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MEMORANDUM

April 9, 2008

TO: Wendy Rosanova and Marijo Rymer

FROM: Legislative Council Staff and Office of Legislative Legal Services

SUBJECT: Proposed initiative measure 2007-2008 #91, concerning state sales tax for services for individuals with developmental disabilities

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

Proposed initiative 2007-2008 #91 was submitted along with proposal 2007-2008 #90, and the two proposed initiatives are substantially similar. Accordingly, the questions and comments set forth in the review and comment memorandum for proposed initiative 2007-2008 #90 also apply to this proposed initiative, unless the context otherwise requires, and are incorporated herein.

Purposes

The major purposes of the proposed amendment appear to be:

1. To increase the state sales tax rate;
2. To repeal the existing state use tax and replace it with a lower use tax;

3. To require the net revenues from the state sales tax rate increase and the new state use tax to be used to provide long-term services for persons with developmental disabilities; and
4. To establish a minimum level of state appropriations for long-term services for persons with developmental disabilities from sources other than the developmental disabilities long-term services cash fund.

Comments and Questions

The form and substance of the proposed initiative raise the following comments and questions:

Substantive questions:

1. It appears that the only difference between this proposed initiative and proposed initiative 2007-2008 #90 is that the definition of "long-term services" is narrower. Is this correct? If not, what other changes have been made? What is the effect of any changes?