

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
4 measures than under current law; and
- 5 ♦ specify that initiative petitions circulated for voter signatures include
6 a 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
17 follow to place a measure on the ballot. First, proponents submit their measure for
18 review by nonpartisan legislative staff. Then, the measure is submitted to the Title
19 Board, a multi-agency committee that determines the ballot title. The ballot title must
20 be printed on petitions before proponents may begin collecting signatures. To qualify
21 the measure for the ballot, proponents must collect a sufficient number of signatures
22 from registered Colorado voters.

23 For each election with a statewide ballot measure, a voter guide known as the
24 Blue Book is prepared by the nonpartisan research staff of the state legislature. The
25 Blue Book includes a summary and analysis of each ballot measure that qualifies for
26 the ballot and an estimate of its fiscal impact. It is distributed to all registered voter
27 households at least 30 days prior to election day.

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

1 **Proponent fiscal estimate submissions.** Under Proposition ?, proponents
2 must 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 incorporated
14 in the Blue Book.

15 **Number of fiscal impact statements.** Because the Title Board considers
16 more measures than ultimately qualify for the ballot, Proposition ? increases the
17 number of fiscal impact statements that must be prepared. On average, legislative
18 staff prepare fiscal impact statements for the Blue Book for approximately 15 percent
19 of the citizen initiatives that have a hearing at the Title Board. Under Proposition ?, all
20 measures that have a Title Board hearing will receive a fiscal impact statement.

21 **Objections and appeals.** If there are objections to the fiscal estimate
22 prepared by legislative staff, a rehearing by the Title Board may be requested within
23 seven days of the initial hearing. Following a rehearing, decisions of the Title Board
24 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>

25 **Argument For**

26 1) Proposition ? increases transparency by informing voters of the estimated
27 fiscal impact of a measure before signing a petition to place it on the ballot. Currently,
28 voters are asked to sign petitions to send a measure to a statewide vote without
29 knowing the potential costs. Proposition ? promotes increased dialogue about the
30 costs and revenues associated with ballot measures and allows voters to make more
31 informed decisions.

1 **Argument Against**

2 1) Proposition ? wastes state resources by requiring fiscal impact statements
3 for many citizen-initiated measures that ultimately never qualify for the ballot. In
4 addition, fiscal estimates on petitions may confuse voters by presenting fiscal
5 information on ballot measures with little context. These estimates focus primarily on
6 the impact to government, with minimal information provided on the broader impacts
7 of a measure on businesses, citizens, and the state's economy.

8 **Estimate of Fiscal Impact**

9 Proposition ? increases costs to the state by about \$17,000 per year. These
10 costs are for additional legislative staff to prepare fiscal impact statements for all
11 citizen initiatives that have a hearing before the Title Board. Under the measure, an
12 additional 35 measures per year, on average, will require a fiscal impact statement.
13 Each fiscal impact statement is estimated to take 15 hours of staff time.