



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Memorandum

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November 29, 2018

TO: Interested Persons
FROM: Greg Sobetski, Senior Economist, 303-866-4105
SUBJECT: The TABOR Revenue Limit

Summary

The Colorado Constitution limits the amount of revenue, from most sources, that the state government and local governments are permitted to retain and spend or save. Revenue collected in excess of the constitutional revenue limit, or TABOR limit, must be refunded to taxpayers unless voters authorize retention of the excess amount. This memorandum presents information on this constitutional requirement and its administration at the state level.

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Article X, Section 20: TABOR

Colorado voters approved Amendment 1 at the 1992 General Election, adding Section 20 to Article X of the Colorado Constitution. This section is entitled the "Taxpayer's Bill of Rights" and commonly called "the TABOR Amendment," or simply "TABOR."

TABOR restricts the authority of state and local government legislative bodies to make certain fiscal decisions. It requires state and local governments to obtain approval from voters in order to establish new taxes, raise tax rates, or issue multiyear bonded debt, and sets parameters for these elections. It also prohibits certain types of taxes, including a state property tax, local income taxes, and the taxation of income at different tax rates.

This memorandum focuses on a provision that frequently impacts state fiscal and budget decisions: Article X, Section 20 (7), of the Colorado Constitution, which establishes a limit on the amount of revenue that governments are permitted to retain and spend or save. This provision is commonly called the spending limit, revenue limit, or TABOR limit. Selected portions of subsections (1), (2), and (7) of Article X, Section 20, are provided in Appendix A beginning on page 14.

TABOR Subsection (7): The Revenue Limit

Subsection (7) of Article X, Section 20, of the Colorado Constitution limits growth in “fiscal year spending” for all “districts,” including the state and all local governments. While the text in the constitution refers to spending, the provision acts as a limitation on the amount of revenue that the state or a local government is permitted to collect and spend *or save* each year. Revenue collected in excess of the limit may not be spent or saved and must be refunded to taxpayers.

What does the constitution say? The constitution limits growth in the amount of government revenue, from all sources not specifically exempted, that may be spent or saved. The allowable growth rate is equal to prior year inflation measured in the Denver-Aurora-Lakewood consumer price index plus the estimated prior year change in the state’s population.

The constitutional provisions related to the state limit are reproduced in the appendix.

What sources of revenue are subject to the limit? All district revenue is subject to the limit unless it meets one of 11 exemptions:

- revenue used for refunds to taxpayers;
- gifts;
- federal funds;
- collections for another government;
- pension contributions by employees;
- pension fund earnings;
- transfers or expenditures from reserves;
- damage awards;
- property sales;
- enterprise revenue; and
- voter-approved revenue changes.

The first nine of these are excluded from the definition of fiscal year spending. Enterprises are excluded from the definition of district, and so enterprise revenue is not accounted as being collected by the state or any local government. Voter-approved revenue changes are a component in the calculation of the annual revenue limit.

Table 1 presents state-level examples of each of the exemption types.

Table 1
State Examples of Exemptions from the TABOR Limit

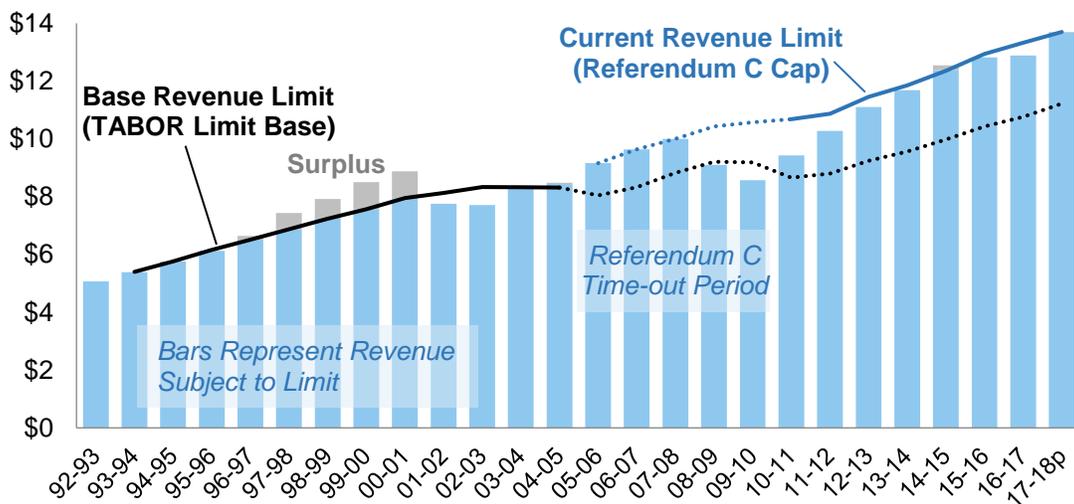
Exemption	Example	Details
Refunds to taxpayers	Refunds under TABOR (7)(d)	These amounts generally represent the amount by which revenue exceeds the limit, though other refunds could be issued.
Gifts	2015 gift from E-470 highway authority to upgrade temporary vehicle registration tags	“Grants” and “donations” are other terms for revenue that falls under this exemption.
Federal funds	Disbursements for Medicaid, education, transportation	By contrast, state disbursements of state revenue to local governments are not exempt from the local governments’ revenue limits, unless exempted by voters.
Collections for another government	State collection of local government sales tax	Some local government revenue is collected by the state Department of Revenue and excluded from most state budget computations.
Pension contributions by employees	State employee contributions to PERA	Non-enterprise revenue spent for employee salaries is subject to the limit, but employee salaries returned to the state as pension contributions are not counted a second time.
Pension earnings	PERA investment earnings	Pension earnings are excluded from most state budget computations.
Reserve transfers or expenditures	General Fund reserve	Reserved revenue is subject to the limit in the year when it is initially collected and saved, but not subject to the limit in the future year when it is expended.
Damage awards	Tobacco Master Settlement Agreement payments	This exemption includes both court-ordered damage payments and revenue received from legal settlements.
Property sales	Lease-purchase agreements	Lease-purchase agreements, where a property is sold to an investor and leased back over a prearranged term, are becoming a more common alternative to bond issuance.
Enterprise revenue	Public college tuition	This is the largest single exemption and is discussed at length in the “Enterprises” section.
Voter-approved revenue changes	Retail marijuana taxes, TRANs bonds	This exemption includes tax increases, fees, or bond sales approved by voters, also Referendum C.

Interfund transfers. In general, transfers between state funds are exempt from the revenue limit, since these funds were counted against the limit when they were originally collected. Revenue that is collected from an exempted source and transferred to be spent for general government purposes is subject to the revenue limit. These kinds of transfers are usually made from cash funds containing

enterprise revenue to other cash funds or the General Fund, and are sometimes called “transfers across TABOR district boundaries.”

History. Figure 1 presents a history of the state revenue limit and of state revenue subject thereto. Revenue collected in excess of the limit is required to be refunded to taxpayers in the fiscal year following its collection, as discussed later in this memorandum. As shown in Figure 1, Referendum C, a revenue change approved by voters in 2005, allowed the state to retain and spend revenue above the amount that otherwise would be permitted. Referendum C and its effects are discussed beginning on page 8 of this memorandum.

Figure 1
State Revenue Subject to the TABOR Limit
Nominal Dollars in Billions



Source: Office of the State Controller and Office of the State Auditor. Data for FY 2017-18 are preliminary and unaudited.

Enterprises

The TABOR limit applies to revenue collected by districts. The constitution provides one exclusion from its definition of a district: enterprises. An enterprise is a self-supporting, government-owned business that receives revenue in return for the provision of a good or service. An enterprise may receive up to 10 percent of its annual revenue from state and local government sources. Otherwise, an enterprise must be financially independent of the state or any local government. In addition, an enterprise must have the authority to issue revenue bonds.¹

At the state level, policymakers have designated preexisting programs as enterprises and created new enterprises to handle additional state business functions. All current state enterprises carry an enterprise designation in statute. Enterprises collecting at least \$100 million in annual revenue include:

¹Section 24-77-102 (3), C.R.S.

- state institutions of higher education, including public colleges, universities, the Colorado Community College System, and the Auraria Higher Education Center;²
- College Assist, the state higher education lender, and CollegeInvest, which administers higher education savings plans;³
- the state’s unemployment insurance program;⁴
- the Colorado Lottery;⁵
- the Division of Parks and Wildlife in the Department of Natural Resources, which administers the Colorado State Parks system;⁶ and
- the Colorado Healthcare Affordability and Sustainability Enterprise, which draws federal matching funds to reimburse hospitals for care for indigent patients and Medicaid expansion populations.⁷

Qualification and disqualification. Article X, Section 20 (7)(d) of the Colorado Constitution states that “[q]ualification or disqualification as an enterprise shall change district bases and future year limits.” Implementing statute requires that the revenue limit must be adjusted for qualification and disqualification of enterprises.⁸

When an existing state program *qualifies* as an enterprise, its revenue for the most recent fiscal year is subtracted from that year’s revenue limit before inflation and population adjustments are applied:

$$\left(\begin{array}{c} \text{prior year limit} \\ - \text{prior year qualifying enterprise revenue} \end{array} \right) \times \left(\begin{array}{c} \text{inflation} \\ + \text{population growth} \end{array} \right) = \text{current year limit}$$

When an existing state program is *disqualified* as an enterprise, its revenue for the most recent fiscal year is added to that year’s revenue limit before inflation and population adjustments are applied:

$$\left(\begin{array}{c} \text{prior year limit} \\ + \text{prior year disqualified enterprise revenue} \end{array} \right) \times \left(\begin{array}{c} \text{inflation} \\ + \text{population growth} \end{array} \right) = \text{current year limit}$$

Adjustments for qualification or disqualification of an enterprise are made if an existing program is designated as an enterprise, or if an existing enterprise is reclassified to lose that designation. Additionally, adjustments are made in years when an enterprise fails to meet statutory criteria. This most often occurs when small institutions of higher education, such as Adams State University, Fort Lewis College, or Western State Colorado University, receive state grants, e.g. for capital construction projects, that exceed 10 percent of their revenue for the fiscal year.

Adjustments for qualification of an enterprise are made when a preexisting government program is designated as an enterprise. Adjustments are not made when a brand new program is created as an enterprise.

²Section 23-5-101.7, C.R.S.

³Sections 23-3.1-103.5 and 23-3.1-205.5, C.R.S.

⁴Section 8-71-103 (2), C.R.S.

⁵Section 44-40-102, C.R.S.

⁶Section 33-9-105, C.R.S.

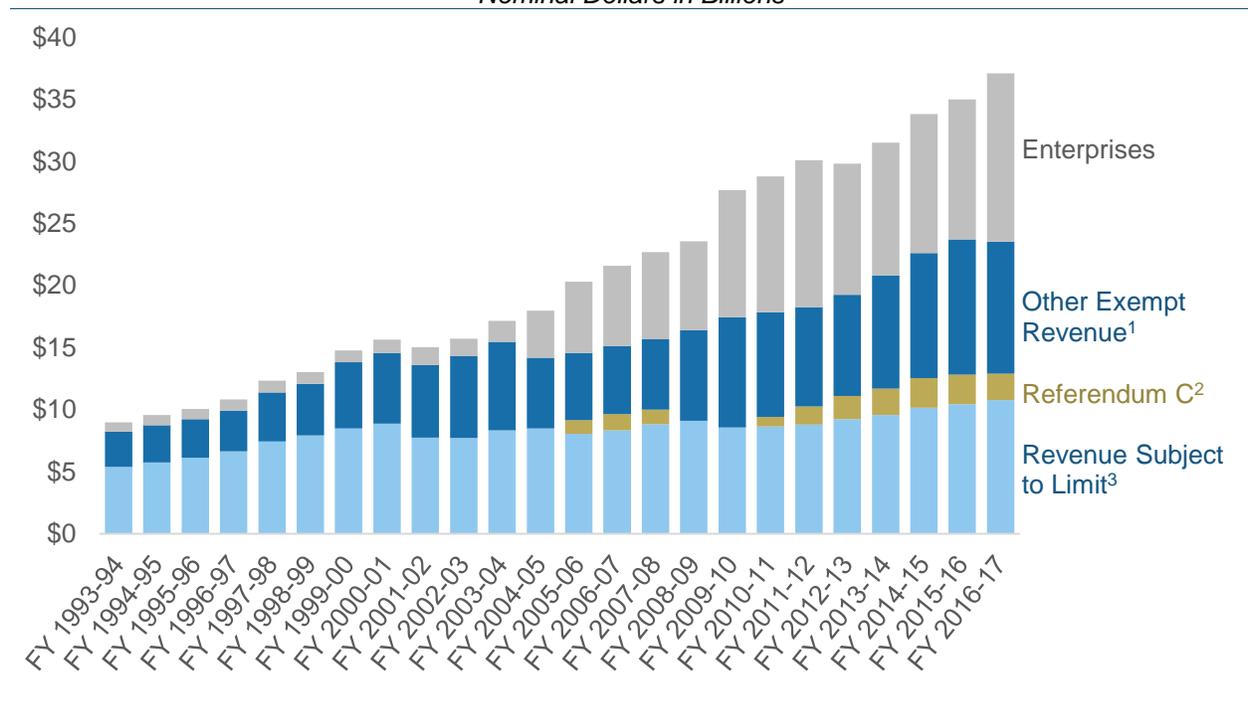
⁷Section 25.5-4-402.4 (3), C.R.S.

⁸Section 24-77-103 (1)(b), C.R.S.

History and trends. The share of total state government revenue that is attributable to enterprises has increased over time. The proliferation of enterprises has increased user funding of government services, such that recipients of a service pay for that service. Designating state programs as enterprises also offers greater budget flexibility because enterprise revenue is not subject to the revenue limit.

Figure 2 presents a history of total state revenue, including revenue subject to the TABOR limit, revenue exempted under Referendum C, revenue otherwise exempt from the limit, and enterprise revenue through FY 2016-17, the most recent year for which data are available.

Figure 2
State Revenue Subject to and Exempt from the Constitutional Limit
Nominal Dollars in Billions



Source: Office of the State Controller and Office of the State Auditor with Legislative Council Staff calculations.
¹Includes federal funds, voter-approved revenue changes other than Referendum C, damage awards, gifts, property sales, and other sources. Excludes interfund transfers.
²Voter-approved revenue retained in excess of the base revenue limit and below the Referendum C cap.
³Includes all revenue not otherwise exempted, including excess revenue required to be refunded to taxpayers.

Voter-Approved Revenue Changes

The TABOR limit is adjusted for “revenue changes approved by voters after 1991.”⁹ These revenue changes most often take the form of taxes, fees, or bond proceeds that voters have approved as exceptions to the limit. In these cases, the relevant portion of the constitution or statute includes language indicating that revenue collected thereunder constitutes a voter-approved revenue change. Constitutional changes enacted after TABOR may also exempt associated revenue from TABOR entirely.

⁹Colo. Const. art. X, § 20 (7)(a).

The largest state taxes or tax rate increases exempted by voters include:

- the additional cigarette and tobacco excise taxes authorized in 2004;¹⁰
- the tax on proceeds from extended limited casino gaming authorized in 2008;¹¹ and
- the excise and special sales taxes on retail (non-medical) marijuana authorized in 2013.¹²

State bond issuances exempted by voters include the Transportation Revenue Anticipation Notes (TRANS) authorized in 1999.¹³

Amendment 23. Voters approved Amendment 23 at the 2000 general election. Among other provisions, the amendment requires that income tax revenue equal to one-third of one percent of taxable income be diverted from the General Fund, where it would otherwise be deposited, to the State Education Fund.¹⁴ While the amendment did not increase the tax rate, the amount it diverts is exempt from the revenue limit as a voter-approved revenue change.

Referendum C. Enacted in 2005, Referendum C is a permanent voter-approved revenue change. It operates differently from other state voter-approved revenue changes and is discussed at length in the next section.

Local Voter-Approved Revenue Changes

Voters in local districts may also exempt revenue from their local government TABOR limits. Voters have authorized revenue changes at the county, municipal, school district, and special district levels. Voters in some local jurisdictions have chosen to exempt revenue from one or all of the local government's major revenue sources, usually the property tax or sales tax. Others have chosen to exempt smaller revenue sources, such as revenue received from the state government, which would otherwise be subject to the local government's TABOR limit.

Voters in some local jurisdictions have chosen to exempt all district revenue from their TABOR limit, allowing for the retention and spending of an unlimited amount of revenue.

The Ratchet-Down Effect and Referendum C

By default, the revenue limit for the state and local governments falls over time on a per capita, inflation-adjusted basis as a result of economic recessions. This section describes this effect and Referendum C, the state voter-approved revenue change authorized in response to it.

The ratchet-down effect. Because Article X, Section 20 (7), of the Colorado Constitution limits *growth* in fiscal year spending, each year's limit depends on the prior year's fiscal year spending amount. When district revenue increases more quickly than inflation plus population growth, the district is allowed to retain and spend a capped amount that grows by inflation plus population growth each year.

¹⁰Colo. Const. art. X, § 21 (4).

¹¹Section 44-30-601 (1)(g)(II), C.R.S.

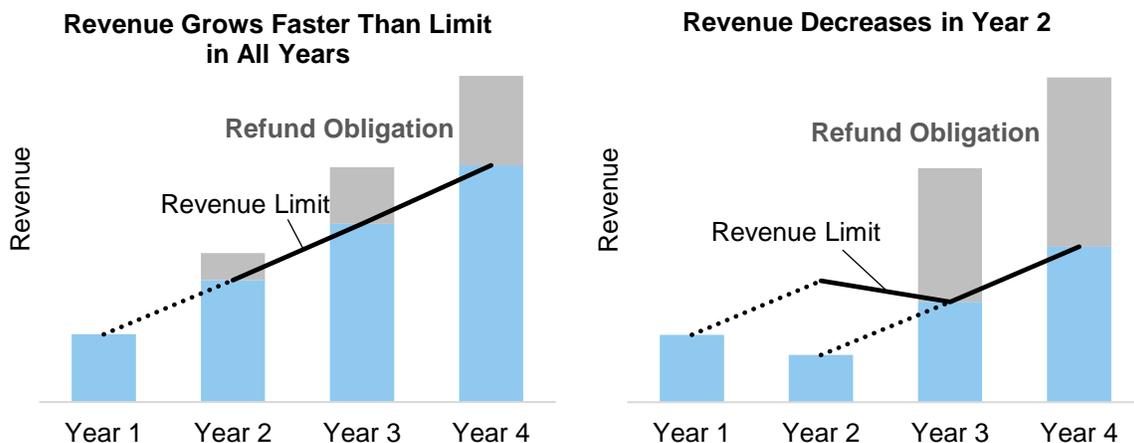
¹²Sections 39-28.8-204 and 39-28.8-307, C.R.S.

¹³Section 43-4-703 (1), C.R.S.

¹⁴Colo Const. art. IX, § 17 (4).

When district revenue decreases or increases less quickly than inflation plus population growth, the following year's revenue limit increases from a smaller base amount. This effect is illustrated in Figure 3. In the left panel, revenue increases more quickly than inflation plus population growth in years 2, 3, and 4, causing the revenue limit to increase at the maximum rate each year. In the right panel, revenue decreases in year 2. The revenue limit grows from this lower level in years 3 and 4. As a result, the district is required to refund more revenue in years 3 and 4 in the right-hand scenario than in the left-hand scenario, even though the total amount of revenue collected in these years is the same in both cases. The effect shown in the right-hand chart is sometimes called the "TABOR ratchet" or the "ratchet-down effect."

Figure 3
District Revenue Limit under Different Revenue Growth Patterns



Referendum C. Referendum C is a permanent state revenue change approved by voters in 2005. It is a statutory measure and does not amend the constitution.¹⁵

The effects of Referendum C are shown in Figure 1 on page 4. Beginning in FY 2005-06, the measure triggered a five-year "time-out period," during which the state was authorized to retain and spend all revenue collected. The dotted black line in Figure 1 shows the trajectory of the TABOR limit had Referendum C not been enacted. As shown, the state would have exceeded the limit in FY 2005-06, FY 2006-07, and FY 2007-08, triggering refund obligations for these years.

For FY 2009-10 and subsequent years, Referendum C set the revenue limit at an amount equal to the highest amount of revenue collected during the timeout period, adjusted for inflation and population growth thereafter. State revenue peaked in FY 2007-08, which became the base year for the Referendum C cap. Under Referendum C, this capped amount is adjusted by inflation and population growth each year irrespective of actual revenue collected, effectually eliminating the ratchet-down effect. Figure 1 shows that the base revenue limit fell in FY 2009-10 and FY 2010-11 as a result of the ratchet-down effect; the Referendum C cap, however, increased during these years.

¹⁵Section 24-77-103.6, C.R.S.

Spending of retained revenue. Revenue retained as a result of Referendum C is required to be spent for specific state purposes approved by voters in 2005.¹⁶ The permitted purposes are:

- to fund health care;
- to fund education, including any capital construction projects related thereto;
- to fund retirement plans for firefighters and police officers, so long as the General Assembly determines that such funding is necessary; and
- to pay for strategic transportation projects included in the Department of Transportation's Strategic Transportation Project Investment Program.

Under current law, the General Assembly may appropriate the first \$125 million retained each year for any of the listed purposes.¹⁷ Revenue retained in excess of \$125 million must be spent in equal thirds for health care, preschool through twelfth grade education, and higher education.¹⁸ All appropriations of revenue retained under Referendum C are made from the General Fund Exempt Account, an account established in the General Fund for this purpose.

Legislative Council Staff is required to publish a report each year showing how retained revenue was spent. These reports are available [online](#).¹⁹ Including the preliminary figures reported for FY 2017-18, the state has retained \$19.2 billion over the 13 years for which Referendum C has been in effect. While Referendum C did not authorize new taxes or increase tax rates, the amount retained would have been refunded to taxpayers had Referendum C not passed, assuming voters would not have approved another revenue change.

Required Refunds to Taxpayers

TABOR requires that revenue collected in excess of the limit imposed be refunded to taxpayers. The language imposing this requirement appears at Article X, Section 20 (7)(d), of the Colorado Constitution, reproduced in the appendix. Excess revenue collected is sometimes called a "TABOR surplus."

The state has collected a total of \$3.5 billion in excess revenue during 8 of the 25 years since the constitutional revenue limit was imposed in 1992. The state issues required refunds in the fiscal year following the fiscal year in which excess revenue was collected. The surplus collected in the recently completed FY 2017-18 will be refunded during FY 2018-19.

¹⁶Section 24-77-103.6 (2), C.R.S.

¹⁷Section 24-77-104.5 (1)(a), C.R.S.

¹⁸Section 24-77-104.5 (1)(b), C.R.S.

¹⁹<http://leg.colorado.gov/publications/report-referendum-c-revenue-and-spending-fy-2005-06-through-fy-2018-19>

Table 2 shows the amounts of excess revenue collected and refunded in each of the eight years.

Table 2
State Refund Obligations Under Colo. Constitution Art. X, § 20 (7)(d)

<u>Excess Collected</u>	<u>Refund Required</u>	<u>Amount</u>
FY 1996-97	FY 1997-98	\$139.0 million
FY 1997-98	FY 1998-99	\$563.2 million
FY 1998-99	FY 1999-00	\$679.6 million
FY 1999-00	FY 2000-01	\$941.1 million
FY 2000-01	FY 2001-02	\$927.2 million
FY 2004-05	FY 2005-06	\$41.1 million
FY 2014-15	FY 2015-16	\$169.7 million
FY 2017-18	FY 2018-19	\$16.2 million*
Total		\$3,477.1 million*

Sources: Office of the State Controller and Office of the State Auditor.

*Preliminary.

Accounting. The Office of the State Controller in the Department of Personnel and Administration is responsible for calculating the revenue limit and the amount of any excess by September 1 following completion of the fiscal year.²⁰ Excess revenue is restricted in the General Fund and cannot be spent via normal operating appropriations. The amount restricted is adjusted as refunds are paid and as accounting errors are discovered that increase or decrease the amount of the excess relative to the amount certified on September 1. The Office of the State Auditor in the legislative branch is responsible for auditing the revenue certification.²¹ Accounting adjustments discovered after the audit of the revenue certification are recorded in the comprehensive annual financial report for the fiscal year in which the discovery occurs.

Adjustments for over- and under-refunds. As described in the following section, the state has most often refunded excess revenue via the income tax form. The amounts made available to individual taxpayers are determined based on estimates of the number of persons likely to file tax returns and of their incomes. Because these are estimates, the amounts actually refunded may be greater than or less than the amount of the refund obligation. To the extent that less money is refunded than required, the outstanding refund amount remains restricted in the General Fund and is refunded with the next excess.²² To the extent that more money is refunded than required, the amount of the overage is deducted from the next excess.²³

²⁰Section 24-77-106.5 (1)(b), C.R.S.

²¹Section 24-77-106.5 (2), C.R.S.

²²Section 24-77-103.8 (1), C.R.S.

²³Section 24-77-103.7 (4)(b), C.R.S.

Refund Mechanisms

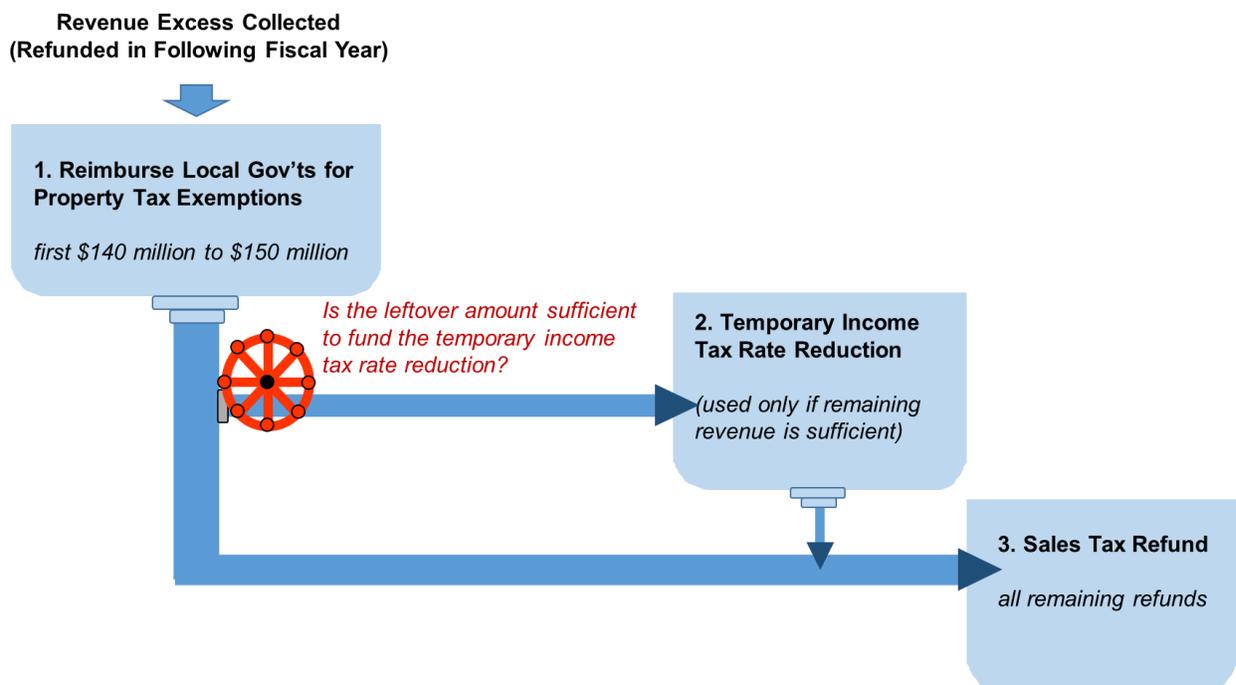
Article X, Section 20 (1), of the Colorado Constitution allows that excess revenue may be refunded to taxpayers using “any reasonable method.” Since 1992, the General Assembly has created 21 mechanisms to refund excess revenue. Eighteen of these have been repealed and three remain in law. Repealed mechanisms most often took the form of income tax credits that became available only when the refund obligation was sufficient to pay for them. A [Legislative Council Staff memorandum](#) provides detailed information on past refund mechanisms and the years in which these mechanisms were used to refund revenue.²⁴

Current mechanisms. Under current state law, three refund mechanisms are available to refund the FY 2017-18 TABOR surplus and any excess amount collected in future fiscal years:

- the property tax exemption reimbursement mechanism;
- the temporary income tax rate reduction; and
- the six-tier sales tax refund mechanism.

Figure 4 shows the order in which these mechanisms are used. For information about the current outlook for refunds and the mechanisms expected to be used, see the “TABOR Outlook” section of the [current Legislative Council Staff economic and revenue forecast](#).²⁵

Figure 4
Mechanisms for Refunds of Revenue to Taxpayers



²⁴http://leg.colorado.gov/sites/default/files/history_of_tabor_refund_mechanisms_10132015.pdf

²⁵<http://leg.colorado.gov/EconomicForecasts>

Property tax reimbursement mechanism. Beginning in FY 2017-18, excess revenue is first refunded via reimbursements to local governments equal to the amount of property tax revenue they lose as a result of the property tax exemptions for seniors and disabled veterans.²⁶ The amount refunded via this mechanism is the lesser of actual reimbursements or the total refund obligation. For example, the entire FY 2017-18 refund obligation, preliminarily \$37.5 million,²⁷ will be refunded in FY 2018-19 via reimbursements to local governments for exemptions allowed for the 2018 property tax year.

Article X, Section 3.5, of the Colorado Constitution allows a property tax exemption for qualifying seniors and disabled veterans. The constitutional provision by default exempts 50 percent of the first \$200,000 of the senior or veteran's primary residence from taxation. The state is required to reimburse local governments from the state General Fund for their property tax loss resulting from the exemption.

In years when the state incurs a refund obligation less than the required reimbursement, only the portion of the reimbursement equal to the refund obligation is accounted as a TABOR refund. This portion is paid from General Fund revenue set aside in the year when the TABOR surplus was collected. The remaining portion of the reimbursement is financed from revenue collected in the fiscal year when the reimbursement is paid.

Temporary income tax rate reduction. The temporary income tax rate reduction refunds revenue via a temporary reduction in the state income tax rate from 4.63 percent to 4.50 percent for individual and corporate income taxpayers.²⁸ The income tax rate reduction is triggered if and only if the refund obligation exceeds the amount of the property tax reimbursement mechanism by at least the amount of the reduction in revenue expected to result from the reduction in the income tax rate.

When triggered, the income tax rate is reduced in the tax year following the fiscal year in which excess revenue is collected. For example, if the reduction were triggered in FY 2018-19, the income tax rate would be reduced in tax year 2019. It would return to 4.63 percent in tax year 2020 unless the rate reduction was also triggered for that year.

The temporary income tax rate reduction was created in 2005 and has yet to be used as a refund mechanism.

Local Government TABOR Refunds

Local legislative bodies, such as boards of county commissioners, city councils, or town councils, are empowered to choose mechanisms to refund excess revenue collected at the local level. Most local governments that collect excess revenue refund the excess amount via temporary reductions in the appropriate mill levy used to calculate property taxes.

²⁶Section 39-3-209, C.R.S.

²⁷Per the Office of the State Controller's September 1, 2018, revenue certification. This amount differs from the amount of the FY 2017-18 excess in Table 2 because it includes a \$21.3 million adjustment for previous under-refunds.

²⁸Section 39-22-627, C.R.S.

Six-tier sales tax refund mechanism. The six-tier sales tax refund²⁹ refunds any excess amount outstanding after the payment of refunds via the property tax reimbursement mechanism and, if triggered, the temporary income tax rate reduction. Despite being called a sales tax refund, the refund appears on income tax forms as a means of returning sales tax revenue paid by individuals.

The mechanism grants taxpayers a refund according to where their adjusted gross income falls among six adjusted gross income tiers. When the amount to be refunded via this mechanism is large enough to support at least \$15 per taxpayer, the Department of Revenue is required to distribute the amount among the tiers as it was distributed for the sales tax refund in tax year 1999. If the amount to be refunded is less than \$15 per taxpayer, an equal refund is provided to each taxpayer regardless of income.

Prior to the six-tier sales tax refund mechanism, the General Assembly had approved similar three-tier and four-tier sales tax refund mechanisms. House Bill 99-1001 created the current six-tier sales tax refund, which was first used to refund the FY 1998-99 surplus in tax year 1999.

²⁹Sections 39-22-2001, 39-22-2002, and 39-22-2003, C.R.S.

Appendix A. Selected Portions of Colo. Const. art. X, § 20

(1) **General provisions.** [...]Subject to judicial review, districts may use any reasonable method for refunds under this section, including temporary tax credits or rate reductions. Refunds need not be proportional when prior payments are impractical to identify or return.

(2) **Term definitions.** (b) "District" means the state or any local government, excluding enterprises.

(d) "Enterprise" means a government-owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all Colorado state and local governments combined.

(e) "Fiscal year spending" means all district expenditures or reserve increases except, as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards, or property sales.

(7) **Spending limits.** (a) The maximum annual percentage change in state fiscal year spending equals inflation plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by voters after 1991. Population shall be determined by annual federal census estimates and such number shall be adjusted every decade to match the federal census.

(d) If revenue from sources not excluded from fiscal year spending exceeds these limits in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset. Initial district bases are current fiscal year spending and 1991 property tax collected in 1992. Qualification or disqualification as an enterprise shall change district bases and future year limits. Future creation of district bonded debt shall increase, and retiring or refinancing district bonded debt shall lower, fiscal year spending and property tax revenue by the annual debt service so funded. Debt service changes, reductions, (1) and (3)(c) refunds, and voter-approved revenue changes are dollar amounts that are exceptions to, and not part of, any district base. Voter-approved revenue changes do not require a tax rate change.