

Proposition ?: Economic Studies for Initiated Ballot Measures

- 1 **Proposition ? proposes amending the Colorado statutes to:**
- 2 • require that the chief economist of the state legislature review and
- 3 summarize economic impact studies of citizen-initiated ballot measures
- 4 prepared by any interested party;
- 5 • require that the summary of qualifying economic impact statements, if any,
- 6 appear on printed election ballots; and
- 7 • create a process to challenge the summary in district court.

8 **What Your Vote Means**

YES A “yes” vote on the measure allows a summary of economic studies prepared by interested parties to appear on printed election ballots for citizen-initiated measures.

NO A “no” vote on the measure means printed ballots will not include summaries of the economic studies prepared by interested parties.

1 **Summary and Analysis for Proposition ?**

2 **Overview**

3 Proposition ? creates a process to allow a summary of economic impact studies
4 prepared by private organizations to appear on printed election ballots for
5 citizen-initiated measures. Proposition ? only applies to citizen-initiated ballot measures,
6 not measures referred to the ballot by the state legislature.

7 For citizen-initiated measures, any interested party may submit an economic impact
8 study, along with an economic impact statement summarizing the study. The state
9 legislature’s chief economist, a nonpartisan employee of the state legislature, must
10 review all economic impact studies and statements submitted, verify that they meet the
11 requirements of the measure, and create an objective summary of all qualified
12 statements. The summary must include the full range of estimated impacts included in
13 qualifying statements. The summary of economic impacts statements must then be
14 submitted to the Secretary of State for inclusion on the printed ballot mailed to voters for
15 the November election. Economic information will be printed on the ballot only for those
16 measures on which a study is submitted.

17 **What analyses of citizen-initiated ballot measures are currently required?**

18 For citizen-initiated ballot measures, nonpartisan legislative staff prepare a brief fiscal
19 summary describing the impact the measure will have on state and local government
20 revenue, expenditures, and fiscal liabilities. The summary also includes a qualitative
21 description of the impacts the measure may have on the state’s economy. This fiscal
22 summary is printed on petitions used to collect signatures, and the full fiscal impact
23 statement is posted online. The fiscal impact statement is updated, if necessary, during
24 preparation of the statewide voter information guide (the Blue Book).

25 **What additional economic information is authorized by Proposition ? ?**

26 At a minimum, the measure requires that an economic study and statement estimate the
27 effect the measure will have on employment, state gross domestic product (GDP), and
28 state revenue. The measure requires that economic studies and statements:

- 29 • be completed by an economist;
- 30 • use dynamic economic modeling; and
- 31 • employ assumptions that have been reviewed and validated as reasonable by a
32 subject matter expert relevant to the analysis.

33 The chief legislative economist is required to determine if an economic impact study and
34 statement meet these minimum requirements. If any do, the chief economist must
35 prepare an objective summary of the qualified economic impact statements and certify
36 the content of the summary to the Secretary of State. The summary must precede the
37 ballot title of the measure on the printed ballot mailed to voters at the next election.

38 **How are the economic studies authorized by Proposition ? different from fiscal
39 information currently required?**

40 The fiscal summary and fiscal impact statement prepared under current law by
41 nonpartisan legislative staff look only at the direct impacts that a measure will have on
42 the revenue and expenditures of state and local governments. In terms of economic
43 impact, these analyses include a qualitative description of how the measure may impact
44 the state economy. Legislative staff do not use dynamic modeling to estimate any

1 indirect or compounding effects of a measure. A dynamic model attempts to quantify the
 2 downstream effects of a policy change throughout the economy, based on assumptions
 3 about how the policy change influences people’s economic behavior over time.
 4 In contrast, the economic impact studies proposed by Proposition ? are prepared by
 5 economists on behalf of a measure’s proponents, opponents, or other interested parties
 6 and require the use of dynamic modeling. Economic impact studies make quantitative
 7 estimates of a measure’s impact on the state economy, including jobs and GDP.
 8 Table 1 displays the main differences between fiscal information available under current
 9 law, and the additional information authorized by Proposition ?.

10 **Table 1**
 11 **Current Ballot Measure Analyses and those Authorized Under Proposition ?**

	Current Analyses of Ballot Measures	Economic Analyses Under Proposition ?
What information is provided?	For all measures, estimates of taxpayer impacts and the impact the measure will have on the revenue and spending of state and local governments. For citizen-initiated measures, a qualitative assessment of the measure’s impact on the economy.	For citizen-initiated measures on which one or more studies are submitted, economic studies that use dynamic modeling to quantify a measure’s estimated effect on the economy.
Who prepares this information?	State-employed, nonpartisan legislative staff.	Economists employed by proponents, opponents, or other interested parties prepare the content; state-employed, nonpartisan legislative staff prepare the summary.
How is the information provided to voters?	An abstract of the fiscal analysis appears on the printed petition that is publically circulated for signatures to appear on the ballot. Taxpayer and state fiscal impact analyses are included with the statewide voter guide (the Blue Book).	A summary of the economic statements would appear on the printed ballot mailed to voters for a November election.

1 **What is the process to challenge the summary of economic impact statements**
2 **prepared by the legislature’s chief economist?**

3 Within ten days of certification of the summary of economic impact statements to the
4 Secretary of State by the chief economist, any person not satisfied with the summary, or
5 with the determination of the chief economist not to include an economic impact
6 statement in the summary, may file a challenge in district court. The district court must
7 conduct a summary proceeding on the record and reach a conclusion within ten days,
8 which, upon application, must be reviewed by the state supreme court. It should be
9 noted that, in the event of a challenge to the summary of economic statements, the
10 period for judicial review extends past the deadline for county clerks to prepare ballots.

For information on those issue committees that support or oppose the measures on the ballot at the November 3, 2020, 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>

11 **Argument For Proposition ?**

12 1) Economic information is essential for voters to consider when deciding how to
13 vote on ballot measures. Many people lack either the training to determine this
14 information on their own, or the time to seek it out elsewhere. The measure
15 provides a convenient way for economic analysis to appear on election ballots,
16 allowing voters to consider the wider consequences of their decisions.

17 **Argument Against Proposition ?**

18 1) Proposition ? allows special interests to place potentially biased or conflicting
19 economic information on the printed ballot. Dynamic modeling can be
20 manipulated to show the desired results of those conducting the study. Including
21 this information on the ballot might incorrectly suggest that it is a nonpartisan
22 analysis and the state endorses its content. Campaigns in support of or
23 opposition to a measure have other ways to promote their agendas.

24 **Estimate of Fiscal Impact of Proposition ?**

25 **State spending.** Proposition ? minimally increases workload in the Legislative
26 Department for the chief economist to review economic impact studies and economic
27 impact statements, prepare an objective summary of the statements, and certify the
28 summary to the Secretary of State. The measure may also minimally increase workload
29 in the Judicial Department for challenges made in district court or applications made to
30 the Supreme Court.