



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0639 **Date:** April 25, 2022
Prime Sponsors: Sen. Pettersen; Moreno **Bill Status:** Senate SVMA
 Rep. Kennedy; Weissman **Fiscal Analyst:** Josh Abram | 303-866-3561
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Bill Topic: AMOUNT OF TAX OWED TABLE FOR INITIATIVES

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

The bill refers a measure to the 2022 ballot that requires that a table of tax information appear in the printed title of citizen initiated measures that increase or decrease the individual income tax rate. The bill increases state and local expenditures beginning FY 2023-24.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

**Table 1
State Fiscal Impacts Under SB 22-222**

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures	Cash Funds	-	\$39,360
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

Under current law, Legislative Council Staff (LCS) prepares a fiscal summary for all citizen-initiated measures when the initiative is heard by the Title Board. This bill refers a measure to the 2022 ballot to require that the fiscal summary include a tax information table for any citizen-initiated measure that either increases or decreases the individual income tax rate. The tax information table must include eight income categories specified in the bill, the current average income tax owed in each category, the average income tax paid in each category if the measure passes, and the difference between average tax owed before and after the rate change. The table must appear in the printed title set by the Title Board and used by proponents for collecting signatures. If a measure qualifies for the ballot, the tax table must appear on the printed ballot mailed to voters at an election.

State Expenditures

The bill increases costs in the Secretary of State's (SOS) Office by \$39,360 in FY 2023-24 only, and increases workload for LCS, the Department of Revenue (DOR), and the agencies represented on the Title Board. These impacts, which are conditional on voter approval of the referred question included in this bill at the 2022 general election, are described in more detail below.

Information technology updates (SOS). The bill increases costs in the SOS Office to modify an election management application in SCORE, the online statewide voter registration database. Specifically, SCORE must be modified to accommodate the table of tax information into the ballot and title layout application. This work is estimated to cost \$39,360 in FY 2023-24, paid from the Department of State Cash Fund.

Preparation of tax tables (LCS and DOR). The bill increases workload for LCS to prepare the table of tax information for fiscal summaries for initiative heard by the Title Board. Workload will also increase for the Department of Revenue to provide tax and income data to LCS. This workload does not require additional appropriations.

Title Board. The bill may also increase workload for Title Board to incorporate additional language into ballot titles. The additional language and requirements for ballot titles may also drive additional challenges to ballot titles, which would increase the number of rehearings held. It is assumed that agencies represented on the Title Board (Secretary of State's Office, Department of Law, and Office of Legislative Legal Services) and that provide staff support to the Title Board (SOS Office) can accomplish this work within existing resources.

Local Government

Conditional upon voter approval, the bill increases costs for county clerks to include a tax information table on the printed ballot for citizen-initiated measure to increase or decrease state income tax rates. The format and size of a tax table likely increases the length of ballots, and therefore the printing and mailing cost for counties to provide ballots to voters. According to data from the County Clerks Association, each additional page of a printed ballot costs approximately \$0.33 per voter. Based on 3,764,230 active voters as of March 2022, costs for printing and mailing increase by \$1.24 million for each additional page added to the ballot at a statewide election.

Effective Date

If approved by voters at the November 2022 election, the bill takes effect upon proclamation of the Governor, no later than 30 days after the official canvas of votes. If approved, the provisions of the bill are assumed to apply to citizen-initiated measures submitted to the Title Board for the 2023 election after this effective date.

State and Local Government Contacts

County Clerks

Legislative Department

Secretary of State