

STATE OF COLORADO

Colorado General Assembly

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MEMORANDUM

TO: Carol Hedges and Steve Briggs

FROM: Legislative Council Staff and Office of Legislative Legal Services

DATE: November 16, 2018

SUBJECT: Proposed initiative measure 2019-2020 #15, concerning State Fiscal Policy

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2019-2020 #3 to #21. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2019-2020 #3 to #21, except as necessary to fully understand the issues raised by the revised proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are hereby incorporated by reference in this memorandum.

Purposes

The major purposes of the proposed amendment to the Colorado Constitution appear to be:

1. To repeal all of article X, section 20 of the Colorado Constitution, which is commonly referred to as "TABOR", excluding the requirement for prior voter approval for tax measures; and
2. To amend the prior voter approval requirement for tax measures by:
 - a. Repealing the prior voter approval requirement for any valuation for assessment ratio increase for a property class;
 - b. Eliminating the requirement that local governments receive prior voter approval for any type of tax measure;
 - c. Permitting the state to make tax policy changes that directly cause a net tax revenue gain to local governments without prior voter approval; and
 - d. Creating an exception to the prior voter approval requirement for tax measures based on the total projected revenue from all concurrent state tax measures.

Substantive Comments and Questions

The substance of the proposed initiative raises the following comments and questions:

1. Article V, section 1 (5.5) of the Colorado constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. In the proposed definition of "Tax Measure", the last type of a tax measure is a "tax policy change directly causing a net tax revenue gain to the [s]tate." If the state made a tax policy change to a local tax base that leads to a net tax revenue gain to a local government, would prior voter approval be required? (For example, for the purpose of increasing local government revenues, the state eliminates all sales tax exemptions that apply to statutory cities and counties.)

Technical Comments

There are no new technical comments.