

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 21-0922.02 Pierce Lively x2059

HOUSE BILL 21-1321

HOUSE SPONSORSHIP

Kennedy and Weissman,

SENATE SPONSORSHIP

Moreno and Pettersen,

House Committees

State, Civic, Military, & Veterans Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING VOTER TRANSPARENCY REQUIREMENTS TO INCREASE**
102 **INFORMATION ABOUT THE FISCAL IMPACT OF STATEWIDE**
103 **BALLOT MEASURES THAT WOULD RESULT IN A CHANGE IN**
104 **DISTRICT REVENUE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires that certain language appear at the beginning of a ballot title for an initiated measure that would either increase or decrease tax revenue through a tax policy change. In the case of a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

measure that would reduce state tax revenue through a tax policy change, the ballot title must begin "Shall funding available for state services that include but are not limited to (the three largest areas of program expenditures) be impacted by a reduction of (projected dollar figure of revenue reduction to the state in the first full fiscal year that the measure reduces revenue) in tax revenue...?". In the case of a measure that would reduce local district property tax revenue through a tax policy change, the ballot title must begin "Shall funding available for public services offered by counties, school districts, water districts, fire districts, and other districts funded, at least in part, by property taxes be impacted by a reduction of (projected dollar figure of revenue reduction to all districts in the first full fiscal year that the measure reduces revenue) in property tax revenue...?". In the case of a measure that would increase tax revenue for any district through a tax policy change, after the language required by section 20 (3)(c) of article X of the state constitution, the ballot title must state either "in order to increase or improve levels of public services", or, if applicable, "in order to increase or improve levels of public services, including, but not limited to (the program expenditure that the measure states will receive increased funding)".

The bill also creates additional requirements for the fiscal summary of an initiated measure that would increase or decrease the individual income tax rate or state sales tax rate. The bill requires the fiscal summary for such a measure to include a table that shows the average tax burden change for a filer in different income categories.

The bill changes the requirements for the ballot information booklet entry for certain measures. The bill requires the ballot information booklet entry for an initiated measure that would increase or decrease income tax revenue or state sales tax revenue to include a table that shows the number of tax filers in designated income categories, the total tax burden change for each of those income categories, and the average tax burden change for a filer within each of those income categories. If an initiated measure includes a tax policy change that reduces state tax revenue, the bill requires the ballot information booklet to include a description of the 3 largest areas of program expenditure funded by the affected revenue stream.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Short title.** The short title of this act is the "Ballot
3 Measure Fiscal Transparency Act of 2021".

4 **SECTION 2.** In Colorado Revised Statutes, 1-5-407, **amend** (7)
5 as follows:

1 **1-5-407. Form of ballots.** (7) No printing or distinguishing
2 marks shall be on the ballot except as specifically provided in this code
3 OR IN SECTION 1-40-106 (3)(e) TO (3)(h).

4 **SECTION 3.** In Colorado Revised Statutes, 1-40-105.5, **amend**
5 (1) and (1.5)(a)(IV); and **add** (1.5)(a)(V) as follows:

6 **1-40-105.5. Initial fiscal impact statement - definitions.** (1) As
7 used in this section, unless the context otherwise requires:

8 (a) "AREAS OF PROGRAM EXPENDITURE" MEANS CATEGORIES OF
9 SPENDING BY ISSUE AREA. FOR STATE EXPENDITURES, PROGRAM
10 EXPENDITURE REFERS TO TOTAL EXPENDITURES BY PROGRAM, AS LISTED
11 IN THE "BUDGET IN BRIEF" PREPARED BY THE JOINT BUDGET COMMITTEE
12 FOR THE MOST RECENT FISCAL YEAR.

13 (b) "Director" means the director of research of the legislative
14 council of the general assembly.

15 (1.5)(a) For every initiated measure properly submitted to the title
16 board, the director shall prepare a fiscal summary that consists of the
17 following information:

18 (IV) The following statement: "This fiscal summary, prepared by
19 the nonpartisan Director of Research of the Legislative Council, contains
20 a preliminary assessment of the measure's fiscal impact. A full fiscal
21 impact statement for this initiative is or will be available at
22 www.ColoradoBlueBook.com."; AND

23 (V) IF THE MEASURE WOULD EITHER INCREASE OR DECREASE THE
24 INDIVIDUAL INCOME TAX RATE OR STATE SALES TAX RATE, A TABLE THAT
25 SHOWS THE ESTIMATED EFFECT OF THE CHANGE TO THE INDIVIDUAL
26 INCOME TAX RATE OR STATE SALES TAX RATE ON THE TAX BURDEN OF
27 DIFFERENT INCOME CATEGORIES. IN DETERMINING THIS EFFECT, THE

1 DIRECTOR MAY USE THE SAME METHODOLOGY THAT THE DEPARTMENT OF
2 REVENUE USES WHILE PREPARING A TAX PROFILE AND EXPENDITURE
3 REPORT TO MEASURE THE DISTRIBUTION OF STATE AND LOCAL TAXES
4 AMONG HOUSEHOLDS PURSUANT TO SECTION 39-21-303 (2)(d)(I)(C). THE
5 TABLE PREPARED BY THE DIRECTOR MUST SHOW THE AVERAGE TAX
6 BURDEN CHANGE FOR FILERS WITHIN EACH INCOME CATEGORY. IF THE
7 CHANGE IN A TAX BURDEN SHOWN IN THE TABLE IS AN INCREASE, THE
8 CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A PLUS
9 SIGN. IF THE CHANGE IN A TAX BURDEN SHOWN IN THE TABLE IS A
10 DECREASE, THE CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT
11 PRECEDED BY A NEGATIVE SIGN. THE DIRECTOR SHALL USE THE
12 FOLLOWING INCOME CATEGORIES IN CREATING THE TABLE:

13 (A) FEDERAL ADJUSTED GROSS INCOME OF FOURTEEN THOUSAND
14 NINE HUNDRED NINETY-NINE DOLLARS OR LESS;

15 (B) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
16 TO FIFTEEN THOUSAND DOLLARS AND LESS THAN THIRTY THOUSAND
17 DOLLARS;

18 (C) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
19 TO THIRTY THOUSAND DOLLARS AND LESS THAN FORTY THOUSAND
20 DOLLARS;

21 (D) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
22 TO FORTY THOUSAND DOLLARS AND LESS THAN FIFTY THOUSAND
23 DOLLARS;

24 (E) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
25 TO FIFTY THOUSAND DOLLARS AND LESS THAN SEVENTY THOUSAND
26 DOLLARS;

27 (F) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL

1 TO SEVENTY THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
2 THOUSAND DOLLARS;

3 (G) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
4 TO ONE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
5 FIFTY THOUSAND DOLLARS;

6 (H) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
7 TO ONE HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN TWO
8 HUNDRED THOUSAND DOLLARS;

9 (I) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
10 TO TWO HUNDRED THOUSAND DOLLARS AND LESS THAN TWO HUNDRED
11 FIFTY THOUSAND DOLLARS;

12 (J) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
13 TO TWO HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN FIVE
14 HUNDRED THOUSAND DOLLARS;

15 (K) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
16 TO FIVE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE MILLION
17 DOLLARS; AND

18 (L) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
19 TO ONE MILLION DOLLARS.

20 **SECTION 4.** In Colorado Revised Statutes, 1-40-106, **add** (3)(e),
21 (3)(f), (3)(g), (3)(h), and (3)(i) as follows:

22 **1-40-106. Title board - meetings - ballot title - initiative and**
23 **referendum.** (3) (e) FOR MEASURES THAT REDUCE STATE TAX REVENUE
24 THROUGH A TAX POLICY CHANGE, THE BALLOT TITLE MUST BEGIN "SHALL
25 FUNDING AVAILABLE FOR STATE SERVICES THAT INCLUDE BUT ARE NOT
26 LIMITED TO (THE THREE LARGEST AREAS OF PROGRAM EXPENDITURE) BE
27 IMPACTED BY A REDUCTION OF (PROJECTED DOLLAR FIGURE OF REVENUE

1 REDUCTION TO THE STATE IN THE FIRST FULL FISCAL YEAR THAT THE
2 MEASURE REDUCES REVENUE) IN TAX REVENUE...?". THE ESTIMATES
3 REFLECTED IN THE BALLOT TITLE SHALL NOT BE INTERPRETED AS
4 RESTRICTIONS OF THE STATE'S BUDGETING PROCESS.

5 (f) FOR MEASURES THAT REDUCE LOCAL DISTRICT PROPERTY TAX
6 REVENUE THROUGH A TAX POLICY CHANGE, THE BALLOT TITLE MUST
7 BEGIN "SHALL FUNDING AVAILABLE FOR PUBLIC SERVICES OFFERED BY
8 COUNTIES, SCHOOL DISTRICTS, WATER DISTRICTS, FIRE DISTRICTS, AND
9 OTHER DISTRICTS FUNDED, AT LEAST IN PART, BY PROPERTY TAXES BE
10 IMPACTED BY A REDUCTION OF (PROJECTED DOLLAR FIGURE OF PROPERTY
11 TAX REVENUE REDUCTION TO ALL DISTRICTS IN THE FIRST FULL FISCAL
12 YEAR THAT THE MEASURE REDUCES REVENUE) IN PROPERTY TAX
13 REVENUE...?". THE TITLE BOARD SHALL EXCLUDE ANY DISTRICTS WHOSE
14 PROPERTY TAX REVENUE WOULD NOT BE REDUCED BY THE MEASURE FROM
15 THE MEASURE'S BALLOT TITLE. THE ESTIMATES REFLECTED IN THE BALLOT
16 TITLE SHALL NOT BE INTERPRETED AS RESTRICTIONS OF A LOCAL
17 DISTRICT'S BUDGETING PROCESS.

18 (g) FOR MEASURES THAT INCREASE TAX REVENUE FOR ANY
19 DISTRICT THROUGH A TAX POLICY CHANGE AND SPECIFY THE PUBLIC
20 SERVICES TO BE FUNDED BY THE INCREASED REVENUE, AFTER THE
21 LANGUAGE REQUIRED BY SECTION 20 (3)(c) OF ARTICLE X OF THE STATE
22 CONSTITUTION, THE BALLOT TITLE SHALL STATE "IN ORDER TO INCREASE
23 OR IMPROVE LEVELS OF PUBLIC SERVICES, INCLUDING, BUT NOT LIMITED TO
24 (THE PUBLIC SERVICE SPECIFIED IN THE MEASURE)...". FOR MEASURES
25 THAT INCREASE TAX REVENUE FOR ANY DISTRICT THROUGH A TAX POLICY
26 CHANGE AND DO NOT SPECIFY THE PUBLIC SERVICES TO BE FUNDED BY THE
27 INCREASED REVENUE, AFTER THE LANGUAGE REQUIRED BY SECTION 20

1 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION, THE BALLOT TITLE
2 SHALL STATE "IN ORDER TO INCREASE OR IMPROVE LEVELS OF PUBLIC
3 SERVICES...". THE ESTIMATES REFLECTED IN THE BALLOT TITLE SHALL NOT
4 BE INTERPRETED AS RESTRICTIONS OF A DISTRICT'S BUDGETING PROCESS.

5 (h) A BALLOT TITLE FOR A MEASURE THAT EITHER INCREASES OR
6 DECREASES THE INDIVIDUAL INCOME TAX RATE OR STATE SALES TAX RATE
7 MUST, IF APPLICABLE, INCLUDE THE TABLE CREATED FOR THE FISCAL
8 SUMMARY PURSUANT TO SECTION 1-40-105.5 (1.5)(a)(V).

9 (i) IN DETERMINING WHETHER A BALLOT TITLE QUALIFIES AS BRIEF
10 FOR PURPOSES OF SECTIONS 1-40-102 (10) AND 1-40-106 (3)(b), THE
11 LANGUAGE REQUIRED BY SUBSECTION (3)(e), (3)(f), (3)(g), OR (3)(h) OF
12 THIS SECTION MAY NOT BE CONSIDERED.

13 **SECTION 5.** In Colorado Revised Statutes, 1-40-124.5, **amend**
14 (1)(b) introductory portion, (1)(b)(II), and (1)(b)(III); and **add** (1)(b)(IV)
15 as follows:

16 **1-40-124.5. Ballot information booklet.** (1) (b) The director of
17 research of the legislative council of the general assembly shall prepare
18 a fiscal impact statement for every initiated or referred measure, taking
19 into consideration fiscal impact information submitted by the office of
20 state planning and budgeting, the department of local affairs or any other
21 state agency, and any proponent or other interested person. The fiscal
22 impact statement prepared for every measure shall be substantially similar
23 in form and content to the fiscal notes provided by the legislative council
24 of the general assembly for legislative measures pursuant to section
25 2-2-322. ~~C.R.S.~~ A complete copy of the fiscal impact statement for such
26 measure shall be available through the legislative council of the general
27 assembly. The ballot information booklet shall indicate whether there is

1 a fiscal impact for each initiated or referred measure and shall abstract the
2 fiscal impact statement for such measure. The abstract for every measure
3 shall appear after the arguments for and against such measure in the
4 analysis section of the ballot information booklet, and shall include, but
5 shall not be limited to:

6 (II) An estimate of the amount of any state and local government
7 recurring expenditures or fiscal liabilities if such measure is enacted; ~~and~~

8 (III) For any initiated or referred measure that modifies the state
9 tax laws, ~~an estimate of the impact to the average taxpayer, if feasible, if~~
10 ~~such measure is enacted~~ IF THE MEASURE WOULD EITHER INCREASE OR
11 DECREASE INDIVIDUAL INCOME TAX REVENUE OR STATE SALES TAX
12 REVENUE, A TABLE THAT SHOWS THE NUMBER OF TAX FILERS IN EACH
13 INCOME CATEGORY, THE TOTAL TAX BURDEN CHANGE FOR EACH INCOME
14 CATEGORY, AND THE AVERAGE TAX BURDEN CHANGE FOR EACH FILER
15 WITHIN EACH INCOME CATEGORY. IF THE CHANGE IN A TAX BURDEN
16 SHOWN IN THE TABLE IS AN INCREASE, THE CHANGE MUST BE EXPRESSED
17 AS A DOLLAR AMOUNT PRECEDED BY A PLUS SIGN. IF THE CHANGE IN A TAX
18 BURDEN SHOWN IN THE TABLE IS A DECREASE, THE CHANGE MUST BE
19 EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A NEGATIVE SIGN. THE
20 TABLE MUST HAVE THE SAME INCOME CATEGORIES AS THE TABLE
21 CONSTRUCTED PURSUANT TO SECTION 1-4-105.5 (1.5)(a)(V); AND

22 (IV) IF THE MEASURE CONTAINS A PROPOSED TAX POLICY CHANGE
23 THAT REDUCES STATE TAX REVENUE, A DESCRIPTION OF THE THREE
24 LARGEST AREAS OF PROGRAM EXPENDITURE, AS DEFINED IN SECTION
25 1-40-105.5 (1)(a).

26 **SECTION 6. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.