



The Bell Policy Center 2019 Ballot Guide



PROPOSITION CC

Retain Revenue for Education & Transportation

This measure would permanently remove the General Fund revenue cap and allow all money over the cap to be split evenly between K-12 education, higher education, and transportation (including transit) without raising taxes.

Argument For

Colorado is already a low-tax state and it should be able to retain the tax revenue it receives to improve our communities. When we restrict investments in our schools and roads, our state's economy suffers. Without raising taxes, Proposition CC would allow critical investments to go toward underfunded areas of K-12 education, higher education, and transportation.

Argument Against

Colorado state budgets are growing; money isn't the problem. Our state legislature should better prioritize important spending so Coloradans can still receive their refunds.

What the Research Says

- The formula to establish the revenue cap — inflation plus population growth — wasn't designed to match the government's budget nor the increased cost of government-provided services.
- As of 2019, 51 out of 64 counties, 230 out of 274 municipalities, and 174 school districts across Colorado have fully or nearly removed the revenue cap after it was put in place for all governments in 1992.
- By making public investments in education and transportation, Colorado's economic growth can be used to better meet the needs of our growing state.

- In addition to doubling the share Colorado families pay for higher education since 2000, the state has a \$573 million IOU for funding K-12 education and a \$9 billion backlog on transportation projects.
- The Legislative Council staff estimates the first three years Proposition CC would be in effect would allow the state to spend more than \$541.7 million in total on education and transportation. Only tax year 2020 is projected to trigger a sales tax refund between \$10 and \$62 per individual depending on annual income, with higher incomes getting a larger refund.

What the Bell Says

Support. Over the past three decades, spending hasn't kept pace with population growth and necessary government services across the state. Colorado needs to make critical improvements in our education and transportation systems, and Proposition CC would help close some of these gaps. Without raising taxes, Proposition CC is the least we can do to keep Colorado competitive for years to come.



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PROPOSITION DD

Authorize & Tax Sports Betting

This measure would allow certain types of sports betting and taxation of the proceeds. Revenue generated from those taxes would go toward gambling addiction support, regulatory enforcement, and the Colorado Water Plan.

Argument For

As it becomes legal in many parts of the country, sports betting offers Colorado a new revenue stream that can help address significant water needs. Although the annual estimate of \$15 million falls far short of what is needed for the Colorado Water Plan, it's a step in the right direction.

Argument Against

Colorado needs \$100 million each year to fully prepare for our water future. By enacting Proposition DD, Coloradans may believe the measure's revenue will mostly meet our water needs, but a significant shortfall will remain. The types of water projects that will receive these funds aren't specified or laid out, possibly leading to environmentally unfriendly projects getting funded.

What the Research Says

- Seventeen states have legalized sports betting since the Supreme Court overturned the federal law against sports betting in 2018, including Nevada, which was grandfathered in. Twelve already allow betting, while the other 10 are going through the regulatory process needed to implement legalization.
- Americans gamble approximately \$155 billion annually, but only \$5 billion of that is done legally. In the first year after the Supreme Court decision on sports betting, estimates of legally wagered money climbed to \$8 billion.
- Colorado needs \$100 million annually starting in 2020 for the Colorado Water Plan, which is considered to be a blueprint for creating a future that conserves water and allows for strong water management.

What the Bell Says

Support. Water is a crucial resource that's being threatened by increased development and climate change. The Colorado Water Plan is a monumental document that should be implemented, but Colorado's serious fiscal constraints built into our state constitution make it imperative we find and use new revenue streams to fund important programs. While the revenue from taxing sports betting won't solve our water issues, it's an important down payment toward Colorado's water future.