

Amendment 49
Statewide Rules for Public Employee Paycheck Deductions

1 **Amendment 49 proposes amending the Colorado Constitution to:**

- 2 ◆ prohibit any public employee paycheck deduction, except for:
- 3 • deductions required by federal law;
 - 4 • tax withholdings;
 - 5 • court-ordered liens and garnishments;
 - 6 • health benefit and other insurance deductions;
 - 7 • deductions for savings, investment, and retirement plans; and
 - 8 • charitable deductions.

9 **Summary and Analysis**

10 A paycheck deduction is a specific amount of money withheld from an employee's
11 pay. Paycheck deductions can be mandatory (federal and state taxes); offered as an
12 employee benefit (health care and pension deductions); requested by the employee
13 (gifts to charities); or established through agreements with labor or other organizations
14 (automatic payment of dues or fees).

15 State law regulates paycheck deductions for state employees, but not for
16 employees of local governments. Instead, each local government sets its own rules
17 and, in fact, some local governments have adopted limits on paycheck deductions
18 similar to those in this measure. For the state and other local governments, however,
19 the measure prohibits certain paycheck deductions that are currently in place. The
20 limits established by this measure apply to all public employers in Colorado, including
21 the state, counties, municipalities, school districts, and special districts.

22 **Arguments For**

23 1) Amendment 49 reduces the potential for conflicts of interest that can occur
24 when elected officials permit the use of government payroll systems to collect money
25 that could be used for political purposes. The measure avoids this potential by
26 prohibiting state and local governments from collecting moneys from employees and
27 transferring the money to politically active groups, such as labor or professional
28 organizations, that contribute to campaigns or work to influence public policy.

29 2) Amendment 49 protects employees from unwanted paycheck deductions.
30 Some public employers automatically deduct dues and fees for labor or professional
31 organizations. Employees who do not want these deductions must take extra steps to
32 prevent them. Amendment 49 stops this practice, while eliminating an unnecessary
33 government function. A public employee can contribute to any organization of his or
34 her choosing using automatic withdrawals from a private bank.

1 **Arguments Against**

2 1) Amendment 49 intrudes on the ability of public employees to make individual
3 choices about paycheck deductions. Currently, all public employees have the option
4 to cancel an automatic deduction, and many do so. Amendment 49 goes beyond
5 addressing this issue; it precludes every employee from making decisions about
6 organizations to support through a paycheck deduction. Further, Amendment 49
7 takes an inconsistent approach to paycheck deductions for private organizations: it
8 allows employees to contribute to some private groups while prohibiting contributions
9 to others.

10 2) Amendment 49 interferes with the authority of local governments to decide
11 which paycheck deductions are available to their employees. These decisions are
12 best made by individual local governments based on the needs of each community,
13 not by a statewide vote. Payroll deductions are a benefit that public employers can
14 offer to employees; eliminating this benefit is not likely to save any taxpayer money.

15 **Estimate of Fiscal Impact**

16 Amendment 49 does not affect state or local government revenues or
17 expenditures.