



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative 40

Fiscal Summary

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LCS TITLE: AUTHORIZATION TO RETAIN EXCESS STATE REVENUE

Fiscal Summary of Initiative 40

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.colorado.gov/bluebook. This fiscal summary identifies the following impact.

Conditional fiscal impact. The measure has no fiscal impact unless there is a reduction in property tax revenue as a result of a statewide revision to the laws or policies governing property taxation in Colorado. If a revision occurs, the measure has the following conditional fiscal impacts.

State expenditures and TABOR refunds. The measure allows the state to retain and spend revenue for specific purposes, reduces the total amount of TABOR refunds paid to taxpayers, and increases state expenditures to offset any reduction in local property tax revenue for the following purposes:

- to supplement the state share of total program funding for public school finance;
- to fund payments to local governments for fire protection programs, services, and equipment; and
- to fund payments to local governments for water conservation programs and services.

Because these impacts are conditional upon any future revisions to property tax laws or policies enacted, they cannot be estimated at this time.

Economic impact. The measure may reduce the amount of income available for some taxpayers to spend, save, or invest elsewhere in the economy, and may increase the amount of revenue available for local governments to spend on education, fire protection, and water conservation. Any overall change in economic activity will depend on the net impacts of lower household and business income and increased investment in public services.