

STATE OF COLORADO

Colorado General Assembly

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MEMORANDUM

TO: Bernie Buescher and Ann Terry
FROM: Legislative Council Staff and Office of Legislative Legal Services
DATE: January 13, 2021
SUBJECT: Proposed initiative measure #55, concerning local control of property tax revenues

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

Purposes

The major purposes of the proposed amendment to the Colorado constitution appear to be:

1. To require voter initiatives or referendums that adjust mill levy or assessment rates to only be decided in local elections.

Substantive Comments and Questions

The substance of the proposed initiative raises the following comments and questions:

1. Article V, section 1 (5.5) of the Colorado constitution requires all proposed initiatives to have a single subject. What is the single subject of the proposed initiative?
2. What is the effective date of the proposed initiative?
3. How should it be determined whether an "adjustment of the assessment rate or mill levy, affects the property tax revenues of a local government"? Could it be argued that lowering the mill levy or assessment rates in one local government's territory results in the loss of property tax revenue in surrounding areas?
4. What would happen if it were determined that the "adjustment of the assessment rate or mill levy" did not result in a change in "property tax revenues of a local government"?
5. What is meant by a "local election"? Is this an election that only concerns a single "local government"?
6. What happens if a voter initiative or voter referendum that is subject to the requirements of the proposed initiative is approved by the voters of one local government, such as a county, but not by voters of a second local government, such as a municipality, that shares territory with the first local government?
7. What is meant by the phrase "individuals entitled to vote in that election"? Why is that phrase necessary when stating that an issue must be decided in a "local election"?
8. How does the proposed initiative interact with the authority granted under article X, section 3 of the Colorado constitution to the General Assembly to set the statewide assessment rates?
9. Does the proposed initiative preclude a statewide ballot measure to adjust assessment rates? What about a ballot measure that is not statewide but applies to multiple local governments?
10. Does the proposed initiative allow for different assessment rates in different parts of the state?
11. Assuming the proposed initiative allows for both differing mill levy and assessment rates across local governments, does this initiative make the

administration of property tax more complicated? If so, who would bear this increased administrative burden.

Technical Comments

The following comments address technical issues raised by the form of the proposed initiative. These comments will be read aloud at the public meeting only if the proponents so request. You will have the opportunity to ask questions about these comments at the review and comment meeting. Please consider revising the proposed initiative as suggested below.

1. Each constitutional and statutory section being amended, repealed, or added is preceded by a separate amending clause explaining how the law is being changed. For example, "In the constitution of the state of Colorado, **add** section 22 to article X as follows:".
2. It is standard drafting practice to use SMALL CAPITAL LETTERS to show the language being added to and stricken type, which appears as ~~stricken type~~, to show language being removed from the Colorado constitution or the Colorado Revised Statutes.
3. Although the text of the proposed initiative should be in small capital letters, use an uppercase letter to indicate capitalization where appropriate. The following should be large-capitalized:
 - a. The first letter of the first word of each sentence;
 - b. The first letter of the first word of each entry of an enumeration paragraphed after a colon; and
 - c. The first letter of proper names.
4. It is standard drafting practice to quote a term when it is being defined. For example, in the last sentence of the proposed initiative, "local government" should be shown in quotation marks.