

## Impact Assessment of 3 Fiscal Policy Ballot Initiatives

We hope these questions will help you begin to assess the impact of Proposition 101, Amendment 60 & Amendment 61 on your district or agency. We would appreciate hearing about the specific impacts so we can educate voters about how they will be impacted by these 3 ballot initiatives. Please contact Dawn Haney at 970-903-8611 or [dawn.m.haney@gmail.com](mailto:dawn.m.haney@gmail.com) for more information and to share the specific impacts to your district or agency.

1. **Loss of Special Ownership Tax: (P101)** How much does your district receive from special ownership tax on motor vehicles?
2. **Debrucing Elections Expire: (A60)**
  - a. Is your district debruced? Why did you debruce?
  - b. What would happen if your debrucing election expired this November?
3. **Unelected Boards Cannot Tax: (A60)**
  - a. Does your taxing district or enterprise have an appointed board?
  - b. What costs would be associated with holding public elections for your board?
4. **New Taxes on Enterprises & Authorities: (A60)**
  - a. Are you currently exempt from property taxes?
  - b. Are you classified as an enterprise or authority?
  - c. If so, and you had to pay property taxes, what might your property taxes total?
  - d. How much would have to be raised to make up this difference and how would you do that, or what would have to be eliminated?
5. **New Limits on Local Debt Financing (including for roads & capital construction): (A61)**
  - a. What bonds / loans do you currently have?
  - b. Does that include certificates of participation, lease-purchase, lease-back, emergency, contingency, property lien, special fund, credit cards?
  - c. What services have they provided for La Plata County residents?
  - d. How would these be different if you could only bond for 10 years instead of 30? If you could only request 10% of your district's property value (in total, not just for this project)?
6. **Loss of State Support & State Financing (A61)**
  - a. Do you receive any loans from the state? What services do these loans provide?
  - b. What would your options be if these loans went away?
  - c. Do you use short-term credit for cash flow reasons and what would be impacted if you could not do that?
7. **For Schools: Mill Levy cut in Half (A60)**
  - a. What would be the financial impact of cutting your funds from your mill levy in half?
  - b. While the initiative says that these funds would be backfilled from the state budget, the reality is that the state would have to cut 57% of its budget to honor this (if all 3 ballot initiatives pass). This is equivalent to the entire budget for higher education, human services, and the judicial department. While no one can know what the state legislature would do if faced with this dilemma, fiscal policy analysts suggest that it would be very difficult for K-12 education to experience no cuts.

## Summary of 3 Fiscal Policy Ballot Initiatives

### Proposition 101: Public Service Cuts (Statutory)

- Supersedes Ref C, sets lower state spending limit, reinstates the ratchet.
- When fully implemented, cuts state revenues by approximately \$1.7 billion in current dollars, including
  - 20% cut in income taxes phased in over ten or more years (\$1.2 billion in current dollars).
  - More than 33% cut in future state transportation funding (\$465 million in current dollars).
  - Eliminates funding for rural, disabled and low-income telecommunications programs.
- Cuts city and county revenues more than \$600 million a year.

### Amendment 60: Local Budget Constraints

- Cuts local school district mills in half by 2020, and requires the state to make up the difference out of the General Fund (see Proposition 101)
- Sunsets local “de-brucing” elections affecting property taxes, and sets tighter limits for future “de-brucings.”
- Appears to reverse 2007 state mill levy freeze for school districts.
- Requires property tax elections be held in November and separately from related debt
- Prohibits enterprises and unelected boards from levying mandatory fees or taxes on property
- Requires enterprises and authorities to pay property taxes, and requires taxing jurisdictions to lower rates overall to make impact of this change revenue neutral.

### Amendment 61: Public Financing Ban

- Defines debt as any loan, of any duration, includes lease-purchase and lease-back, dedicated revenue bonds, property liens, contingencies, and all other forms of debt
- Bans the use of any kind of debt financing by the state of Colorado, including
  - Certificates of Participation used for roads and buildings
  - Short-term financing vehicles the Treasurer uses to manage cash flow for the state and local school districts
  - Issuance of bonds by authorities such as the Colorado Housing and Finance Authority and the Colorado Educational and Cultural Facilities Authority
- Limits debt financing by local governments
  - Requires approval by voters in a November vote
  - Imposes a debt limit of 10% of the assessed value of real property in the jurisdiction (except enterprises)
  - Requires repayment of bonds in 10 years
  - Requires local governments to automatically cut tax rates when debts are repaid

### Proponents:

<http://cotaxreforms.com/> <http://cotaxreform.com/> <http://limitpropertytax.com/> <http://limitcodebt.com/>

### Opponents:

Coloradoans for Responsible Reform: <http://www.donthurtcolorado.com/>

### Analysis:

Bell Policy Center: <http://thebell.org/node/1231>