

Initiative 308: Direct Sporting Goods Sales Tax Revenue for Conservation

Placed on the ballot by citizen initiative • Passes with a majority vote

Initiative 308 proposes amending the Colorado statutes to:

- direct a portion of existing sales tax revenues from purchases and rentals of certain sporting goods to be used for conservation, wildfire risk mitigation, and outdoor recreation; and
- exempt that money from the state’s constitutional revenue limit, known as the TABOR limit.

What Your Vote Means

YES

A “yes” vote on Initiative 308 requires that existing sales tax revenue collected from sales of sporting goods be spent on conservation, wildfire risk mitigation, and outdoor recreation, and exempt it from state revenue limitations.

NO

A “no” vote on Initiative 308 keeps the sales tax revenue collected from sporting goods in the state’s general budget and subject to the TABOR limit, with the revenue either spent on priorities decided annually by the legislature or refunded to taxpayers as TABOR requires.

Summary and Analysis of Initiative 308

What does the measure do?

The measure requires that state sales tax revenue collected from purchases and rentals of sporting goods be spent on certain programs. These include:

- conservation programs and support for parks and open spaces;
- managing wildfire risk (generally referred to as wildfire risk mitigation), forest management and restoration, and prescribed fire damages liability;
- water projects;
- outdoor education and recreation programs; and
- outdoor access and equity improvements like programs that give opportunities to underserved youth and families.

The measure applies to most sporting goods categories and does not change the amount of tax collected on or the price of sporting goods. Sporting goods include bicycles, golf equipment, hunting and fishing equipment, camping equipment, boats, recreational vehicles, and campers. It also includes rental services for recreational, sports, and fitness equipment.

The measure also exempts this portion of state sales tax revenue from the state’s constitutional revenue limit, known as the Taxpayer’s Bill of Rights (TABOR) limit. The amount to be directed to these efforts will be calculated by Legislative Council Staff, the nonpartisan research agency of the General Assembly. For state budget year 2027-28, this is currently estimated to be \$175 million, or about 3.5 percent of the state’s total annual projected sales tax revenue.

Will this measure apply to sporting goods revenue in all future years?

In some years, the measure will not direct the full amount of sales tax revenue collected from sporting goods to the identified purposes. This reduction occurs when exempting the revenue from the TABOR limit would reduce two state tax credits available to low- and moderate-income households.

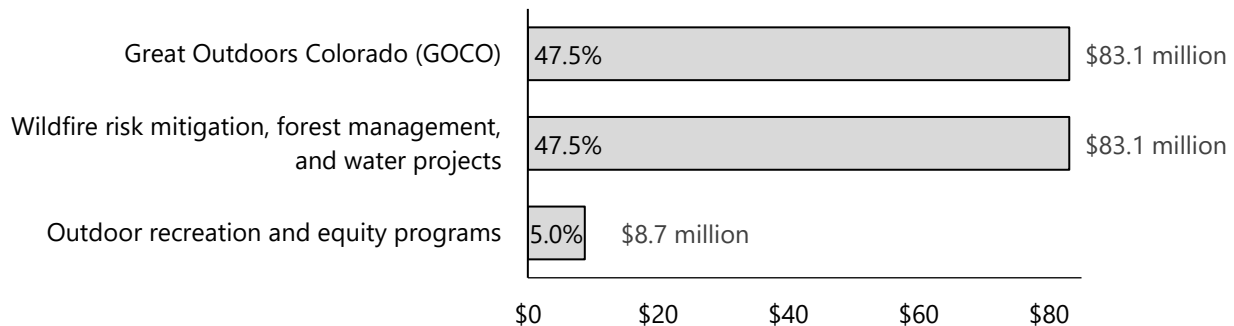
How will the revenue be used?

The measure is estimated to direct about \$175 million per year towards the identified purposes, which would be in addition to the approximately \$170 million that those efforts currently receive. This amount includes only the funding sources that are discussed by the measure, and additional revenue is available for these efforts from other state revenue sources. The distribution of sales tax revenue is shown in Figure 1 and discussed below.

- **Great Outdoors Colorado (GOCO).** About \$83.1 million would be dedicated to GOCO, a state organization that grants money to local and state natural resource efforts, such as parks facilities, trails, and wildlife. GOCO is largely funded by the state lottery, amounting to about \$90 million annually, and currently receives no state funding from taxes.
- **Wildfire risk mitigation, forest management, and water projects.** About \$73.1 million would be dedicated to these efforts, in addition to a one-time \$10.0 million transfer for prescribed fire damages liability in state budget year 2027-28. These wildfire risk mitigation and forest management efforts currently receive about \$16.4 million annually from the state, which is largely awarded through grants from state agencies. Water projects currently receive about \$62 million annually from the state.
- **Outdoor recreation economic development and equity programs.** The remaining revenue, about \$8.7 million, would be dedicated to outdoor recreation and equity programs directed partly by the Colorado Office of Economic Development and International Trade and partly by Colorado Parks and Wildlife. These programs currently receive about \$800,000 from the state annually.

More information is included in the Fiscal Impact section below.

Figure 1
Sales Tax Revenue Distribution Under Initiative 308 for State Budget Year 2027-28
 Millions of Dollars



How does the measure affect TABOR refunds?

TABOR limits state government revenue available for spending to an amount adjusted annually for inflation and population growth. Revenue collected over the limit must be refunded to taxpayers unless voters approve a measure to allow the government to keep and spend it. Under this measure, the dedicated sales tax revenue would be exempt from the TABOR limit. In years where state revenue exceeds the limit, the measure reduces TABOR refunds by the amount of sporting goods sales tax revenue the state is allowed to keep. In years where state revenue is below the TABOR limit, the measure does not impact TABOR refunds, but it may reduce the amount of money available for other general budget priorities.

A memorandum providing more information about the TABOR limit and refunds will be available when the Blue Book is published online at: [URL forthcoming]

Arguments For Initiative 308

- 1) Colorado's outdoor spaces are under strain with more visitors and pressures, like recurring drought. Wildfires are becoming more devastating and frequent, threatening communities throughout the state. In the face of threats to open spaces and recent water shortages, the measure directs more revenue to outdoor recreation, protects land from development, mitigates wildfire risk, and protects clean water without increasing tax rates or changing the cost of sporting goods.
- 2) Competing priorities squeeze the state budget, and the state has not been able to keep pace with needed investments in outdoor spaces that protect the environment, economy, residents, and visitors alike. Not only is state funding insufficient, federal support is also unreliable. Requiring the state to dedicate money to our outdoor spaces protects Colorado's heritage and outdoor recreation culture.

Arguments Against Initiative 308

- 1) The measure is a tax increase in disguise that will reduce or eliminate future TABOR refunds. Keeping state revenue subject to the current constitutional limit is a critical taxpayer

protection that is continuously being undermined. Allowing the state to keep even more taxpayer money has the same effect as taxpayers paying higher taxes. Every dollar retained under this measure is a dollar less in either tax refunds or spending on other critical state priorities like health care and education.

- 2) This measure directs more grant funding to nonprofit organizations that are not accountable to voters, and to local governments with narrow interests. Many of these programs already have dedicated funding sources and the measure directs money to specific wildfire risk mitigation programs while leaving other effective risk mitigation efforts underfunded. This measure strips away flexibility from elected officials to respond to forest health and environmental needs.

Information about the organizations supporting and opposing this measure is available on the Colorado Secretary of State's website:

www.coloradosos.gov/pubs/elections/Initiatives/ballot/contacts/2026.html

Fiscal Impact of Initiative 308

The measure increases state government spending by diverting money from the state General Fund to pay for various programs related to forest restoration, wildfire mitigation, conservation, and outdoor recreation. It reduces the amount of money returned to taxpayers by exempting sporting goods sales tax revenue from the TABOR limit.

Diversion of State Revenue

The measure diverts an estimated \$175 million in the 2027-28 budget year and \$180 million in 2028-29 and future budget years for use on specified programs. This money would otherwise be available for the general state budget, or would be required to be refunded to taxpayers. The diverted revenue is divided between programs within GOCO (47.5 percent), Colorado State Forest Service and the Department of Natural Resources (47.5 percent), Colorado Parks and Wildlife (2.5 percent), and the Office of Economic Development and International Trade (2.5 percent).

The amount diverted may be reduced in years where the diversion would result in the reduction of certain income tax credits for families.

State Spending

The money diverted under the measure is required to be spent on certain programs related to forest restoration, wildfire risk mitigation, water projects, and outdoor recreation, plus administrative costs for those programs. Estimated spending is as follows.

- **Great Outdoors Colorado (GOCO).** The measure increases spending for the GOCO program by an estimated \$83.1 million in the 2027-28 budget year and \$85.6 million in the 2028-29 budget year. This funding for GOCO will be distributed approximately equally to

open space projects, local governments, state park and recreation areas, and educational wildlife programs; and to wildlife habitat restoration projects.

- **Colorado State Forest Service.** The measure increases spending in the Colorado State Forest Service by an estimated \$36.6 million in the 2027-28 budget year and \$42.8 million in the 2028-29 budget year. This money will be used for grants for forest restoration and wildfire risk mitigation projects in areas where human development is close to flammable vegetation; forest management and fuels reduction projects like logging; wildfire risk reduction in forests; and support for utilization and marketing of wood products.
- **Department of Natural Resources.** The measure increases spending in the Department of Natural Resources by an estimated \$36.6 million in the 2027-28 budget year and \$42.8 million in the 2028-29 budget year. Money will be spent on landscape-scale fuels reduction projects, which involve decreasing the amount of flammable acres in forests; and on water projects such as increasing storage capacity of reservoirs, watershed and stream management planning, drought planning, and urban turf replacement programs.
- **Colorado Parks and Wildlife.** In additions to anticipated distributions from GOCO discussed above, the measure increases spending by Colorado Parks and Wildlife by an estimated \$4.4 million in budget year 2027-28 and \$4.5 million in budget year 2028-29. This money will be used for outdoor equity, including grants to organizations and projects that improve access, representation, and experiences for youth and their families in the Colorado outdoors.
- **Office of Economic Development and International Trade (OEDIT).** The measure increases spending by OEDIT by an estimated \$4.4 million in budget year 2027-28 and \$4.5 million in budget year 2028-29. This money will be used for outdoor recreation economic development programs to support outdoor industry business advancement and outdoor recreation planning for rural communities in Colorado.

In years where state revenue collections are below the TABOR limit, the measure will reduce state money available for other uses (the three largest of which are health care, education, and human services); however, the exact effect of the measure on other programs will depend on budgeting decisions by the state legislature. In years where state revenue collections are above the TABOR limit, the measure has no impact on other state spending, but has impacts to taxpayers as described below.

Taxpayer Impacts

The measure will decrease the amount refunded to taxpayers in years when state revenue is over the TABOR limit. Based on forecasts from June 2026, the measure is expected to decrease refunds by \$175 million in tax year 2027 and \$180 million in tax year 2028. The impacts on taxpayers depend on how this money would be refunded. The measure is expected to eliminate six-tier sales tax TABOR refunds in at least the 2027-28 budget year, by between \$26 and \$83 per single filer and between \$52 and \$166 per joint filer, with the actual amount dependent on income level. More information on TABOR refund mechanisms can be found in a memorandum available on the Blue Book website at: [URL forthcoming].