

2010 Fiscal Ballot Proposals: State and Local Impacts

The Bell Policy Center
Research • Advocacy • Opportunity



Presentation Overview

Preliminary analysis by The Bell Policy Center

- Proposition 101 – Public Service Cuts
- Amendment 60 – Local Budget Constraints
- Amendment 61 – Public Financing Ban/Restrictions
- County-level analyses of Prop 101's MV impacts

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Proposition 101 (Statutory) - Public Service Cuts

1. **State income tax**
 - Cut to 4.5% immediately - 0.1% reductions to 3.5%
2. **Motor Vehicle taxes and fees**
 - Specific Ownership Taxes on vehicles reduced over four years to \$2/new cars and \$1/used cars
 - License fees go to \$10 flat rate
 - Eliminates state and local taxes on vehicle rentals and leases
 - Over four years exempts \$10,000 on vehicle sales price from state and local sales tax
3. **Telecommunications fees**
 - All state and local telecommunications charges eliminated except for 911

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Proposition 101 Effects

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ State Effects* <ul style="list-style-type: none"> – \$1.2 billion in state income taxes – \$343 million in license and registration fees – \$122 million in vehicle sales taxes – \$4.5 million in telecommunications charges ■ Total \$1.7 billion – About 25% of General Fund revenues | <ul style="list-style-type: none"> ■ Local Effects* <ul style="list-style-type: none"> – \$500 million in specific ownership taxes <ul style="list-style-type: none"> ▪ Goes to counties ▪ Per pupil share in Denver County would drop from \$434 to \$6.08 – \$122 million in vehicle sales taxes ■ Total \$622 million |
|---|---|

* When fully implemented

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Amendment 60 – Local Budget Constraints

1. Constitutional – Amends TABOR
3. Repeals past “de-Brucings” (property tax)
 - Several hundred local elections since 1992
 - Could impose local TABOR limits at lower levels
4. Limits future property tax increases to ten years and future “de-Brucings” to four years.
5. Cuts mill levy in half by 2020 with required state backfill at a \$1.2 billion cost to the state

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Amendment 61 – Public Financing Ban/Restrictions

1. Constitutional – Amends TABOR
2. State of Colorado would be prohibited from issuing debt of any kind – would be only state in U.S. with such a ban
 - Prohibits: Certificates of Participation, lease-purchase, tax anticipation, revenue anticipation notes, all borrowing
 - Could not fund: Anschutz Medical Campus, I-25 widening and light rail, college construction, BEST program repair/replacement of K-12 school buildings
 - Prohibit Treasurer from managing school finance before property taxes are received

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Amendment 61 – Public Financing Ban/Restrictions

- Local governments limited to 10-year, voter-approved bonds
- After each borrowing is repaid, tax rates must decline equal to average annual repayment, even if not paid with tax revenues
- Amount local governments can borrow limited to 10% of assessed taxable value of real property (rather than 3% of actual assessed value)

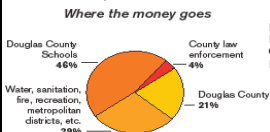
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County-Level Analyses – Prop 101's MV Impacts

Under Proposition 101, vehicle ownership taxes and license fees would be drastically reduced
Here's how Prop 101 would affect Douglas County

Ownership taxes



	2009	Prop 101
Douglas County schools*	\$16.3 million	\$125,737
Districts, subdivisions	\$10.3 million	\$79,269
County	\$7.4 million	\$45,403
Law enforcement	\$1.4 million	\$10,363

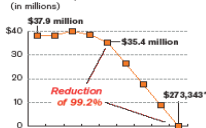
* Per-pupil share would drop from \$327 to \$2.53

For the average vehicle owner*

	2009	Prop 101
Douglas County schools	\$71.38	46 cents
Districts, subdivisions	\$45.00	29 cents
County	\$32.59	21 cents
Law enforcement	\$6.21	4 cents

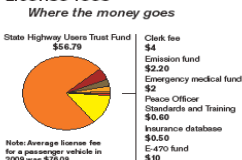
* Based on average ownership tax of \$155.17 for vehicles in Douglas County in 2009; assumes used vehicle.

Ownership taxes collected



* If Prop 101 were fully implemented. Assumes same number of vehicle registrations in 2009 and 2010-13; assumes 20% of vehicles registered are new.

License fees

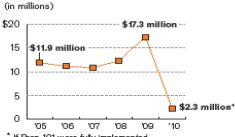


For the average vehicle owner*

	2009	Prop 101
Clerk fee	\$4	\$4
Emission fund	\$2.20	\$2.20
Emergency medical	\$2	\$2
Peace officer training	\$0.60	\$0.60
Insurance database	\$0.50	\$0.50
E-470 fund	\$10	\$210
Other	\$56.79	\$0.60

* Average license fee was \$76.09 in 2009. Under Prop 101, the fee would drop to \$10 per vehicle – a tax cut of 87%.

License fees collected



* If Prop 101 were fully implemented.

Road and bridge fees (FASTER)

Douglas County, like all counties in the state, has started collecting road and bridge fees to pay for a backlog of state construction and repair projects. Prop 101 would repeal FASTER (Senate Bill 09-108).

	Prop 101
Roads	0
Bridges	0

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Sources: Ownership, license and registration data from Douglas County Clerk and Recorder, Colorado Department of Education



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