

Abstract of Initiative 3: STATE FISCAL POLICY

The abstract includes estimates of the fiscal impact of the proposed 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.

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of January 2019, identifies the following impacts:

State revenue. The measure has no direct impact on state revenue, but will allow state lawmakers to raise revenue without voter approval in future years.

State expenditures. The measure reduces state expenditures for refunds to taxpayers in all future years for which a refund obligation would otherwise be refunded, and reduces workload for state agencies responsible for administering the constitutional provisions repealed in the measure. It will also allow state lawmakers to increase spending above the limit currently imposed in the constitution.

Local government impact. The measure is expected to increase local government revenue and decrease local government expenditures for refunds to taxpayers beginning in FY 2020-21.

Economic impacts. The measure is expected to increase revenue and spending for state and local governments over the long term, shifting a portion of the state's economy from the private sector to the public sector. If government spending for public goods and services, including for example health care, education, social services, infrastructure, and public safety, increases, as expected, household and business spending or saving will be correspondingly reduced.