

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0922.02 Pierce Lively x2059

HOUSE BILL 21-1321

HOUSE SPONSORSHIP

Kennedy and Weissman,

SENATE SPONSORSHIP

Moreno and Pettersen,

House Committees

State, Civic, Military, & Veterans Affairs
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING VOTER TRANSPARENCY REQUIREMENTS TO INCREASE**
102 **INFORMATION ABOUT THE FISCAL IMPACT OF STATEWIDE**
103 **BALLOT MEASURES THAT WOULD RESULT IN A CHANGE IN**
104 **DISTRICT REVENUE.**

Bill Summary

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

The bill requires that certain language appear at the beginning of a ballot title for an initiated measure that would either increase or decrease tax revenue through a tax policy change. In the case of a

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

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

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

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

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

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

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

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

4 **SECTION 3.** In Colorado Revised Statutes, 1-40-105.5, **amend**
5 (1.5)(a)(IV); and **add** (1.5)(a)(V) as follows:

6 **1-40-105.5. Initial fiscal impact statement - definition.**

7 (1.5) (a) For every initiated measure properly submitted to the title board,
8 the director shall prepare a fiscal summary that consists of the following
9 information:

10 (IV) The following statement: "This fiscal summary, prepared by
11 the nonpartisan Director of Research of the Legislative Council, contains
12 a preliminary assessment of the measure's fiscal impact. A full fiscal
13 impact statement for this initiative is or will be available at
14 www.ColoradoBlueBook.com."; AND

15 (V) IF THE MEASURE WOULD EITHER INCREASE OR DECREASE THE
16 INDIVIDUAL INCOME TAX RATE OR STATE SALES TAX RATE, A TABLE THAT
17 SHOWS THE ESTIMATED EFFECT OF THE CHANGE TO THE INDIVIDUAL
18 INCOME TAX RATE OR STATE SALES TAX RATE ON THE TAX BURDEN OF
19 DIFFERENT INCOME CATEGORIES. IN DETERMINING THIS EFFECT, THE
20 DIRECTOR MAY USE THE SAME METHODOLOGY THAT THE DEPARTMENT OF
21 REVENUE USES WHILE PREPARING A TAX PROFILE AND EXPENDITURE
22 REPORT TO MEASURE THE DISTRIBUTION OF STATE AND LOCAL TAXES
23 AMONG HOUSEHOLDS PURSUANT TO SECTION 39-21-303 (2)(d)(I)(C). THE
24 TABLE PREPARED BY THE DIRECTOR MUST SHOW THE AVERAGE TAX
25 BURDEN CHANGE FOR FILERS WITHIN EACH INCOME CATEGORY. IF THE
26 CHANGE IN A TAX BURDEN SHOWN IN THE TABLE IS AN INCREASE, THE
27 CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A PLUS

1 SIGN. IF THE CHANGE IN A TAX BURDEN SHOWN IN THE TABLE IS A
2 DECREASE, THE CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT
3 PRECEDED BY A NEGATIVE SIGN. THE DIRECTOR SHALL USE THE
4 FOLLOWING INCOME CATEGORIES IN CREATING THE TABLE:

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

7 (B) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
8 TO FIFTEEN THOUSAND DOLLARS AND LESS THAN THIRTY THOUSAND
9 DOLLARS;

10 (C) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
11 TO THIRTY THOUSAND DOLLARS AND LESS THAN FORTY THOUSAND
12 DOLLARS;

13 (D) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
14 TO FORTY THOUSAND DOLLARS AND LESS THAN FIFTY THOUSAND
15 DOLLARS;

16 (E) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
17 TO FIFTY THOUSAND DOLLARS AND LESS THAN SEVENTY THOUSAND
18 DOLLARS;

19 (F) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
20 TO SEVENTY THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
21 THOUSAND DOLLARS;

22 (G) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
23 TO ONE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
24 FIFTY THOUSAND DOLLARS;

25 (H) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
26 TO ONE HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN TWO
27 HUNDRED THOUSAND DOLLARS;

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

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

7 (K) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
8 TO FIVE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE MILLION
9 DOLLARS; AND

10 (L) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
11 TO ONE MILLION DOLLARS.

12 **SECTION 4.** In Colorado Revised Statutes, 1-40-106, **add** (3)(e),
13 (3)(f), (3)(g), (3)(h), (3)(i), and (3)(j) as follows:

14 **1-40-106. Title board - meetings - ballot title - initiative and**
15 **referendum - definitions.** (3) (e) FOR MEASURES THAT REDUCE STATE
16 TAX REVENUE THROUGH A TAX POLICY CHANGE, THE BALLOT TITLE MUST
17 BEGIN "SHALL FUNDING AVAILABLE FOR STATE SERVICES THAT INCLUDE
18 BUT ARE NOT LIMITED TO (THE THREE LARGEST AREAS OF PROGRAM
19 EXPENDITURE) BE IMPACTED BY A REDUCTION OF (PROJECTED DOLLAR
20 FIGURE OF REVENUE REDUCTION TO THE STATE IN THE FIRST FULL FISCAL
21 YEAR THAT THE MEASURE REDUCES REVENUE) IN TAX REVENUE...?". THE
22 ESTIMATES REFLECTED IN THE BALLOT TITLE SHALL NOT BE INTERPRETED
23 AS RESTRICTIONS OF THE STATE'S BUDGETING PROCESS.

24 (f) FOR MEASURES THAT REDUCE LOCAL DISTRICT PROPERTY TAX
25 REVENUE THROUGH A TAX POLICY CHANGE, THE BALLOT TITLE MUST
26 BEGIN "SHALL FUNDING AVAILABLE FOR PUBLIC SERVICES OFFERED BY
27 COUNTIES, SCHOOL DISTRICTS, WATER DISTRICTS, FIRE DISTRICTS, AND

1 OTHER DISTRICTS FUNDED, AT LEAST IN PART, BY PROPERTY TAXES BE
2 IMPACTED BY A REDUCTION OF (PROJECTED DOLLAR FIGURE OF PROPERTY
3 TAX REVENUE REDUCTION TO ALL DISTRICTS IN THE FIRST FULL FISCAL
4 YEAR THAT THE MEASURE REDUCES REVENUE) IN PROPERTY TAX
5 REVENUE...?". THE TITLE BOARD SHALL EXCLUDE ANY DISTRICTS WHOSE
6 PROPERTY TAX REVENUE WOULD NOT BE REDUCED BY THE MEASURE FROM
7 THE MEASURE'S BALLOT TITLE. THE ESTIMATES REFLECTED IN THE BALLOT
8 TITLE SHALL NOT BE INTERPRETED AS RESTRICTIONS OF A LOCAL
9 DISTRICT'S BUDGETING PROCESS.

10 (g) FOR MEASURES THAT INCREASE TAX REVENUE FOR ANY
11 DISTRICT THROUGH A TAX POLICY CHANGE AND SPECIFY THE PUBLIC
12 SERVICES TO BE FUNDED BY THE INCREASED REVENUE, AFTER THE
13 LANGUAGE REQUIRED BY SECTION 20 (3)(c) OF ARTICLE X OF THE STATE
14 CONSTITUTION, THE BALLOT TITLE SHALL STATE "IN ORDER TO INCREASE
15 OR IMPROVE LEVELS OF PUBLIC SERVICES, INCLUDING, BUT NOT LIMITED TO
16 (THE PUBLIC SERVICE SPECIFIED IN THE MEASURE)...". FOR MEASURES
17 THAT INCREASE TAX REVENUE FOR ANY DISTRICT THROUGH A TAX POLICY
18 CHANGE AND DO NOT SPECIFY THE PUBLIC SERVICES TO BE FUNDED BY THE
19 INCREASED REVENUE, AFTER THE LANGUAGE REQUIRED BY SECTION 20
20 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION, THE BALLOT TITLE
21 SHALL STATE "IN ORDER TO INCREASE OR IMPROVE LEVELS OF PUBLIC
22 SERVICES...". THE ESTIMATES REFLECTED IN THE BALLOT TITLE SHALL NOT
23 BE INTERPRETED AS RESTRICTIONS OF A DISTRICT'S BUDGETING PROCESS.

24 (h) A BALLOT TITLE FOR A MEASURE THAT EITHER INCREASES OR
25 DECREASES THE INDIVIDUAL INCOME TAX RATE OR STATE SALES TAX RATE
26 MUST, IF APPLICABLE, INCLUDE THE TABLE CREATED FOR THE FISCAL
27 SUMMARY PURSUANT TO SECTION 1-40-105.5 (1.5)(a)(V).

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

5 (j) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
6 OTHERWISE REQUIRES, "AREAS OF PROGRAM EXPENDITURE" MEANS
7 CATEGORIES OF SPENDING BY ISSUE AREA. FOR STATE EXPENDITURES,
8 "PROGRAM EXPENDITURE" REFERS TO TOTAL EXPENDITURES BY PROGRAM,
9 AS LISTED IN THE "BUDGET IN BRIEF" PREPARED BY THE JOINT BUDGET
10 COMMITTEE FOR THE MOST RECENT FISCAL YEAR.

11 **SECTION 5.** In Colorado Revised Statutes, 1-40-124.5, **amend**
12 (1)(b) introductory portion, (1)(b)(II), and (1)(b)(III); and **add** (1)(b)(IV)
13 as follows:

14 **1-40-124.5. Ballot information booklet.** (1) (b) The director of
15 research of the legislative council of the general assembly shall prepare
16 a fiscal impact statement for every initiated or referred measure, taking
17 into consideration fiscal impact information submitted by the office of
18 state planning and budgeting, the department of local affairs or any other
19 state agency, and any proponent or other interested person. The fiscal
20 impact statement prepared for every measure shall be substantially similar
21 in form and content to the fiscal notes provided by the legislative council
22 of the general assembly for legislative measures pursuant to section
23 2-2-322. ~~C.R.S.~~ A complete copy of the fiscal impact statement for such
24 measure shall be available through the legislative council of the general
25 assembly. The ballot information booklet shall indicate whether there is
26 a fiscal impact for each initiated or referred measure and shall abstract the
27 fiscal impact statement for such measure. The abstract for every measure

1 shall appear after the arguments for and against such measure in the
2 analysis section of the ballot information booklet, and shall include, but
3 shall not be limited to:

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

6 (III) For any initiated or referred measure that modifies the state
7 tax laws, ~~an estimate of the impact to the average taxpayer, if feasible, if~~
8 ~~such measure is enacted~~ IF THE MEASURE WOULD EITHER INCREASE OR
9 DECREASE INDIVIDUAL INCOME TAX REVENUE OR STATE SALES TAX
10 REVENUE, A TABLE THAT SHOWS THE NUMBER OF TAX FILERS IN EACH
11 INCOME CATEGORY, THE TOTAL TAX BURDEN CHANGE FOR EACH INCOME
12 CATEGORY, AND THE AVERAGE TAX BURDEN CHANGE FOR EACH FILER
13 WITHIN EACH INCOME CATEGORY. IF THE CHANGE IN A TAX BURDEN
14 SHOWN IN THE TABLE IS AN INCREASE, THE CHANGE MUST BE EXPRESSED
15 AS A DOLLAR AMOUNT PRECEDED BY A PLUS SIGN. IF THE CHANGE IN A TAX
16 BURDEN SHOWN IN THE TABLE IS A DECREASE, THE CHANGE MUST BE
17 EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A NEGATIVE SIGN. THE
18 TABLE MUST HAVE THE SAME INCOME CATEGORIES AS THE TABLE
19 CONSTRUCTED PURSUANT TO SECTION 1-4-105.5 (1.5)(a)(V); AND

20 (IV) IF THE MEASURE CONTAINS A PROPOSED TAX POLICY CHANGE
21 THAT REDUCES STATE TAX REVENUE, A DESCRIPTION OF THE THREE
22 LARGEST AREAS OF PROGRAM EXPENDITURE, AS DEFINED IN SECTION
23 1-40-106 (3)(j).

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