

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 21-0922.02 Pierce Lively x2059

HOUSE BILL 21-1321

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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, AND, IN CONNECTION THEREWITH, MAKING**
105 **AN APPROPRIATION.**

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

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.

SENATE
Amended 2nd Reading
June 1, 2021

HOUSE
3rd Reading Unamended
May 27, 2021

HOUSE
Amended 2nd Reading
May 26, 2021

decrease tax revenue through a tax policy change. In the case of a 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)

1 as follows:

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

5 **SECTION 3.** In Colorado Revised Statutes, 1-40-105.5, **amend**
6 (1.5)(a)(IV); and **add** (1.5)(a)(V) as follows:

7 **1-40-105.5. Initial fiscal impact statement - definition.**

8 (1.5) (a) For every initiated measure properly submitted to the title board,
9 the director shall prepare a fiscal summary that consists of the following
10 information:

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

16 (V) IF THE MEASURE WOULD EITHER INCREASE OR DECREASE THE
17 INDIVIDUAL INCOME TAX RATE OR STATE SALES TAX RATE, A TABLE THAT
18 SHOWS THE ESTIMATED EFFECT OF THE CHANGE TO THE INDIVIDUAL
19 INCOME TAX RATE OR STATE SALES TAX RATE ON THE TAX BURDEN OF
20 DIFFERENT INCOME CATEGORIES. IN DETERMINING THIS EFFECT, THE
21 DIRECTOR MAY USE THE SAME METHODOLOGY THAT THE DEPARTMENT OF
22 REVENUE USES WHILE PREPARING A TAX PROFILE AND EXPENDITURE
23 REPORT TO MEASURE THE DISTRIBUTION OF STATE AND LOCAL TAXES
24 AMONG HOUSEHOLDS PURSUANT TO SECTION 39-21-303 (2)(d)(I)(C). THE
25 TABLE PREPARED BY THE DIRECTOR MUST SHOW THE AVERAGE TAX
26 BURDEN CHANGE FOR FILERS WITHIN EACH INCOME CATEGORY. IF THE
27 CHANGE IN A TAX BURDEN SHOWN IN THE TABLE IS AN INCREASE, THE

1 CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT PRECEDED BY A PLUS
2 SIGN. IF THE CHANGE IN A TAX BURDEN SHOWN IN THE TABLE IS A
3 DECREASE, THE CHANGE MUST BE EXPRESSED AS A DOLLAR AMOUNT
4 PRECEDED BY A NEGATIVE SIGN. THE DIRECTOR SHALL USE THE
5 FOLLOWING INCOME CATEGORIES IN CREATING THE TABLE:

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

8 (B) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
9 TO FIFTEEN THOUSAND DOLLARS AND LESS THAN THIRTY THOUSAND
10 DOLLARS;

11 (C) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
12 TO THIRTY THOUSAND DOLLARS AND LESS THAN FORTY THOUSAND
13 DOLLARS;

14 (D) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
15 TO FORTY THOUSAND DOLLARS AND LESS THAN FIFTY THOUSAND
16 DOLLARS;

17 (E) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
18 TO FIFTY THOUSAND DOLLARS AND LESS THAN SEVENTY THOUSAND
19 DOLLARS;

20 (F) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
21 TO SEVENTY THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
22 THOUSAND DOLLARS;

23 (G) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
24 TO ONE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE HUNDRED
25 FIFTY THOUSAND DOLLARS;

26 (H) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
27 TO ONE HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN TWO

1 HUNDRED THOUSAND DOLLARS;

2 (I) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
3 TO TWO HUNDRED THOUSAND DOLLARS AND LESS THAN TWO HUNDRED
4 FIFTY THOUSAND DOLLARS;

5 (J) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
6 TO TWO HUNDRED FIFTY THOUSAND DOLLARS AND LESS THAN FIVE
7 HUNDRED THOUSAND DOLLARS;

8 (K) FEDERAL ADJUSTED GROSS INCOME GREATER THAN OR EQUAL
9 TO FIVE HUNDRED THOUSAND DOLLARS AND LESS THAN ONE MILLION
10 DOLLARS; AND

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

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

15 **1-40-106. Title board - meetings - ballot title - initiative and**
16 **referendum - definitions.** (3) (e) FOR MEASURES THAT REDUCE STATE
17 TAX REVENUE THROUGH A TAX POLICY CHANGE, THE BALLOT TITLE MUST
18 BEGIN "SHALL FUNDING AVAILABLE FOR STATE SERVICES THAT INCLUDE
19 BUT ARE NOT LIMITED TO (THE THREE LARGEST AREAS OF PROGRAM
20 EXPENDITURE) BE IMPACTED BY A REDUCTION OF (PROJECTED DOLLAR
21 FIGURE OF REVENUE REDUCTION TO THE STATE IN THE FIRST FULL FISCAL
22 YEAR THAT THE MEASURE REDUCES REVENUE) IN TAX REVENUE...?". THE
23 ESTIMATES REFLECTED IN THE BALLOT TITLE SHALL NOT BE INTERPRETED
24 AS RESTRICTIONS OF THE STATE'S BUDGETING PROCESS.

25 (f) FOR MEASURES THAT REDUCE LOCAL DISTRICT PROPERTY TAX
26 REVENUE THROUGH A TAX POLICY CHANGE, THE BALLOT TITLE MUST
27 BEGIN "SHALL FUNDING AVAILABLE FOR PUBLIC SERVICES OFFERED BY

1 COUNTIES, SCHOOL DISTRICTS, WATER DISTRICTS, FIRE DISTRICTS, AND
2 OTHER DISTRICTS FUNDED, AT LEAST IN PART, BY PROPERTY TAXES BE
3 IMPACTED BY A REDUCTION OF (PROJECTED DOLLAR FIGURE OF PROPERTY
4 TAX REVENUE REDUCTION TO ALL DISTRICTS IN THE FIRST FULL FISCAL
5 YEAR THAT THE MEASURE REDUCES REVENUE) IN PROPERTY TAX
6 REVENUE...?". THE TITLE BOARD SHALL EXCLUDE ANY DISTRICTS WHOSE
7 PROPERTY TAX REVENUE WOULD NOT BE REDUCED BY THE MEASURE FROM
8 THE MEASURE'S BALLOT TITLE. THE ESTIMATES REFLECTED IN THE BALLOT
9 TITLE SHALL NOT BE INTERPRETED AS RESTRICTIONS OF A LOCAL
10 DISTRICT'S BUDGETING PROCESS.

11 (g) FOR MEASURES THAT INCREASE TAX REVENUE FOR ANY
12 DISTRICT THROUGH A TAX POLICY CHANGE AND SPECIFY THE PUBLIC
13 SERVICES TO BE FUNDED BY THE INCREASED REVENUE, AFTER THE
14 LANGUAGE REQUIRED BY SECTION 20 (3)(c) OF ARTICLE X OF THE STATE
15 CONSTITUTION, THE BALLOT TITLE SHALL STATE "IN ORDER TO INCREASE
16 OR IMPROVE LEVELS OF PUBLIC SERVICES, INCLUDING, BUT NOT LIMITED TO
17 (THE PUBLIC SERVICE SPECIFIED IN THE MEASURE)...". FOR MEASURES
18 THAT INCREASE TAX REVENUE FOR ANY DISTRICT THROUGH A TAX POLICY
19 CHANGE AND DO NOT SPECIFY THE PUBLIC SERVICES TO BE FUNDED BY THE
20 INCREASED REVENUE, AFTER THE LANGUAGE REQUIRED BY SECTION 20
21 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION, THE BALLOT TITLE
22 SHALL STATE "IN ORDER TO INCREASE OR IMPROVE LEVELS OF PUBLIC
23 SERVICES...". THE ESTIMATES REFLECTED IN THE BALLOT TITLE SHALL NOT
24 BE INTERPRETED AS RESTRICTIONS OF A DISTRICT'S BUDGETING PROCESS.

25 (h) A BALLOT TITLE FOR A MEASURE THAT EITHER INCREASES OR
26 DECREASES THE INDIVIDUAL INCOME TAX RATE OR STATE SALES TAX RATE
27 MUST, IF APPLICABLE, INCLUDE THE TABLE CREATED FOR THE FISCAL

1 SUMMARY PURSUANT TO SECTION 1-40-105.5 (1.5)(a)(V).

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

6 (j) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT
7 OTHERWISE REQUIRES, "AREAS OF PROGRAM EXPENDITURE" MEANS
8 CATEGORIES OF SPENDING BY ISSUE AREA. FOR STATE EXPENDITURES,
9 "PROGRAM EXPENDITURE" REFERS TO THE THREE PROGRAM TYPES LISTED
10 AS RECEIVING THE LARGEST GENERAL FUND OPERATING APPROPRIATIONS
11 IN THE JOINT BUDGET COMMITTEE'S ANNUAL APPROPRIATIONS REPORT FOR
12 THE MOST RECENT FISCAL YEAR.

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 1-40-106 (3)(j).

26 **SECTION 6. Appropriation.** (1) For the 2021-22 state fiscal
27 year, \$7,865 is appropriated to the legislative department for use by the

1 legislative council. This appropriation is from the general fund and is
2 based on an assumption that the legislative council will require an
3 additional 0.1 FTE. The legislative council may use this appropriation to
4 implement this act.

5 (2) For the 2021-22 state fiscal year, \$36,000 is appropriated to
6 the department of state for use by the information technology division.
7 This appropriation is from the department of state cash fund created in
8 section 24-21-104 (3)(b), C.R.S. To implement this act, the division may
9 use this appropriation for personal services.

10 **SECTION 7. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, or safety.