BUILDING A BETTER COLORADO THROUGH CIVIC ENGAGEMENT

Building a Prosperous Colorado

Colorado's Future is a bipartisan group of community leaders whose aim is to create a prosperous economic future for the state of Colorado.

In 2005, the University of Denver's Economic Futures Panel convened to examine the state's fiscal structure. Over the course of its study, the panel identified four conditions to create a sound economic future, and improved quality of life. These include:

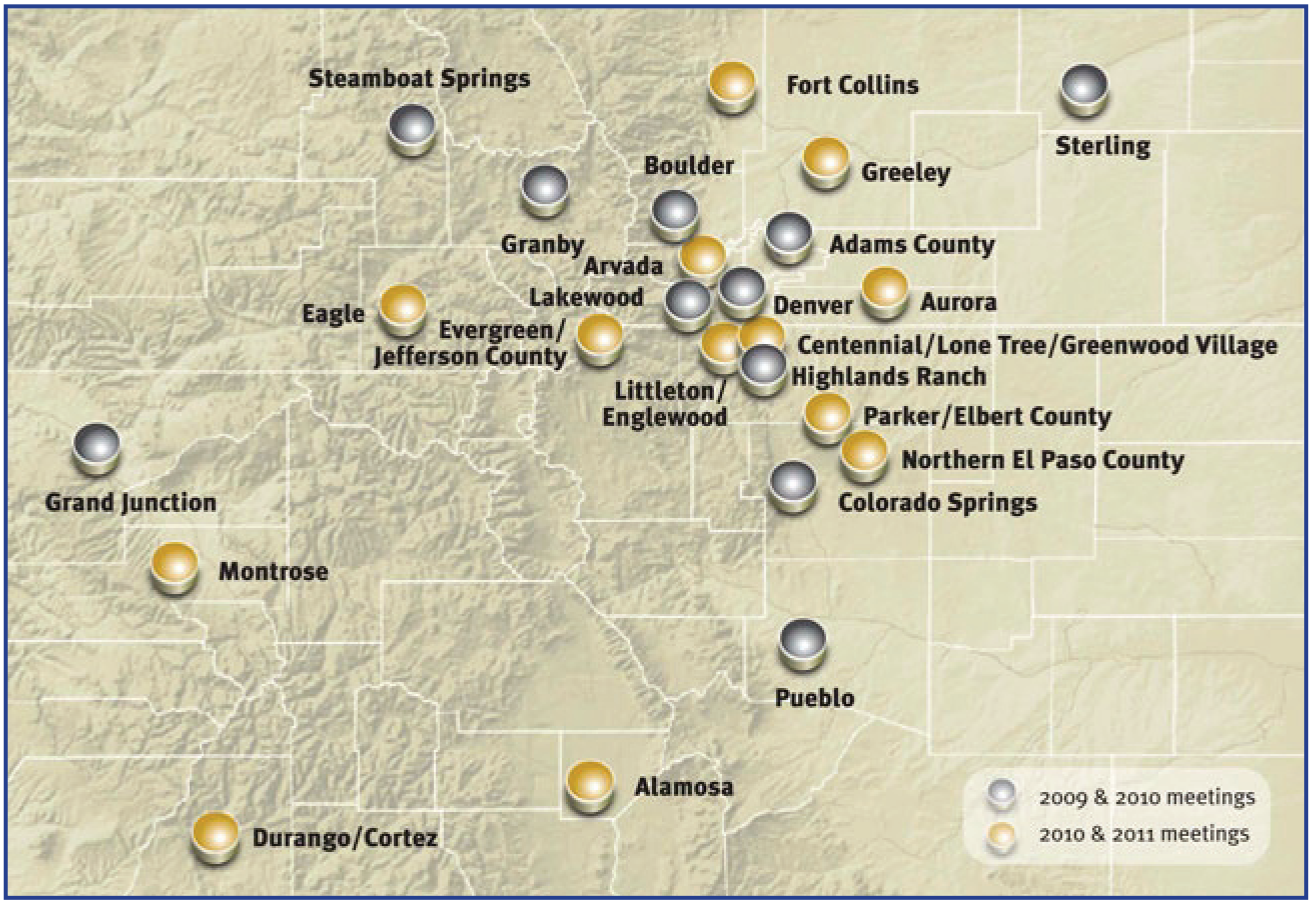
- An informed, flexible process for making public decisions
- A strong and effective system of representative government
- A renewal of public trust through increased government accountability
- A competitive fiscal policy based on information, shaped by an investment perspective and grounded in equity

In 2007, Colorado's Future organized to implement policy that supports these principles, with an initial emphasis on constitutional reform. Organizers recognized how recent changes to the state constitution have weakened representative government.

Over the last two years, Colorado's Future organizers have traveled across the state to identify civic leaders in their communities and engage them in discussions of these public policy challenges. Participants were subsequently asked to develop a consensus solution for the long-term betterment of Colorado. The consensus among the 1,400 who attended meetings was clear: **While important to retain citizen initiatives to change statute, the ballot process should be reformed to make it more difficult to amend the constitution.**

This consensus led to the introduction of this year's Senate Concurrent Resolution 11-001; a referred measure that would ask voters to protect the Colorado Constitution.

Colorado's Future is committed to continuing this critical conversation with community leaders and activists throughout the state. Part of this conversation will occur during 12 additional Colorado's Future-sponsored Civic Engagement meetings that will be held across the state in 2011, bringing leaders of all interests and backgrounds together to seek input and support.



Supporters across the spectrum recognize that this is not about partisan politics, it's about good governance. Making fiscal policy by initiative is a process in which oversimplification and under-analysis are the established norms, where conflicting policies and unintended consequences are the proven outcomes. Unless the structural problems in Colorado's government are addressed, dealing with urgent fiscal problems will be nearly impossible.

It's time to move beyond patchwork government and adopt fundamental reforms to help ensure Colorado's future economic vitality.

The success of Colorado's Future civic engagement meetings was made possible by its funders and sponsors including The Colorado Health Foundation, The Rose Community Foundation and the Institute on the Common Good. Since 1998, the Institute on the Common Good at Regis University has dedicated itself to programs aimed at changing the world one dialogue at a time, operating under the simple theory that through dialogue and trust building, major social change can occur. Neither liberal nor conservative in its posture, the Institute operates on the belief that a healthy society is committed to the welfare of all its members, especially those without a voice, suggesting a balance that avoids the extremes of exclusive individualism or totalitarianism.

The Institute supports a variety of initiatives that seek to increase citizen engagement in community issues and allows individuals to actively deliberate together to choose a variety of alternative paths.

Colorado's Direct Democracy: A Historical Overview

Just about every American child is taught that the rallying shout of our founding forefathers, while dumping tea into Boston Harbor, was "No taxation without representation!" The framers of the United States Constitution subsequently struggled and debated whether the U.S. should be governed by direct democracy or representative government. They ultimately decided on the latter.

As the country expanded westward, with the help of the railroads and their powerful owners, citizens in states west of the Mississippi -- including Colorado -- realized the influence that industry's special interests exerted over government. In the latter part of the 19th century, citizens began to question the wisdom of a pure representative democracy. The result was a movement to allow voters to enact laws directly via the ballot initiative process, which was formally adopted in this state in 1910.

Since then, Colorado has in place a hybrid model of state government, combining representative democracy with direct democracy. Laws enacted by the general citizenry can either be statutory or written directly into the constitution.

In early practice, the citizen initiative process was used to implement social policies, including an eight-hour workday for miners and women (passed in 1912) and to ensure for the care and treatment of the mentally ill (passed in 1916). Both of these measures were passed as statutes.

By contrast, Coloradans have been -- at least until recently -- fairly judicious when considering changes to the state constitution. In the 88 years between 1876 and 1964, voters approved 73 measures to the state's constitution.

Traditionally, voters largely left matters involving finances and the state's budget in the hands of their elected officials in the state legislature and governor's office. But beginning in 1982 and continuing over the next two decades, the citizen's initiative process has been used to adopt three substantial provisions with tremendous impact to Colorado's budget.

These initiatives, when presented individually, proved popular with voters. But combined as laws within the state constitution, they demonstrate a growing tension between representative government and direct democracy.

Is it Time to Change The Process?

The call for a citizen's initiative process first appeared on the ballot 100 years ago, and the ability to allow citizens to enact laws directly is now ingrained in Colorado politics. Since the process has marked its centennial year, it seems appropriate that Coloradans revisit the issue of the way their state is governed in the 21st century.

Colorado is one of 20 states to retain the use of its original constitution, which was adopted in 1876. In just the nine years between 1994 and 2003, the number of constitutional amendments increased 18 percent, according to a 2007 study by the University of Denver Strategic Issues Panel.

The increasing size, scope, and age of Colorado's constitution has prompted these questions:

- How do the initiatives interact with one another?
- How have they have affected the role of elected officials and government in Colorado?
- Is it time to make it more difficult to amend the constitution?

In 2010, these questions were posed to more than 1,200 community leaders from across the state in 12 locations as part of Phase I of the Colorado's Future Civic Engagement Project.

These community leaders -- from Steamboat Springs to Sterling and Colorado Springs to Boulder -- gathered to discuss the citizens initiative process and its resulting conflicts, and came to consensus on a series of recommendations for reform.

Eighty percent of the participants concluded that the current ballot initiative process is problematic; the same percentage affirmed their belief the citizen initiative process should be retained, but amended.

The following recommendations secured at least 75 percent support at the Civic Engagement Meetings:

1. The financial disclosure requirements for ballot initiative campaigns should be just as strict as the requirements for candidate campaigns.
2. Petitioners should be required to collect signatures from around the state, not concentrated in high-population areas.
3. Constitutional amendments should require more signatures to be placed on the ballot than statutory amendments.
4. Constitutional amendments should be required to secure a super-majority of votes; statutory amendments should continue to be adopted with a simple majority. Anything that's already in the constitution could be amended out with a simple majority vote.
5. Ballot language should be clear and concise (readable at an 8th grade level).
6. A Constitutional Review Commission should be formed to meet periodically to determine and refer corrections on conflicting provisions to voters.

In short, civic leaders support the initiative process, but maintain that it should be more difficult to amend the constitution. They believe the language of citizen-driven initiatives ought to be clearly presented to voters and that their sponsors should be required full transparency as to who is financially supporting their efforts. A bill was passed in 2010 that will require increased disclosure from proponents of initiatives.

These series of meetings with over 1,200 Colorado community and civic leaders resulted in two measures that were referred to the state legislature with hopes they would be placed on the 2010 ballot. SCR 01 recommended that a Constitutional Review Commission be established (#6 above), and SCR 03 made it more difficult to amend the constitution, requiring that signatures be gathered in each of Colorado's seven Congressional Districts and that new constitutional amendments secure a super-majority (60 percent) of votes (#3 and #5 above). Both measures were heard in the State Senate, but not in the House of Representatives.

Based on feedback from both the civic leaders and the legislators, it was agreed that Colorado's Future would pursue some form of constitutional reform again in 2011. If passed by two-thirds of the Legislature, this measure would appear on the 2012 ballot as a referred measure -- commonly known as a referendum.

Role of State and Local Governments

Taxes in Colorado are generally divided between four entities: the State of Colorado; the county in which people reside; the city or municipality in which they reside; and special districts designed to provide a wide array of services in selected geographical areas.

Over the last two decades Coloradans have amended the state constitution to reduce taxes and maintain a lean government. Voters also adopted a required increase in spending on K-12 education. Services that were once mainly funded by local taxes, such as school districts, are now funded primarily by the state.

What is in the State Budget?

Setting the state's budget is a collaborative effort between the Legislature and the Executive Branch (the governor). Unlike the Federal Government, Colorado's constitution requires a balanced budget. Each year the governor initiates the process, outlining the executive branch's priorities and programs to the legislative Joint Budget Committee (JBC).

The JBC spends the next several months reviewing the proposal, developing and ultimately passing what is referred to as the "Long Bill," or the annual budget.

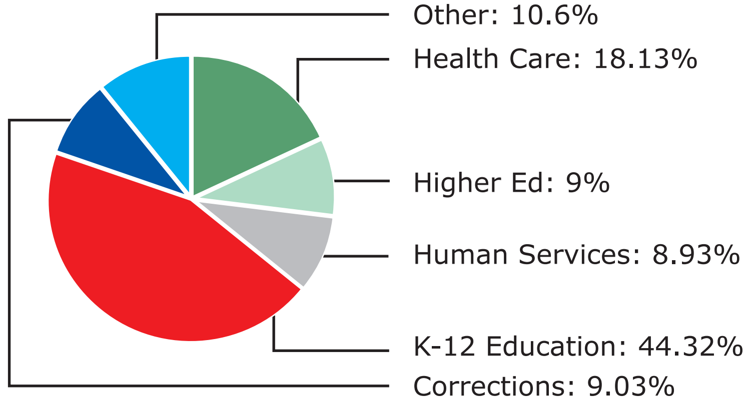
Like all bills, the budget must be approved and signed by the governor. The governor may veto certain line items, but is prohibited from amending any of its appropriations.

In 2010, the state budget was almost $7 billion, which does not include funds from the federal government.

State General Fund 2010-11

State Spending

- K-12 Education 44.32%
- Health Care 18.13%
- Other * 10.6%
- Corrections 9.03%
- Higher Ed 9%
- Human Services 8.93%

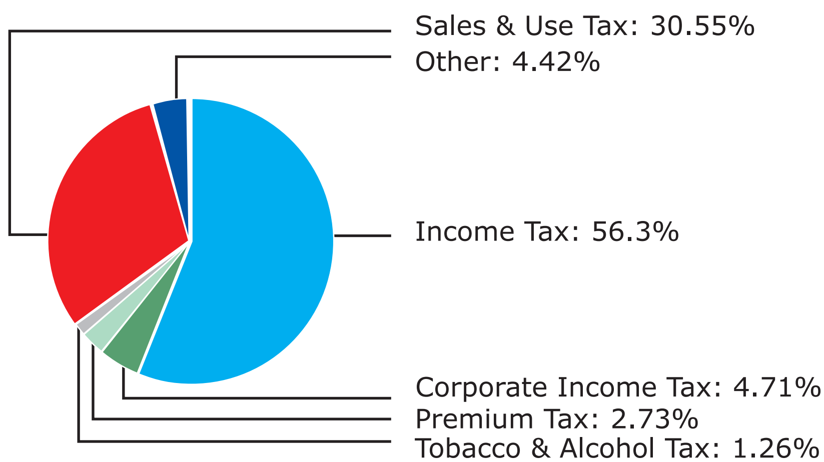


* State Patrol, Legislative Services, Governor's Office, etc.

Note: The Colorado Department of Transportation (CDOT) does not receive an appropriation from the state's General Fund as part of the operating fund. CDOT is primarily funded by federal funds, the state gasoline tax, and other fees.

State Revenues

- Income Tax 56.3%
- Sales and Use Tax 30.55%
- Corporate Income Tax 4.71%
- Other 4.42%
- Premium Tax 2.73%
- Tobacco & Alcohol Tax 1.26%



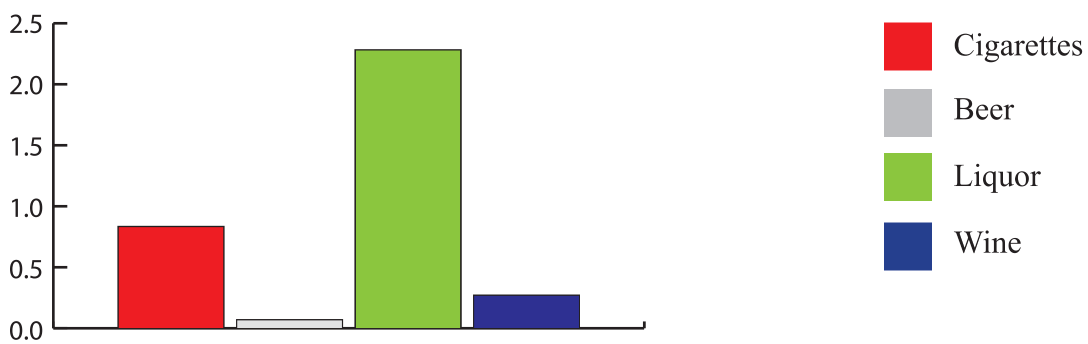
Individual: Individual income taxes are based on a flat rate of 4.63 percent of federally adjusted taxable income. Colorado ranks 29th of 43 states for state income tax, paying $25.41 for every $1,000 of personal income.

Corporate: In most cases, states that tax individual income also tax the income of corporations. Colorado's tax, at a flat rate of 4.63 percent, is the 41st lowest of 46 states where this tax is imposed.

Sales & Use: Colorado's statewide sales (and use) tax rate is 2.9 percent, ranking 44th among the 50 states. Local governments affix their own sales taxes, so the amount consumers pay at the cash register is usually closer to 7 or 8 percent.

Alcohol & Tobacco Tax: Colorado taxes cigarettes, other tobacco products, liquor, wine and beer. In Fiscal Year 2010-11, these taxes generated $88.6 million in General Fund Revenue ($53 million from tobacco and $35.6 million from alcohol).

Colorado's 'Sin' Taxes



$0.84 per pack of cigarettes (ranking 34th among states)

40% tax on other tobacco products (e.g. cigars and chewing tobacco)

$0.08 per gallon of beer

$2.28 per gallon of liquor

$0.28 per gallon of wine

(Overall Colorado's liquor tax rate ranks 44th among the states.)

Money from Tobacco: Where it Goes

In 2004, Colorado voters approved Amendment 35, which implemented a $0.64 increase per pack of cigarettes (totaling $0.84 per pack) and a 20 percent increase on other tobacco products (totaling 40 percent on the manufactured price.)

At the time the tax increase temporarily brought Colorado in line with the national average for tobacco taxes. This additional revenue does not typically go to the General Fund. Voters earmarked the money to pay for public health programs and healthcare services for the poor and disabled. The only exception is that in a state of fiscal emergency, as officially declared by the legislature by a two-thirds vote, the monies can be redirected to the General Fund. This has happened twice, in Fiscal Year 2009-2010 and Fiscal Year 2010-2011.

Money From Gas: Where it Goes

Gas Tax: Colorado's gas tax has been 22 cents per gallon since January 1991. Diesel fuel tax is 20.5 cents. Couple that with the 18 cents federal gas tax, and 40 cents per gallon is the total you're paying in taxes. The money is placed into the state highway users fund and is distributed as follows:

65 percent goes to the state highway system.

26 percent is distributed among Colorado's counties based on a formula incorporating the lane miles and vehicle registrations in them.

9 percent is distributed among cities, based on a city's street mileage and vehicle registrations.

Fees: SB 108 (FASTER) was passed by the Legislature and signed by Gov. Bill Ritter in 2009. The bill increased fines, fees, and surcharges assessed at the time a vehicle is registered in order to pay for transportation projects - $100 million to upgrade 125 bridges deemed deficient and in poor condition, and $150 million for roadway safety.

Oil & Natural Gas Taxes

Colorado's severance tax is determined by the value of the natural resource where is it extracted. More than 90 percent of the severance tax revenue is collected from oil and gas (mostly all natural gas).

Property Taxes

Colorado's 64 counties are primarily funded by property taxes, which can be pretty complicated. Here's how it works: Take the value of the property, multiply it by the "assessment rate" -- which is the portion of the value of the property that gets taxes. Then, multiply that by the "mill levy," and divide by 1,000.

Consider a house worth $200,000, with a 7.96 percent assessment rate and a total mill levy of 80. The property tax owed would be:

$200,000 times .0796 times 80, divided by 1000 = $1,280 annual property taxes due. Some counties receive some revenue from sales tax but this rate varies from county to county. Most counties rely on property tax to provide services to residents and the general operating budget for the county.

Municipalities and the Magic of Sales Tax

While counties count on property taxes for the bulk of their revenue, municipalities rely on sales tax. A sales tax is a consumption tax charged at the point of purchase for certain goods and services. Cities can augment their revenue with a myriad of other taxes -- including lodging and occupational privilege taxes -- but the majority of a municipality's general operating fund comes from sales tax. This dependence on sales tax results in challenging times during economic downturns, when consumers cut back in spending.

Colorado's 1,300 Special Districts

Special districts are just that – special units of local government established by the residents of an area to provide some service not provided by the county or city. In Colorado, 1,300 special districts provide services, including library, fire, water, library, sanitation, cultural and transportation.

Special districts must be approved by voters and are generally governed by their own elected board of directors. In rare cases, board members may be appointed by a governing authority.

Below is a chart of the total rate of sales and special district taxes for residents of the City of Aurora, which comprises three different counties. Depending on the county they live in, city residents pay different tax rates. These rates were effective as of 1/1/2010.

Sales Tax Rate			
	Arapahoe County	Adams County	Douglas County
City of Aurora	3.75%	3.75%	3.75%
State of Colorado	2.90%	2.90%	2.90%
RTD	1.00%	1.00%	1.00%
Cultural	0.10%	0.10%	0.10%
Sports Stadium	0.10%	0.10%	0.10%
County	0.25%	0.75%	1.00%
Total	8.10%	8.60%	8.85%

Examples of Special Districts:

Regional Transportation Districts (RTA) As of Jan. 1, 2010 there are four RTA's in Colorado; The **Pikes Peak Rural Transportation Authority** includes the cities of Colorado Springs, Green Mountain Falls, Manitou Springs and all of unincorporated El Paso County; the **Gunnison Valley RTA** has a sales tax of 0.6 percent in Gunnison County with the exception of the cities of Marble, Ohio, Pitkin and Somerset; **and the Regional Transportation District (RTD), which serves the Denver Metro Area and levies a sales/use tax of 1 percent.**

Scientific & Cultural Facilities District (SCFD) - A sales/use tax of 0.1 percent for the Scientific and Cultural Facilities District applies to all sales that are also subject to the RTD tax, plus the remainder of Adams and Arapahoe, as well as all of Douglas County except the towns of Castle Rock and Larkspur. This tax funds cultural institutions such as the Museum of Natural History and the Denver Art Museum.

Health District of Northern Larimer County provides prescription assistance, mental health, dental, preventive and health planning services for residents of Northern Larimer County.

High Plains Library District provides library services to residents of Weld County and the Town of Erie.

Football Stadium District (FD or FTBL) - A sales/use tax of 0.1 percent for the Football Stadium District applies to all sales that are subject to the RTD tax and additional portions of Douglas County and Park Meadows Mall. The football district replaced the baseball district (BD) effective Jan. 1, 2001. Voters made the choice to pay for and help build the Denver Broncos' new stadium, Invesco Field, through the football district sales tax.

Paying for Public Schools

In Colorado, public schools are funded by local property taxes (about 40 percent) and by state sales and state income tax (60 percent).

In 1994, a legal requirement known as "equalization" was implemented by the state School Finance Act to compensate poorer districts with low property taxes, providing the same levels of per-pupil funding as wealthier school districts.

Prior to the passage of the Gallagher Amendment, the Taxpayer's Bill of Rights, Amendment 23, and the "equalization" requirement, local property taxes funded 60 percent of public education in Colorado, while the state paid the remaining 40 percent. In budget year 2009-2010, more than $5.6 billion was directed by the state to public schools. The breakdown includes: State taxes ($3.5 billion), vehicle registration taxes ($148 million), and local property taxes ($1.8 billion).

Initially, funding for a school district's "Total Program" is provided first by property taxes. But if there is not enough money to fully fund the "Total Program," state monies supplement the district. In budget year 2010-2011, the state is projected to range from $0 per pupil (these districts pay for their schools with property taxes) to $11,350.71 per pupil (0 percent to 96.5 percent respectively, of total program). The average amount the state provides per pupil is $4,297.06.

Property Taxes and School Funding

Each school district must impose a property tax levy to finance its local share of "Total Program." A school district's ability to raise money from property taxes varies widely as a result of different tax bases. All local property tax revenues stay within that district. Here is how property tax relates to school funding:

How does the county assessor determine the value of the property?

The assessed valuation is based on a percentage of the property's actual value. For example, in budget year 2010-2011, residential property is expected to have an assessed valuation equal to 7.96 percent of its actual value.

What is a mill?

One mill of tax is the same as one-tenth of one percent (.001).

What is the mill levy freeze that passed in 2007?

Beginning in Fiscal Year 2007-2008, the Colorado General Assembly passed legislation to stabilize school district mill levies. The legislation caps mill levies at 27 mills and freezes mill levies for districts with mill levies of 27 mills or less. This legislation applies to the "Total Program" mill levy only.

It does not affect override, bond, special building and technlogy, full-day kindergarten excess cost, or transportation mill levies. This mill levy cap/freeze does not apply to districts that have not held a successful election to lift TABOR restrictions.

It is important to note that schools are governed locally, and local control of schools is considered a pillar of education in Colorado. However, as state funding for schools increases overall, it raises the question of local control versus state control over policies related to education and who should govern our schools.

The Big Three: Constitutional Budget Requirements

1. The Gallagher Amendment

Passed by voters in 1982, the Gallagher Amendment established that business property owners pay 55 percent of total statewide property taxes, while residential property owners pay 45 percent.

To accomplish this, assessment rates (which until that point had been fixed at 30 percent for all types of property) were locked at 29 percent for commercial and initially set at 21 percent for residential.

Over the past 20 years, the value of homes increased much faster than values of commercial property. Since the 29 percent was locked in, the only way to accommodate the rise in home values while maintaining the 55:45 ratio in total property taxes paid was to drop the residential assessment rate. As a result, the residential assessment rate continues to be less than 8 percent.

Note: When Gallagher was passed in 1982, the residential rate was 21 percent.

What is the upshot of Gallagher? It depends on your perspective.

Homeowners like their low property taxes. But, many business owners think Gallagher is unfair to business owners because it shifts a disproportionate amount of the tax burden to them. It is ironic that, as the value of residential properties rises, homeowners pay less, while the owner of a commercial property with a decreasing value pays considerably more.

Local government: Property tax revenues are shrinking due to the slide in residential property tax rates.

State government: Colorado law requires the state to make up losses in public school funding. Thus, if local property taxes prove inadequate, state government must make up the difference in order to ensure per-pupil equity. This requirement, combined with Amendment 23, has resulted in the state picking up even a greater share of K-12 education -- which has resulted in cuts to other programs, like higher education and health care.

2. Amendment 23: Funding Public Education

Amendment 23, passed in 2000, required an increase in spending for K-12 education. It had three primary components:

- Increased spending for K-12 by inflation plus 1 percent through 2010 and at least keeping pace with inflation thereafter.

- Established the State Education Fund that earmarks 7 percent of state income revenue for the fund. Money comes from a surplus when available, thereby reducing the refunds to taxpayers. However, the fund may be depleted during times of economic hardship and redirected by the legislature for other purposes.

- The "Maintenance of Effort" clause requires General Fund spending on K-12 to be increased by 5 percent annually. However, in a "down" economy this clause is waived. This provision was added to ensure that the legislature will not substitute State Education Fund dollars for K-12's annual share of the General Fund.

3. The 1992 Taxpayer's Bill of Rights (TABOR)

The Taxpayer's Bill of Rights, referred to as TABOR, is a complex constitutional amendment that has dominated the state's fiscal landscape since it was passed by voters in 1992. The purpose of the amendment was designed to:

1) Limit the growth of government; and

2) Require all tax increases to be voter-approved.

The TABOR Limit

One common misperception about TABOR is that it limits spending, but this is not the case. TABOR limits the total amount the state can accept as revenue from almost any revenue source including income tax, sales tax, college tuition etc. Year-to-year increases in the tax revenue the state collects cannot exceed the rates of inflation and population growth combined. This amount is called the TABOR revenue ceiling, or the TABOR limit. Any amount Colorado collects beyond this revenue ceiling must be refunded to taxpayers unless they vote to let the state keep the excess. This practice -- to allow the government to keep the excess to use for services -- is often referred to as "de-Brucing" a reference to TABOR's author Douglas Bruce.

Over the past several years there have been changes to several elements of TABOR, most notably the passage of Referendum C in 2005, and the repeal of the Arveschoug-Bird Amendment in 2009.

Approved by voters in 2005, Referendum C consisted of two major components:

1. It let the state retain all the revenue it collected for five years (FY 2005-2006 through FY 2009-2010) regardless of the TABOR limit. This is sometimes referred to as a "time-out" from TABOR. No matter how the economy was performing, there were no refunds given to taxpayers during this time.

2. It allows the state government to keep all revenues up to a new state revenue cap.

What does this mean in plain English?

Initially, TABOR based the amount of revenue that the state could keep to the amount taken in the year before, or the actual revenues collected, whichever is lower. For example, from 2001-2003, state tax revenues decreased due to a recession. By 2004, the economy bounced back. Tax revenues were up, but TABOR dictated that the state was forced to base its revenue limit on the previous year, when revenue was down by more than $1 billion. Recessionary spending levels were locked in, so that even when the state had more money it was still on the same diet it was on during poor economic times.

Referendum C modified this TABOR provision, established that for Fiscal Year 2010-2011 and beyond, the state's revenue limit would be based on the prior year's limit, "regardless of actual revenue's collected."

In 2010, Senate Bill 228 repealed a budget formula known as Arveshoug-Bird (named after the bill's sponsors) that automatically transferred revenue out of the state's General Fund each year for transportation and state building construction projects.

Single Subject Amendment

The Single-Subject Act, also known as Referendum A, was placed on the November 1994 ballot by the Colorado State Legislature. Voters approved the measure, with 65.7 percent in favor. The Single Subject Amendment applies to bills introduced in the Legislature as well as to citizen initiatives. The impetus for the single-subject rule was to prevent complex and multi-faceted initiatives from being placed on the ballot and to ensure that the substance of the bill or initiative is accurately reflected in the title.

Gallagher Meets TABOR

When the Gallagher Amendment was approved in 1982, voters were inspired that homeowners' taxes would be kept low, and businesses would pay a fair share of property taxes. For the first 10 years, Gallagher worked as intended, lowering homeowners' tax assessment (the percent of property value that is subject to tax) while maintaining consistent revenue levels for local government. This was accomplished by letting local property tax rates (called mill levies) "float" up and down as needed from one year to the next.

However, the passage of TABOR in 1992 prevented local governments from floating the mill levy upward without a vote of the people. As home values increased, local governments began to reach and exceed their TABOR revenue limits. Remember, TABOR's provisions apply to all governmental entities – including counties and cities. TABOR required mill levies to be lowered resulting in less property tax revenue - i.e. less money available for institutions like school districts and county government that rely on property tax.

Gallagher Meets Amendment 23

Amendment 23, passed in 2000, mandates spending increased for K-12 schools, which is by far the state's largest program.

Amendment 23 requires the state to "catch up" with the effect of inflation on schools, and created a specific funding source called the State Education Fund to pay for the increases in education funding.

The state must reallocate general funds from other state programs if necessary to meet the requirements of Amendment 23. Before the passage of Gallagher and TABOR, local governments picked up most of the tab for Colorado schools with property taxes. But the Gallagher Amendment (modified by TABOR in 1993) has reduced homeowners' property taxes in the past 20 years while the needs of Colorado schools continue to grow.

The state has attempted to address this dilemma by backfilling the lost local revenue with the state's general fund. In short, Gallagher and Amendment 23 force the state to spend more on schools, at the expense to other programs.

TABOR Meets Amendment 23

Perhaps most fundamental among all the contradictions amended into Colorado's Constitution is the clash between TABOR's revenue limits and the voters' decision, through Amendment 23, to mandate a specific increase in public education spending.

This convergence has limited the role of elected officials from making decisions about the budget, and in effect has turned it over to voter approved budgetary formulas.

Term Limits For Elected Officials

Colorado was a leader in the term limits movement that restricts officeholders to limited time holding elected positions. It passed by citizen initiative in 1990. The idea was very popular, with voters passing the amendment with a 71 percent favorable vote.

Office	Number of Consecutive Terms that May Be Served	Number of Years in that Office
State Legislature (Effective 1-1-91)		
Colorado Senate	2 terms	8 years
Colorado House of Representatives	4 terms	8 years
State Executive Branch (Effective 1-1-91)		
Governor	2 terms	8 years
Lieutenant Governor		
Secretary of State		
State Treasurer		
Attorney General		
State Education Boards (Effective 1-1-95)		
State Board of Education	2 terms	12 years
University of Colorado Board of Regents		
Local Governments (Effective 1-1-95)		
County, City and County, City, Town, School District, Service Authority, and any Other Political Subdivision	2 terms if the terms are longer than 2 years; 3 terms if the terms are for 2 years or less	Generally, 6 or 8 years, depending on the length of the term

Glossary Of Terms:

Amendment 23: An amendment to the Colorado constitution, approved by voters in 2000, requires the state to increase per-pupil and categorical funding to public education by at least the rate of inflation public for 10 years (this provision expired in 2010) and by the rate of inflation thereafter. Amendment 23 also created the State of Education Fund to help pay for its costs.

Assessment Rate: The portion of actual property value subject to taxation. For example, the Gallagher Amendment fixes the assessment rate for business property at 29 percent. This means that only 29 percent of the market value will be taxed.

Capital Construction Fund: Fund into which General Fund and Lottery Fund transfers for capital construction projects are deposited. The fund is used to build, buy, renovate and repair state buildings, major equipment and land.

Cash Funds: State funds collected and earmarked for a specific purpose. These are usually fee-for-service items such as the amount charged for a driver's license or college tuition. These funds are not part of the General Fund but are included in calculating the TABOR revenue limit.

Crowding out: Refers to the effect of funding mandates that squeeze resources from non-mandated programs, such as when federally mandated Medicaid spending combines with state mandated K-12 spending to "crowd out" other programs such as higher education.

Equalization: A legal requirement to even out per-pupil spending across all of the state's 178 school districts. The School Finance Act of 1994 required that state funding make up the difference or equalizes between what is provided to school districts through local taxes.

Federal Funds: Funds received directly from the federal government are exempt from TABOR's revenue ceiling.

Fiscal Year: The state's fiscal year runs from July 1 to June 30.

Gallagher Amendment: A constitutional amendment passed by voters in 1982, freezing the non-residential assessment rate (commercial) at 29 percent. In the total amount of property taxes collected by the state, residential properties are responsible for 45 percent of the tax burden.

General Fund: The General Fund is the state's primary operating account used to support the general functions of state government such as K-12, corrections, human services, etc. State income and sales tax make up 90 percent of the General Fund. The General Fund receives revenue that is NOT earmarked for a specific purpose.

General Funds Exempt: A fund exempt from TABOR restrictions generated from revenue allowed by Referendum C and from a portion of the Amendment 35 tobacco taxes. Appropriations from it are limited to certain programs.

Highway Users Tax Funds (HUTF): Off-the-top funds are removed from total available HUTF revenue prior to allocating the HUTF to cities, counties and the Department of Transportation.

Maintenance of Effort (MOE): MOE provision, as it relates to Amendment 23, requires General Fund appropriations for state aid under the School Finance Act to increase by at least 5 percent annually, except when state personal income grows by less than 4.5 percent.

Mill: The tax per dollar of assessed value of property. The rate is expressed in mills, where one mill is one-tenth of a cent ($0.001, ten are equal to one-cent, one hundred equal to a dime, and one thousand equal to a dollar).

Mill Levy: The assessed property tax rate used by local governments and other jurisdictions to raise revenue in order to cover annual expenses.

Referendum C: Colorado voters adopted a measure popularly known as Referendum C in the general election in 2005. This measure allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR between July 1, 2005 and July 1, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the state to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the excess state revenues cap, for that fiscal year. The "excess state revenues cap" is equal to the highest annual total state revenues for FY 2005-06 through FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must be deposited in the General Fund Exempt Account and shall be appropriated or transferred by the General Assembly for the following purposes only: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determined such funding was needed; and (d) strategic transportation projects.

State Education Fund: Established by Amendment 23, which authorized a diversion of one third of one percent of taxable income on state income tax returns to the Fund. The revenues diverted into the fund are exempt from the TABOR revenue limit. State Education Funds can be used to meet the minimum funding requirements for K-12 education as long as the MOE provision is met, and for a variety of education-related purposes.

Statutory 4 Percent Reserve: According to C.R.S. §24-75-201.1 (1)(d)(III), a 4 percent reserve must be set aside to fund General Fund obligations in years where there is insufficient revenue. Money taken from the reserve account must be repaid each year.

Taxpayers' Bill of Rights (TABOR): The TABOR limit (Article X, Section 20 of the Colorado Constitution) restricts the State's total revenue growth to the sum of inflation and population.

Appendix

Overview of Citizen Initiative Process

Initiative language reviewed by non-partisan legislative staff. Last day to submit proposal for 2011 Ballot - March 25, 2011	Staff identifies potential conflicts and makes suggestions to improve clarity
Ballot title is approved by Title Board; Last Title Board meeting for the 2011 election: April 20, 2011	Ensures adherence to Single Subject Rule
Signatures gathered; Last day to submit signatures to Secretary of State for the 2011 election: July 18, 2011	76,000 signatures from anywhere in the state (5% of people who voted in election for Secretary of State)
Secretary of State certifies ballot eligibility, August 17, 2011	Ensures that signatures are registered voters
Campaign	People Vote on the proposed measure Mail ballots drop Oct 11; Election Day Nov. 1, 2011

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