THE BELL POLICY CENTER

2021 BALLOT GUIDE

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The Bell Policy Center

2021 Ballot Guide

Reference

Amendment 78 Requirements for Spending Custodial Money	**Oppose**
Proposition 119 Learning Enrichment and Academic Progress Program	**Neutral**
Proposition 120 Property Tax Assessment Rate Reduction and Voter-Approved Revenue	**Oppose**

Each measure is scored on three values: **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.

Your county, city, and school district might also have measures on the November 2021 ballot, so be sure to check local resources. Click here for other voting resources from the secretary of state's office.

Amendment 78

Requirements for Spending Custodial Money

Summary

Amendment 78 would change the Colorado Constitution so all money coming into the state must be appropriated by the state legislature. This initiative would impact several areas where state funds are currently allocated by non-legislative members of state government.

Arguments For

- This measure promotes transparency by requiring all funds, regardless of source, to go through a budget process that involves public hearings and is overseen by the legislature.
- By placing all spending authority in the hands of publicly elected officials who are directly responsible to Colorado voters, this measure increases accountability for public funds.

Arguments Against

- Some revenue sources affected by this measure are distributed to the state for immediate, emergency use (e.g., federal funds after a natural disaster). Requiring legislative approval for the use of these funds could limit the state's ability to respond to crisis situations in a timely, efficient manner.
- This measure reduces the role of technical experts for budget decisions that support basic, ongoing government operations. By moving these decisions to a more overtly political arena, our state risks distributing funds in a less effective, evidence-based way.

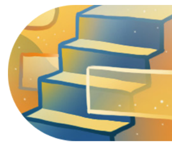
Scorecard

Tax Fairness: Neutral

VB B SB N SG G VG

Racial Equity: Slightly Bad

VB B SB N SG G VG



Economic Mobility: Slightly Bad

VB B SB N SG G VG

Verdict **Oppose**

YES/FOR Sí/en Favor de

NO/AGAINST No/en Contra da

Key Facts

1. Each year, Colorado's legislature [develops a budget] to fund the work of state government. In developing this budget, the legislature is required to hold hearings accessible to the public.
2. As is typical in many states, not all money coming into Colorado is appropriated by the legislature. Some of the funds are appropriated by non-legislative entities, and can be put toward [emergency relief from the federal government]; ongoing health, human service, and education needs; legal settlements; transportation money; and gifts, grants, and donations. Many of these dollars are set aside for specific agencies and programs, which limits the amount of state discretion in how they're spent.
3. For monies not allocated by the legislature, funding decisions are often made by state agencies, appointed independent commissions, or the governor.

Recommendation Oppose

Budget transparency and accountability are important; however, this ballot measure creates an overly simplistic solution that could hinder efficient and timely use of funds, risks over-politicization of ongoing state activities, and reduces the influence of technical experts. When our budgeting system fails to produce evidence-based, timely solutions, the most marginalized Coloradans suffer and we miss opportunities to make critical long-term investments in public infrastructure. We must find more nuanced solutions that promote both transparency and effective budgeting. **The Bell Policy Center recommends a no vote.**

119

Proposition 119

Learning Enrichment and Academic Progress (LEAP) Program

Summary

Proposition 119 would create an independent state agency, the Colorado Learning Authority, to direct funds toward tutoring, after-school programs, and academic summer camps, giving priority to low-income students for these services. These funds would be generated via two sources: increasing Colorado's current 15 percent excise tax on retail marijuana sales by 3 percent in 2022 and 2 percent in 2024, and by diverting $22 million annually from Colorado State Land Board revenue to the program.

Scorecard

Tax Fairness: Slightly Bad

VB B SB N SG G VG

Racial Equity: Good

VB B SB N SG G VG

Economic Mobility: Good

VB B SB N SG G VG

Verdict **Neutral** | **YES/FOR** Sí/en Favor de | **NO/AGAINST** No/en Contra da

Arguments For

- Wealthier families spend more than six times as much on enrichment programs relative to families with fewer resources. New revenue generated by this measure would help close the opportunity gaps in Colorado that allow more privileged students to get ahead.
- Expanding after-school programs and providing additional tutoring are proven ways to help address education needs, especially following COVID-19 learning losses.

Arguments Against

- Colorado ranks 47th in the nation in per-pupil funding and faces massive teacher shortages in classrooms across the state. This measure would not address these systemic funding failures and further diverts money away from funds intended to support our public schools.
- Increasing excise taxes on retail marijuana products is a potentially regressive mechanism that burdens Coloradans with low incomes to generate new revenue.

Key Facts

1. The new excise tax on marijuana is estimated to generate $134.2 million per year by 2024 (when the measure is fully implemented).
2. Revenue from current marijuana taxes accounts for less than 1 percent of Colorado's education spending, with all funds going to the Building Excellent Schools Today (BEST) fund. The BEST fund renews or replaces deteriorating public facilities, but does not put any money toward teachers' salaries, books, buses, or supplies.
3. For Colorado students aged 5 to 17, LEAP funds would provide a credit of up to $1,500 annually for out-of-school learning. Families would be able to choose from a list of local providers in areas like tutoring, extra services for students with special needs, and career and technical education programs. The Colorado Learning Authority would approve and certify providers to ensure they have proper credentials to operate.
4. Revenue from the Colorado State Land Board is normally split between the BEST fund and the School Permanent Fund, with interest from the School Permanent Fund providing funding for public schools. Proposition 119 would distribute revenue from the Colorado State Land Board to three main programs instead of two: the BEST fund, the School Permanent Fund, and the LEAP program. Estimates indicate the reduction in the School Permanent Fund would result in a loss of $48 million in interest over the next decade, which normally would go toward public school funding.

Recommendation Neutral

Raising "sin" taxes on retail marijuana sales is an unsustainable solution to Colorado's education shortfalls, and although Proposition 119 would make necessary investments in our education system, it would also force Coloradans to forgo modernization of our tax code to achieve its potential benefits. While addressing achievement gaps between low-income students and their wealthier peers is an important goal, relying on excise taxes avoids the major systemic funding issues we need to address as a state. **The Bell Policy Center is neutral.**

120

Proposition 120

Property Tax Assessment Rate Reduction and Voter-Approved Revenue Change

Summary

This measure would reduce the assessment rate on multi-family residential properties from 7.15 percent to 6.5 percent and reduce the non-residential assessment rate for lodging properties from 29 percent to 26.4 percent. This would allow Colorado to retain $25 million above the TABOR cap for five years for the Senior and Disabled Veteran Homestead Property Tax Exemption, which reduces the amount some older homeowners pay on property taxes.

Scorecard

Tax Fairness: Very Bad

VB B SB N SG G VG

Racial Equity: Bad

VB B SB N SG G VG

Economic Mobility: Bad

VB B SB N SG G VG

Verdict **Oppose**

YES/FOR Sí/en Favor de

NO/AGAINST No/en Contra da

Key Facts

1. Senate Bill 21-293 created additional property classifications, which limit the scope of Proposition 120, and temporarily reduced assessment rates. Because of this, the proposed residential rate reduction would only affect multi-family residential properties, like apartments and condos. The non-residential rate would only affect lodging, such as hotels.

Property Type	Assessment Rate Per SB21-293 for 2022/2023	Assessment Rate Per Proposition 120
Multi-Family Residential	**6.80%**	**6.50%**
Single-Family Residential	6.95%	6.95%
Agricultural Property	29%	29%
Lodging Property	**29%**	**26.4%**
Other Commercial Property	29%	29%

2. Colorado would likely lose $45 million in public revenue in just the first year, with growing losses over time, according to the most recent estimates that account for recent changes in state law.
3. Property taxes vary by county. The assessment rate is how much of a home's value can be taxed. The total tax a homeowner pays is determined by multiplying the assessment rate by their county's local tax rate, also known as a mill levy.
4. Property taxes are a key funding source for schools, fire departments, police departments, and mental health services.

Arguments For

- Given the rising values of homes in Colorado, lowering assessment rates will help more Coloradans pay less than they otherwise would in property taxes.
- Savings in taxes will provide needed housing cost relief to some Colorado property owners as the cost of living in Colorado continues to increase.
- Even with lower assessment rates, certain counties with sharply rising property values will continue to see growing property tax revenue.

Arguments Against

- This assessment rate reduction would apply to every community, regardless of its unique circumstances, and is a permanent reduction that only a statewide vote could reverse.
- If passed, this would result in local revenue for schools being reduced by at least $14.1 million in 2023-2024.
- The benefits of this measure would be unequally felt across the state. Millionaires, billionaires, and out-of-state second homeowners would see huge tax savings. Yet the average homeowner will see much smaller returns, if any.
- Renters, who are more likely to have lower incomes and be individuals of color, would be much less likely to see any savings since the cut is meant to primarily benefit property owners. There is little or no evidence to suggest renters benefit monetarily from property tax cuts.

Recommendation Oppose

Reducing assessment rates might provide short-term relief for some homeowners, but the long-term costs will disproportionately harm low- and middle-income communities and communities of color. Effects will vary tremendously from community to community. Not all counties have seen the same rise in home valuations, so reducing the assessment rate could severely reduce needed funding for key services. The solution is targeted relief, not an across-the-board cut that will harm many for the benefit of the few. A permanent reduction in the assessment rates will harm communities, without providing sufficient relief to those who need it most. **The Bell Policy Center recommends a no vote.**