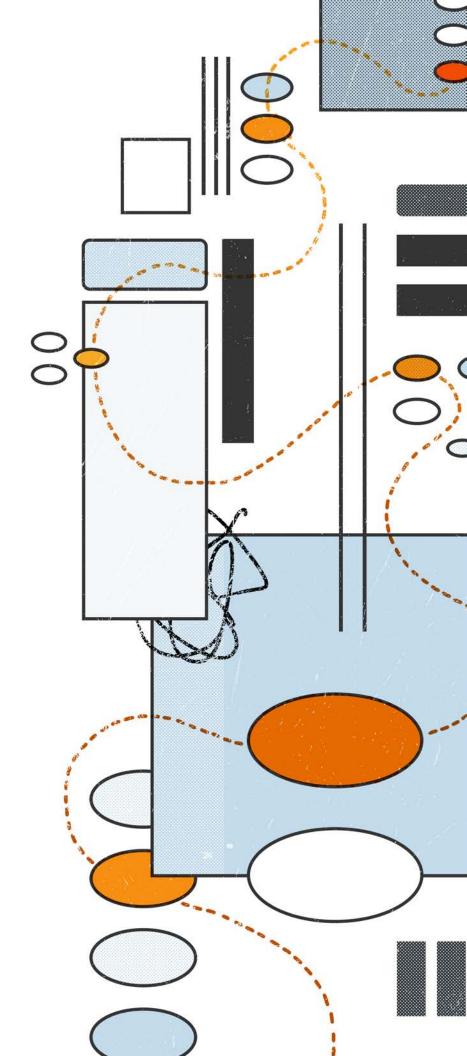
The Bell Policy Center







A Note About This Ballot Guide

As you look through the Bell Policy Center's 2020 Ballot Guide, you'll notice it looks different from previous years. In order to provide clear and accurate analysis about how the 11 statewide measures will affect Coloradans, we adopted new criteria to inform our recommendations.

For each measure, you'll see there are three values every proposal is scored on: tax fairness, racial equity, and economic mobility. We chose these three as all are closely aligned to the Bell's work and our organizational mission. Each value receives a rating (very bad, bad, slightly bad, neutral, slightly good, good, very good) based on how the ballot measure in question will affect these values.

Based on our research and analysis, some proposals have more serious implications for tax fairness, racial equity, and economic mobility in Colorado. For that reason, we encourage you to pay close attention to the following measures:

- Amendment B: Repeal the Gallagher Amendment (Support)
- Proposition EE: Taxes on Nicotine Products (Support)
- Proposition 116: State Income Tax Rate Reduction (Oppose)
- <u>Proposition 117</u>: Voter Approval for Certain New State Enterprises (Oppose)
- Proposition 118: Paid Family & Medical Leave Insurance Program (Support)

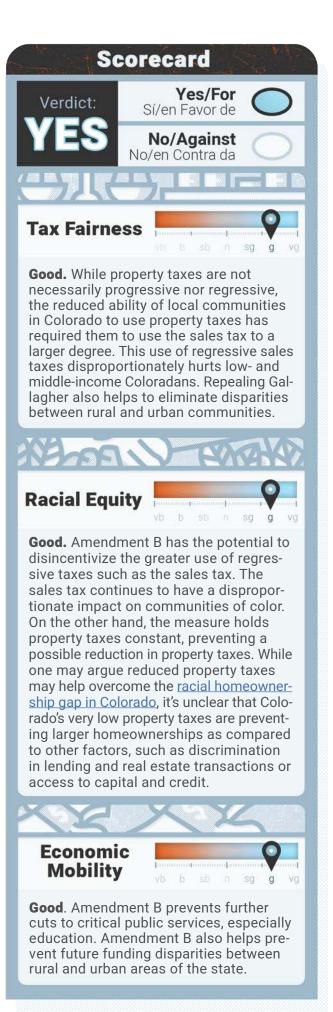


Amendment B

Repeal the Gallagher Amendment

Amendment B repeals the section of the Colorado Constitution commonly known as the "Gallagher Amendment." Passed in 1982, the Gallagher Amendment is a restriction on property taxes that limits the total amount of property taxes that can be generated from residential property taxes, as opposed to non-residential property taxes. At the time Gallagher was passed, residential property made up nearly 45 percent of the total assessed value of all property in Colorado. Gallagher froze that percentage split and mandated residential property not make up more than 45 percent of property assessments from that point forward. It also mandated commercial properties must be assessed at 29 percent. Repealing the Gallagher Amendment would keep property assessments at their current level.

- 1. Over the past 38 years, Gallagher has shifted nearly \$45 billion of property taxes away from residential properties when adjusting for inflation.
- 2. Since the enactment of the Gallagher Amendment, residential property values have risen greatly, far outpacing non-residential property, and leading to a situation in which non-residential properties are taxed at a rate over four times residential properties.



- 3. Because of continued increases in residential property values over the past two years, the residential assessment rate is estimated to decrease from 7.15 percent to 5.88 percent. The Department of Local Affairs estimates this decrease will lead to a reduction of \$490 million in school district revenue and \$204 million in county revenue.
- 4. Because of Gallagher's statewide approach, it has led to very different outcomes between rural and urban communities across Colorado. This occurs because many rural counties have seen declines in their residential property values and rural counties don't often have as large of a non-residential property tax base as urban areas.

- Colorado already underfunds many critical public services, and the current recession has devastated state and local government budgets. If Amendment B does not pass, local governments will see even larger cuts to schools and other vital public services. For school districts alone, the cuts could be nearly \$500 million a year.
- The Gallagher Amendment has contributed to inequities within Colorado's tax code. Repealing or replacing it is vital to creating a fair tax code in Colorado, one that does not disproportionately burden middle class Coloradans or those with low incomes, communities of color, and rural communities.
- Eliminating the required 45/55 split between residential and non-residential properties allows Colorado to develop future property tax assessments that are more reflective of current property values and the actual split between residential and non-residential property.

Supporters

Senators Chris Hansen (D), Daneya Esgar (D), Jake Tate (R), Matt Soper (R), Choice Colorado, Colorado Coming Together

Arguments Against

- Amendment B eliminates the requirement that non-residential property taxes be assessed at 29 percent. While Senate Bill 20-223 places a moratorium on changing current assessment rates, there is the possibility the legislature decreases the non-residential property assessment rate in future years. Because TABOR has made it extremely difficult to raise assessment rates. any future decreases to non-residential property assessments could have strong negative impacts on local government revenue and would be very hard to reverse.
- If Amendment B does not pass, residential property assessment rates will decrease. Unless local governments increase mill levies to compensate, this decrease would lead to lower property taxes for homeowners.

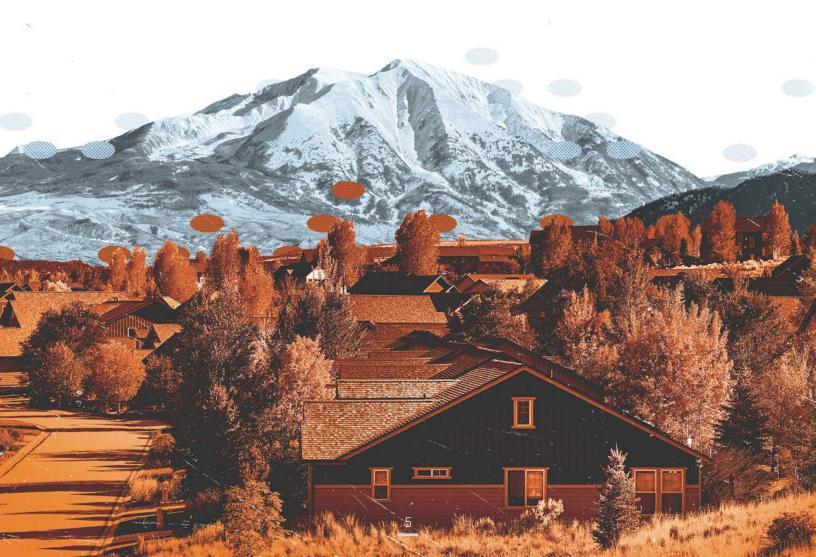
Opponents

Colorado Rising State Action, Keep Property Taxes Low, Protect Our Homes Colorado

Recommendation

Repealing or replacing the Gallagher Amendment is an essential step in reforming Colorado's tax code. The risk of future reductions to non-residential property assessments opened by Amendment B is real, and without larger reforms to TABOR, a repeal of Gallagher comes with potential risks of future decreases to local budgets. Even taking those risks into account, we believe the large reductions to school and local government budgets that will occur if Amendment B does not pass outweighs the future risk. If Colorado is to recover from the current recession and continue to provide vital public services necessary for our families and our economy, we must prevent the cuts that will occur if Gallagher runs its current course. Another \$500 million in cuts to Colorado's school districts could damage Colorado for decades to come. We recommend a YES vote on Amendment B, knowing the Bell Policy Center will continue to work on additional reforms needed to create a fair tax code in Colorado.

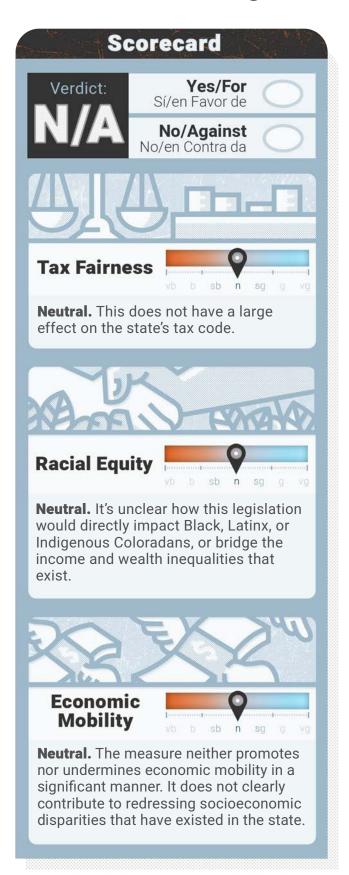




Amendment C Conduct of Charitable Gaming

Reduces the number of years a charitable organization needs to legally exist before it's able to obtain a charitable gaming license from five years to three years, and allows charitable organizations to hire managers and operators of gaming activities as long as they are paid no more than the minimum wage. In this case, "charitable gaming" is defined as bingo, pull-tab games, and raffles operated by charitable organizations.

- 1. The length requirement for existence prior to obtaining a gaming license is to ensure an organization can demonstrate it is indeed formed to fulfill the charitable purpose for which it was established
- 2. In 2019, Colorado's secretary of state's office received \$706,302 worth of revenue in fees from charitable bingo licensees.
- 3. A 2017 survey of charities that use bingo and raffles to raise funds indicates most respondents were either unsure or doubtful the ability to pay workers would increase net proceeds from the games.



 The amendment would allow some charitable organizations to supplement their fundraising efforts with bingo earlier in their existence. The organizations can better pursue their missions earlier with the added funds.

Supporters

State Representatives Jonathan Singer (D), James Wilson (R) and Senators Jim Smallwood (R, Nancy Todd (D)

Arguments Against

 The measure will increase state cash fund expenditures by much more than it will increase revenue. The expenditures increase by \$82,270 for FY 2020-2021 and \$37,404 for FY 2021-2022, while cash fund revenue increases by \$5,200 for FY2020-2021 and FY2021-2022.

Opponents

None to date.

Recommendation

Because the measure does not impact the values the Bell Policy Center has identified for our ballot guide, we do not offer a position on the measure.

Yes/For Si/en Favor de

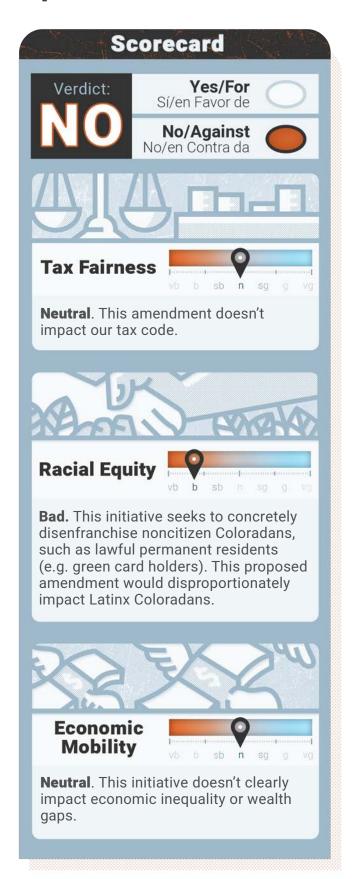




Amendment 76 Citizenship Qualification of Voters

Amendment 76 proposes changing the state constitution from saying "Every citizen of the United States ... is qualified to vote at all elections" to "Only a citizen of the United States ... is qualified to vote at all elections." This text change would prohibit noncitizens from voting in elections, but noncitizens are already expressly forbidden from voting in state and federal elections.

- 1. Noncitizens are already expressly prohibited from voting in state and federal elections. This includes legal permanent residents (i.e. green card holders).
- 2. Passing Amendment 76 would overturn state law that allows 17-year-olds to vote in primary elections if they will be 18 before the general election day, further limiting enfranchisement of Coloradans.
- 3. Forty-eight states, including Colorado, have language stating all or every citizen may vote, therefore not expressly forbidding noncitizens from voting. Arizona and North Dakota are the only two states that expressly forbid noncitizens from voting.
- 4. A few cities (e.g. San Francisco, Chicago) allow noncitizen voting. In these places, noncitizens are limited to voting in local school board elections.



- 5. While the stated effort is to ensure noncitizens are prohibited from voting even in municipal elections, given Colorado's home-rule legacy, this amendment wouldn't impact the ability of home-rule cities (like Denver, Boulder, Colorado Springs, Fort Collins, and Aurora) to determine the qualifications of their electors for municipal elections.
- No Colorado municipality allows noncitizens to vote in local elections, nor have any attempted to allow noncitizen voting.
- 7. Amendment 76 is backed by Citizen Voters, a nonprofit based in Florida, which has spent more than \$1.25 million on this initiative. This group backed a 2018 initiative in North Dakota, and similar efforts in Alabama and Florida.

 If passed, this amendment likely would not substantively change election laws or qualifications.

Supporters

Congressman Ken Buck (R), State Representative Patrick Neville (R), Former State Representative Joe Stengel (R), George Athanasopoulos, Colorado Citizen Voters

Arguments Against

- This amendment is being driven by out-of-state advocates and dollars with little understanding of Colorado's Constitution and the desires of its citizens. It tries to solve a nonissue and its proposed solution is the wrong tactic to address the proposed problem.
- This amendment is a propaganda tool that aims to raise anti-immigrant sentiment and is an insidious attempt to propagate nativist values, threatening Colorado immigrants.
- The goal of this amendment is to undermine home-rule statutes to prevent municipalities from allowing noncitizens to vote in local city elections.
- While no municipality is currently pursuing changes to allow noncitizens to vote, it's conceivable there would be a legitimate rationale behind that choice, for instance in the case of local school board elections.

Opponents

Colorado Immigrant Rights Coalition Action Fund, ACLU of Colorado, Colorado Education Association

Recommendation

Amendment 76 is rooted in an anti-immigrant and nativist sentiment. By several legal analyses, the measure does not change current restrictions around noncitizen voting. Instead, it appears its purpose is to enflame more anti-immigrant sentiment and discourage political participation. **The Bell Policy Center strongly recommends a NO vote on Amendment 76.**



Amendment 77

Local Voter Approval of Casino Bet Limits & Games in Black Hawk, Central City, & Cripple Creek

Amendment 77 proposes three major changes to the Colorado gambling laws by amending the state constitution to:

- Get rid of \$100 maximum bet cap and allow the maximum to be set by voters in each local jurisdiction;
- Expand game options beyond those already constitutionally defined by voters in each local jurisdiction; and
- Expand the use of gaming revenue to allow spending on postsecondary programs that aid in student retention and credential completion in Colorado's public community colleges, district colleges, and junior colleges.

This initiative would not change where gaming is allowed in Colorado.

- 1. Currently gambling, referred to as "limited gaming," is only allowed in the cities of Black Hawk, Central, and Cripple Creek and on tribal reservation lands. The types of gambling are limited to blackjack, craps, poker, roulette, and slot machines, and the maximum wager allowed is \$100.
- 2. Colorado voters passed Amendment 50 in 2008. This raised revenue for the state by increasing the bet cap to \$100 and extending hours for gambling. A fraction of the resulting increased revenue was to be divided between the cities and postsecondary education pursuant to a formula defined in Amendment 50.



- **3.** The dollars for postsecondary education in this measure will be allocated in the same way defined by Amendment 50.
- Typical gaming revenue is subject to TABOR's revenue caps, but revenue from Amendment 50 expansions is TABOR exempt.
- 5. Last fiscal year's gaming revenue was \$125 million for the state, constituting a very small percentage of total reve-
- nue for the state. This figure includes the revenue from Amendment 50, which was approximately \$20 million. From this, \$14 million was disbursed to Colorado community colleges.
- 6. Colorado is <u>one of two states</u> with maximum wager limits on gambling. The other state is South Dakota with a limit of \$1,000.

- This measure has the potential to raise revenue for community colleges in a time when state funding for these institutions has been dramatically cut due to the COVID-19 recession.
- This measure could lead to increased revenue for these cities and the state, if voters decide to raise maximum wager amounts or game options and could lead to increased tourism in these areas.

Supporters

Former Cripple Creek Mayor Bruce Brown, Current Mayors of Cripple Creek and Black Hawk, Former Colorado Senate President Bill Cadman, Local Choice Colorado, Colorado Gaming Association

Arguments Against

- Amendment 77 could potentially lead to increased state spending if new gaming options were approved by voters, which would require the state to update rules and documentation to reflect new gaming options and wager limits.
- Higher wage limits could lead to greater losses for individual gamblers than they would otherwise incur.

Opponents

None to date

Recommendation

Given Colorado's limited avenues for revenue generation and particularly in the context of COVID-19, Amendment 77 would both improve local control over gambling laws and raise revenue for postsecondary institutions at a time when it's needed most. **The Bell Policy Center recommends a YES vote.**





Proposition EE

Taxes on Nicotine Products

Proposition EE constitutes a statutory change to increase taxes on cigarettes and other tobacco products and institutes a first-time tax on nicotine products. When fully phased in, it's expected to generate new annual revenue of nearly \$275 million by 2027. These funds will support K-12 education, affordable housing, and eviction assistance through 2022-2023, and then preschool expansion programs thereafter

Key Facts

- Colorado ranks 38th nationwide as one of the lowest ranked states for cigarette tax rates.
- Colorado youth use vaping nicotine products two times more than the national average.
- Colorado will see a 20 percent decrease in tax revenues in FY 2021 compared to projections before the pandemic hit an approximate \$2.5 billion difference.
- 4. During the 2019-2020 school year, about 75,000 children were estimated to be eligible for the Colorado Preschool Program, but the program only funded about 30,000 preschool slots. Beginning in the 2023-2024 school year, Proposition EE will support funding for all preschoolers in the year before kindergarten.
- 5. Based upon previous studies, a 10 percent increase in the purchase price of cigarettes reduces overall cigarette consumption by 3 percent to 5 percent, reduces adult consumption by 2 percent, and youth consumption by 7 percent.

Scorecard

Verdict: YES

Yes/For Sí/en Favor de



No/Against No/en Contra da

Tax Fairness



Neutral/Slightly bad. By their design, "sin taxes" are meant to discourage the behavior that is being taxed. Because the tobacco industry has a long history of targeting low-income communities, the tax increase will disproportionately affect those communities. This measure would raise sales taxes, which are an inherently regressive tax. This is partially balanced by the direct investments that are likely to be made in low-income communities through the measure.

APPEN ENTRY

Racial Equity



Neutral. Given Black, Latinx, and Indigenous populations are overrepresented in lower income quintiles, with Indigenous peoples more likely to be smokers than any other racial group according to the CDC, these taxes would affect communities of color. However, the benefits from increased revenues in schools, housing, smoking cessation programs, and early childhood education would bring positive impacts to these communities.

Economic Mobility



Very Good. Investing in early childhood education is crucial to providing the next generation with a solid social and education groundwork for success. Decades of social sciences' <u>research on the early years of a child's life</u> has advanced the importance of early childhood education to set the foundation for future success in education and career.

- Increasing taxes would help discourage adults and youth use cigarette, tobacco, and nicotine products.
- New revenue generated by this measure would help close the gaps in Colorado's state budget and support K-12 education, preschool expansion for all children, and provide housing and eviction assistance.

Supporters

Governor Jared Polis (D), Colorado Children's Campaign, Healthier Colorado

Arguments Against

- Because the tobacco industry has targeted low-income communities, the tax increases would disproportionately impact smokers with low incomes who can't afford to pay more for goods. It could also hurt small and local business through a decline in sales.
- Colorado's population of preschool children is likely to grow over time and a tax source that is likely to decline over time should not be used to fund such programs and services.

Opponents

No on EE

Recommendation

Colorado should be focused on finding more revenues from the state through taxes on those who can afford to pay. This measure does not make the Colorado tax code fair. However, our state is in such need of revenue to just provide the bare minimum of public services, that funding for schools, housing, and early childhood education is critical. Research also shows increasing nicotine and tobacco taxes helps reduce smoking and larger public health costs. **The Bell Policy Center recommends a YES vote.**

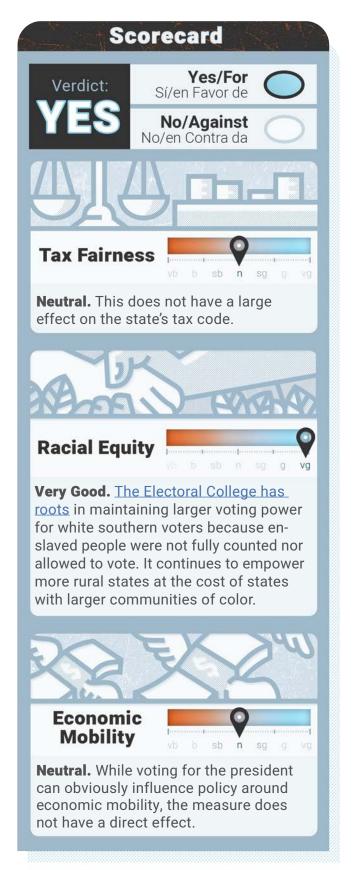




Adopt Agreement to Elect U.S. President by National Popular Vote

Proposition 113 affirms legislation passed that enters Colorado in the National Popular Vote Interstate Compact (NPVIC), an agreement between states to elect the presidential candidate who receives the most popular votes. The NPVIC agreement will go in effect when participating states represent more than half of the Electoral College (270 votes). If voters approve, Colorado will continue to vote using the current system until the NPVIC member states represent 270 or more Electoral College votes.

- The Colorado legislature passed a bill to join the NPVIC in 2018. This proposition was put on the ballot as a part of the petition process for overturning passed legislation.
- 2. The U.S. president is elected through the <u>Electoral College</u>, also known as electors, a process that awards states Electoral College votes based on the total number of combined members in the state's Congressional delegation.
- 3. The number of electors is determined by the state's population size on the last census. Because some states have very small populations and are still afforded at least three electors regardless of population, the Electoral College can be said to advantage more rural states.
- 4. Currently, there are a total of 538 electoral votes, Colorado holds nine electoral votes, representing its two senators and seven representatives.



- 5. A Washington Post analysis suggests several states, including Colorado, are currently underrepresented by the Electoral College based on population and votes cast.
- As of March 2020, 14 states have joined the NPVIC, comprising a total of 187 electoral votes.
- 7. In the history of U.S. presidential elections, five presidential candidates with the most popular votes have lost the election to the candidate with more Electoral College votes.

- Electing the U.S. president by the national popular vote strengthens democracy by counting all individual votes toward the election and promotes equal opportunity for voters to impact outcomes.
- In the current system, some states receive more attention from presidential campaigns over other states. The national popular vote will encourage candidates to equally focus on all states and address issues that impact voters nationwide.

Supporters

Democratic Party of Colorado, Working Families Party, SEIU Colorado, Colorado Citizens Project

Arguments Against

- If the NPVIC goes in effect, all electors will be obligated to vote for the presidential candidate with the national popular vote in the compact regardless of Colorado's majority vote.
- In a close election run by 50 separate states, trying to determine who won the national popular vote could lead to recounts and litigation in every state, delaying results and causing confusion.

Opponents

Senator Cory Gardner (R), Republican Party of Colorado, Independence Institute

Recommendation

Because the of the racial equity and overall fairness concerns around the Electoral College, the Bell Policy Center recommends a YES vote.



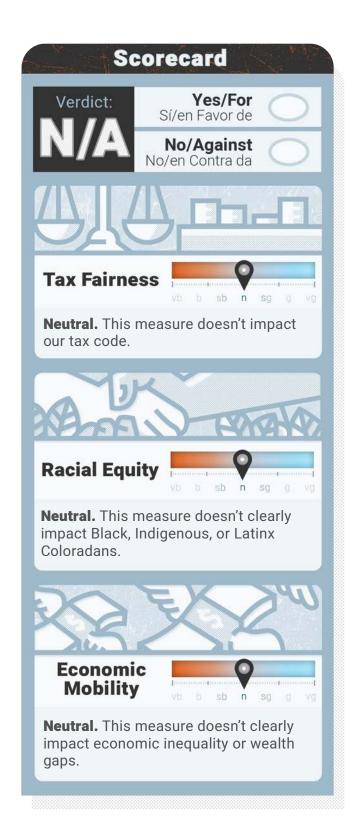




Reintroduction & Management of Gray Wolves

Proposition 114 would charge the Colorado Parks and Wildlife commission with creating a plan to reintroduce gray wolves, an endangered species native to Colorado, in parts of the Western Slope of Colorado. This plan would be developed in a public process and would incorporate scientific data on best practices in restoration and management including on the economic impacts of restoration. Further, Proposition 114 includes funding to compensate ranchers for the potential costs of wolf restoration on livestock.

- 1. Developing the plan will cost the state approximately \$811,750 over two years. This does not include the implementation costs of wolf reintroduction nor the potential revenue gains or losses from impacts on businesses, ecological health, or recreation. Any further funds will be appropriated by the General Assembly to promote reintroduction.
- 2. Colorado has historically reintroduced other animals including lynx, bison, wild turkeys, and elk. These reintroductions have had varying degrees of success: Elk are still bountiful in Rocky Mountain National Park, but many of the initial lynx introduced in 1999 died, although the strongest persisted and there remain lynx in Colorado from this reintroduction.
- 3. The U.S. Department of Interior has proposed removing the gray wolf from the endangered species list, which would leave wolf management to states and remove federal protections.



- Gray wolves are an endangered species. This measure would help preserve and restore Colorado's gray wolf population.
- This reintroduction can be critical to both preserving the species and maintaining ecological balance on the entire ecosystem by controlling elk populations and limiting overgrazing of grasses, impacting erosion and so on.
- Any losses by ranchers or farmers because of gray wolves will be compensated through this proposition.

Supporters

Former Governor Bill Ritter (D), Former Senator Mark Udall (D), Rocky Mountain Wolf Action Fund, Defenders of Wildlife

Arguments Against

- Because reintroduction of species can have significant impacts on land and water use and ecological systems, traditionally wildlife introduction of species is permitted through legislative action. This allows for full consideration of environmental, ecological, and economic impacts through required reporting. This review has not been done in the case of gray wolves.
- It is impossible to fully quantify the impacts (positive or negative) reintroduction may have on these regions. One key concern is the potential harms on ranchers, whose prevalence in the same regions targeted for wolf reintroduction could subsequently face economic losses.
- Some argue wolves could naturally migrate to Colorado if they wanted to, rendering reintroduction unnecessary and costly.

Opponents

Colorado Farm Bureau, Colorado Cattlemen's Association, El Paso County Commission, Coloradans Protecting Wildlife

Recommendation

As this initiative does not greatly impact the tax code, racial equity, or economic mobility, the Bell Policy Center does not have a recommendation for this measure.



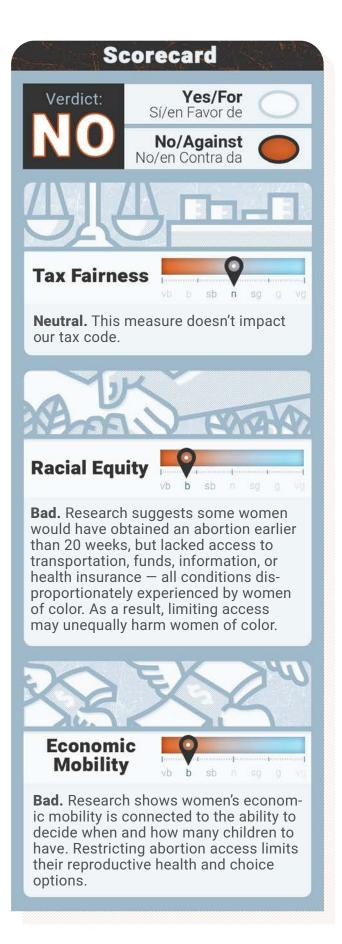




Prohibit Abortions After 22 Weeks

With some exceptions, including when necessary to save the mother's life, Proposition 115 statutorily outlaws abortions 22 weeks after gestation. If passed, those who perform abortions may be charged with a misdemeanor, face fines, and license suspension. Women receiving abortions, however, will not face criminal penalties.

- Colorado is <u>one of only seven states</u> that doesn't restrict abortion access by gestation date.
- 2. Studies show the people who receive abortions after 20 weeks are more likely to have experienced domestic violence, depression, use of prohibited substances, or difficulty in accessing abortion services earlier in the pregnancy. These studies also show these people are more likely to be young and raise children on their own.
- 3. Nationwide data shows <u>slightly more</u> than 1 percent of all abortions occur after 21 weeks.
- Studies show variation in the ability of fetuses to survive outside their mother's womb after 22 weeks.



- Many proponents believe life begins at conception, thereby giving fetuses at any age certain rights and protections.
- Some studies suggest fetuses over 20 weeks are capable of surviving outside their mother's womb, experiencing pain, and responding to external stimuli.

Supporters

Colorado Democrats for Life, Representative Ken Buck (R), Respect Life Denver

Arguments Against

- The decision to have an abortion is a health care choice that should be left between a woman and her doctor.
- Restricting women's ability to legally obtain abortions won't end the practice. Instead, like before Roe vs. Wade, restricting abortion access may drive people to obtain services in unsafe environments, endangering women's health.

Opponents

Planned Parenthood of the Rockies Action Fund, COLOR, Interfaith Alliance, Colorado Academy of Family Physicians, COBALT

Recommendation

Women's economic mobility is tied to their ability to make meaningful reproductive health care choices that are right for them. Importantly, while Proposition 115 limits this ability for all women, the impacts will be disproportionately felt by women of color and those in low-wage jobs. **The Bell Policy Center recommends a NO vote on this measure**.

Yes/For Sí/en Favor de





State Income Tax Rate Reduction

Proposition 116 will decrease all income tax rates from 4.63 percent to 4.55 percent for tax year 2020 and subsequent years.

Key Facts

- 1. The average Colorado taxpayer makes just over \$46,000 per year, which would render a tax cut of \$37 under this measure, while someone making \$1 million in income would see a tax cut of \$800.
- 2. Any across-the-board rate cut provides the top 3 percent of income earners in Colorado with 55 percent of the total tax reduction.
- 3. In FY 2021-2022, the tax cut would cost the state \$154 million. Colorado is estimated to have a 20 percent budget deficit in FY 2021-2022 compared to pre-pandemic projections the equivalent of about \$2.5 billion in budget cuts.
- **4.** The Senior Homestead and Disabled Veteran Property Tax Exemption is \$160 million annually.
- **5.** \$154 million is equal to three-fourths of the cost of full-day kindergarten for every 5-year-old Coloradan child.
- 6. Based on the 2019-2020 per-pupil funding formula, \$154 million is equal to sending 18,160 Colorado children to school for an entire year.



Very Bad. An across-the-board cut in tax rates will overwhelmingly benefit the wealthy in Colorado, while giving a fraction of the benefits to those who make less than the median income in the state. Our state's tax code is already heavily tilted to the wealthy, and Proposition 116 will only make it worse.



Very Bad. While this measure is technically race neutral, the effects of it are certainly not. BIPOC families are overrepresented in lower income quintiles while white Coloradans are overrepresented in higher income categories, so the vast majority of a tax cut would flow to white residents. Furthermore, state services are more important for families with low incomes who see benefits from more statewide investments in education, health care, child welfare services, older adult care, and other programs from the state. As a result, the lost revenue to the state will see cuts to these services, which will disproportionately harm Black, Latinx, and Indigenous Coloradans.

Economic Mobility vb b sb n sg g vg

Very Bad. \$154 million less in revenue means fewer opportunities for families to find child care and capitalize on educational pursuits, less money for health care, less ability to upgrade transportation infrastructure, and decreased funding for other vital services all Coloradans depend upon. These critical investments serve to help the next generation in tangible ways, as well as help current Coloradans of all ages get ahead.

- In a difficult economic time, we should allow Coloradans to keep more of their own money. That way, Colorado families can spend that money and boost economic activity.
- The state government already has enough money. Proposition 116 will only cost the state 1.3 percent of its overall budget.

Supporters

Independence Institute, Colorado Rising Action, Americans for Prosperity

Arguments Against

- With the General Assembly making drastic cuts to the state budget to get it balanced, Proposition 116 would take even more money away that could be used to educate our children, keep our residents healthy, and help our children stay safe, among other important priorities.
- These tax cuts would overwhelmingly help wealthy Coloradans. Tax cuts for the wealthy are not proven to generate an economic stimulus that compensates for the losses to public services. At a time when the wealthy are not only doing fine, but actually increasing their wealth, and everyone else is struggling to keep a job or working for low wages in essential work, we cannot sacrifice public funding for the benefit of those who already have enough.

Opponents

The Bell Policy Center, Colorado Fiscal Institute, Great Education Colorado, Protect Colorado's Recovery

Recommendation

Colorado was just starting to recover from the tax cuts of 1999 and 2000 when the pandemic occurred. Proposition 116 is likely to make Colorado's economic situation worse, not better. It will only widen the gaps between the haves and the have nots, while making our tax system even less fair. It does not provide significant targeted relief to those who need it most nor those who will generate larger consumer spending. Instead, it comes with a large budgetary price tag. Colorado needs to ensure it has an education, transportation, health care system that will allow all Coloradans to recover, but Proposition 116 would only add to our state's budgetary crisis. **The Bell Policy Center strongly recommends a NO vote.**



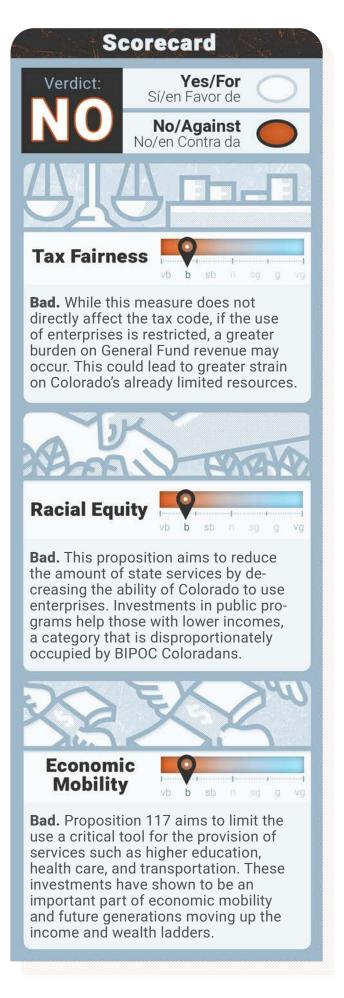




Voter Approval for Certain New State Enterprises

Proposition 117 would require voters, not legislators, to decide whether Colorado can create an enterprise fund if revenue of said enterprise fund is projected to exceed \$100 million in the first five fiscal years. It would also require ballot language on a question concerning enterprise funds to lead with the projected amount of revenue the enterprise fund expects to collect in the first five fiscal years.

- An enterprise fund is a government
 -owned business as authorized under
 the state constitution by the Taxpayer's
 Bill of Rights (TABOR). An enterprise
 fund can have no more than 10 percent
 of its annual revenue come from state
 and local government grants.
- 2. An enterprise fund's revenue is made up of fees, paid by someone in exchange for a good or service. Fees are not taxes. For instance, the revenue for the higher education enterprises are generated through student tuition.
- 3. Fees and enterprises allow the state to pay for services by charging the direct beneficiaries, highest users, or biggest polluters. As is done with the Petroleum Storage Tank Fund, it is beneficial for the state to charge the largest polluters for the costs of mitigating and cleaning up long-term environmental damage.
- Enterprises have bonding authority, meaning they can take out debt based upon the projected revenue from their user fees.



- 5. The two largest enterprise funds, in terms of revenue collected, are higher education enterprise funds and the Colorado Healthcare Affordability and Sustainability Enterprise. In total there are 17 enterprise funds in Colorado. The higher education enterprises represent two-thirds of all enterprise funds.
- 6. Colorado is slightly higher than the national average in use of user fees 14 percent of all state revenues for Colorado, compared to the state average of 10.9 percent but in total budget terms, Colorado ranks well below the national average, and significantly lower than its neighbors in budget revenues per capita.

- TABOR mandates voters approve any tax increase or tax policy change that results in a significant amount of new revenue for the state. Fees don't currently require voter approval. This measure would expand TABOR and place these decisions in voters' hands.
- The total budget for enterprises has grown from \$11.2 billion in 2014-2015 to \$17.86 billion in 2017-2018 and voters have not directly voted on this growth. Proposition 117 would give Coloradans a direct vote on the future growth of enterprises.

Supporters

Colorado Rising Action, Americans for Prosperity, Unite for Colorado

Arguments Against

- Enterprises were intentionally exempt from the requirements of TABOR because the requirements would cripple the ability of enterprises to function as intended. Enterprises play a critical role in allowing the state to provide services that have a more direct individual benefit or to charge industries for pollution or other negative actions.
- Colorado has not adequately funded state services for decades, due to low taxes on wealthy residents and TABOR's arbitrary revenue cap. Proposition 117 is just another proposed barrier to a functioning government. It creates additional barriers that stop the state from investing in its communities and providing the services millions of Coloradans rely on.
- While fees have grown over the years, it is mainly due to the creation of two enterprises: higher education and the Colorado Healthcare Affordability and Sustainability Enterprise. Concerns around growth have been greatly exaggerated.

Opponents

The Bell Policy Center, Colorado Fiscal Institute, Protect Colorado's Recovery

Recommendation

Proposition 117 is trying to solve a problem that does not exist. When used correctly, enterprises can be a valuable resource for the delivery of critical services in Colorado. They are an intentional creation of TABOR and while we would prefer the ability to create a fair tax code that is prevented by TABOR, enterprises are currently important to a functioning government. Fees and enterprises are a critical tool for our lawmakers to use in order to ensure the direct beneficiaries, highest users, or biggest polluters are paying for those systems rather than the general public. **The Bell Policy Center recommends a NO vote.**



Paid Family & Medical Leave Insurance Program

Proposition 118 would create a state-facilitated paid family and medical leave (PFML) program to provide 12 weeks of job-protected leave for most Coloradans who need time off to care for their own or a family member's serious health needs. If passed, the program would be funded through mandatory payroll contributions, collected from both employers and employees.

- 1. Only 17 percent of all civilian workers in the United States have access to PFML. A disproportionate number of those without access are workers of color and those in low-income jobs.
- 2. PFML has a multitude of evidence-based benefits, including increased workplace retention and productivity; decreased nursing home utilization; better health outcomes for infants, mothers, and those in need of medical care; as well as higher wages and reduced poverty.
- 3. To date, eight states and the District of Columbia have passed legislation creating their own PFML programs. Proposition 118 has many similarities to other state-based PFML programs and structures already in existence.



- PFML has been shown to bring tremendous, evidence-based value to families, communities, and the economy. A state-facilitated program will expand this pivotal benefit to most Colorado workers.
- A state-facilitated program makes PFML both affordable and accessible for workers as well as employers. Small businesses, which might otherwise struggle to provide paid leave on their own and out-ofpocket, especially benefit from this proposal.

Supporters

Colorado Families First, State Representatives Matt Gray (D), Faith Winter (D), The Fairness Project, 9to5 Colorado, Good Business Colorado, Colorado Families First

Arguments Against

- Decisions surrounding worker benefits should be free of government interference and kept between the employer and employee.
- The creation of a state-run PFML program will require the development of a new division within the Department of Labor and Employment, thereby increasing the size and role of government.

Opponents

Not Now Colorado, Denver Metro Chamber of Commerce

Recommendation

Guaranteed time off to care for health needs is essential for economic mobility and security. Research continuously shows it leads to better long-term outcomes for women, infants, new parents, caregivers, older adults, those in need of medical care, and businesses. Proposition 118 creates an affordable, accessible, and proven system to provide a necessary benefit Coloradans need. **The Bell Policy Center recommends a YES vote.**



