

Amendment 61
Limits on State and Local Government Borrowing

1 **Ballot Title:** An amendment to the Colorado constitution concerning limitations on
2 government borrowing, and, in connection therewith, prohibiting future borrowing in
3 any form by state government; requiring voter approval of future borrowing by local
4 governmental entities; limiting the form, term, and amount of total borrowing by each
5 local governmental entity; directing all current borrowing to be paid; and reducing tax
6 rates after certain borrowing is fully repaid.

7 **Text of Proposal:**

8 *Be it Enacted by the People of the State of Colorado:*

9 **Section 1.**

10 Article XI, section 3 is repealed and re-enacted to read, as stated in the original
11 constitution: "The state shall not contract any debt by loan in any form."

12 Sections 4, 5, 6 (2), and 6 (3) are repealed as obsolete and superseded.

13 Section 6 (1) is repealed and re-enacted as section 6 to read: "Without voter approval,
14 no political subdivision of the state shall contract any debt by loan in any form. The
15 loan shall not be repealed until such indebtedness is fully paid or discharged. The ballot
16 title shall specify the use of the funds, which shall not be changed."

17 **Section 2.**

18 Article X, section 20 is amended to add:

19 (4) (c) After 2010, the following limits on borrowing shall exist:

20 (i) The state and all its enterprises, authorities, and other state political entities shall not
21 borrow, directly or indirectly, money or other items of value for any reason or period of
22 time. This ban covers any loan, whether or not it lasts more than one year; may default;
23 is subject to annual appropriation or discretion; is called a certificate of participation,
24 lease-purchase, lease-back, emergency, contingency, property lien, special fund,
25 dedicated revenue bond, or any other name; or offers any other excuse, exception, or
26 form.

27 (ii) Local districts, enterprises, authorities, and other political entities may borrow
28 money or other items of value only after November voter approval. Loan coverage in
29 (i) applies to loans in (ii). Future borrowing may be prepaid without penalty and shall
30 be bonded debt repaid within ten years. A non-enterprise shall not borrow if the total

1 principal of its direct and indirect current and proposed borrowing would exceed ten
2 percent of assessed taxable value of real property in its jurisdiction.

3 (iii) No borrowing may continue past its original term. All current borrowing shall be
4 paid. Except enterprise borrowing, after each borrowing is fully repaid, current tax rates
5 shall decline as voter-approved revenue changes equal to its planned average annual
6 repayment, even if not repaid by taxes. Such declines do not replace others required.
7 Future borrowing is void if it violates this paragraph (c), which shall be strictly enforced.
8 Conflicting laws, rulings, and practices are repealed, overturned, and superseded.