



October 3, 2003

Charles S. Brown  
Director  
Legislative Services  
Room 29  
State Capitol Bldg  
Denver, CO 80203

Dear Mr. Brown,

Attached please find the Fiscal Stabilization Amendment, a proposed amendment to the Colorado Constitution. This petition is filed according to rules promulgated pursuant to Section 1(5) of Article 5 of the Colorado Constitution and Section 1-40-105, CRS.

We look forward to the review and hearing on this petition.

Sincerely,

Carol Hedges  
Director, Fiscal Policy Project  
The Bell Policy Center  
1801 Broadway, Suite 280  
Denver, CO 80202  
303-297-0456

Wade Buchanan  
President  
The Bell Policy Center  
1801 Broadway, Suite 280  
Denver, CO 80202  
303-297-0456

## **Fiscal Stabilization Amendment**

### **Be it enacted by the People of the State of Colorado:**

1. *Statement of purpose.* The purpose of this Section is to modify current restrictions on spending and revenue to enhance the ability of the State of Colorado and local districts to support and sustain essential services throughout economic cycles, without changing restrictions on new taxes or increasing tax rates. This Article shall be broadly construed to effectuate this purpose.

2. *Preservation of requirement of voter approval for tax increases.* This section is intended to preserve and affirm the requirements in Article X Section 20(4) of the Colorado Constitution including the requirements for voter approval of new taxes or increases in tax rates. Nothing in this Act shall be construed to change restrictions on the type of taxes that are prohibited.

3. *State of Colorado spending limits.* Notwithstanding any provision of law to the contrary, maximum fiscal year spending for the State of Colorado shall not exceed \_\_\_\_\_ of total Colorado personal income for the prior calendar year. Total Colorado personal income is computed annually by the Federal Bureau of Economic Analysis. The prior calendar year is the most recent calendar year for which the bureau has computed state total personal income for the state of Colorado. This shall be the only limitation on state and local district spending and revenue under Article X Section 20 of the Colorado Constitution.

4. *Budget Stabilization fund created.* The first \$100 million in revenue collected in excess of the state spending limit shall be deposited in a Budget Stabilization Fund. Balances in the Budget Stabilization Fund shall not exceed 15% of the general fund operating budget for the prior fiscal year. If a deposit of excess revenue would result in a balance higher than 15% of the general fund operating budget, excess revenue shall be distributed pursuant to Article X Section 20.

5. *Enactment.* This measure shall be enacted as Article X Section 21 of the Colorado Constitution.