must be used for educational purposes identified in the measure.

**State expenditures**. The measure increases state expenditures by \$174,933 in budget year 2018-19 for administrative costs. In budget year 2019-20, the measure increases expenditures for education by \$1.6 billion. Revenue generated in other years must also be spent on education.

**School district impact.** The measure increases school district revenue by a minimum of \$866 million and up to a net \$1.5 billion in budget year 2019-20, the first full fiscal year the measure is implemented. The minimum spending represents the funding requirements specified in the measure; the maximum increase is the result of the \$1.6 billion in new state revenue in budget year 2019-20, and a \$62.4 million decrease in revenue from property taxes.

**Local government impact.** The measure increases costs for county assessors and treasurers offices to update computer and data systems related to the changes in assessment rates. Specific costs will vary among counties.

# **State Spending and Tax Increases**

Article X, Section 20, of the Colorado constitution requires that the following fiscal information be provided when a tax increase question is on the ballot:

- estimates or actual amounts of state fiscal year spending for the current year and each of the past four years with the overall percentage and dollar change; and
- for the first full year of the proposed tax increase, estimates of the maximum dollar amount of the tax increase and of state fiscal year spending without the increase.

"Fiscal year spending" is a legal term in the Colorado constitution. It equals the amount of revenue subject to the constitutional spending limit that the state or a district is permitted to keep and either spend or save for a single year. Table 4 shows state fiscal year spending for the current year and each of the past four years.

**Table 4. State Fiscal Year Spending** 

	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Preliminary FY 2017-18	Estimated FY 2018-19
Fiscal Year Spending	\$12.36 billion	\$12.82 billion	\$12.89 billion	\$13.70 billion	\$14.35 billion
Four-Year Dollar Change in State Spending: \$1.99 billion					
Four-Year Percent Change in State Spending: 16.1 percent					

FY = fiscal year. The state's fiscal (or budget) year runs from July through June.

Table 5 shows the revenue expected from the income tax increase for FY 2019-20, the first full fiscal year for which the tax increase would be in place, and an estimate of state fiscal year spending without the tax increase.

Table 5. Estimated State Fiscal Year Spending and the Proposed Income Tax Increase

	FY 2019-20 Estimate
Fiscal Year Spending Without the Income Tax Increase	\$17.2 billion
Revenue from the Income Tax Increase	\$1.6 billion

# **TITLE AND TEXT**

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution or Colorado Revised Statutes. The text of the measure that will appear in the Colorado constitution and Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

SHALL STATE TAXES BE INCREASED \$1,600,000,000 ANNUALLY BY AN AMENDMENT TO THE COLORADO CONSTITUTION AND A CHANGE TO THE COLORADO REVISED STATUTES CONCERNING FUNDING RELATING TO PRESCHOOL THROUGH HIGH SCHOOL PUBLIC EDUCATION, AND, IN CONNECTION THEREWITH, CREATING AN EXCEPTION TO THE SINGLE RATE STATE INCOME TAX FOR REVENUE THAT IS DEDICATED TO THE FUNDING OF PUBLIC SCHOOLS: INCREASING INCOME TAX RATES INCREMENTALLY FOR INDIVIDUALS, TRUSTS, AND ESTATES USING FOUR TAX BRACKETS STARTING AT .37% FOR INCOME ABOVE \$150,000 AND INCREASING TO 3.62% FOR INCOME ABOVE \$500,000; INCREASING THE CORPORATE INCOME TAX RATE BY 1.37%; FOR PURPOSES OF SCHOOL DISTRICT PROPERTY TAXES, REDUCING THE CURRENT RESIDENTIAL ASSESSMENT RATE OF 7.2% TO 7.0% AND THE CURRENT NONRESIDENTIAL ASSESSMENT RATE OF 29%TO 24%; REQUIRING THE REVENUE FROM THE INCOME TAX INCREASES TO BE DEPOSITED IN A DEDICATED PUBLIC EDUCATION FUND AND ALLOWING THE REVENUE COLLECTED TO BE RETAINED AND SPENT AS VOTER-APPROVED REVENUE CHANGES: REQUIRING THE LEGISLATURE TO ANNUALLY APPROPRIATE MONEY FROM THE FUND TO SCHOOL DISTRICTS TO SUPPORT EARLY CHILDHOOD THROUGH HIGH SCHOOL PUBLIC EDUCATIONAL PROGRAMS ON AN EQUITABLE BASIS THROUGHOUT THE STATE WITHOUT DECREASING GENERAL FUND APPROPRIATIONS: DIRECTING THE LEGISLATURE TO ENACT, REGULARLY REVIEW, AND REVISE WHEN NECESSARY, A NEW PUBLIC SCHOOL FINANCE LAW THAT MEETS SPECIFIED CRITERIA; UNTIL THE LEGISLATURE HAS ENACTED A NEW PUBLIC SCHOOL FINANCE LAW, REQUIRING THE MONEY IN THE FUND TO BE ANNUALLY APPROPRIATED FOR SPECIFIED EDUCATION PROGRAMS AND PURPOSES; REQUIRING THE MONEY IN THE FUND TO BE USED TO SUPPORT ONLY PUBLIC SCHOOLS; REQUIRING GENERAL FUND APPROPRIATIONS FOR LIC EDUCATION TO INCREASE BY INFLATION, UP TO 5%, ANNUALLY; AND REQUIRING THE DEPARTMENT OF EDUCATION TO COMMISSION A STUDY OF THE USE OF THE MONEY IN THE FUND WITHIN FIVE YEARS?

#### Text of Measure:

Be it Enacted by the People of the State of Colorado:

**SECTION 1.** In the constitution of the state of Colorado, section 17 of article IX, **add** (4.5) as follows:

Section 17. Education – Funding. (4.5) Quality Public Education Fund Created. (a) This subsection shall be known and cited as the "Quality Public Education Fund Amendment of 2018". The purpose of this section is to create a more sustainable, fair, and adequate system for financing public schools that is designed to meet the needs of every student in the state of Colorado to prepare them for success in career, college, and life.

(b) There is hereby created in the department of the treasury the quality public education fund. The quality public education fund shall receive all revenues collected through an income tax increment for public school funding approved by the voters at the 2018 general election. All interest earned on moneys in the quality public education fund shall be deposited in the quality public education fund and shall be used before any principal is depleted. Moneys remaining in the quality public education fund at the end of any fiscal year shall remain in the fund and not revert to the general fund, the state education fund, or to any other cash fund.

- (c) In State fiscal year 2019-2020, and each fiscal year thereafter, the general assembly shall annually appropriate, and school districts may annually expend, moneys from the quality public education fund for such purposes as shall be specified by law to improve, support and enhance the quality of pre-primary, primary, and secondary public school educational programs, resources, and opportunities on an equitable basis for the benefit of students throughout the state.
- (d) Moneys appropriated from the quality public education fund shall be used to supplement, and not supplant, the level of fiscal year general fund appropriations for public education funding existing on the effective date of this subsection.

**SECTION 2.** In the constitution of the state of Colorado, section 3 of article X, **amend** (1)(b) as follows:

- (1)(b)(l) Residential real property, which shall include all residential dwelling units and the land, as defined by law, on which such units are located, and mobile home parks, but shall not include hotels and motels, shall be valued for assessment at twenty-one percent of its actual value. For the property tax year commencing January 1, 1985, the general assembly shall determine the percentage of the aggregate statewide valuation for assessment which is attributable to residential real property. For each subsequent year, the general assembly shall again determine the percentage of the aggregate statewide valuation for assessment which is attributable to each class of taxable property, after adding in the increased valuation for assessment attributable to new construction and to increased volume of mineral and oil and gas production. For each year in which there is a change in the level of value used in determining actual value. the general assembly shall adjust the ratio of valuation for assessment for residential real property which is set forth in this paragraph (b) as is necessary to insure that the percentage of the aggregate statewide valuation for assessment which is attributable to residential real property shall remain the same as it was in the year immediately preceding the year in which such change occurs. Such adjusted ratio shall be the ratio of valuation for assessment for residential real property for those years for which such new level of value is used. In determining the adjustment to be made in the ratio of valuation for assessment for residential real property, the aggregate statewide valuation for assessment that is attributable to residential real property shall be calculated as if the full actual value of all owner-occupied primary residences that are partially exempt from taxation pursuant to section 3.5 of this article was subject to taxation. All other taxable property shall be valued for assessment at twenty-nine percent of its actual value. However, the valuation for assessment for producing mines, as defined by law, and lands or leaseholds producing oil or gas, as defined by law, shall be a portion of the actual annual or actual average annual production therefrom, based upon the value of the unprocessed material, according to procedures prescribed by law for different types of minerals. Non-producing unpatented mining claims, which are possessory interests in real property by virtue of leases from the United States of America, shall be exempt from property taxation.
- (b)(II) NOTWITHSTANDING THE REQUIREMENTS OF SUBSECTION (1)(b)(I) OF THIS SECTION, FOR ALL SCHOOL DISTRICT PROPERTY TAX LEVIES IN ANY PROPERTY TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2019, RESIDENTIAL REAL PROPERTY SHALL BE VALUED FOR ASSESSMENT AT SEVEN PERCENT OF ITS ACTUAL VALUE, AND ALL OTHER TAXABLE PROPERTY SHALL BE VALUED FOR ASSESSMENT AT TWENTY-FOUR PERCENT OF ITS ACTUAL VALUE EXCEPT AS OTHERWISE SET FORTH IN SUBSECTION (1)(b)(I) OF THIS SECTION WITH REGARD TO PRODUCING MINES AND LANDS OR LEASEHOLDS PRODUCING OIL OR GAS.

**SECTION 3.** In the constitution of the state of Colorado, section 20 of article X, **amend** (8)(a) as follows:

(8) Revenue limits. (a) New or increased transfer tax rates on real property are prohibited. No new state real property tax or local district income tax shall be imposed. Neither an income tax rate increase nor a new state definition of taxable income shall apply before the next tax year. Any income tax law change after July 1, 1992 shall also require all taxable net income to be taxed at one rate, excluding refund tax credits or voter-approved tax credits, with no added tax or surcharge; EXCEPT THAT MULTIPLE RATES MAY APPLY TO TAXABLE NET INCOME OF INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS IF SPECIFIC RATE INCREASES IN EXCESS OF THE TAX RATE IN EFFECT ON THE DAY OF AN ELECTION ARE APPROVED BY VOTERS FOR THE PURPOSE OF PROVIDING AN INCOME TAX INCREMENT DEDICATED TO THE FUNDING OF PRE-PRIMARY THROUGH SECONDARY PUBLIC SCHOOLS.

#### SECTION 4. In Colorado Revised Statutes, add 22-55-109 as follows:

- **22-55-109.** Quality Public Education Fund purpose and implementation. (1) KNOWLEDGE AND LEARNING BEING ESSENTIAL FOR THE PRESERVATION OF LIBERTY AND A FREE AND DEMOCRATIC SOCIETY, THE PEOPLE OF THE STATE OF COLORADO DECLARE THAT:
- (a) A SOUND PUBLIC EDUCATION SYSTEM IS FUNDAMENTAL TO ENABLING EVERY PERSON TO DEVELOP HIS OR HER FULL POTENTIAL AND TO PARTICIPATE MEANINGFULLY IN THE CIVIC AND ECONOMIC LIFE OF THE COMMUNITY;
- (b) QUALITY PUBLIC EDUCATION IS ESSENTIAL TO THE DEVELOPMENT OF THE QUALITY WORKFORCE THAT WILL DRIVE A VIBRANT COLORADO ECONOMY FOR DECADES TO COME;
- (c) OUR PUBLIC SCHOOLS HAVE BEEN THE PATHWAY TO OPPORTUNITY AND A BETTER LIFE FOR GENERATIONS OF COLORADOANS;
- (d) EACH AND EVERY COLORADO CHILD REQUIRES ACCESS TO EXCELLENT PUBLIC SCHOOLS, QUALITY EARLY CHILDHOOD EDUCATION OFFERINGS, A HIGHLY PROFESSIONAL AND WELL-SUPPORTED TEACHING FORCE, APPROPRIATE EDUCATIONAL TECHNOLOGY, TEXTBOOKS AND OTHER SCHOOL SUPPLIES, AND BROAD, HIGH-QUALITY EDUCATIONAL OPPORTUNITIES; AND
- (e) A MORE SUSTAINABLE, FAIR, AND ADEQUATE SYSTEM FOR FINANCING PUBLIC SCHOOLS IS NECESSARY TO ACHIEVE THESE GOALS AND MEET THE NEEDS OF EVERY STUDENT IN THE STATE OF COLORADO TO PREPARE THEM FOR SUCCESS IN CAREER, COLLEGE AND LIFE IN THE 21ST CENTURY.
- (2) THE PURPOSE OF THIS SECTION IS TO IMPLEMENT SUBSECTION (4.5) OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, AS APPROVED BY THE REGISTERED ELECTORS OF THIS STATE AT THE 2018 GENERAL ELECTION.
- (3) (a) IN STATE FISCAL YEAR 2019-2020, AND EACH FISCAL YEAR THEREAFTER, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE, AND LOCAL SCHOOL DISTRICTS MAY ANNUALLY EXPEND, MONEYS FROM THE QUALITY PUBLIC EDUCATION FUND FOR THE PURPOSES STATED IN THIS SUBSECTION (3).
- (b) Until such time as a comprehensive new public school finance law substantially in compliance with subsection (3)(c) of this section has been enacted and has taken effect, these moneys shall be appropriated and spent as follows:
- (I) TO INCREASE THE ANNUAL STATEWIDE BASE PER PUPIL FUNDING FOR PUBLIC EDUCATION FROM PRESCHOOL THROUGH THE TWELFTH GRADE TO NO LESS THAN SEVEN THOUSAND THREE HUNDRED DOLLARS, PLUS ANNUAL ADJUSTMENTS FOR INFLATION:
- (II) TO INCREASE THE LEVEL OF TOTAL ANNUAL STATE FUNDING FOR CATEGORICAL PROGRAMS DIRECTED TO SPECIAL EDUCATION BY AN AMOUNT NO LESS THAN ONE HUNDRED TWENTY MILLION DOLLARS, TO PROGRAMS FOR GIFTED AND TALENTED STUDENTS BY AN AMOUNT NO LESS THAN TEN MILLION DOLLARS, AND TO PROGRAMS FOR ENGLISH LANGUAGE PROFICIENCY BY AN AMOUNT NO LESS THAN TWENTY MILLION DOLLARS OVER THE AMOUNTS OF FUNDING FOR THOSE PROGRAMS FOR FISCAL YEAR 2018-2019, PLUS ANNUAL ADJUSTMENTS FOR INFLATION;
- (III) TO INCREASE ANNUAL STATE FUNDING FOR PRE-SCHOOL EARLY EDUCATION PROGRAMS BY AN AMOUNT NO LESS THAN TEN MILLION DOLLARS OVER THE AMOUNT OF FUNDING FOR THOSE PROGRAMS FOR FISCAL YEAR 2018-2019, PLUS ANNUAL ADJUSTMENTS FOR INFLATION;
- (IV) TO INCREASE ANNUAL STATE FUNDING FOR PUPILS ELIGIBLE FOR FREE LUNCH AS NECESSARY TO INCLUDE PUPILS ELIGIBLE FOR REDUCED LUNCH PURSUANT TO THE PROVISIONS OF THE FEDERAL "RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT", 42 U.S.C. SEC. 1751, ET SEQ; AND
- (V) TO FUND ALL KINDERGARTEN STUDENTS ENROLLED IN A FULL DAY PROGRAM AT THE LEVEL OF ONE FULL-TIME EQUIVALENT.

- (c) It is the intention of the people of the state of Colorado that the general assembly shall enact as expeditiously as possible a new public school finance law that will substantially meet the following criteria: provide a base per pupil funding level for all students moving toward or exceeding the national average; allocate funding in a fair and equitable manner among the local school districts, with recognition of differences related to size, geography, population demographics, and local economic and cost factors; assure more adequate funding for specialized programs addressed to students with special needs, gifted and talented students, students living in poverty, English language learners, and other identifiable groups who would benefit from such programs; more adequately fund programs to address the critical importance of early childhood learning; provide for the recruitment and retention of quality teachers; and provide a model for funding that will be transparent and easily understandable by the public. At such time as a new public school finance law substantially meeting these criteria has been enacted and has taken effect, the general assembly may annually appropriate, and the school districts may annually expend, moneys from the quality public education fund for the purposes provided in such law.
- (4) Moneys from the quality public education fund shall be appropriated and expended to support public schools, except that such moneys may be spent as required pursuant to an individualized education program under the federal "Individuals with Disabilities Education Act of 2004", 20 USC §1400, et seq., as amended, or successor act.
- (5) MONEYS APPROPRIATED FROM THE QUALITY PUBLIC EDUCATION FUND SHALL BE USED TO SUPPLEMENT, AND NOT SUPPLANT, THE LEVEL OF FISCAL YEAR GENERAL FUND APPROPRIATIONS FOR PUBLIC EDUCATION FUNDING EXISTING ON THE EFFECTIVE DATE OF THIS SUBSECTION, PLUS ANNUAL ADJUSTMENTS FOR INFLATION UP TO A MAXIMUM ANNUAL ADJUSTMENT OF FIVE PERCENT.
- (6)(a) Upon receiving moneys from the quality public education fund, and pursuant to established district reporting requirements set forth in the "Education Accountability Act of 2009", article 11 of title 22, the federal "Every Student Succeeds Act", Pub.L. 114-95, and regulations developed by the Colorado department of education pursuant to state education law, each district shall make publicly available on its web site its mission and vision and current budget, audit, uniform improvement plan and student achievement scores.
- (b) WITHIN FIVE YEARS OF IMPLEMENTATION OF THE QUALITY PUBLIC EDUCATION FUND, AND PURSUANT TO A REQUEST FOR PROPOSALS PROCESS WITH COMPETITIVE BIDDING, THE COLORADO DEPARTMENT OF EDUCATION WILL COMMISSION A STUDY TO INVESTIGATE HOW MONEYS FROM THE QUALITY PUBLIC EDUCATION FUND WERE SPENT AND TO DETERMINE THE BEST PRACTICES OF VARIOUS DISTRICTS FROM DIVERSE GEOGRAPHICAL REGIONS IN PROMOTING CONTINUOUS IMPROVEMENT IN STUDENT ACHIEVEMENT. MONEYS FROM THE QUALITY PUBLIC EDUCATION FUND MAY BE USED FOR THIS STUDY. THIS STUDY WILL BE MADE AVAILABLE TO THE PUBLIC AND POSTED ON THE DEPARTMENT OF EDUCATION WEBSITE.
- (c) WITHIN TEN YEARS AFTER THE IMPLEMENTATION OF A SUCCESSOR TO THE "PUBLIC SCHOOL FINANCE ACT OF 1994", AND EVERY FIVE YEARS THEREAFTER, THE GENERAL ASSEMBLY SHALL REVIEW IMPLEMENTATION OF THE SUCCESSOR ACT TO ENSURE THAT THE FORMULA SET FORTH IN THE SUCCESSOR ACT ENABLES ALL SCHOOL DISTRICTS TO MEET COLORADO ACADEMIC STANDARDS AND PERFORMANCE FRAMEWORKS. IF THE FORMULA REQUIRES CHANGES TO MEET THESE GOALS IN AN ADEQUATE AND EQUITABLE MANNER, THE GENERAL ASSEMBLY SHALL ADOPT REVISIONS TO THE SCHOOL FINANCE FORMULA.
  - **SECTION 5.** In Colorado Revised Statutes, 39-22-104, **amend** (1.7) as follows:
- **39-22-104.** Income tax imposed on individuals, estates, and trusts single rate definitions repeal. (1.7) Except as otherwise provided in section 39-22-627, subject to subsection (2) of this section, with respect to taxable years commencing on or after January 1, 2000, a tax of four and sixty-three one hundredths percent is imposed on the federal taxable income, as determined pursuant to section 63 of the internal revenue code, of every individual, estate, and trust. IN ADDITION TO THE TAX RATE AUTHORIZED IN THIS SUBSECTION ON FEDERAL TAXABLE INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS, FOR ALL TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, AN INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING TO BE DEDICATED TO THE QUALITY PUBLIC EDUCATION FUND CREATED BY SUBSECTION (4.5) OF SECTION 17 OF TITLE IX OF THE STATE CONSTITUTION SHALL BE IMPOSED ON THE FEDERAL TAXABLE INCOME OF SUCH TAXPAYERS:

- (a) OVER ONE HUNDRED FIFTY THOUSAND DOLLARS AND UP TO AND INCLUDING TWO HUNDRED THOUSAND DOLLARS, AT THE RATE OF THIRTY-SEVEN ONE HUNDREDTHS PERCENT;
- (b) OVER TWO HUNDRED THOUSAND DOLLARS AND UP TO AND INCLUDING THREE HUNDRED THOUSAND DOLLARS, AT THE RATE OF ONE AND THIRTY-SEVEN ONE HUNDREDTHS PERCENT;
- (c) OVER THREE HUNDRED THOUSAND DOLLARS AND UP TO AND INCLUDING FIVE HUNDRED THOUSAND DOLLARS, AT THE RATE OF TWO AND THIRTY-SEVEN ONE HUNDREDTHS PERCENT; AND
- (d) OVER FIVE HUNDRED THOUSAND DOLLARS, AT THE RATE OF THREE AND SIXTY-TWO ONE HUNDREDTHS PERCENT.
  - **SECTION 6.** In Colorado Revised Statutes, 39-22-301, **amend** (1)(d)(I)(I), as follows:
- **39-22-301.** Corporate tax imposed. (1)(d)(I) A tax is imposed upon each domestic C corporation and foreign C corporation doing business in Colorado annually in an amount of the net income of such C corporation during the year derived from sources within Colorado as set forth in the following schedule of rates:
- (I) Except as otherwise provided in section 39-22-627, for income tax years commencing on or after January 1, 2000, four and sixty-three one hundredths percent of the Colorado net income. In addition to the tax rate authorized in this subsection (1)(d)(l)(l), for all taxable years commencing on or after January 1, 2019, an income tax increment for public school funding to be dedicated to the quality public education fund created by subsection (4.5) of section 17 of title IX of the state constitution shall be imposed on Colorado net income at the rate of one and thirty-seven one hundredths percent.
  - SECTION 7. In Colorado Revised Statutes, 39-22-623, amend (1)(b) as follows:
- **39-22-623. Disposition of collections**. (1) The proceeds of all moneys collected under this article, less the reserve retained for refunds, shall be credited as follows:
- (b) Following apportionment of the city, town, and county shares pursuant to paragraph (a) of this subsection (1) and pursuant to section 29-21-101, C.R.S., all remaining funds, less the amount credited to the reserve created in section 39-29-107.8, in accordance with subsection (2) of said section, shall be credited AS FOLLOWS:
- (I) FOR ALL TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, ALL MONEYS DERIVED FROM THE INCOME TAX INCREMENT FOR PUBLIC SCHOOL FUNDING UNDER SECTIONS 39-22-104(1.7) AND 39-22-301(1) C.R.S., SHALL BE CREDITED TO AND DEPOSITED IN THE QUALITY PUBLIC EDUCATION FUND CREATED BY SUBSECTION (4.5) OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION. NOTWITHSTANDING ANY LIMITATIONS ON REVENUE, SPENDING, OR APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, ALL MONEYS CREDITED TO AND DEPOSITED IN THE QUALITY PUBLIC EDUCATION FUND PURSUANT TO THIS SUBPARAGRAPH AS APPROVED BY THE VOTERS AT THE STATEWIDE ELECTION IN NOVEMBER 2018, MAY BE COLLECTED AND SPENT AS VOTER-APPROVED REVENUE CHANGES AND SHALL NOT REQUIRE SUBSEQUENT VOTER APPROVAL.
- (II) ALL REMAINING FUNDS SHALL BE CREDITED to the general fund, and the general assembly shall make appropriations therefrom for the expenses of the administration of this article.

# Amendment 74 Compensation for Reduction in Fair Market Value by Government Law or Regulation

(This measure requires at least 55 percent of the vote to pass.)

# **ANALYSIS**

# Amendment 74 proposes amending the Colorado Constitution to:

 require the state or a local government to compensate a property owner if a law or regulation reduces the fair market value of his or her property.

# **Summary and Analysis**

**Background.** Both the Colorado Constitution and state law specify that a government may not take or damage private property without providing compensation to the owner. Procedures in law exist to evaluate and challenge government decisions that lead to takings or cause damages, including asking for public and property owner input and establishing the amount of compensation owed.

Takings and damages. There are three primary ways that the state or a local government can take or damage private property. Governments in Colorado are generally required to compensate a property owner in these cases. The first type of taking is called "eminent domain." A government may take land from a private property owner for a public use or benefit. For example, a government may take land from a property owner to expand a highway. The second type of taking occurs if a government causes damage to private property, whether intentional or accidental. For example, a government may build a road that effectively limits access to an individual's property. The third type of taking is a "regulatory taking," which occurs when a government enacts a law or regulation that deprives a property owner of the use or value of his or her property, even though he or she usually maintains ownership of the property. For example, a government may prohibit a property owner from constructing buildings on his or her property, leaving the property with almost no value.

**Changes under Amendment 74.** Amendment 74 expands the circumstances under which the state or a local government is required to provide compensation to a property owner for a regulatory taking. Under this measure, a law or regulation that results in any decrease in the fair market value of a property, as opposed to the current standard of an almost total loss in value or use, becomes a regulatory taking. For example, if a government limits natural gas development, an owner of the mineral rights could file a claim for the reduced value of his or her property.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

# **Argument For**

1) Amendment 74 ensures that when a property's value is harmed by government action, the owner of that property is fairly compensated for the loss. For many Coloradans, property is the most significant asset they own. If a law or regulation causes any loss of value, the property owner should be fairly compensated by the state or a local government. However, current law does not require a government to compensate an owner unless the loss in value to the property is near total.

# **Argument Against**

1) Amendment 74 has potentially far-reaching and costly consequences for taxpayers and governments. Under the measure, taxpayers will be responsible for payments to property owners for any loss in property value resulting from a change in law or regulation, regardless of whether the property retains a profitable use. The potential liability for large payouts to private property owners may discourage governments from making decisions that benefit communities and protect vital public resources, such as water, air, and infrastructure.

# **Estimate of Fiscal Impact**

The measure requires that the state or a local government compensate property owners any time a law or regulation reduces the fair market value of private property. The measure will increase state and local expenditures to compensate private property owners as a result of regulatory or legislative action.

# TITLE AND TEXT

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

Shall there be an amendment to the Colorado constitution requiring the government to award just compensation to owners of private property when a government law or regulation reduces the fair market value of the property?

#### Text of Measure:

Be it Enacted by the People of the State of Colorado:

SECTION 1. In the constitution of the state of Colorado, amend section 15 of article II as follows:

Section 15. Taking property for public use—compensation, how ascertained. Private property shall not be taken, or damaged, OR REDUCED IN FAIR MARKET VALUE BY GOVERNMENT LAW OR REGULATION for public or private use, without just compensation. Such compensation shall be ascertained by a board of commissioners, of not less than three freeholders, or by a jury, when required by the owner of the property, in such manner as may be prescribed by law, and until the same shall be paid to the owner, or into court for the owner, the property shall not be needlessly disturbed, or the proprietary rights of the owner therein divested; and whenever an attempt is made to take private property for a use alleged to be public, the question whether the contemplated use be really public shall be a judicial question, and determined as such without regard to any legislative assertion that the use is public.

# Amendment 75 Campaign Contributions

(This measure requires at least 55 percent of the vote to pass.)

#### **ANALYSIS**

# Amendment 75 proposes amending the Colorado Constitution to:

• increase campaign contribution limits when a candidate loans or contributes more than \$1.0 million to his or her own campaign, by allowing all candidates in the same election to collect five times the level of individual contributions currently authorized in the state constitution.

# **Summary and Analysis**

**Background.** While campaign finance is regulated by federal law for candidates in federal races, Colorado law regulates campaign finance for state and local candidates. Federal and state courts have determined that limits on the amount of money that candidates can collect from individuals are a permissible restriction of free speech to prevent corruption or the appearance of corruption.

Under Amendment 75, candidates in a race may accept contributions from individuals that are five times the rate authorized in the state constitution if at least one candidate in the race:

- contributes or loans funds totaling more than \$1.0 million to his or her own campaign;
- contributes or loans funds totaling more than \$1.0 million to a committee to support or oppose any candidate in the same election; or
- coordinates third-party contributions totaling more than \$1.0 million to any committee to influence the candidate's own election.

**Contribution limits.** Campaign contribution limits are established in the state constitution and adjusted for inflation every four years. These limits restrict the amount of money a person can donate to a candidate in a specific election cycle, which includes the primary and general elections, as indicated in Table 1. The current limits reflect adjustments made in 2015.

Table 1. Campaign Contribution Limits per Election Cycle

**Individual and Political** 

\$400

#### Committee Election **Contribution Limit** Governor/Lt. Governor \$1,150 Secretary of State \$1,150 Attorney General \$1,150 State Treasurer \$1,150 State Senate \$400 State House of Representatives \$400 State Board of Education \$400 CU Regent \$400

Source: Colorado Secretary of State.

District Attorney

In addition to collecting contributions from others, a candidate may make unlimited contributions from personal funds to his or her own campaign. Further, certain types of committees, including independent expenditure committees, may accept unlimited funds to support the election or defeat of a candidate, as long as they do not coordinate their activities or expenditures with any candidate. Since January 1, 2010, four candidates in statewide races have contributed or loaned over \$1.0 million to their own campaigns.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

#### **Argument For**

1) Wealthy candidates have an unfair advantage in elections because current campaign finance laws allow them to contribute vast sums of their personal resources to their own campaigns. Colorado's current limits on individual contributions are among the lowest in the country, and candidates who rely on individual contributions are at a significant disadvantage in communicating their message to voters. Amendment 75 offers an effective way to encourage competitive elections.

# **Argument Against**

Colorado's campaign finance system is broken, and this measure further complicates the system
without truly addressing financial disparities among candidates. This increase in campaign
contribution limits will allow all candidates, including wealthy candidates, to collect more money,
further inflating election spending. Opening the door to more money is not the way to fix
Colorado's campaign finance system.

# **Estimate of Fiscal Impact**

**State expenditures.** Amendment 75 will result in a one-time cost of \$15,000 in FY 2018-19 in the Department of State to make modifications to the state's campaign finance tracking system.

# TITLE AND TEXT

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attoney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado constitution. The text of the measure that will appear in the Colorado constitution below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

# Ballot Title:

Shall there be an amendment to the Colorado constitution providing that if any candidate in a primary or general election for state office directs more than one million dollars in support of his or her own election, then every candidate for that office in the same election may accept five times the amount of campaign contributions normally allowed?

#### Text of Measure:

Be it Enacted by the People of the State of Colorado:

**Article XXVIII, SECTION 3** in the constitution of the state of Colorado, is amended by addition of subsection (14) as follows:

(14) Notwithstanding any conflicting provision in statute or the constitution, in order to prevent undue influence of a large contribution in a state election, if a candidate subject to the contribution limits set forth in subsection (1) of this section directs more than one million dollars to support his or her election, then all candidates in the same election shall be entitled to accept aggregate contributions for a primary and general election at five times the rate authorized by subsection (1) of this section. For purposes of this subsection, "directs more than one million dollars to support his or her election" includes: (a) A candidate contributing or loaning more than one million dollars to his or her candidate committee; (b) A candidate contributing or loaning more than one million dollars to a committee or other entity for the purpose of supporting or opposing any candidate in the same election; and (c) A candidate facilitating or coordinating third party contributions amounting to more than one million dollars to any committee or organization for the purpose of influencing the candidate's own election. Nothing in this subsection shall be construed as authorizing any corporate contributions of any kind. If any provision in this subsection is invalidated, the remaining provisions of this subsection shall remain effective.

# Proposition 109 Authorize Bonds for Highway Projects

# **ANALYSIS**

# Proposition 109 proposes amending the Colorado statutes to:

- require the state to borrow up to \$3.5 billion in 2019 to fund up to 66 specific highway projects;
- direct the state to identify a source of funds to repay the borrowed amount without raising taxes or fees; and
- ♦ limit the total repayment amount, including principal and interest, to \$5.2 billion over 20 years.

# **Summary and Analysis**

This analysis outlines current state highway funding and describes the bond sale and repayment authorized by the measure for a specific list of statewide road and bridge projects. The analysis also describes transportation funding commitments that are conditional on the outcome of this measure.

**Current state highway funding.** Maintenance and construction of state highways are funded through the Colorado Department of Transportation (CDOT). CDOT receives most of its revenue from federal and state gasoline and diesel fuel taxes and from state vehicle registration fees, as shown in Figure 1. For state budget year 2017-18, CDOT spent approximately \$1.2 billion, or roughly 85 percent of its revenue, on state highway maintenance and operations and \$220.5 million, or 15 percent, on construction.

Figure 1. State Transportation Funding Sources and Uses

Budget Year 2017-18

<b>Sources</b>	<b>Uses</b>
Total: \$1.4 Billion	Total: \$1.4 Billion
Other*	Construction
\$241.8 million	\$220.5 million
Federal Gas Tax	Maintenance
\$526.8 million	\$875.5 million
Registration Fees \$339.5 million	
State Gas Tax	Operations
\$321.6 million	\$333.6 million

Source: Colorado Department of Transportation.

**Bond sale and repayment.** Proposition 109 directs CDOT to borrow up to \$3.5 billion by selling transportation revenue bonds. The total repayment amount, including principal and interest, is limited to \$5.2 billion. The bonds must be repaid in 20 years, and the state must reserve the right to repay the bonds ahead of schedule without penalty. Assuming the repayment schedule is for the full \$5.2 billion over 20 years, the average annual repayment cost will be \$260 million. Actual repayment amounts will vary depending on the terms of the revenue bonds.

<sup>\*</sup>Other funding sources include federal grants, tolls, and other state and local funds.

**Past bond sale and repayment for transportation projects.** In 1999, voters approved the sale of \$1.5 billion worth of bonds for transportation projects. The state was required to use the borrowed money to pay for up to 24 transportation projects across the state. Repayment costs for the 1999 bonds totaled \$2.3 billion. The debt was fully repaid through various state and federal sources in December 2016.

Transportation funding commitments conditional on the outcome of Proposition 109. In the last two years, the state legislature passed two laws to increase funding for future transportation projects. In 2017, the state committed \$1.5 billion for transportation projects through the sale and lease-back of state buildings. In 2018, the state devoted another \$1.0 billion over a 20-year period for transportation projects from existing state revenues. Under current law, the \$3.5 billion in proposed borrowing will replace these commitments, resulting in a net increase of \$1.0 billion for transportation.

**Road and bridge projects.** Borrowed money under Proposition 109 may only be used for road and bridge expansion, construction, maintenance, and repair on the 66 transportation projects located throughout the state identified in the measure on pages 59 through 63. The funding provided through the measure is not enough to pay for all the projects identified in the measure; the estimated cost of the projects is \$5.6 billion. The final selection and order of construction will be determined by CDOT and the Transportation Commission, an 11-member body appointed by the Governor to prioritize statewide transportation needs.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: http://www.sos.state.co.us/pubs/elections/Initiatives/Initiatives/Home.html

# **Arguments For**

- 1) Proposition 109 accelerates the construction of essential highway projects without raising taxes or fees. Building and maintaining a highway system are core functions of government. The state has failed to invest sufficient funds to maintain and expand the highway system. The measure corrects this by directing the state to prioritize highway projects ahead of other programs.
- 2) The lack of highway capacity is the most significant contributor to traffic congestion in the state and causes delays, increases business costs, and reduces driver and passenger safety. The measure requires the state to invest more money in transportation, improving the state's economy and quality of life.

# **Arguments Against**

- Proposition 109 commits up to \$5.2 billion to repay borrowing without creating a new source of revenue. This commitment diverts money from other programs, which may include education, health care, and routine transportation maintenance. Furthermore, the measure would pay for only a portion of the projects and fails to address the cost of ongoing maintenance of these projects.
- 2) In 2018, the state demonstrated its commitment to transportation funding by pledging \$1.0 billion from existing revenue sources. If Proposition 109 passes, it replaces this commitment with borrowed money. Borrowing is expensive. Under this measure, approximately \$1.7 billion in taxpayer money will be spent on interest payments.

# **Estimate of Fiscal Impact**

Proposition 109 makes changes to transportation finance over 20 years. Its effects on state revenue and expenditures are summarized below.

**State revenue.** The measure requires the state to sell revenue bonds, which will increase state revenue by up to \$3.5 billion. Under current law, bond revenue collected under Proposition 109 will replace \$1.5 billion in state revenue from the sale and lease-back of state buildings. On net, Proposition 109 increases state revenue by up to \$2.0 billion.

**State expenditures.** The measure authorizes \$3.5 billion in state revenue from the sale of bonds to be spent on transportation projects. However, current state law directs other funding commitments to be cancelled if the measure passes, resulting in a net increase in spending on transportation of up to \$1.0 billion.

The measure commits up to \$5.2 billion to the repayment of debt. These financing costs will replace the \$2.25 billion in financing costs related to the sale and lease-back of state buildings, resulting in a net increase in financing costs of up to \$2.95 billion.

# **State Spending and Bonded Debt**

Article X, Section 20, of the Colorado constitution requires that the following fiscal information be provided when a bonded debt question is on the ballot:

- estimates or actual amounts of state fiscal year spending for the current year and each of the past four years with the overall percentage and dollar change;
- the principal amount and maximum annual and total state repayment cost of proposed bonded debt;
- the principal balance of current state bonded debt and the maximum annual and remaining total repayment cost.

"Fiscal year spending" is a legal term in the Colorado constitution. It equals the amount of revenue subject to the constitutional spending limit that the state or a district is permitted to keep and either spend or save for a single year. Table 1 shows state fiscal year spending for the current year and each of the past four years.

Actual Actual Actual **Preliminary** FY FY FY **Estimated** 2014-15 2015-16 2016-17 FY 2017-18 FY 2018-19 Fiscal Year \$12.36 billion \$12.82 billion \$12.89 billion \$13.70 billion \$14.35 billion Spendina Four-Year Dollar Change in State Spending: \$1.99 billion

Table 1. State Fiscal Year Spending

Tour Tour Bonar Orlango III Otato Openanig. \$1100 billion

Four-Year Percent Change in State Spending: 16.1 percent

FY = fiscal year. The state's fiscal (or budget) year runs from July through June.

The principal amount of the proposed bonded debt is limited to \$3.5 billion. The maximum state repayment cost is \$5.2 billion. Annual principal and interest payments are not limited by the measure in any given year, but are expected to average up to \$260 million per year over a maximum of 20 years.

As of June 30, 2018, there is no outstanding amount due on any state bonded debt.

# TITLE AND TEXT

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado revised statutes. The text of the measure that will appear in the Colorado revised statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

# Ballot Title:

SHALL STATE DEBT BE INCREASED \$3,500,000,000, WITH A MAXIMUM REPAYMENT COST OF \$5,200,000,000, WITHOUT RAISING TAXES OR FEES, BY A CHANGE TO THE COLORADO REVISED STATUTES REQUIRING THE ISSUANCE OF TRANSPORTATION REVENUE ANTICIPATION NOTES, AND, IN CONNECTION THEREWITH, NOTE PROCEEDS SHALL BE RETAINED AS A VOTER-APPROVED REVENUE CHANGE AND USED EXCLUSIVELY TO FUND SPECIFIED ROAD AND BRIDGE

EXPANSION, CONSTRUCTION, MAINTENANCE, AND REPAIR PROJECTS THROUGHOUT THE STATE?

#### Text of Measure:

Be it Enacted by the People of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, **add** part 11 to article 4 of title 43 as follows:

#### PART 11 FIX OUR DAMN ROADS

- 43-4-1101. Short Title. THE SHORT TITLE OF THIS ACT IS "FIX OUR DAMN ROADS."
- **43-4-1102.** Legislative declaration. (1) THE PEOPLE OF THE STATE OF COLORADO FIND AND DECLARE THAT:
- (a) COLORADO'S ELECTED OFFICIALS HAVE DECREASED FUNDING FOR THE CORE GOVERNMENTAL FUNCTION OF ROAD AND BRIDGE CONSTRUCTION, MAINTENANCE AND REPAIR OVER THE LAST DECADE; AND
- (b) WITHOUT RAISING TAXES OR FEES, THE SALE OF ADDITIONAL REVENUE ANTICIPATION NOTES SHOULD BE AUTHORIZED IN THE AMOUNT OF THREE BILLION FIVE HUNDRED MILLION DOLLARS WITH THE PROCEEDS TO BE SPENT SOLELY ON ROAD AND BRIDGE EXPANSION, CONSTRUCTION, MAINTENANCE AND REPAIR ON THE STATEWIDE PROJECTS LISTED IN THIS PART 11 TO ACCELERATE COMPLETION OF THOSE PROJECTS, THAT THE PRINCIPAL AND INTEREST ON THE BORROWED MONEY SHOULD BE PAID OUT OF THE STATE BUDGET AS PROVIDED IN THIS PART 11, THAT THE BORROWED MONEY AND THE INTEREST BE EXCLUDED FROM THE STATE'S SPENDING LIMIT, AND FINALLY THAT THE EXECUTIVE BRANCH AGENCIES BE PROHIBITED FROM TRANSFERRING THESE PROCEEDS TO ANY OTHER PROGRAMS OR PURPOSES.
- **43-4-1103. Revenue Anticipation Notes.** As soon as possible after the effective date of this part 11, but no later than July 1, 2019, the executive director of the Department of Transportation shall issue revenue anticipation notes in a maximum amount of three billion five hundred million dollars with a maximum repayment cost of five billion two hundred million dollars. The maximum repayment term for any notes shall be twenty years, and the certificate, trust indenture or other instrument authorizing their issuance shall provide that the state may pay the notes in full before the end of the specified payment term without penalty. These purposes can be achieved without raising taxes.
- **43-4-1104.** Required Action by the general assembly. WITHOUT RAISING TAXES OR FEES, COMMENCING AS SOON AS POSSIBLE AFTER THE EFFECTIVE DATE OF THIS PART 11, ON OR BEFORE JULY 1, 2019, AND ON OR BEFORE JULY 1 OF EACH YEAR THEREAFTER UNTIL THE NOTES ARE PAID IN FULL, THE GENERAL ASSEMBLY SHALL IDENTIFY AND APPROPRIATE IN EACH FISCAL YEAR SUFFICIENT FUNDS FOR THE REPAYMENT COST OF THE NOTES UNTIL THE NOTES ARE PAID IN FULL. ANY ANNUAL APPROPRIATIONS MADE BY THE GENERAL ASSEMBLY SHALL BE MADE IN ACCORDANCE WITH LAW AND RULINGS ISSUED BY THE COLORADO SUPREME COURT.
- 43-4-1105. Restricted use of proceeds. The proceeds of such additional transportation revenue anticipation notes shall be excluded from state fiscal year spending limits and shall be used exclusively for road and bridge expansion, construction, maintenance and repair and shall not be used for transit, administration or indirect costs and expenses. The proceeds distributed hereunder shall be in addition to any revenue appropriated or dedicated for road and bridge expansion, construction, maintenance and repair. The proceeds shall be used only for the projects identified in this part 11 and for costs directly related to such projects including planning, engineering, environmental assessments, as well as procurement and administrative costs. The executive branch shall not transfer the proceeds to any other programs or for other purposes.
- **43-4-1106. Projects.** (1) THE COLORADO DEPARTMENT OF TRANSPORTATION AND THE TRANSPORTATION COMMISSION SHALL USE THE PROCEEDS DESCRIBED IN SECTION 43-4-1105 EXCLUSIVELY FOR THE FEDERAL AID TRANSPORTATION PROJECTS LISTED IN THIS SECTION:
  - (a) In the North Front Range Transportation Planning Region:

- (I) US 34 / US 85 INTERCHANGE RECONFIGURATION, IMPROVEMENTS TO THE SAFETY AND CAPACITY OF THE INTERCHANGE AND CORRIDOR IMPROVEMENTS BASED OFF HIGHWAY 85 PLANNING AND ENVIRONMENTAL LINKAGES; AND
- (II) I-25 NORTH, STATE HIGHWAY 7 TO STATE HIGHWAY 14, ADD A LANE IN EACH DIRECTION, INTERCHANGE RECONSTRUCTION, MAINLINE RECONSTRUCTION, SAFETY AND INTELLIGENT TRANSPORTATION SAFETY IMPROVEMENTS.
  - (b) In the Pikes Peak Transportation Planning Region:
- (I) STATE HIGHWAY 21, CONSTITUTION TO NORTH CAREFREE, CONSTRUCTION OF INTERIM CONTINUOUS FLOW INTERSECTION;
- (II) US 24 WEST, I-25 TO WOODLAND PARK, DRAINAGE AND INTERSECTION IMPROVEMENTS ON US 24 FROM I-25 TO WOODLAND PARK;
  - (III) I-25 SOUTH, WIDENING S. ACADEMY TO CIRCLE/LAKE, WIDENING OF ROADWAY TO SIX LANES; AND
- (IV) STATE HIGHWAY 21, RESEARCH PARKWAY INTERCHANGE, CONSTRUCTION OF NEW GRADE-SEPARATED INTERCHANGE AT STATE HIGHWAY 21 AND RESEARCH PARKWAY.
  - (c) In the Pueblo Area Transportation Planning Region:
- (I) US 50B, WIDEN TO FOUR LANES, SHOULDERS, PASSING LANES AND OTHER SAFETY IMPROVEMENTS TO THE KANSAS BORDER; AND
  - (II) US 50, WEST OF PUEBLO, WIDEN THE DIVIDED HIGHWAY FROM TWO LANES TO THREE LANES.
- (d) IN THE SOUTHEAST TRANSPORTATION PLANNING REGION: US 287 LAMAR RELIEVER ROUTE, CONSTRUCTION OF RELIEVER ROUTE, REALIGNMENT OF US 50 TO FUTURE US50/US 287 INTERCHANGE.
  - (e) In the Upper Front Range Transportation Planning Region:
- (I) I-76, FORT MORGAN TO BRUSH, PHASE 4 RECONSTRUCTION OF ROADWAY AND INTERCHANGES BETWEEN FT. MORGAN AND BRUSH;
- (II) I-76, FORT MORGAN TO BRUSH, PHASE 5 RECONSTRUCTION OF ROADWAY AND INTERCHANGES BETWEEN FT. MORGAN AND BRUSH; AND
  - (III) STATE HIGHWAY 52 INTERCHANGE IN HUDSON, RECONSTRUCTION OF INTERCHANGE.
  - (f) In the Greater Denver Area Transportation Planning Region:
- (I) I-25 SOUTH, MONUMENT TO CASTLE ROCK, EXPAND CAPACITY MONUMENT TO CASTLE ROCK AS OUTLINED IN PLANNING AND ENVIRONMENTAL LINKAGES STUDY;
- (II) I-25 CENTRAL, SANTA FE TO ALAMEDA, VALLEY HIGHWAY PHASE 2.0 IMPROVEMENTS, COMPLETE ALAMEDA INTERCHANGE INCLUDING RECONSTRUCTION OF LIPAN, RECONSTRUCTION OF ALAMEDA BRIDGE OVER THE SOUTH PLATTE AND FINALIZE RAMP CONFIGURATION;
- (III) I-25, VALLEY HIGHWAY PHASE 3.0, SANTA FE TO BRONCO ARCH, REPLACEMENT OF BRIDGES AND INTERCHANGES AND ROADWAY WIDENING, CONGESTION RELIEF, SAFETY, AND MOBILITY IMPROVEMENTS;
- (IV) US 85, WIDENING FROM C-470 TO I-25 IN CASTLE ROCK (LOUVIERS TO MEADOWS), RECONSTRUCTION OF TWO LANE ROADWAY TO FOUR LANES WITH A DIVIDED MEDIAN AND ACCELERATION/DECELERATION LANES AND FOOTTRAIL;
  - (V) STATE HIGHWAY 66 CORRIDOR IMPROVEMENTS WEST, WIDENING, SAFETY, AND INTERSECTION IMPROVEMENTS:
  - (VI) STATE HIGHWAY 119, EXPAND CAPACITY;

- (VII) I-25 NORTH, US 36 TO 120TH, IMPROVEMENTS ON I-25 BETWEEN US 36 AND 120TH. POTENTIAL IMPROVEMENTS INCLUDE AUXILIARY LANES, ADDITIONAL LANE BETWEEN 84TH AVE. AND THORNTON PARKWAY AND RECONSTRUCTION OF 88TH AVE. BRIDGE;
- (VIII) I-25 NORTH, US 36 TO STATE HIGHWAY 7, TOLLED EXPRESS LANE IMPROVEMENTS, EXPAND TOLLED EXPRESS LANES FROM CURRENT PLANNED END AT E-470 TO STATE HIGHWAY 7;
- (IX) I-70 WEST, WESTBOUND PEAK PERIOD SHOULDER LANE, MIRROR EASTBOUND PEAK PERIOD SHOULDER LANE FROM TWIN TUNNELS (EXIT 241) TO EMPIRE JUNCTION;
- (X) I-70 WEST, FLOYD HILL, RECONSTRUCT WESTBOUND BRIDGE AT KERMIT'S AND CONSTRUCT THIRD LANE DOWN FLOYD HILL TO BRIDGE. CONSTRUCTION OF THIRD LANE TO TWIN TUNNELS, EITHER PEAK PERIOD SHOULDER LANES OR PERMANENT:
- (XI) I-225, I-25 TO YOSEMITE, COMPLETE NATIONAL ENVIRONMENTAL POLICY ACT DESIGN, REMOVING BOTTLENECK AT YOSEMITE, RAMPS, LANES, INTERCHANGES AND BRIDGE REPLACEMENT AT ULSTER;
- (XII) I-270, WIDENING FROM I-76 TO I-70, RECONSTRUCTION TO IMPROVE CAPACITY, SAFETY, AND ECONOMIC COMPETITIVENESS. CAPACITY IMPROVEMENTS, REPLACEMENT OF BRIDGES, AND RECONSTRUCT CONCRETE PAVEMENT;
- (XIII) US 6, WADSWORTH INTERCHANGE, RECONSTRUCT INTERCHANGE TO IMPROVE SAFETY AND RELIEVE CONGESTION;
- (XIV) I-270/US 85, I-270 TO 62ND AVE. INTERCHANGE, RECONSTRUCT INTERCHANGE AT I-270 INTERSECTION AT 60TH AVE. TO IMPROVE SAFETY AND CAPACITY;
- (XV) 104TH GRADE SEPARATION, CONSTRUCTION OF GRADE SEPARATED INTERCHANGE AT 10TH AND 104TH/US 85 AND RAILROAD CROSSING GRADE SEPARATION;
- (XVI) 120TH GRADE SEPARATION, CONSTRUCTION OF A GRADE SEPARATED INTERCHANGE AT 120TH AND US 85/RAILROAD CROSSING GRADE SEPARATION 120TH; AND
- (XVII) US 285, RICHMOND HILL TO SHAFFER'S CROSSING, WIDEN ROADWAYTO FOUR LANES WITH MEDIAN AND CONSTRUCTION OF GRADE SEPARATED INTERCHANGE AT KING'S VALLEY.
  - (g) In the Central Front Range Transportation Planning Region:
  - (I) STATE HIGHWAY 67, DIVIDE TO VICTOR, SHOULDER WIDENING AND SAFETY IMPROVEMENTS;
  - (II) STATE HIGHWAY 115, REPLACE AND WIDEN ROCK CREEK BRIDGE; AND
  - (III) US 285, FAIRPLAY TO RICHMOND HILL, ADDITION OF PASSING LANES AND SHOULDER IMPROVEMENTS.
  - (h) In the Intermountain Transportation Planning Region:
  - (I) I-70, GARFIELD COUNTY/NEW CASTLE INTERCHANGE UPGRADE;
- (II) I-70 WEST, G SPUR ROAD (EDWARDS INTERCHANGE), PHASE 2 OF EDWARDS INTERCHANGE; INTERCHANGE AND INTERSECTION IMPROVEMENTS;
- (III) STATE HIGHWAY 9, FRISCO NORTH, COMPLETION OF CORRIDOR INCLUDING MINIMAL WIDENING, WATER QUALITY AND DRAINAGE IMPROVEMENTS. AND TWO INTERCHANGE IMPROVEMENTS:
  - (IV) STATE HIGHWAY 13, RIFLE NORTH, CONSTRUCTION UPGRADES;
- (V) I-70 WEST, VAIL PASS AUXILIARY LANES AND WILDLIFE OVERPASS, COMPLETE NATIONAL ENVIRONMENTAL POLICY ACT DESIGN AND PRELIMINARY ENGINEERING FOR RECOMMENDED THIRD LANE (BOTH DIRECTIONS) TO INCREASE SAFETY AND MOBILITY. INSTALL PERMANENT WATER QUALITY FEATURES, AND WIDEN ROADWAY;

- (VI) I-70 WEST, EXIT 203 INTERCHANGE IMPROVEMENTS,
- (VII) 1-70 WEST, FRISCO TO SILVERTHORNE AUXILIARY LANE, IMPROVEMENTS AND UPGRADES; AND
- (VIII) I-70 WEST, SILVERTHORNE INTERCHANGE, RECONSTRUCTION OF EXIT 205 INTERCHANGE AND RELATED IMPROVEMENTS FOR FOUR RAMPS.
  - (i) In the Northwest Transportation Planning Region:
  - (I) US 40, KREMMLING EAST AND WEST, PHASED ADDITION OF SHOULDERS AND PASSING LANES ON 14 MILES;
  - (II) US 40, FRASER TO WINTER PARK, CAPACITY IMPROVEMENTS (FOUR LANE FACILITY).
  - (i) IN THE GRAND VALLEY TRANSPORTATION PLANNING REGION:
- (I) I-70, Business Loop, I-70B widening; complete reconstruction and widening to meet current geometric design standards and improve safety, drainage and accesses along the corridor; add lanes in each direction to make a three-lane roadway section and reconstruct frontage roads 5th Street to Exit 26 corridor, new capacity;
- (II) I-70, PALISADE TO DEBEQUE, RECONSTRUCTION WITH REALIGNMENT OF CURVES AND OTHER SAFETY IMPROVEMENTS;
- (III) US 6 IMPROVEMENTS MESA COUNTY, COMPLETION OF INTERSECTION STUDIES AND PRELIMINARY ENGINEERING FOR SAFETY AND MOBILITY THROUGHOUT THE CORRIDOR; INTERSECTION, SHOULDERS, AND OTHER SAFETY AND MOBILITY IMPROVEMENTS AT SPECIFIED LOCATIONS THROUGHOUT THE CORRIDOR; AND
  - (IV) STATE HIGHWAY 340, SAFETY AND CAPACITY IMPROVEMENTS INCLUDING INTERSECTION IMPROVEMENTS.
  - (k) In the Eastern Transportation Planning Region:
  - (I) I-70 EAST, REPLACEMENT OF ALKALI-SILICA REACTIVITY PAVEMENT AND ASSOCIATED SAFETY IMPROVEMENTS; AND
- (II) US 385 SAFETY IMPROVEMENTS, INTERSECTION, SHOULDERS, AND OTHER SAFETY IMPROVEMENTS AT SPECIFIED LOCATIONS.
  - (I) IN THE SOUTHWEST TRANSPORTATION PLANNING REGION:
- (I) US 160 MOBILITY IMPROVEMENTS, CORRIDOR IMPROVEMENTS, PASSING LANES, AND SHOULDER WIDENING AT SELECT LOCATIONS;
  - (II) US 160 TOWAOC, ADDITION OF PASSING LANES AND VEHICLE TURNOUTS;
  - (III) US 160 ELMORE'S EAST, COMPLETION OF SPECIFIED IMPROVEMENTS;
- (IV) US 160 PAGOSA, RECONSTRUCTION TO CORRECT WHEEL RUTTING AND ADDITION OF PEDESTRIAN FACILITIES FOR SAFETY:
- (V) US 550 SOUTH, SUNNYSIDE, MAJOR RECONSTRUCTION REQUIRING WIDENING TO A FOUR-LANE ROADWAY, INCLUDING EARTHWORK, DRAINAGE, IRRIGATION, UTILITIES, PAVING, PEDESTRIAN BRIDGE, SOUND WALL, ANIMAL CROSSINGS:
- (VI) US 550 CORRIDOR SOUTH, GAP RECONSTRUCTION TO FOUR LANES, INCLUDING DRAINAGE, UTILITIES, ANIMAL CROSSINGS, AND INTERSECTION IMPROVEMENTS;
- (VII) US 550/US 160 CONNECTION, COMPLETE THE CONNECTION OF US 550 TO US 160 AT THE GRANDVIEW INTERCHANGE; AND

- (VIII) US 550/US 160 CONNECTION, FINALIZE PRE-CONSTRUCTION, PURCHASE REQUIRED RIGHT-OF-WAY, COMPLETE FINAL DESIGN AND PREPARE ADVERTISEMENT.
- (m) IN THE SAN LUIS VALLEY TRANSPORTATION PLANNING REGION, US 50 SAFETY AND MOBILITY IMPROVEMENTS BETWEEN SALIDA AND COALDALE, ADDITION OF PASSING LANES AND VEHICLE TURNOUTS.
  - (n) IN THE GUNNISON VALLEY TRANSPORTATION PLANNING REGION:
- (I) US 50 LITTLE BLUE CANYON, RECONSTRUCTION AND WIDENING OF EXISTING ROADWAY TEMPLATE TO MEET CURRENT GEOMETRIC DESIGN STANDARDS AND IMPROVE ROADSIDE SAFETY, DRAINAGE AND ACCESS ALONG THE CORRIDOR; ADDITION OF PASSING LANES AND MITIGATION OF GEOHAZARD LANDSLIDE WITHIN THE PROJECT LIMITS; PHASED IMPLEMENTATION;
- (II) US 550 SAFETY IMPROVEMENTS, SPECIFIED STUDY TO REVIEW INTERSECTION IMPROVEMENTS. US 550 REGION 3 ONLY:
- (III) US 550 UNCOMPAHGRE RIVER AND COLONA, ADDITION OF SHOULDERS BETWEEN UNCOMPAHGRE RIVER AND COLONA (BILLY CREEK); CONSTRUCTION OF DEER FENCING AND ANIMAL UNDERPASSES; AND
- (IV) STATE HIGHWAY 92, SAFETY IMPROVEMENTS INCLUDING RECONSTRUCTION OF THE SURFACE, ADDITION OF 4-8' PAVED SHOULDERS ACROSS ROGERS MESA, AND OTHER SAFETY IMPROVEMENTS INCLUDING ACCESS AND INTERSECTION IMPROVEMENTS.
- (o) IN THE SOUTH CENTRAL TRANSPORTATION PLANNING REGION, I-25, STATE HIGHWAY 10/STATE HIGHWAY 160, INTERCHANGE RECONSTRUCTION AT WALSENBURG.
  - (p) US 85 CORRIDOR IMPROVEMENTS, SAFETY, INTERSECTION AND INTERCHANGE IMPROVEMENTS.
- **43-4-1107. Effective Date** This part 11 shall become effective upon proclamation by the governor and shall be self-executing.

# Proposition 110 Authorize Sales Tax and Bonds for Transportation Projects

# <u>ANALYSIS</u>

# Proposition 110 proposes amending the Colorado statutes to:

- increase the state's sales and use tax rate from 2.9 percent to 3.52 percent for 20 years;
- distribute the new tax revenue for transportation as follows: 45 percent to the state; 40 percent to local governments; and 15 percent for multimodal transportation projects; and
- permit the state to borrow up to \$6.0 billion for transportation projects and limit the total repayment amount, including principal and interest, to \$9.4 billion over 20 years.

# **Summary and Analysis**

This analysis outlines state highway funding and the state sales and use tax under current law. In addition, it describes the sales and use tax increase and the bond sale and repayment authorized by the measure.

**Current state highway funding.** Maintenance and construction of state highways are funded through the Colorado Department of Transportation (CDOT). CDOT receives most of its revenue from federal and state gasoline and diesel fuel taxes and from state vehicle registration fees, as shown in Figure 1. For state budget year 2017-18, CDOT spent approximately \$1.2 billion, or roughly 85 percent of its revenue, on state highway maintenance and operations and \$220.5 million, or 15 percent, on construction.

Figure 1. State Transportation Funding Sources and Uses
Budget Year 2017-18

<b>Sources</b>	<b>Uses</b>
Total: \$1.4 Billion	Total: \$1.4 Billion
Other*	Construction
\$241.8 million	\$220.5 million
Federal Gas Tax	Maintenance
\$526.8 million	\$875.5 million
Registration Fees \$339.5 million	
State Gas Tax	Operations
\$321.6 million	\$333.6 million

Source: Colorado Department of Transportation.

\*Other funding sources including federal grants, tolls, and other state and

local funds.

**Sales and use tax.** The state sales tax is paid on the purchase price of most items. Some items are exempt, such as food bought at grocery stores, prescription drugs, household utilities, and gasoline. The tax applies to some services, including telephone service, food and drink service at restaurants and bars, and short-term lodging. The state use tax is paid when sales tax was due but not collected. In addition to the state's 2.9 percent rate, most cities and counties also have sales and use taxes. Combined state and local sales tax rates in Colorado range from 2.9 percent to 11.2 percent, depending on where a purchase is made.

**Amount of the tax increase.** Beginning January 1, 2019, the measure increases the state sales tax rate from 2.9 percent to 3.52 percent for 20 years. The measure is estimated to raise about \$767 million in the first year that it applies. Table 1 provides examples of estimated state sales taxes paid currently and under Proposition 110 based on family income. Under the measure, the average amount of sales tax paid by a Colorado family with an average income of \$74,374 is estimated to increase by \$131.

Table 1. Estimated Average Annual State Sales Taxes Due Under Current Law and Proposition 110\*

	<b>Current Law</b>	<b>Under Proposition 110</b>	
Family Income	State Sales Tax Paid (2.9%)	Tax Increase (0.62%)	Total State Sales Tax Paid (3.52%)
\$6,495	\$197	\$42	\$239
\$13,143	\$235	\$50	\$285
\$24,015	\$359	\$77	\$436
\$42,272	\$459	\$98	\$557
\$74,374	\$611	\$131	\$742
\$83,473	\$730	\$156	\$886
\$190,232	\$1,171	\$250	\$1,421

Source: Colorado Department of Revenue, 2016 Tax Profile & Expenditure Report. \*Estimates are for Colorado households and exclude other taxpayers, such as tourists and businesses.

**Use of new tax revenue for transportation.** The additional tax revenue collected under Proposition 110 is dedicated to the following uses:

- 45 percent to CDOT for state transportation projects, including debt repayment;
- 40 percent to local governments for transportation projects; and
- 15 percent for multimodal transportation projects.

The state's share of the additional tax revenue will be spent by CDOT on state transportation projects that address safety, maintenance, and congestion and to repay borrowing under this measure for transportation projects. The Transportation Commission, an 11-member body appointed by the Governor to prioritize statewide transportation needs, will determine the use of these funds.

The local share of the additional revenue will be distributed to every city and county for transportation projects based on an existing formula in state law.

The additional tax revenue identified for multimodal transportation projects will mostly be spent by local governments. Multimodal transportation provides additional transportation options and includes bike paths, sidewalks, and public transit, such as buses, rail, and rides for the elderly and disabled.

**Bond sale and repayment.** Proposition 110 permits CDOT to borrow up to \$6.0 billion by selling transportation revenue bonds. The total repayment amount, including principal and interest, is limited to \$9.4 billion over 20 years, and the state must reserve the right to repay the bonds ahead of schedule without penalty. Assuming the repayment schedule is for the full \$9.4 billion over 20 years, the average annual repayment cost will be \$470 million. Actual repayment amounts will vary depending on the terms of the revenue bonds. The measure creates a citizen oversight commission to annually report on the use of the bond proceeds.

**Past bond sale and repayment for transportation projects.** In 1999, voters approved the sale of \$1.5 billion worth of bonds for transportation projects. The state was required to use the borrowed money to pay for up to 24 transportation projects across the state. Repayment costs for the 1999 bonds totaled \$2.3 billion. The debt was fully repaid through various state and federal sources in December 2016.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: http://www.sos.state.co.us/pubs/elections/Initiatives/Initiatives/Home.html

# **Arguments For**

- 1) Colorado's highways are deteriorating, and the cost of improvements continues to increase. The state needs to invest immediately in its infrastructure and cannot afford to expand and modernize its transportation system without a new revenue source. Colorado needs a modern transportation system that includes road, bus, bike, pedestrian, and rail options to address its growing population. This measure creates a flexible statewide transportation solution, and it lets local communities identify their own transportation projects and prioritize their most urgent needs.
- 2) Proposition 110 creates a sustainable source of funding for Colorado's transportation needs. Colorado's highway costs outpace collections from the gas tax. This measure offers a way for the state to increase transportation funding and repay bonds. This new, dedicated revenue for transportation will allow the state to continue to meet its obligations to fund education, health programs, and public safety while also investing heavily in Colorado's roads.

# **Arguments Against**

- 1) Proposition 110 raises taxes for a fundamental government service that should be fully funded through the state budget. Any shortfall in transportation funding is a result of prioritizing state spending in other areas of government. The state can fund roads with the money it collects in taxes, rather than resorting to expensive borrowing. Additionally, this measure dedicates too much revenue to multimodal transportation, money that should be used exclusively for road repair and improvement. The majority of the workforce use their personal vehicles to commute daily and depend on quality road and highway maintenance.
- 2) Sales taxes, which are already high, provide a poor method of funding transportation. The total sales tax rate exceeds 10 percent in some areas of Colorado. Raising the state sales tax disproportionately affects low-income individuals because they must spend a larger share of their budget buying taxable necessities.

#### **Estimate of Fiscal Impact**

Proposition 110 makes changes to transportation finance over 20 years. Its effects on state and local government revenue and expenditures are summarized below.

**State revenue.** This measure increases sales and use tax revenue by \$366.0 million (half-year impact) in state budget year 2018-19, and by \$766.7 million in state budget year 2019-20. The sales and use tax revenue increase continues for 20 years. In addition, the measure authorizes CDOT to sell bonds, increasing revenue by up to \$6.0 billion over three years.

**State expenditures.** This measure will increase expenditures equal to the amount of revenue described above for construction and maintenance of transportation projects, and debt service. The measure commits up to \$9.4 billion to the repayment of debt.

**Local government revenue and expenditures.** The measure increases state distributions to local governments for transportation projects by \$146.4 million (half-year impact) in state budget year 2018-19, and by \$306.7 million in state budget year 2019-20. These increases continue for 20 years.

# State Spending, Tax Increases, and Bonded Debt

Article X, Section 20, of the Colorado constitution requires that the following fiscal information be provided when a tax increase and bonded debt question is on the ballot:

 estimates or actual amounts of state fiscal year spending for the current year and each of the past four years with the overall percentage and dollar change;

- for the first full year of the proposed tax increase, estimates of the maximum dollar amount of the tax increase and of state fiscal year spending without the increase;
- the principal amount and maximum annual and total state repayment cost of proposed bonded debt; and
- the principal balance of current state bonded debt and the maximum annual and remaining total repayment cost.

"Fiscal year spending" is a legal term in the Colorado constitution. It equals the amount of revenue subject to the constitutional spending limit that the state or a district is permitted to keep and either spend or save for a single year. Table 2 shows state fiscal year spending for the current year and each of the past four years.

Table 2. State Fiscal Year Spending

,	Actual FY 2014-15	Actual FY 2015-16	Actual FY 2016-17	Preliminary FY 2017-18	Estimated FY 2018-19	
Fiscal Year Spending	\$12.36 billion	\$12.82 billion	\$12.89 billion	\$13.70 billion	\$14.35 billion	
Four-Year Dollar Change in State Spending: \$1.99 billion						
Four-Year Percent Change in State Spending: 16.1 percent						

FY = fiscal year. The state's fiscal (or budget) year runs from July through June.

Table 3 shows the revenue expected from the sales tax increase for FY 2019-20, the first full fiscal year for which the tax increase would be in place, and an estimate of state fiscal year spending without the tax increase.

Table 3. Estimated State Fiscal Year Spending and the Proposed Sales Tax Increase

	FY 2019-20 Estimate
Fiscal Year Spending Without the Sales Tax Increase	\$17.2 billion
Revenue from the Sales Tax Increase	\$766.7 million

The principal amount of the proposed bonded debt is limited to \$6.0 billion. The maximum state repayment cost is \$9.4 billion. Annual principal and interest payments are not limited by the measure in any given year, but are expected to average up to \$470 million per year over a maximum of 20 years.

As of June 30, 2018, there is no outstanding amount due on any state bonded debt.

#### **TITLE AND TEXT**

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

SHALL STATE TAXES BE INCREASED \$766,700,000 ANNUALLY FOR A TWENTY-YEAR PERIOD, AND STATE DEBT SHALL BE INCREASED \$6,000,000,000 WITH A MAXIMUM REPAYMENT COST OF \$9,400,000,000, TO PAY FOR STATE AND LOCAL TRANSPORTATION PROJECTS, AND, IN CONNECTION THEREWITH, CHANGING THE COLORADO REVISED STATUTES TO: 1) INCREASE THE STATE SALES

AND USE TAX RATE BY 0.62% BEGINNING JANUARY 1, 2019; REQUIRING 45% OF THE NEW REVENUE TO FUND STATE TRANSPORTATION SAFETY, MAINTENANCE, AND CONGESTION RELATED PROJECTS, 40% TO FUND MUNICIPAL AND COUNTY TRANSPORTATION PROJECTS, AND 15% TO FUND MULTIMODAL TRANSPORTATION PROJECTS, INCLUDING BIKE, PEDESTRIAN, AND TRANSIT INFRASTRUCTURE; 2) AUTHORIZE THE ISSUANCE OF ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES TO FUND PRIORITY STATE TRANSPORTATION MAINTENANCE AND CONSTRUCTION PROJECTS, INCLUDING MULTIMODAL CAPITAL PROJECTS; AND 3) PROVIDE THAT ALL REVENUE RESULTING FROM THE TAX RATE INCREASE AND PROCEEDS FROM ISSUANCE OF REVENUE ANTICIPATION NOTES ARE VOTER-APPROVED REVENUE CHANGES EXEMPT FROM ANY STATE OR LOCAL REVENUE, SPENDING, OR OTHER LIMITATIONS IN LAW?

#### Text of Measure:

Be it enacted by the People of the State of Colorado:

#### SECTION 1. Legislative declaration. (1) The voters of the state of Colorado hereby find and declare that:

- (a) It is critical to construct, improve, and maintain transportation infrastructure throughout the state in order to meet the demands created by both current and future statewide economic expansion and population growth;
- (b) Sufficient, sustainable, steady, and dedicated funding streams are needed to fund the critical transportation infrastructure construction, improvement, and maintenance that will allow the statewide transportation system to meet both current and future demands;
- (c) Current sources of dedicated transportation funding are not generating enough revenue to fund current and future transportation infrastructure needs throughout the state. The state last increased the rates of the taxes on gasoline and special fuel, the largest source of dedicated transportation funding, in the early 1990s, and these taxes do not increase with inflation. As a result, the declining purchasing power of the revenue generated by these taxes has prevented the state's transportation budget from keeping pace with the growing transportation infrastructure needs throughout the state.
- (d) An additional source of voter-approved funding for transportation is needed to meet statewide transportation infrastructure funding needs.
- (2) The voters further find and declare that all new voter-approved transportation funding will be spent throughout the state to:
- (a) Address poor road and bridge conditions like potholes and rough pavement that damage vehicles, require vehicle owners to pay for expensive vehicle repairs, and increase costs for Colorado families;
- (b) Reconstruct and rehabilitate state highways to better maintain them and prevent and avoid costly future repairs;
  - (c) Support local government efforts to fund local transportation projects that are critical for their communities;
  - (d) Improve highways to increase their capacity and accommodate population growth;
  - (e) Provide additional seasonal maintenance on state highways;
  - (f) Address increased traffic congestion through multimodal transportation options;
- (g) Allow the state's growing population of seniors to age in place and provide greater mobility for persons with disabilities; and
- (h) Invest in the economic future of the state by providing a modern multimodal statewide transportation system that will support and strengthen the economy of the state and attract more businesses and employers to the state.

**SECTION 2.** In Colorado Revised Statutes, 39-26-105, **amend** (1)(a)(I)(A) as follows:

**SECTION 2.** In Colorado Revised Statutes, 39-26-105, **amend** (1)(a)(I)(A) as follows:

**39-26-105. Vendor liable for tax - repeal.** (1) (a) (I) (A) Except as provided in sub-subparagraph (B) of this subparagraph (I) and in subparagraph (II) of this paragraph (a) Subsections (1)(a)(I)(B) AND (1)(a)(II) OF THIS SECTION, every retailer shall, irrespective of the provisions of section 39-26-106, be liable and responsible for the payment of an amount equivalent to two and ninety one-hundredths percent of all sales made on or after January 1, 2001, BUT BEFORE JANUARY 1, 2019, AND ON AND AFTER JANUARY 1, 2039, AND AN AMOUNT EQUAL TO THREE AND FIFTY-TWO ONE-HUNDREDTHS PERCENT OF ALL SALES MADE ON AND AFTER JANUARY 1, 2019, BUT BEFORE JANUARY 1, 2039, by the retailer of commodities or services as specified in section 39-26-104.

**SECTION 3.** In Colorado Revised Statutes, 39-26-106, **amend** (1) as follows:

- **39-26-106.** Schedule of sales tax. (1) (a) (I) Except as otherwise provided in subparagraph (II) of this paragraph (a), SUBSECTION (1)(a)(II) OF THIS SECTION, there is imposed upon all sales of commodities and services specified in section 39-26-104 a tax at the rate of three-TWO AND NINETY ONE-HUNDREDTHS percent of the amount of the sale, to be computed in accordance with schedules or systems approved by the executive director of the department of revenue. Said-THE schedules or systems shall be designed so that no such-tax is charged on any sale of seventeen cents or less.
- (II) On and after January 1, 2001–JANUARY 1, 2019, BUT BEFORE JANUARY 1, 2039, IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (1)(a)(I) OF THIS SECTION, there is imposed upon all sales of commodities and services specified in section 39-26-104 a tax at the rate of two and ninety-SIXTY-TWO one-hundredths percent of the amount of the sale to be computed in accordance with schedules or systems approved by the executive director of the department of revenue; EXCEPT THAT THE TAX IS NOT IMPOSED ON SALES OF AVIATION FUELS USED IN TURBO-PROPELLER OR JET ENGINE AIRCRAFT. Said-THE schedules or systems shall be designed so that no such-tax is charged on any sale of seventeen cents or less.
- (b) Notwithstanding the three percent rate provisions of paragraph (a) of this subsection (1), for the period May 1, 1983, through July 31, 1984, the rate of the tax imposed pursuant to this subsection (1) shall be three and one-half percent.

**SECTION 4.** In Colorado Revised Statutes, **amend** 39-26-112 as follows:

**39-26-112.** Excess tax - remittance. If any-A vendor, during any reporting period, collects as a tax an amount in excess of three percent of all taxable sales made prior to January 1, 2001, and two and ninety one-hundredths percent of all taxable sales made on or after January 1, 2001, such-BUT BEFORE JANUARY 1, 2019, AND ON AND AFTER JANUARY 1, 2039, OR COLLECTS AS A TAX AN AMOUNT IN EXCESS OF THREE AND FIFTY-TWO HUNDREDTHS PERCENT OF ALL TAXABLE SALES MADE ON OR AFTER JANUARY 1, 2019, BUT BEFORE JANUARY 1, 2039, THE vendor shall remit to the executive director of the department of revenue the full net amount of the tax imposed in this part 1 and also such-THE excess. The retention by the retailer or vendor of any excess of tax collections over the APPLICABLE percentage of the total taxable sales of such-THE retailer or vendor or the intentional failure to remit punctually to the executive director the full amount required to be remitted by the provisions of this part 1 is declared to be unlawful and constitutes a misdemeanor.

SECTION 5. In Colorado Revised Statutes, 39-26-123, amend (3); and add (7) as follows:

- **39-26-123.** Receipts disposition transfers of general fund surplus sales tax holding fund creation definitions. (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7) OF THIS SECTION, for any state fiscal year commencing on or after July 1, 2013, the state treasurer shall credit eighty-five percent of all net revenue collected under the provisions of this article ARTICLE 26 to the old age pension fund created in section 1 of article XXIV of the state constitution. The state treasurer shall credit to the general fund the remaining fifteen percent of the net revenue, less ten million dollars, which the state treasurer shall credit to the older Coloradans cash fund created in section 26-11-205.5 (5). C.R.S.
- (7) (a) The state treasurer shall credit the NET revenue collected under the provisions of this article 26 that is attributable to the additional sales and use taxes levied pursuant to sections 39-26-106(1)(a)(II) and 39-26-202 (1)(b) as follows:
- (I) FORTY-FIVE PERCENT OF THE ANNUAL NET REVENUE COLLECTED DURING EACH STATE FISCAL YEAR TO THE STATE HIGHWAY FUND FOR ALLOCATION TO THE STATE AS SPECIFIED IN SECTION 43-4-206(4);

- (II) FIFTEEN PERCENT OF THE ANNUAL NET REVENUE COLLECTED DURING EACH STATE FISCAL YEAR TO THE MULTIMODAL TRANSPORTATION OPTIONS FUND AS SPECIFIED IN SECTION 43-1-106 (8)(t) AND SECTION 43-4-1103(1) AND (2); AND
- (III) FORTY PERCENT OF THE ANNUAL NET REVENUE COLLECTED DURINGEACH STATE FISCAL YEAR TO THE LOCAL TRANSPORTATION PRIORITIES FUND, WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY; EXCEPT THAT FIFTY PERCENT OF SUCH FUND SHALL BE ALLOCATED TO COUNTIES, PURSUANT TO SECTION 43-4-207(1) AND (2)(b), AND FIFTY PERCENT SHALL BE ALLOCATED TO CITIES AND COUNTIES, CITIES, AND INCORPORATED TOWNS, PURSUANT TO SECTION 43-4-208(1), (2)(b), (5) AND (6).
- (b) The voters hereby find and declare that because the sales and use tax revenue generated by the sales and use taxes levied pursuant to sections 39-26-106 (1)(a)(I) and 39-26-202 (1)(a) is sufficient to fully fund the old age pension fund as required by article XXIV of the state constitution, the state may constitutionally credit all revenue generated by the additional sales and use taxes levied pursuant to sections 39-26-106 (1)(a)(II) and 39-26-202 (1)(b) to the state highway fund, the local transportation priorities fund, and the multimodal transportation options fund in the manner specified in subsection (7)(a) of this section.
  - SECTION 6. In Colorado Revised Statutes, 39-26-202, amend (1)(a) and (1)(b); and repeal (2) as follows:
- **39-26-202.** Authorization of tax. (1) (a) Except as otherwise provided in paragraph (b) of this subsection (1) and in subsection (3) SUBSECTIONS (1)(b) AND (3) of this section, there is imposed and shall be collected from every person in this state a tax or excise at the rate of three TWO AND NINETY ONE-HUNDREDTHS percent of storage or acquisition charges or costs for the privilege of storing, using, or consuming in this state any articles of tangible personal property purchased at retail.
- (b) On and after January 1, 2001 JANUARY 1, 2019, BUT BEFORE JANUARY 1, 2039, IN ADDITION TO THE TAX IMPOSED UNDER SUBSECTION (1)(a) OF THIS SECTION, there is imposed and shall be collected from every person in this state a tax or excise at the rate of two and ninety-SIXTY-TWO one-hundredths percent of storage or acquisition charges or costs for the privilege of storing, using, or consuming in this state any articles of tangible personal property purchased at retail; EXCEPT THAT THE TAX OR EXCISE IS NOT IMPOSED ON STORAGE OR ACQUISITION CHARGES OR COSTS FOR THE PRIVILEGE OF STORING, USING, OR CONSUMING IN THIS STATE ANY AVIATION FUELS USED IN TURBO-PROPELLER OR JET ENGINE AIRCRAFT PURCHASED AT RETAIL.
- (2) Notwithstanding the three percent rate provisions of subsection (1) of this section, for the period May 1, 1983, through July 31, 1984, the rate of the tax imposed pursuant to this section shall be three and one-half percent.
  - **SECTION 7.** In Colorado Revised Statutes, **add** 39-26-202.5 as follows:
- **39-26-202.5 Effect of voter approval spending limitations.** Revenue from the temporary sales and use tax rate increase, authorized at the November, 2018 election and imposed in sections 39-26-106 (1)(a)(II) and 39-26-202 (1)(b), and proceeds of the additional transportation revenue anticipation notes, authorized at the November, 2018 election and issued pursuant to section 43-4-705 (13)(b), and earnings on such revenue and such proceeds shall be retained and spent by the state, cities and counties as voter-approved revenue changes and shall be exempt from all revenue, spending and other limitations under section 20 of article x of the constitution or any other law.
  - **SECTION 8.** In Colorado Revised Statutes, 39-28.8-501, **amend** (1) as follows:
- **39-28.8-501.** Marijuana tax cash fund creation distribution legislative declaration. (1) The marijuana tax cash fund, referred to in this part 5 as the "fund", is created in the state treasury. The fund consists of any applicable retail marijuana sales tax transferred pursuant to section 39-28.8-203 (1)(b) on or after July 1, 2014, and any revenues REVENUE transferred to the fund from any sales tax imposed pursuant to section 39-26-106 SECTION 39-26-106 (1)(a)(I) on the retail sale of products under articles 43.3 and 43.4 of title 12 C.R.S..SECTION 9. In Colorado Revised Statutes, 43-1-106, add (8)(t)(I) and (II) as follows:43-1-106. Transportation commission powers and duties repeal. (8) In addition to all other powers and duties imposed upon it by law, the commission has the following powers and duties:

- (t) TO DISTRIBUTE FUNDS WITHIN THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED UNDER 43-4-1103 IN THE FOLLOWING MANNER:
- (I) Upon allocation of the state's share of multimodal funding attributable to revenue from the temporary sales and use tax rate increase, authorized at the November, 2018 election and imposed in sections 39-26-106 (1)(a)(II) and 39-26-202 (1)(b), the commission shall evaluate and choose capital or operating costs for bustang, bustang outrider, or other inter-regional public transit; park-n-ride lots and transit stations; transportation demand management programs; multimodal mobility projects enabled by New Technology; planning and engineering studies needed to plan and construct multimodal projects; and capital or operating costs for bicycle and pedestrian projects that further the state's goals for multimodal transportation.
- (II) THE COMMISSION SHALL ESTABLISH A FORMULA FOR DISBURSEMENT OF THE REMAINING AMOUNT IN THE FUND, BASED ON POPULATION AND TRANSIT RIDERSHIP AND AFTER CONSULTATION WITH THE TRANSPORTATIONADVISORY COMMITTEE, THE TRANSIT AND RAIL ADVISORY COMMITTEE, TRANSIT ADVOCACY ORGANIZATIONS, AND BICYCLE AND PEDESTRIAN ADVOCACY ORGANIZATIONS. SUCH FUNDS SHALL BE EXPENDED ON CAPITAL OR OPERATING COSTS FOR FIXED ROUTE AND ON-DEMAND TRANSIT; TRANSPORTATION DEMAND MANAGEMENT PROGRAMS; MULTIMODAL MOBILITY PROJECTS ENABLED BY NEW TECHNOLOGY; STUDIES; AND BICYCLE OR PEDESTRIAN PROJECTS. SUCH FUNDS SHALL BE ALLOCATED TO:
- (A) METROPOLITAN PLANNING ORGANIZATIONS, WHICH SHALL SELECT PROJECTS TO BE FUNDED AND MANAGE SUCH FUNDS AS ARE ALLOCATED; AND
- (B) AS TO AREAS OF THE STATE WHERE NO METROPOLITAN PLANNING ORGANIZATION EXISTS, THE COMMISSION SHALL SELECT PROJECTS TO BE FUNDED AND MANAGE SUCH FUNDS AS ARE ALLOCATED.
- (III) RECIPIENTS OF THE FUNDS AS PROVIDED IN SUBSECTION (8)(t)(II) OF THIS SECTION SHALL PROVIDE A MATCH EQUAL TO THE AMOUNT OF THE AWARD OF MULTIMODAL OPTIONS FUNDS. THE COMMISSION MAY CREATE A FORMULA FOR REDUCING OR EXEMPTING AN OTHERWISE APPLICABLE REQUIREMENT FOR MATCHING FUNDS FOR LOCAL GOVERNMENTS OR AGENCIES THAT THE COMMISSION DETERMINES HAVE BUDGETS THAT FALL BELOW A THRESHOLD DETERMINED BY THE COMMISSION TO BE UNABLE TO PROVIDE A FULL MATCH DUE TO THEIR SIZE OR SPECIAL CIRCUMSTANCES AS DETERMINED BY THE COMMISSION. PRIOR TO DOING SO, THE COMMISSION MUST CONSULT WITH THE ORGANIZATIONS SET FORTH IN SUBSECTION (8)(t)(II) OF THIS SECTION.
- **SECTION 10.** In Colorado Revised Statutes, 43-4-206, **amend** (1) introductory portion, (2)(a), (2)(b), and (3); and **add** (4) as follows:
- **43-4-206. State allocation.** (1) Except as otherwise provided in subsection (2)-SUBSECTIONS (2), (3), AND (4) of this section, after paying the costs of the Colorado state patrol and such-ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as-THAT are appropriated by the general assembly, MONEY IN the highway users tax fund shall be paid to the state highway fund IN ACCORDANCE WITH SECTION 43-4-205 and shall be expended for the following purposes:
- (2) (a) Notwithstanding the provisions of subsection (1) of this section, the revenues—REVENUE accrued to and transferred to the highway users tax fund pursuant to section 39-26-123 (4)(a) or 24-75-219, C.R.S. or appropriated to the highway users tax fund pursuant to House Bill 02-1389, enacted at the second regular session of the sixty-third general assembly, and credited to the state highway fund pursuant to section 43-4-205 (6.5) shall be expended by the department of transportation for the implementation of the strategic transportation project investment program in the following manner:
- (I) No more than ninety percent of such revenues shall be expended for highway purposes or highway-related capital improvements, including, but not limited to, high occupancy vehicle lanes, park-and-ride facilities, and transportation management systems, and at least ten percent of such revenues shall be expended for transit purposes or for transit-related capital improvements.

- (II) (Deleted by amendment, L. 2000, p. 1741, § 1, effective June 1, 2000.)
- (b) Beginning in 1998, the department of transportation shall report annually to the transportation committee of the senate and the transportation and energy committee of the house of representatives concerning the revenues-REVENUE expended by the department pursuant to paragraph (a) of this subsection (2) SUBSECTION (2)(a) OF THIS SECTION AND, BEGINNING IN 2019, SUBSECTION (4) OF THIS SECTION. THE DEPARTMENT SHALL PRESENT THE report shall be presented at the joint meeting required under section 43-1-113 (9)(a) and THE REPORT shall describe for each fiscal year, if applicable:
- (I) The projects on which the revenues REVENUE credited to the state highway fund pursuant to paragraph (a) of this subsection (2) are SUBSECTIONS (2) AND (4) OF THIS SECTION IS to be expended, including the estimated cost of each project, the aggregate amount of revenue actually spent on each project, and the amount of revenue allocated for each project in such fiscal year. The department of transportation shall submit a prioritized list of such projects as part of the report.
  - (II) The status of such projects that the department has undertaken in any previous fiscal year;
- (III) The projected amount of revenue that the department expects to receive under this subsection (2) AND SUBSECTION (4) OF THIS SECTION during such-THE fiscal year;
  - (IV) The amount of revenue that the department has already received under this subsection (2) AND SUBSECTION (4) OF THIS SECTION during such-THE fiscal year; and
- (V) How the revenues REVENUE expended under this subsection (2) during such the fiscal year relate RELATES to the total funding of the TRANSPORTATION PROJECTS, INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE INCLUDED IN THE strategic transportation project investment program.
- (3) Notwithstanding the provisions of subsection (1) of this section, the revenues—THE REVENUE credited to the highway users tax fund pursuant to section 43-4-205 (6.3) shall be expended by the department of transportation only for road safety projects, as defined in section 43-4-803 (21); except that the department shall, in furtherance of its duty to supervise state highways and as a consequence in compliance with section 43-4-810, expend ten million dollars per year of the revenues for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, that enhance the safety of state highways for transit users.
- (4) FORTY-FIVE PERCENT OF THE ANNUAL NET REVENUE THAT IS ATTRIBUTABLE TO THE ADDITIONAL SALES AND USE TAXES LEVIED PURSUANT TO SECTIONS 39-26-106 (1)(a)(II) AND 39-26-202 (1)(b) AND THAT THE STATE TREASURER CREDITS TO THE STATE HIGHWAY FUND, AS REQUIRED BY SECTION 39-26-123 (7)(a), SHALL BE EXPENDED BY THE DEPARTMENT OF TRANSPORTATION AS FOLLOWS:
- (a) AS MUCH OF THE ANNUAL NET REVENUE AS IS NEEDED TO MAKE FULL PAYMENTS OF AMOUNTS ALLOCATED BY THE TRANSPORTATION COMMISSION ON AN ANNUAL BASIS PURSUANT TO SECTION 43-1-113, MUST BE EXPENDED TO MAKE PAYMENTS ON REVENUE ANTICIPATION NOTES ISSUED PURSUANT TO SECTION 43-4-705 (13)(b); AND
- (b) THE REMAINDER OF NET REVENUE UNDER THIS SUBSECTION (4), IF ANY, MUST BE EXPENDED ON PRIORITY MAINTENANCE AND PRIORITY CONSTRUCTION PROJECTS, INCLUDING MULTIMODAL CAPITAL PROJECTS, AS DETERMINED BY THE COMMISSION.
- (4.5) (a) THE DEPARTMENT OF TRANSPORTATION SHALL NOT EXPEND NET REVENUE THAT IS CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SUBSECTION (4) OF THIS SECTION TO SUPPORT TOLL HIGHWAYS.
- (b) THE DEPARTMENT SHALL NOT EXPEND SUCH NET REVENUE TO SUPPORT TOLL LANE CONSTRUCTION OR MAINTENANCE UNLESS:
- (I) A FEDERAL RECORD OF DECISION HAS BEEN ISSUED IN WHICH THE RECORD OF DECISION INCLUDED PLANNING STAGES IN WHICH THE DEPARTMENT SOLICITED AND RECEIVED MEANINGFUL PUBLIC PARTICIPATION AND INPUT;

- (II) TOLL REVENUE IS NOT COLLECTED FOR THE SINGULAR OR PRIMARY PURPOSE OF REVENUE GENERATION;
- (III) TOLL REVENUE COLLECTION IS UTILIZED AS A MECHANISM TO INCREASE TRAVEL TIME RELIABILITY AND MITIGATE CONGESTION;
- (IV) THE PROJECT CONTAINS ONE OR MORE MULTIMODAL OR ALTERNATIVE MODES OF TRAVEL FOR NONTOLL PAYING PERSONS, INCLUDING, BUT NOT LIMITED TO, BUS RAPID TRANSIT, INTERREGIONAL BUS SERVICE, LOCAL BUS SERVICE, OR HIGH-OCCUPANCY PASSENGER VEHICLES;
- (V) TOLL REVENUE REMAINS ON THE CORRIDOR IN WHICH IT WAS RAISED AND IS EXPENDED BY THE DEPARTMENT ONLY FOR MAINTENANCE, OPERATIONS, OR CONSTRUCTION OF MOBILITY IMPROVEMENTS; AND
- (VI) THE TOLL LANE IS CONSTRUCTED ADJACENT TO ONE OR MORE UNTOLLED LANES AND THE ADDITION OF THE TOLL LANE WILL RESULT IN DEMONSTRABLY LOWER CONGESTION IN THE UNTOLLED LANES.
- **SECTION 11.** In Colorado Revised Statutes, 43-4-207, **amend** (1), (2) introductory portion, and (2)(b) introductory portion as follows:
- 43-4-207. County allocation. (1) After paying the costs of the Colorado state patrol and such-ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as THAT are appropriated by the general assembly, twenty-six percent of the balance of the highway users tax fund THE REVENUE REQUIRED BY SECTION 43-4-205 TO BE PAID FROM THE HIGHWAY USERS TAX FUND TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES AND THE AMOUNT ALLOCATED TO COUNTIES FROM THE LOCAL TRANSPORTATION PRIORITIES FUND, AS SPECIFIED IN SECTION 39-26-123 (7)(a)(III), shall be paid to the county treasurers of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. The moneys thus MONEY received shall be is allocated to the counties as provided by law and shall be expended by the counties only on the construction, engineering. reconstruction, maintenance, repair, equipment, improvement, and administration of the county highway systems and any other public highways, including any state highways, together with acquisition of rights-of-way and access rights for the same, for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, AS MATCHING MONEY FOR PROJECTS RECEIVING FUNDING FROM THE MULTIMODAL TRANSPORTATION OPTIONS FUND PURSUANT TO EITHER SECTIONS 43-4-1103 (2)(a) OR (b), and for no other purpose; except that a county may expend no more than fifteen percent of the total amount expended under this subsection (1) for transit-related operational purposes and except that moneys EXCEPT THAT MONEY received pursuant to section 43-4-205 (6.3) shall be expended by the counties only for road safety projects, as defined in section 43-4-803 (21). The amount to be expended for administrative purposes shall not exceed five percent of each county's share of the funds available.
- (2) For the fiscal year commencing July 1, 1989, and each fiscal year thereafter, for the purpose of allocating moneys-MONEY in the highway users tax fund to the various counties throughout the state, the following method is hereby-adopted:
- (b) All moneys money credited to the fund in excess of eighty-six million seven hundred thousand dollars shall be and all money credited to the Local transportation priorities fund as required by Section 39-26-123-(7)(a) That is required by subsection (1) of this section to be paid to the county treasurers of the respective counties is allocated to the counties in the following manner:
- **SECTION 12.** In Colorado Revised Statutes, 43-4-208, **amend** (1), (2) introductory portion, (2)(a), and (6)(a) as follows:
- **43-4-208. Municipal allocation.** (1) After paying the costs of the Colorado state patrol and such-ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as THAT are appropriated by the general assembly, and making allocation as provided by sections 43-4-206 and 43-4207, the remaining nine percent of the highway users tax fund THE REVENUE REQUIRED BY SECTION 43-4-205 TO BE PAID FROM THE HIGHWAY USERS TAX FUND TO CITIES AND INCORPORATED TOWNS AND THE AMOUNT ALLOCATED TO CITIES AND INCORPORATED TOWNS FROM THE LOCAL TRANSPORTATION PRIORITIES FUND, AS SPECIFIED IN SECTION 39-26-123(7)(a)(III), shall be paid to the cities and incorporated towns within the limits of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this

section. Each city treasurer shall account for the moneys thus received as provided in this part 2. Moneys so allocated shall be expended by the cities and incorporated towns for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the system of streets of such city or incorporated town or of any public highways located within such city or incorporated town, including any state highways, together with the acquisition of rights-of-way and access rights for the same, and for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, AS MATCHING MONEY FOR PROJECTS RECEIVING FUNDING FROM THE MULTIMODAL TRANSPORTATION OPTIONS FUND PURSUANT TO EITHER SECTIONS 43-4-1103 (2)(a) OR (b), and for no other purpose; except that a city or an incorporated town may expend no more than fifteen percent of the total amount expended under this subsection (1) for transit-related operational purposes and except that moneys-EXCEPT THAT MONEY paid to the cities and incorporated towns pursuant to section 43-4-205 (6.3) shall be expended by the cities and incorporated towns only for road safety projects, as defined in section 43-4-803 (21). The amount to be expended for administrative purposes shall not exceed five percent of each city's share of the funds available.

- (2) For the purpose of allocating moneys-MONEY in the highway users tax fund to the various cities and incorporated towns throughout the state, the following method is adopted:
- (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, eighty percent shall be allocated to the cities and incorporated towns in proportion to the adjusted urban motor vehicle registration in each city and incorporated town. The term "urban motor vehicle registration" includes all passenger, truck, truck-tractor, and motorcycle registrations. The number of registrations used in computing the percentage shall be those certified to the state treasurer by the department of revenue as constituting the urban motor vehicle registration for the last preceding year. The adjusted registration shall be computed by applying a factor to the actual number of such registrations to reflect the increased standards and costs of construction resulting from the concentration of vehicles in cities and incorporated places. For this purpose the following table of actual registration numbers and factors shall be employed:

#### **Actual registrations Factor**

1 -- 500 1.0 501 -- 1,250 1.1 1,251 -- 2,500 1.2 2,501 -- 5,000 1.3 5,001 -- 12,500 1.4 12,501 -- 25,000 1.5 25,001 -- 50,000 1.6 50,001 -- 85,000 1.7 85,001 -- 130,000 1.8 130,001 -- 185,000 1.9 185,001 and over 2.0

(6) (a) In addition to the provisions of subsection (2)(a) of this section, on or after July 1, 1979, eighty percent of all additional funds-MONEY becoming available to cities and incorporated towns from the highway users tax fund pursuant to sections 24-75-215 C.R.S., and 43-4-205 (6)(b)(III) AND (6)(c) AND, ON AND AFTER JANUARY 1, 2019, EIGHTY PERCENT OF THE MONEY CREDITED TO THE LOCAL TRANSPORTATION PRIORITIES FUND AS REQUIRED BY SECTION 39-26-123 (7)(a)(III) THAT IS REQUIRED BY SUBSECTION (1) OF THIS SECTION TO BE PAID TO THE CITIES AND INCORPORATED TOWNS WITHIN THE LIMITS OF THE RESPECTIVE COUNTIES shall be allocated to the cities and incorporated towns in proportion to the adjusted urban motor vehicle registration in each city and incorporated town. The term "urban motor vehicle registration", as used in this section, includes all passenger, truck, truck-tractor, and motorcycle registrations. The number of registrations used in computing the percentage shall be those certified to the state treasurer by the department of revenue as constituting the urban motor vehicle registration for the last preceding year. The adjusted registration shall be computed by applying a factor to the actual number of such registrations to reflect the increased standards and costs of construction resulting from the concentration of vehicles in cities and incorporated places. For this purpose the following table of actual registration numbers and factors shall be employed:

#### **Actual registrations Factor**

```
1 -- 500 1.0
501 -- 1.250 1.1
1,251 -- 2,500 1.2
2,501 -- 5,000 1.3
5.001 -- 12.500 1.4
12,501 -- 25,000 1.5
25,001 -- 50,000 1.6
50,001 -- 85,000 1.7
85,001 -- 125,000 1.8
125,001 -- 165,000 1.9
165,001 -- 205,000 2.0
205,001 -- 245,000 2.1
245,001 -- 285,000 2.2
285,001 -- 325,000 2.3
325,001 -- 365,000 2.4
365,001 -- 405,000 2.5
405,001 -- 445,000 2.6
445,001 -- 485,000 2.7
485,001 -- 525,000 2.8
525,001 -- 565,000 2.9
565,001 -- 605,000 3.0
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**SECTION 13.** In Colorado Revised Statutes, 43-4-705, **amend** (13) as follows:

- **43-4-705.** Revenue anticipation notes repeal. (13) (a) Notwithstanding any other provision of this part 7 to the contrary, the executive director shall have the authority to issue revenue anticipation notes pursuant to this part 7 only if voters statewide approve the ballot question submitted at the November, 1999, statewide election pursuant to section 43-4-703 (1) and only then to the extent allowed under the maximum amounts of debt and repayment cost so approved.
- (b) After the repayment in full of all revenue anticipation notes issued as authorized by subsection (13)(a) of this section, the executive director shall be authorized to issue additional revenue anticipation notes in a maximum total principal amount of six billion dollars and with a maximum total repayment cost of nine billion and four hundred million dollars. The maximum number of years to maturity for any notes issued pursuant to this subsection (13)(b) is twenty years, and the certificate, trust indenture, or other instrument authorizing their issuance shall provide that the notes are subject to redemption before the end of the specified payment term with or without penalty.

#### **SECTION 14.** In Colorado Revised Statutes, **amend** 43-4-713 as follows:

- **43-4-713. Annual reports provision of information of website.** (1) No later than January 15, 2001 JANUARY 15, 2020, and no later than January 15 of each year thereafter, the executive director shall submit a report to the members of the joint budget committee of the general assembly, the members of the legislative audit committee of the general assembly, the members of the transportation and energy committee of the house of representatives, and the members of the transportation committee of the senate that includes, at a minimum, the following information:
- (a) The total amount of ADDITIONAL revenue anticipation notes issued by the executive director in accordance with this part 7 AS AUTHORIZED BY SECTION 43-4-705 (13)(b);
- (b) The qualified federal aid-transportation projects, INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE ON THE DEPARTMENT'S PRIORITY LIST FOR TRANSPORTATION FUNDING AND for which the proceeds from such THE ADDITIONAL revenue anticipation notes have been expended, the amount of note proceeds expended on each project, the status of each project, THE ACTUAL COST OF EACH COMPLETED PROJECT, and the estimated date of completion for such-ANY projects not yet completed;

- (c) The total amount of federal-transportation funds paid to the department since such THE ADDITIONAL revenue anticipation have been-WERE issued; and
- (d) The total amount of proceeds from the issuance of THE ADDITIONAL revenue anticipation notes, state matching funds, and federal transportation funds allocated by the commission in each state fiscal year for the payment of such-THE ADDITIONAL revenue anticipation notes and the costs associated with the issuance and administration of such notes.
- (2) IN ADDITION TO POSTING AND MAINTAINING THE ANNUAL REPORTS REQUIRED BY SUBSECTION (1) OF THIS SECTION ON ITS WEBSITE, THE DEPARTMENT SHALL POST AND MAINTAIN ON ITS WEBSITE IN AN EASILY ACCESSIBLE AND USER-FRIENDLY FORMAT, AND REGULARLY UPDATE, THE INFORMATION REQUIRED TO BE INCLUDED IN ITS ANNUAL REPORTS PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION. NOTWITHSTANDING SECTION 24-1-136 (11)(a), THE REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION CONTINUES UNTIL THE YEAR FOLLOWING THE YEAR IN WHICH THE LAST PAYMENT ON ADDITIONAL REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY SECTION 43-4-705 (13)(b) IS MADE.

#### **SECTION 15.** In Colorado Revised Statutes, **amend** 43-4-714 as follows:

- **43-4-714.** Priority of strategic transportation project investment program. (1) If the executive director issues any revenue anticipation notes in accordance with the provisions of this part 7, the proceeds from the sale of such notes that are not otherwise pledged for the payment of such notes shall be used for the qualified federal aid-transportation projects included in the strategic transportation project investment program of the department of transportation.
- (2) IN ADDITION TO THE REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION, PROCEEDS FROM THE SALE OF ANY ADDITIONAL REVENUE ANTICIPATION NOTES THAT THE EXECUTIVE DIRECTOR ISSUES PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE NOT OTHERWISE PLEDGED FOR THE PAYMENT OF THE NOTES IN THE PROCEEDINGS, INSTRUMENTS, OR CONTRACTS GOVERNING THE NOTES AND REVENUE GENERATED BY ANY ADDITIONAL STATE SALES AND USE TAX THAT IS ALLOCATED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-206 (4) IN EXCESS OF AMOUNTS NEEDED FOR PAYMENT OF THE NOTES MUST BE EXPENDED ON PRIORITY MAINTENANCE AND PRIORITY CONSTRUCTION PROJECTS, INCLUDING MULTIMODAL CAPITAL PROJECTS SUBJECT TO THE MATCHING REQUIREMENTS IN SECTION 43-4-1103 (2)(a), AS DETERMINED BY THE COMMISSION.

#### **SECTION 16.** In Colorado Revised Statutes, **add** 43-4-714.5 as follows:

- 43-4-714.5. Transportation revenue anticipation notes citizen oversight committee creation appointment of members charge report. (1)(a) The transportation revenue anticipation notes citizen oversight committee is hereby created to provide oversight of the expenditure by the department of the proceeds of additional revenue anticipation notes issued as authorized by section 43-4-705 (13)(b). The committee consists of the executive director of the department, or his designee, and fourteen appointed members, at least one of whom must be appointed from and actually reside in each of the eleven transportation commission districts of the state created in section 43-1-106 (2) and the remaining three of whom serve as at-large members of the committee, who must be appointed as follows:
- (I) THE GOVERNOR SHALL APPOINT SIX MEMBERS OF THE COMMITTEE, AND NO MORE THAN FOUR OF THE MEMBERS APPOINTED BY THE GOVERNOR SHALL BE AFFILIATED WITH THE SAME POLITICAL PARTY;
  - (II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT TWO MEMBERS OF THE COMMITTEE;
  - (III) THE PRESIDENT OF THE SENATE SHALL APPOINT TWO MEMBERS OF THE COMMITTEE;
- (IV) THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT TWO MEMBERS OF THE COMMITTEE; AND
  - (V) THE MINORITY LEADER OF THE SENATE SHALL APPOINT TWO MEMBERS OF THE COMMITTEE.

- (b) COMMITTEE MEMBERS SERVE FOR FOUR-YEAR TERMS AND MAY BE REMOVED FOR CAUSE BY THE APPOINTING AUTHORITY; EXCEPT THAT THE INITIAL TERMS OF THREE OF THE MEMBERS APPOINTED BY THE GOVERNOR, AND ONE OF THE MEMBERS APPOINTED BY EACH OF THE OTHER APPOINTING AUTHORITIES, AS DESIGNATED BY THE GOVERNOR OR OTHER APPOINTING AUTHORITY, ARE TWO YEARS. COMMITTEE MEMBERS RECEIVE NO COMPENSATION OR REIMBURSEMENT FOR THEIR SERVICE ON THE COMMITTEE.
- (c) THE APPOINTING AUTHORITIES SHALL CONSULT WITH EACH OTHER TO ENSURE THAT THE MEMBERSHIP OF THE COMMITTEE INCLUDES:
  - (I) A MEMBER WHO HAS PROFESSIONAL PUBLIC FINANCE EXPERIENCE;
  - (II) A MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT;
  - (III) A MEMBER WHO IS A LICENSED ATTORNEY;
- (IV) A MEMBER WHO IS A CONTRACTOR WITH EXPERIENCE WORKING ON TRANSPORTATION INFRASTRUCTURE PROJECTS;
  - (V) A MEMBER WHO IS A LICENSED CIVIL ENGINEER; AND
  - (VI) A MEMBER WHO IS A TRANSIT PROFESSIONAL.
- (d) A COMMITTEE MEMBER WHO IS APPOINTED FROM A TRANSPORTATION COMMISSION DISTRICT IS DEEMED TO HAVE RESIGNED FROM THE COMMITTEE IF THE MEMBER CEASES TO RESIDE IN THE DISTRICT.
- (2) THE COMMITTEE SHALL MEET AT LEAST TWO TIMES PER YEAR BUT NOT MORE THAN FOUR TIMES PER YEAR TO EXAMINE THE EXPENDITURE BY THE DEPARTMENT OF ANY PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY SECTION 43-4-705 (13)(b) AND ANY ADDITIONAL STATE SALES AND USE TAX REVENUE THAT IS ALLOCATED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-206 (4) AND VERIFY THAT SUCH NOTE PROCEEDS AND TAX REVENUE ARE EXPENDED:
  - (a) In compliance with the requirements of section 43-4-714 (2); and
  - (b) APPROPRIATELY, TRANSPARENTLY, EFFECTIVELY, AND EFFICIENTLY.
- (3) (a) THE COMMITTEE SHALL ANNUALLY REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE CREATED IN SECTION 43-2-145 REGARDING ITS ACTIVITIES AND FINDINGS.
- (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a), THE REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION CONTINUES UNTIL THE YEAR FOLLOWING THE YEAR IN WHICH THE LAST PAYMENT ON ADDITIONAL REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY SECTION 43-4-705 (13)(b) IS MADE.
  - (c) THE COMMITTEE SHALL TERMINATE AFTER IT FILES ITS FINAL REPORT AS AUTHORIZED IN THIS SECTION.

**SECTION 17.** In Colorado Revised Statutes, **add** part 11 to article 4 of title 43 as follows:

# PART 11 MULTIMODAL TRANSPORTATION OPTIONS FUNDING

43-4-1101. Legislative declaration. (1) THE PEOPLE OF THE STATE HEREBY FIND AND DECLARE THAT:

- (a) By approving the ballot issue submitted at the November, 2018 statewide election pursuant to section 43-4-705 (13)(b), the voters of the state authorized the state to collect, and the state and local governments to retain and spend, a substantial amount of new dedicated funding, most of which will be used to accelerate the completion of planned highway projects throughout the state;
- (b) It is necessary, appropriate, and in the best interest of the state to use a portion of the newly authorized dedicated transportation funding to fund multimodal transportation projects and operations throughout the state as authorized by this part 11 because, in addition to the general

- (c) BENEFITS THAT IT PROVIDES TO ALL COLORADANS, AN INTEGRATED MULTIMODAL TRANSPORTATION SYSTEM:
- (I) BENEFITS SENIORS BY MAKING AGING IN PLACE MORE FEASIBLE FOR THEM;
- (II) BENEFITS RESIDENTS OF RURAL AREAS BY PROVIDING THEM WITH FLEXIBLE PUBLIC TRANSPORTATION SERVICES;
- (III) PROVIDES ENHANCED MOBILITY FOR PERSONS WITH DISABILITIES; AND
- (IV) PROVIDES SAFE ROUTES TO SCHOOLS FOR CHILDREN.

#### 43-4-1102. Definitions. AS USED IN THIS PART 11, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- (1) "COMMISSION" MEANS THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1).
- (2) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION.
- (3) "FUND" MEANS THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1).
- (4) "MULTIMODAL TRANSPORTATION OPTIONS" MEANS CAPITAL OR OPERATING COSTS FOR FIXED ROUTE AND ON-DEMAND TRANSIT; TRANSPORTATION DEMAND MANAGEMENT PROGRAMS; MULTIMODAL MOBILITY PROJECTS ENABLED BY NEW TECHNOLOGY; MULTIMODAL TRANSPORTATION STUDIES; AND BICYCLE OR PEDESTRIAN PROJECTS.
- 43-4-1103. Multimodal transportation options fund creation revenue source for fund use of fund. (1) The Multimodal transportation options fund is hereby created in the state treasury. The fund consists of sales and use tax net revenue that is attributable to the additional sales and use taxes levied pursuant to sections 39-26-106 (1)(a)(II) and 39-26-202 (1)(b) and that is credited to the fund pursuant to section 39-26-123 (7)(b) and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund and shall allocate the interest and income between the accounts of the fund in the percentages designated by the commission pursuant to subsection (2) of this section.
  - (2) MONEY MUST BE EXPENDED FROM THE FUND AS FOLLOWS:
- (a) UP TO THIRTY MILLION DOLLARS PER YEAR TO BE EXPENDED TO MAKE PRINCIPAL AND INTEREST PAYMENTS ON TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THOSE MULTIMODAL PROJECTS SELECTED BY THE TRANPORTATION COMMISSION WHERE A STATE AGENCY, LOCALGOVERNMENT OR LOCAL TRANSIT AGENCY HAS COMMITTED TO PROVIDE REQUIRED MATCHING FUNDS EQUAL TO THE AMOUNT EXPENDED FROM THE FUND FOR A PROJECT;
- (b) EIGHTY-FIVE PERCENT OF THE REMAINING REVENUE IN THE FUND FOR LOCAL MULTIMODAL PROJECTS TO BE DETERMINED AS PROVIDED IN SECTION 43-1-106 (8)(t)(II); AND
- (c) The final fifteen percent of revenue to be expended on multimodal projects that are selected by the transportation commission as provided in section 43-1-106(8)(t)(1).

SECTION 18. Effective date. This act takes effect on January 1, 2019.

# Proposition 111 Limitations on Payday Loans

# **ANALYSIS**

# Proposition 111 proposes amending the Colorado statutes to:

- reduce the total cost for a payday loan to a 36 percent annual percentage rate; and
- expand what constitutes unfair or deceptive trade practices for payday lending.

#### **Summary and Analysis**

**Background.** Payday loans are small, easy-to-access short-term loans that do not require a credit check. In 2016, about 207,000 individuals in Colorado secured over 414,000 payday loans. These loans totaled over \$166 million, and consumers paid an estimated \$50 million in loan costs (any combination of fees and interest), with a default rate of 23 percent. The Department of Law licenses and establishes rules for payday lenders and conducts compliance examinations of their loans. The department also investigates and litigates cases involving payday lenders.

Annual percentage rate (APR). The APR is the total loan cost expressed as a yearly rate and includes the interest on the loan amount, origination fees, and monthly maintenance fees. The APR varies on a daily basis and, because of the way maintenance fees are structured in Colorado, tends to increase over the life of the loan. In 2016, the average APR on payday loans in Colorado was 129 percent.

Current payday loan regulations. Colorado law limits payday loans to \$500 with a minimum repayment term of six months, no maximum repayment term, and no penalty for early repayment. The law allows lenders to charge an origination fee of up to 20 percent of the first \$300 loaned, plus 7.5 percent of any amount in excess of \$300. In addition, lenders may charge an interest rate of 45 percent per year per loan and a monthly maintenance fee of \$7.50 per \$100 loaned, up to a total of \$30 per month. If the borrower repays the loan early, the lender must refund a prorated portion of the fees. Current law defines unfair and deceptive trade practices as making loans disguised as personal property sale and leaseback agreements or as a cash rebate.

**Changes under the measure.** The measure reduces the loan costs on a payday loan to a maximum APR of 36 percent and eliminates the current fee structure. In addition, regardless of whether payday lenders have a physical location in the state, they may not offer higher cost loans via electronic or U.S. mail, the internet, or telemarketing.

Table 1 below provides an example of the total cost, including interest and any fees, of a \$500 loan that is repaid in six months under current law and under Proposition 111.

Table 1. Comparison of Estimated Cost of a Six-Month Payday Loan\*

	<b>Current Law</b>	Proposition 111
Loan amount	\$500	\$500
Total cost of loan	\$293	\$53
Total amount paid	\$793	\$553
APR	180%	36%

<sup>\*</sup>The actual costs may vary by lender.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/lnitiatives/Initiatives/Home.html">http://www.sos.state.co.us/pubs/elections/Initiatives/Initiatives/Home.html</a>

#### **Argument For**

1) Coloradans are paying too much to borrow small amounts of money from payday lenders. The APR for these loans can exceed 180 percent. Some consumers borrow money to pay off other payday loans, which leads to a cycle of debt. Because the measure reduces the high cost of payday loans, consumers may be better able to repay their loans and avoid further financial stress.

# **Argument Against**

This measure may eliminate the payday lending business in Colorado. Payday loans provide options for consumers who may not qualify for other types of credit. With limited or no access to these loans, consumers may pay higher costs to other creditors for late payment, bounced check, overdraft, or utility disconnect fees, or turn to unregulated lenders for higher-cost loans. This measure is unnecessary because the state legislature passed reforms in 2010 that led to reduced loan costs and fewer defaults, while ensuring that consumers have access to a well-regulated source of short-term credit.

#### **Estimate of Fiscal Impact**

**State revenue and spending.** If Proposition 111 results in payday lenders choosing not to renew their licenses, there will be a reduction in fee revenue to the Department of Law.

#### **TITLE AND TEXT**

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

Shall there be an amendment to the Colorado Revised Statutes concerning limitations on payday lenders, and, in connection therewith, reducing allowable charges on payday loans to an annual percentage rate of no more than thirty-six percent?

#### Text of Measure:

Be it Enacted by the People of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, **add** 5-3.1-101.5 as follows:

**5-3.1-101.5.** Legislative declaration. The People of this state find and declare that payday lenders are charging up to two hundred percent annually for payday loans and that excess charges on such loans can lead Colorado families into a debt trap of repeat borrowing. It is the intent of the people to lower the maximum authorized finance charge for payday loans to an annual percentage rate of thirty-six percent.

**SECTION 2.** In Colorado Revised Statutes, **amend** 5-3.1-105 as follows:

**5-3.1-105. Authorized charges.** A lender may charge a finance charge for each deferred deposit loan or payday loan that may MUST not exceed twenty AN ANNUAL PERCENTAGE RATE OF THIRTY-SIX percent. of the first three hundred dollars loaned plus seven and one-half percent of any amount loaned in excess of three hundred dollars. Such charge shall be deemed fully earned as of the date of the transaction. The lender may also charge an interest rate of forty-five percent per annum for each deferred deposit loan or payday loan. If the loan is prepaid prior to the maturity of the loan term, the lender shall refund to the consumer a prorated portion of the annual percentage rate-FINANCE CHARGE based upon the ratio of time left before maturity to the loan term. In

addition, the lender may charge a monthly maintenance fee for each outstanding deferred deposit loan, not to exceed seven dollars and fifty cents per one hundred dollars loaned, up to thirty dollars per month. The monthly maintenance fee may be charged for each month the loan is outstanding thirty days after the date of the original loan transaction. The A lender shall MAY charge only those charges EXPRESSLY authorized in this article in connection with a deferred deposit loan OR PAYDAY LOAN.

**SECTION 3.** In Colorado Revised Statutes, 5-3.1-108 **amend** (2) as follows:

**5-3.1-108.** Renewal – new loan – consecutive loans – payment plan – definitions. (2) Upon renewal of a deferred deposit loan OR PAYDAY LOAN, the lender may assess additional. A finance charge not to-THAT MUST NOT exceed an annual percentage rate of forty-five-THIRTY-SIX percent. If the deferred deposit loan OR PAYDAY LOAN is renewed prior to the maturity date, the lender shall refund to the consumer a prorated portion of the finance charge based upon the ratio of time left before maturity to the loan term.

**SECTION 4.** In Colorado Revised Statutes, 5-3.1-121 **amend** (2) as follows:

5-3.1-121. Unfair or deceptive practices. (2) A person violates the requirements of this article by engaging in any act that limits or restricts the application. NO PERSON MAY ENGAGE IN ANY DEVICE, SUBTERFUGE, OR PRETENSE TO EVADE THE REQUIREMENTS of this article, including making loans disguised as a personal property, personal sales SALE, and leaseback-transactions TRANSACTION; or by-disguising loan proceeds as a cash-rebates REBATE for the pretextual installment sale of goods and or services; OR MAKING, OFFERING, GUARANTEEING, ASSISTING, OR ARRANGING A CONSUMER TO OBTAIN A LOAN WITH A GREATER RATE OF INTEREST, CONSIDERATION, OR CHARGE THAN IS PERMITTED BY THIS ARTICLE THROUGH ANY METHOD INCLUDING MAIL, TELEPHONE, INTERNET, OR ANY ELECTRONIC MEANS REGARDLESS OF WHETHER THE PERSON HAS A PHYSICAL LOCATION IN THE STATE.

**SECTION 5.** Effective date. This initiative takes effect on February 1, 2019.

# Proposition 112 Increased Setback Requirement for Oil and Natural Gas Development

#### **ANALYSIS**

# Proposition 112 proposes amending the Colorado statutes to:

• require that new oil and natural gas development be located at least 2,500 feet from occupied structures, water sources, and areas designated as vulnerable.

#### **Summary and Analysis**

Proposition 112 requires that any new oil and natural gas development be located at least 2,500 feet from occupied structures and other areas designated as vulnerable. This type of requirement is commonly known as a setback. Entering a previously plugged or abandoned oil or natural gas well is held to this same setback requirement. The measure also allows the state or a local government to require a setback distance greater than 2,500 feet. If two or more local governments with overlapping boundaries establish different setbacks, Proposition 112 requires that the greater distance be used.

The measure does not apply to federal land, which includes national forests and parks and comprises about 36 percent of the land in Colorado.

Under the measure, oil and natural gas development includes the exploration for, and the drilling, production, and processing of oil or natural gas. Oil and natural gas development also includes hydraulic fracturing, flowlines between oil and natural gas facilities, and the treatment of associated waste. Occupied structures include buildings where people live or work. Proposition 112 designates certain areas as vulnerable, including certain recreation areas and water sources, such as public and community drinking water sources, canals, reservoirs, lakes, rivers and streams (whether continuously flowing or not), and any other area designated by the state or a local government as vulnerable.

State regulation of oil and natural gas. The Colorado Oil and Gas Conservation Commission (COGCC) in the Colorado Department of Natural Resources establishes and enforces regulations on oil and natural gas operations in the state. The COGCC is charged with fostering the responsible development, production, and use of oil and natural gas resources in a manner that protects public health, safety, welfare, and the environment. The COGCC consults with the Colorado Department of Public Health and Environment (CDPHE) to consider the health and safety of the public when regulating oil and natural gas operations. The CDPHE regulates air pollution, the discharge of water to surface water bodies, and the disposal of hazardous waste related to industrial activities, including oil and natural gas operations.

**Existing setback requirements.** Current COGCC regulations, approved in 2013, prohibit oil and natural gas wells and production facilities from being located closer than:

- · 500 feet from a home or other occupied building; and
- 1,000 feet from high-occupancy buildings such as schools, health care institutions, correctional facilities, and child care centers, as well as neighborhoods with at least 22 buildings.

The surrounding area encompassed by the current 500-foot setback includes about 18 acres, and the 1,000-foot setback area includes about 72 acres. Proposition 112 increases the setback to a minimum of 2,500 feet, or about 450 surrounding acres.

The current setback requirement may be waived in certain instances by the COGCC and a building owner. Proposition 112 does not include a waiver provision.

Oil and natural gas resources in Colorado. Geologic formations containing oil and natural gas are found in many areas of Colorado, with some formations underlying multiple local communities. Recent development of these resources has been concentrated in Weld, Garfield, La Plata, Rio Blanco, and Las Animas Counties, as well as portions of surrounding counties. Most of the state's oil production occurs in the Denver-Julesburg Basin, primarily in Weld County and other nearby counties. A COGCC map of current oil and natural gas activity can be found online at: <a href="http://www.coloradobluebook.com/proposition112map">http://www.coloradobluebook.com/proposition112map</a>.

Oil and natural gas resources are owned or leased by many different private companies, governments, financial institutions, nonprofits, and private individuals. Oil production in Colorado doubled between 2013 and 2017. Natural gas production in Colorado has been stable over the past ten years. In 2016, Colorado ranked seventh among the states in domestic oil production and fifth in natural gas production. In 2017, there were about 54,000 producing wells in Colorado, a 48 percent increase since 2007.

Oil and natural gas extraction technologies. Changes in industry technologies, such as hydraulic fracturing, or "fracking," and horizontal drilling, have led to substantial oil and natural gas production increases in Colorado and nationally, as well as an increase in the number of wells and related facilities. Hydraulic fracturing is used for most new wells and involves pumping a mixture of mostly water and sand, and small amounts of chemicals and other additives, into underground rock layers where oil or natural gas is located. The pressure of the water creates small fractures in the rock. The sand keeps the fractures open, allowing the oil or natural gas to escape and flow up the well. Hydraulic fracturing enables access to oil and natural gas formations that were previously inaccessible. Horizontal drilling enables oil and natural gas operators to drill multiple wells from a single location to improve their efficiency and minimize surface disturbances. With current technologies, oil and natural gas wells have the greatest production in their first year of operation and decrease in production each successive year until the wells are depleted.

State and local revenue from oil and natural gas. Companies that extract mineral resources, including oil and natural gas, coal, and metallic minerals, pay severance taxes to the state. Oil and natural gas tax collections fluctuate annually. From budget years 2012-13 to 2016-17, state severance tax collections from oil and natural gas producers ranged from \$4.0 million to \$264.7 million per year. Under current law, Colorado severance tax revenue is split between state programs and local governments. The state also collects some revenue from royalty and lease payments. Oil and natural gas producers also pay income taxes, sales taxes, and local property taxes. In 2017, Colorado oil and natural gas producers paid an estimated \$496.7 million in property taxes to impacted local governments, school districts, and special districts.

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information: <a href="http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html">http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html</a>

# **Arguments For**

- 1) Oil and natural gas operations may adversely impact public health, safety, and the environment. Some people living near these operations have reported negative health effects to the CDPHE, including sinus and respiratory conditions, as well as other symptoms such as headaches and nausea. Such development increases noise, traffic, dust, light, and odors. Proposition 112 requires that new oil and natural gas development be located farther away from homes, schools, businesses, and other occupied buildings, thereby reducing nuisance impacts and potential exposure to air pollutants. Proposition 112 also establishes a required setback from water sources and recreation areas to help protect those resources.
- 2) Over the past several years, Colorado's northern Front Range has seen both substantial urban development and increased oil and natural gas activity. Proposition 112 provides property owners with greater certainty about the location of new oil and natural gas development in their communities. Keeping oil and natural gas development farther away from occupied structures reduces resident exposure to industrial activity and the potential hazards related to such activity. It may also improve the quality of life for nearby residents. Some people are reluctant to purchase or rent a home or visit a business or recreation area located near oil or natural gas development.

# **Arguments Against**

- 1) Proposition 112 eliminates new oil and natural gas activity on most non-federal land in Colorado. According to the COGCC, about 85 percent of Colorado's non-federal land would be excluded from development with the required 2,500-foot setback. Oil and natural gas development is important to Colorado's economy, generating an estimated \$10.9 billion in production value in 2017 and supporting many other industries and jobs. Proposition 112 will reduce the economic benefits the oil and natural gas industry provides for the state and may result in the loss of jobs, lower payments to mineral owners, and reduced tax revenue that is used for local schools and other governmental services and programs.
- 2) Proposition 112 is unnecessary because the existing COGCC setback requirements provide a balanced approach to protecting public health, safety, and the environment. The state's existing setback requirements were developed through a collaborative rule-making process and guided by technical expertise. When adopting its setback rules, the COGCC considered the concerns of mineral owners, residents, schools, businesses, and others. Under current law, the COGCC has the authority to modify setback requirements in the future, if necessary.

#### **Estimate of Fiscal Impact**

**State government revenue and spending.** Proposition 112 is expected to decrease the amount of severance tax, royalty payments, and lease revenue that state government collects in the future. Because the measure does not impact existing oil and natural gas development, no immediate impact on state revenue is anticipated; however, because the measure reduces the surface land available for the development of new oil and natural gas operations, future state revenue from these sources will be reduced. Proposition 112 will also reduce future income taxes to the state. Since the economic conditions and geographic limitations affecting oil and natural gas production are uncertain, the specific reductions in state revenue cannot be estimated.

**Department of Natural Resources.** Severance tax revenue received by the state funds both operating expenses of the department and specific programs, including water supply project grants, low-income energy assistance, control of invasive species, and a variety of other programs. Funding for these programs will be reduced.

**Local government revenue and spending.** Proposition 112 is also anticipated to reduce future property tax revenue collected by local governments. Limitations on new drilling will reduce local property tax collections, since producing well sites have higher assessed value than inactive nonproducing areas. The change in local revenue and expenditures also cannot be estimated. Local governments receive a share of the state's severance taxes to offset the impacts of oil and natural gas development. This revenue will be reduced.

#### TITLE AND TEXT

The ballot title below is a summary drafted by the professional staff of the offices of the secretary of state, the attorney general, and the legal staff for the general assembly for ballot purposes only. The ballot title will not appear in the Colorado Revised Statutes. The text of the measure that will appear in the Colorado Revised Statutes below was drafted by the proponents of the initiative. The initiated measure is included on the ballot as a proposed change to current law because the proponents gathered the required amount of petition signatures.

#### Ballot Title:

Shall there be a change to the Colorado Revised Statutes concerning a statewide minimum distance requirement for new oil and gas development, and, in connection therewith, changing existing distance requirements to require that any new oil and gas development be located at least 2,500 feet from any structure intended for human occupancy and any other area designated by the measure, the state, or a local government and authorizing the state or a local government to increase the minimum distance requirement?

#### Text of Measure:

Be it Enacted by the People of the State of Colorado:

**SECTION 1**. In Colorado Revised Statutes, **add** 34-60-131 as follows:

**34-60-131.** Mitigation of adverse oil and gas impacts to health and safety – buffer zones – legislative declaration - definitions. (1) THE PEOPLE OF THE STATE OF COLORADO FIND AND DECLARE THAT:

- (a) PROXIMITY TO OIL AND GAS DEVELOPMENT, INCLUDING THE USE OF HYDRAULIC FRACTURING, HAS DETRIMENTAL IMPACTS ON PUBLIC HEALTH, SAFETY, WELFARE, AND THE ENVIRONMENT;
- (b) SUCH IMPACTS ARE REDUCED BY LOCATING OIL AND GAS OPERATIONS AWAY FROM OCCUPIED STRUCTURES AND VULNERABLE AREAS; AND
- (c) TO PRESERVE PUBLIC HEALTH, SAFETY, WELFARE, AND THE ENVIRONMENT, THE PEOPLE DESIRE TO ESTABLISH A BUFFER ZONE REQUIRING ALL NEW OIL AND GAS DEVELOPMENT IN THE STATE OF COLORADO TO BE LOCATED AN INCREASED DISTANCE AWAY FROM OCCUPIED STRUCTURES, INCLUDING HOMES, SCHOOLS AND HOSPITALS, AS WELL AS VULNERABLE AREAS.
  - (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (a) "OCCUPIED STRUCTURE" MEANS ANY BUILDING OR STRUCTURE THAT REQUIRES A CERTIFICATE OF OCCUPANCY OR BUILDING OR STRUCTURE INTENDED FOR HUMAN OCCUPANCY, INCLUDING HOMES, SCHOOLS, AND HOSPITALS.
- (b) "OIL AND GAS DEVELOPMENT" MEANS EXPLORATION FOR, AND DRILLING, PRODUCTION, AND PROCESSING OF, OIL, GAS, OR OTHER GASEOUS AND LIQUID HYDROCARBONS, AND FLOWLINES AND THE TREATMENT OF WASTE ASSOCIATED WITH SUCH EXPLORATION, DRILLING, PRODUCTION AND PROCESSING. "OIL AND GAS DEVELOPMENT" INCLUDES HYDRAULIC FRACTURING.
- (c) "VULNERABLE AREAS" MEANS PLAYGROUNDS, PERMANENT SPORTS FIELDS, AMPHITHEATERS, PUBLIC PARKS, PUBLIC OPEN SPACE, PUBLIC AND COMMUNITY DRINKING WATER SOURCES, IRRIGATION CANALS, RESERVOIRS, LAKES, RIVERS, PERENNIAL OR INTERMITTENT STREAMS, AND CREEKS, AND ANY ADDITIONAL VULNERABLE AREAS DESIGNATED BY THE STATE OR A LOCAL GOVERNMENT.
- (d) "LOCAL GOVERNMENT" MEANS ANY STATUTORY OR HOME RULE COUNTY, CITY AND COUNTY, CITY, OR TOWN LOCATED IN THE STATE OF COLORADO.
- (3) THE PEOPLE OF THE STATE OF COLORADO HEREBY ESTABLISH THAT ALL NEW OIL AND GAS DEVELOPMENT NOT ON FEDERAL LAND MUST BE LOCATED AT LEAST TWO THOUSAND FIVE HUNDRED FEET FROM AN OCCUPIED STRUCTURE OR VULNERABLE AREA. FOR PURPOSES OF THIS SECTION, THE REENTRY OF AN OIL OR GAS WELL PREVIOUSLY PLUGGED OR ABANDONED IS CONSIDERED NEW OIL AND GAS DEVELOPMENT.
- (4) THE STATE OR A LOCAL GOVERNMENT MAY REQUIRE THAT NEW OIL AND GAS DEVELOPMENT BE LOCATED A LARGER DISTANCE AWAY FROM OCCUPIED STRUCTURES OR VULNERABLE AREAS THAN REQUIRED BY SUBSECTION (3) OF THIS SECTION. IN THE EVENT THAT TWO OR MORE LOCAL GOVERNMENTS WITH JURISDICTION OVER THE SAME GEOGRAPHIC AREA ESTABLISH DIFFERENT BUFFER ZONE DISTANCES, THE LARGER BUFFER ZONE GOVERNS.
  - (5) THIS SECTION TAKES EFFECT UPON OFFICIAL DECLARATION OF THE GOVERNOR AND IS SELF-EXECUTING.
  - (6) THIS SECTION APPLIES TO OIL AND GAS DEVELOPMENT PERMITTED ON OR AFTER THE EFFECTIVE DATE.

# **LOCAL ELECTION OFFICES**

# https://www.sos.state.co.us/pubs/elections/Resources/CountyElectionOffices.html

Adams	4430 South Adams County Parkway, Suite E-3102, Brighton, CO 80601-8207	(720) 523-6500
Alamosa	8999 Independence Way, Suite 101, Alamosa, CO 81101	(719) 589-6681
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Arapahoe	5334 S. Prince St., Littleton, CO 80120	(303) 795-4511
Archuleta	449 San Juan, Pagosa Springs, CO 81147	(970) 264-8331
Baca	741 Main St., Suite 3, Springfield, CO 81073	(719) 523-4372
Bent	725 Bent Ave., Las Animas, CO 81054	(719) 456-2009
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Boulder	1750 33rd St. #200, Boulder, CO 80301	(303) 413-7740
Broomfield	1 DesCombes Drive, Broomfield, CO 80020	(303) 464-5857
Chaffee	104 Crestone Ave., Salida, CO 81201	(719) 539-4004
Cheyenne	51 S. 1st St., Cheyenne Wells, CO 80810	(719) 767-5685
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Clear Creek	405 Argentine St., Georgetown, CO 80444	(303) 679-2339
Conejos	6683 County Road 13, Antonito, CO 81129	(719) 376-5422
Costilla	400 Gasper St., San Luis, CO 81152	(719) 937-7671
Crowley	631 Main St., Suite 102, Ordway, CO 81063	(719) 267-5225
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Custer	205 S. 6th St., Westcliffe, CO 81252	(719) 783-2441
Delta	501 Palmer #211, Delta, CO 81416	(970) 874-2150
Denver	200 W. 14th Ave., Suite 100, Denver, CO 80204	(720) 913-8683
Dolores	409 N. Main St., Dove Creek, CO 81324	(970) 677-2381
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Douglas	125 Stephanie Pl., Castle Rock, CO 80109	(303) 660-7444
Eagle	500 Broadway, Suite 101, Eagle, CO 81631	(970) 328-8726
Elbert	440 Comanche St., Kiowa, CO 80117	(303) 621-3127
El Paso	1675 W. Garden of the Gods Rd., Suite 2201, Colorado Springs, CO 80907	(719) 575-8683
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Fremont	615 Macon Ave. #102, Canon City, CO 81212	(719) 276-7340
Garfield	109 Eighth St. #200, Glenwood Spgs, CO 81601	(970) 384-3700, ext. 2
Gilpin	203 Eureka St., Central City, CO 80427	(303) 582-5321
Grand	308 Byers Ave., Hot Sulphur Springs, CO 80451	(970) 725-3065
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Gunnison	221 N. Wisconsin, Suite C, Gunnison, CO 81230	(970) 641-7927
Hinsdale	317 N. Henson St., Lake City, CO 81235	(970) 944-2228
Huerfano	401 Main St., Suite 204, Walsenburg, CO 81089	(719) 738-2380, ext. 3
Jackson	The state of the s	(970) 723-4334
	396 La Fever St., Walden, CO 80480	` ,
Jefferson	3500 Illinois St., Suite #1100, Golden, CO 80401	(303) 271-8111
Kiowa	1305 Goff St., Eads, CO 81036	(719) 438-5421
Kit Carson	251 16th St., Burlington, CO 80807	(719) 346-8638, ext. 301
Lake		` '
	505 Harrison Ave., Leadville, CO 80461	(719) 486-1410
La Plata	98 Everett St., Suite C, Durango, CO 81303	(970) 382-6296
Larimer	200 W. Oak St., Suite 5100, Ft. Collins, CO 80521	(970) 498-7820
Las Animas	200 E. First St., Room 205, Trinidad, CO 81082	(719) 846-3314
Lincoln	103 Third Ave., Hugo, CO 80821	(719) 743-2444
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Logan	315 Main St., Suite 3, Sterling, CO 80751	(970) 522-1544
Mesa	200 S. Spruce St., Grand Junction, CO 81501	(970) 244-1662
Mineral	1201 N. Main St., Creede, CO 81130	(719) 658-2440
Moffat	221 W. Victory Way #200, Craig, CO 81625	(970) 824-9120
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Montezuma	140 W. Main St., Suite #1, Cortez, CO 81321	(970) 565-3728
Montrose	320 S. First St., Montrose, CO 81401	(970) 249-3362, ext. 3
Morgan	231 Ensign, Ft. Morgan, CO 80701	(970) 542-3521
Otero	13 W. Third St., Room 210, La Junta, CO 81050	(719) 383-3020
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Ouray	112 Village Square West, Ouray, CO 81432	(970) 325-4961
Park	501 Main St., Fairplay, CO 80440	(719) 836-4333, ext. 1
Phillips	221 S. Interocean Ave., Holyoke, CO 80734	(970) 854-3131
Pitkin	501 E. Hyman Ave. Suite 106, Aspen, CO 81611	(970) 920-5180, ext. 5
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Prowers	301 S. Main St. #210, Lamar, CO 81052	(719) 336-8011
Pueblo	720 N. Main St., Suite 200, Pueblo, CO 81003	(719) 583-6620
Rio Blanco	555 Main St., Meeker, CO 81641	(970) 878-9460
Rio Grande	965 Sixth St., Del Norte, CO 81132	(719) 657-3334
Routt	522 Lincoln Ave. Steamboat Springs, CO 80477	(970) 870-5556
Saguache	501 Fourth St., Saguache, CO 81149	(719) 655-2512
San Juan	1557 Green St., Silverton, CO 81433	(970) 387-5671
San Miguel	305 W. Colorado Ave., Telluride, CO 81435	(970) 728-3954
J	, , , , , , , , , , , , , , , , , , , ,	1 1
Sedgwick	315 Cedar St., Julesburg, CO 80737	(970) 474-3346
Summit	208 E. Lincoln Ave., Breckenridge, CO 80424	(970) 453-3479
Teller	101 W. Bennett Ave., Cripple Creek, CO 80813	(719) 689-2951, ext. 2
Washington	150 Ash, Akron, CO 80720	(970) 345-6565
Weld	1401 N. 17 <sup>th</sup> Ave., Greeley, CO 80632	(970) 304-6525
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Yuma	310 Ash St., Suite Fm Wray, CO 80758	(970) 332-5809