

STATE OF COLORADO

Colorado General Assembly

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MEMORANDUM

TO: Scott Wasserman and Kevin Vick
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: April 4, 2023
SUBJECT: Proposed initiative measure 2023-2024 #36, concerning property tax revenue

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 2023-2024 #35 and ##37 to 38. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2023-2024 #35 and ##37 to 38, 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** and the **Colorado Revised Statutes** appear to be:

1. To ensure that tax revenue on single family residential real property with actual appraised value of two million dollars or less, as adjusted for inflation, does not increase by more than three percent annually.
2. To allow voters to authorize the state to retain and spend state revenues in excess of the limitation on state fiscal year spending that the state would otherwise be required to refund under section 20 (7)(d) of article X of the state constitution for the purposes of:
 - a. Supplementing the state's share of a district's total program to offset any reduction in revenue available to fund the district's share of its total program as a result of the three percent property tax revenue limitation in the proposed initiative;
 - b. Funding payments or grants to local government entities or special districts for fire protection programs, services, and equipment to offset any reduction in revenue to the local government entities or special districts for these purposes as a result of the three percent property tax revenue limitation in the proposed initiative; and
 - c. Funding payments or grants to local government entities or special districts for water conservation programs and services to offset any reduction in revenue to the local government entities or special districts for these purposes as a result of the three percent property tax revenue limitation in the proposed initiative.

Substantive Comments and Questions

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

1. Section 1 (5.5) of article V of the state constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. For property that is not a single family residential real property with "actual appraised value" of two million dollars or less, is there any limitation on the revenue that may be collected from property taxes on such property?

Technical Comments

The following comments address technical issues raised by the form of the proposed initiative. These comments will be read aloud at the public meeting only if the proponents so request. You will have the opportunity to ask questions about these comments at the review and comment meeting. Please consider revising the proposed initiative as suggested below. The Colorado Revised Statutes are divided into sections, and each section may contain subsections, paragraphs, subparagraphs, and sub-subparagraphs as follows:

There are no new technical comments.