

**Initiative #137
Fiscal Impact of Ballot Measures**

1 **Proposition ? proposes amending the Colorado statutes to:**

- 2 ♦ require that fiscal impact statements for citizen-proposed laws be
3 prepared by nonpartisan legislative staff earlier and for more measures
4 than under current law; and
- 5 ♦ specify that initiative petitions circulated for voter signatures include a
6 summary of the measure's estimated fiscal impact.

7 **Summary and Analysis**

8 Colorado state laws may be amended in several ways. Most law changes
9 originate with the state legislature, but citizens may also propose laws through the
10 initiative process. Proposed laws initiated by citizens must be submitted to voters at
11 an election. Proposition ? makes several changes to the preparation of fiscal impact
12 statements for these citizen-initiated measures, primarily by making fiscal estimates
13 available earlier in the process and for a greater number of initiatives. Fiscal impact
14 statements describe how a proposed law will affect state and local government
15 revenue and spending, and taxpayers.

16 **Overview of the initiative process.** There are several steps citizens must follow
17 to place a measure on the ballot. First, proponents submit their measure for review by
18 legislative staff. Then, the measure is submitted to the Title Board, a multi-agency
19 committee that determines the ballot title. The ballot title must be printed on petitions
20 before proponents may begin collecting signatures. To qualify the measure for the
21 ballot, proponents must collect a sufficient number of signatures from registered
22 Colorado voters.

23 For each election with a statewide ballot measure, a voter guide known as the
24 Blue Book is prepared by the Legislative Council Staff, the nonpartisan research and
25 support agency of the state legislature. The Blue Book includes a summary and
26 analysis of each ballot measure that qualified for the ballot and an estimate of its fiscal
27 impact. It is distributed to all registered voter households prior to election day.

28 **Preparation of fiscal impact statements.** Under current law and Proposition ?,
29 fiscal impact statements for citizen initiatives are prepared by Legislative Council Staff.
30 These statements estimate the cost of implementing the measure, any potential
31 change in government revenue, and the impact of the measure on taxpayers. The
32 estimates are based on a staff analysis of information gathered from government
33 agencies, private entities, and other sources. Proposition ? requires that fiscal impact
34 statements for citizen initiatives be similar in form and content to the fiscal estimates
35 prepared by legislative staff for bills under consideration by the state legislature.

1 **Proponent fiscal estimate submissions.** Under Proposition ?, proponents must
2 submit an estimate of the fiscal impact of their measure, which is then subject to
3 review and comment by legislative staff. Currently, proponents are not required to
4 submit such an analysis of their measure. Legislative staff are required to consider
5 the proponents' estimate when preparing the official fiscal impact statement.

6 **Timing of fiscal impact statements.** Under current law, a fiscal impact
7 statement for all statewide ballot measures, including citizen initiatives, is prepared for
8 the Blue Book. This work typically is completed in July or August. Under
9 Proposition ?, a fiscal impact statement must be prepared for citizen initiatives when
10 the Title Board meets to set the ballot title, with the majority of these hearings held in
11 March and April. Proposition ? requires that a summary of the fiscal impact statement
12 submitted to the Title Board be included on all initiative petitions circulated for voter
13 signature. The fiscal estimates prepared for the Title Board must also be provided in
14 the Blue Book.

15 **Number of fiscal impact statements.** Because the Title Board considers more
16 measures than ultimately qualify for the ballot, Proposition ? increases the number of
17 fiscal impact statements that must be prepared. On average, legislative staff prepare
18 fiscal impact statements for the Blue Book for approximately 15 percent of the citizen
19 initiatives that have a hearing at the Title Board. Under Proposition ?, all measures
20 that have a Title Board hearing will receive a fiscal impact statement. Most of these
21 additional fiscal impact statements under Proposition ? will be prepared by legislative
22 staff in March and April, coinciding with the legislative session, which runs from
23 January to May. During the session, legislative staff prepare and revise fiscal impact
24 statements for more than 600 bills each year.

25 **Objections and appeals.** If there are objections to the fiscal estimate prepared
26 by legislative staff, a rehearing by the Title Board may be requested within seven days
27 of the initial hearing. Proposition ? does not specify what the Title Board must
28 address at the rehearing or what, if any, obligation legislative staff has to amend the
29 original fiscal impact statement. Following a rehearing, decisions of the Title Board
30 may be appealed directly to the state supreme court.

*For information on those issue committees that support or oppose the
measures on the ballot at the **November 4, 2014**, election, go to the
Colorado Secretary of State's elections center web site hyperlink for ballot
and initiative information:*

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

31 **Arguments For**

32 1) Proposition ? increases transparency in the initiative process and gives voters
33 information on the estimated fiscal impact of a measure before they sign an initiative
34 petition. Currently, voters are asked to sign petitions without knowing the potential

1 costs. Proposition ? promotes increased dialogue about the costs and benefits of
2 ballot measures and may lead to better public policy through the citizen initiative
3 process.

4 **Arguments Against**

5 1) Proposition ? wastes state resources by requiring fiscal impact statements for
6 many citizen-initiated measures that ultimately never qualify for the ballot. Also, the
7 shortened time period for preparing fiscal estimates may reduce the quality of the
8 analysis provided to voters compared with what is currently published in the Blue
9 Book. Finally, fiscal estimates on petitions are presented to voters with little context
10 and focus exclusively on the impact to government, with no consideration given to the
11 broader impacts and benefits of a measure.

12 **Estimate of Fiscal Impact**

13 *(Please Note: A summary of the fiscal impact will be included in this space in the*
14 *second draft of the analysis, and an official fiscal note will be prepared and placed on*
15 *the web when the final blue book is sent to voters.)*