

# 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 #6, 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 provisions that relate to the following topics from article X, section 20 of the Colorado Constitution, which is commonly referred to as "TABOR":
  - a. Prior voter approval for certain district tax increases, multiple fiscal year direct or indirect district debt or other financial obligations, and for the weakening of other limits on district revenue, spending, and debt;
  - b. Election provisions related to TABOR ballot issues, including the ability of the state to conduct an election at an odd-numbered year election;
  - c. The requirement that a district maintain an emergency reserve;
  - d. District spending limits; and
  - e. Prohibitions on new or increased transfer tax rates on real property, new state property tax, local district income tax, income tax rate or a new state definition of taxable income before the next year, and multiple income tax rates.
2. To repeal the requirement, commonly referred to as the "Gallagher Amendment", that the General Assembly adjust the property tax residential assessment rate in accordance with a formula designed to maintain the percentage of the aggregate statewide valuation that is attributable to residential property in the state; and
3. To repeal the requirement that the nonresidential property tax assessment rate is twenty-nine percent.

## **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?

## **Technical Comments**

There are no new technical comments.