

Abstract of Initiative 66: Limit on Local Housing Growth

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of December 2017, identifies the following impacts:

The abstract includes estimates of the fiscal impact of the initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

Local government revenue and spending. In jurisdictions with a binding growth limit, the proposed initiative will reduce local government revenue from building permits, property tax revenue on new construction, and use taxes starting in FY 2018-19. To the extent that property values increase because of the measure, local governments may receive additional property tax revenue. In addition, local government spending will be reduced because there will be less demand for services provided to new homes and residents such as roads, utilities, and fire and police protection. Should the proposed initiative shift growth to other communities, those local governments will receive more revenue from the additional development and spend more to provide services to the new residents.

Economic impacts. The value and price of existing housing units may increase in communities where there are binding growth limits, impacting potential home buyers, and existing homeowners, landlords and tenants. Limits on housing permits will also impact the geographic distribution of construction employment, retail trade, and population between different areas within Colorado. Assuming the measure's 1.0 percent growth limits are binding for some counties, the measure will shift construction employment and activity from counties that meet the 1.0 percent limit to jurisdictions where the 1.0 percent limit is not binding. Accordingly, some construction employment and activity will shift from the 10 named counties to neighboring counties without a growth limit. To the extent that some development does not occur anywhere in the state because of the 1.0 percent limits, total construction activity and employment may decrease because of the measure.