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Colorado General Assembly

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MEMORANDUM

TO: Scott Wasserman and Ed Ramey
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: November 7, 2023
SUBJECT: Proposed initiative measure 2023-2024 #95, concerning local control of property tax revenues

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.

Purposes

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

1. To place a procedural limitation on "any direct or indirect statewide limitation upon the growth of or increases in property tax revenues" that is projected to reduce the property tax revenues of any local taxing jurisdiction; and

2. To require that "any direct or indirect statewide limitation upon the growth of or increases in property tax revenues" that is projected to result in a reduction in the property tax revenues of a particular local taxing authority be approved by a vote of the qualified electors of that local taxing authority.

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?
 - a. The title of new section 22 in the proposed initiative is "LOCAL CONTROL OF PROPERTY TAX REVENUES". Consider whether that title accurately and completely informs voters of the content and effect of the proposed initiative.
2. What is meant by the term "direct" in the phrase, "any direct ... statewide limitation upon the growth of or increases in property tax revenues" ?
3. What is meant by the term "indirect" in the phrase, "any ... indirect statewide limitation upon the growth of or increases in property tax revenues"?
4. What is meant by the term "property tax revenues" as it is used in the proposed initiative? Are these property tax revenues generated by state law only? Local property tax levies? Special district levies?
 - a. Do the proponents foresee any conflict that might be created by the proposed initiative to the extent that the "property tax revenues" impacted by a "statewide limitation" are property tax revenues resulting from the levy of a local property tax?
5. What is meant by the term "qualified elector[]" as it is used in the proposed initiative?
6. What is meant by the term "local taxing authority" as it is used in the proposed initiative?
7. What is meant by the term "projected to be reduced" as it is used in the proposed initiative?
 - a. How is a projected reduction meant to be defined?
 - b. Who will be responsible for calculating any projected reduction?

- c. What formula will be used to calculate a projected reduction?
 - d. When during the fiscal year will calculation of a proposed reduction be made?
 - e. Have the proponents considered the differing dates and times throughout the year when projected future property tax revenue information may be available for each local taxing authority?
8. What is meant by the term "approve of such reduction" as used in the proposed initiative?
- a. Assuming approval must be by a vote at an election, by what vote total must the qualified electors of each local taxing authority whose property tax revenue "would be projected to be reduced" have to "approve of such reduction"?
 - b. Have the proponents considered which local entity or entities will be responsible for the administration of a local election required by the proposed initiative, including funding for the election, creation, and distribution of ballots, collection and tabulation of ballots, and timing of the election?
9. Have the proponents considered what the legal outcome would be if some, but not all, local taxing authorities entitled to vote on a "statewide limitation" pursuant to the terms of the proposed initiative vote for the "statewide limitation" to become effective?
- a. Under the scenario put forth in question (9), how would the "statewide limitation" be given effect, if at all?
10. Have the proponents considered if and how disparate approval votes by local taxing authorities might interact with the requirement for uniform property taxation under section 3 of article X of the Colorado constitution?
11. Have the proponents considered how the proposed initiative might interact with the requirements of section 20 of article X of the Colorado constitution?
12. Would the requirements of the proposed initiative apply only to statewide limitations upon the growth of or increases in property tax revenues that are enacted after the effective date of the proposed initiative or would they also apply to statewide limitation in effect before the effective date of the proposed initiative?

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.

There are no technical comments on the proposed initiative.