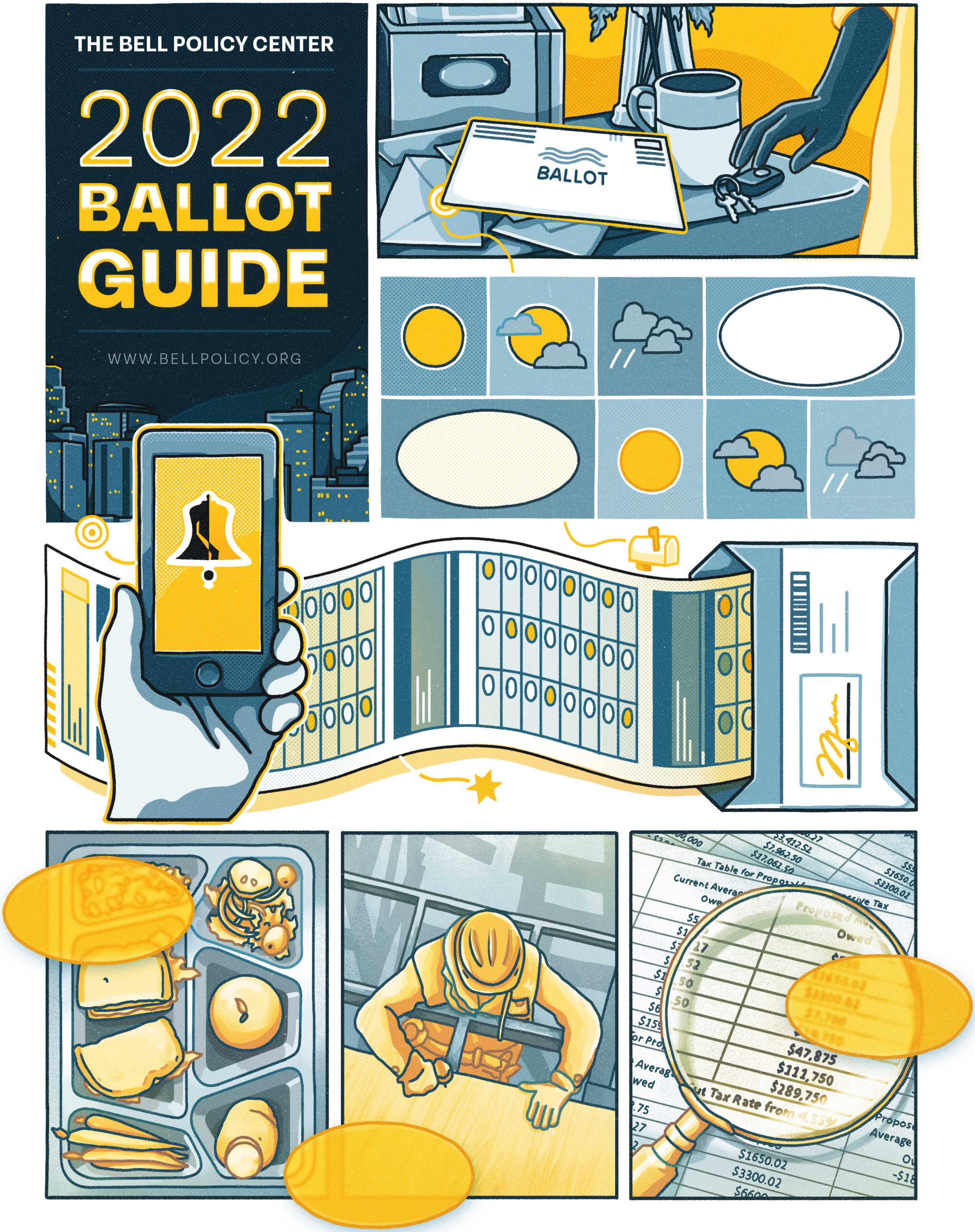

THE BELL POLICY CENTER
2022
BALLOT
GUIDE
WWW.BELLPOLICY.ORG
BALLOT
Tax Table for Proposal
$47,875
$111,750
$289,750
$1650.02
$3300.02

Welcome to the Bell Policy Center's 2022 Ballot Guide!

For each measure, you'll see there are three values the proposal is scored on: tax fairness, racial equity, and economic mobility. We chose these three as all are closely aligned to [the Bell's work] and our organizational mission. Each value receives a rating (very bad, bad, slightly bad, neutral, slightly good, good, very good) based on how the ballot measure in question will affect these values.

RECOMMENDATION

YES NO

MEASURES | CLICK TO VIEW PAGE

Amendment D
New 23rd Judicial District Judges

RECOMMENDATION

YES NO

Summary

Amendment D requires the governor to designate judges currently serving in the 18th Judicial District to serve the remainder of their term in the soon-to-be created 23rd Judicial District.

Recommendation

Yes; This Amendment provides clarity to an already agreed upon public policy, which has widespread support from statewide and local leaders. Importantly, by codifying this process, we will be taking steps to ensure a more representative and efficient judicial system.

Key Facts

1. In 2020, state legislators passed HB20-1026. A nearly unanimous, bipartisan piece of legislation, this bill creates a new 23rd Judicial District. The new district will come into official existence in January of 2025, and will be comprised of Douglas, Elbert, and Lincoln counties, all of which are currently in the 18th district. This new district was created to account for tremendous population growth in the area.
2. There are constitutional provisions surrounding the appointment and retention of district judges. They are appointed by the governor, must stand for retention elections every six years, and are required to live in the judicial district they serve.
3. District courts handle a variety of issues including criminal matters, divorce and custody cases, civil claims, and juvenile cases.

Score Card

Tax Fairness: Neutral

This does not have a large effect on the state's tax code.

Racial Equity: Good

Functional courts where judges are accountable to local residents is especially important for Coloradans of color who are disproportionately impacted by the criminal justice system.

Economic Mobility: Good

As noted in our 2021 Economic Mobility Report, intentional judicial policies can play a role in increasing homeownership rates and closing the racial poverty gap. To ensure these policies exist, we must have a functional, responsive judicial system.

Arguments For

- Passage of this amendment will facilitate the smooth operation of judicial processes for those who live in the 18th and 23rd districts. Without adoption, there may be potential complications for residents as the new district comes into existence.
- This measure simply codifies a process to enact a bipartisan policy passed by the state legislature and does not substantively change the judicial system.

Supporters: Representatives Mike Weissman; Senators Bob Gardner, Rhonda Fields, and Kevin Van Winkle.

Arguments Against

- This amendment is unnecessary, as HB20-1026 already includes statutory (though not constitutional) provisions regarding the transfer of judges between districts.

Opponents: None to date

Amendment E

Extend Homestead Exemption to Gold Star Spouses

RECOMMENDATION

YES NO

Summary

Amendment E extends eligibility for the Homestead Exemption to Gold Star spouses. Gold Star spouses are those whose spouse lost their life as a result of service in the United States military.

Recommendation

Yes; The loss of a spouse due to military service can cause significant shock for surviving family members. By extending an already existing benefit – one that is currently available to some veterans – to these families, the tax code can be used to provide at least some financial support and recognition of their continued sacrifice for the well-being of our country and communities.

Key Facts

1. The homestead exemption is currently available to certain older adults and veterans with a disability. Qualifying individuals can reduce their property taxes by exempting 50 percent of the first $200,000 of the value of their home. In 2020, the homestead exemption reduced property taxes by an average of $585/qualifying household.
2. Legislative Council estimates just over 880 Gold Star spouses will take advantage of the exemption if expanded. This will cost the state approximately $600,000 in FY 2023-2024.
3. Qualifying individuals realize the benefit when paying their property taxes, which are collected by local governments. The state, in turn, backfills this lost revenue by reimbursing local governments. Revenue in excess of the TABOR cap can be used to pay for the homestead exemption. However, if revenue collection for the year is below the TABOR limit, the state must use general funds to cover reimbursements to local communities.

4. Research by RAND finds following the combat death of a spouse, household earnings drop significantly. While a portion of this decrease is due to the loss of the service member's income, money earned by the surviving spouse also declines.

Score Card

Tax Fairness: Good

This measure uses our tax code to provide a direct benefit to families who have made tremendous sacrifices for our collective well-being.

Racial Equity: Neutral

It's unclear how this measure would directly impact Black, Indigenous, and other people of color (BIPOC) Coloradans, or bridge the income and wealth inequalities that exist.

Economic Mobility: Good

Financially, the loss of a spouse also means a reduction in family income, which can have long-term economic consequences. Amendment E provides at least some support to help mitigate these financial concerns.

Arguments For

- Members of the military who give their lives in service to our country make the ultimate sacrifice for the benefit of our communities. This sacrifice however, is not solely borne by the service member, but also their family. Though small in comparison to the loss, expanding the homestead exemption to Gold Star spouses offers these individuals and families at least some financial assistance and recognition of their sacrifice.
- Expanding the homestead exemption to Gold Star spouses is a natural extension of current policy, as the benefit is available to veterans with service-connected disabilities, but also surviving spouses of these veterans after their death.

Supporters: Representatives Tim Geitner and Cathy Kipp; Senators Paul Lundeen and Jeff Bridges

Arguments Against

- Especially in years when the benefit must be paid for through the state's general fund, adopting this measure will reduce support for other priorities like education, health care, and transportation. Concerningly, due to TABOR, Colorado is already currently unable to meet many ongoing obligations.
- Surviving spouses will have to own their own home to qualify for the exemption. As a result, those families with the lowest income, and who may be most in need of financial support, will not be eligible for the assistance provided in this measure.

Opponents: None to date

Amendment F
Changes to Charitable Gaming Operations

RECOMMENDATION

YES	NO

Summary

Reduces the number of years a charitable organization needs to legally exist before it's able to obtain a charitable gaming license from five years to three years prior to 2025 and by legislative change after 2025; it allows charitable organizations to hire managers and operators of gaming activities as long as they are paid no more than the minimum wage. In this case, "charitable gaming" is defined as bingo, pull-tab games, and raffles operated by charitable organizations.

Recommendation

Because the measure does not impact the values the Bell Policy Center has identified for our ballot guide, we do not offer a position on the measure.

Key Facts

1. The time requirement for existence prior to obtaining a gambling license is to ensure an organization can demonstrate it is indeed formed to fulfill the charitable purpose for which it was established.
2. In 2021, the Colorado Secretary of State's office received $506,788 of revenue in fees from charitable bingo licensees.
3. A 2017 survey of Colorado charities that use bingo and raffles to raise funds indicates most respondents were either unsure or doubtful the ability to pay workers would increase net proceeds from the games.
4. In 2020, a similar measure on the state ballot received 52 percent of the vote, failing to pass as it required a 55 percent supermajority vote due it being a constitutional change.

Score Card

Tax Fairness: Neutral

This does not have a large effect on the state's tax code.

Racial Equity: Neutral

It's unclear how this measure would directly impact BIPOC Coloradans, or bridge the income and wealth inequalities that exist.

Economic Mobility: Neutral

This measure neither promotes nor undermines economic mobility in a significant manner. It does not clearly contribute to redressing socioeconomic disparities that exist in the state.

Arguments For

- The amendment would allow some charitable organizations to supplement fundraising efforts with bingo earlier in their existence. The organizations can better pursue their missions earlier with the added funds.

Supporters: Senators Robert Rodriguez and Jim Smallwood, Representatives David Ortiz and Perry Will, Colorado Charitable Bingo Association

Arguments Against

- The measure will increase state cash fund expenditures by much more than it will increase revenue. The expenditure increases by a projected $294,000 for FY 2022-2023 and $420,000 for FY 2023-2024, while cash fund revenue increases by $20,000 for FY 2022-2023 and larger amounts in future years.

Opponents: None to date

Proposition FF
Healthy School Meals for All

RECOMMENDATION
YES NO

Summary

Under this proposition, starting in the 2023-24 school year any school district participating in the National School Lunch Program would be able to provide free meals for all students and receive 100 percent reimbursement from the state at the federal rate. The program would also support good wages for school meal workers and grants to purchase healthy and local food.

This program would be paid for by raising $100 million per year through new tax break eligibility limitations on those making $300,000 and above.

Recommendation

The Bell Policy Center recommends a YES vote on Proposition FF. Improving students' performance in school is an important aspect of economic mobility, and [research has shown] that alleviating hunger is a necessary component of better learning outcomes for students of all ages. Closing unnecessary or unfair tax loopholes is an important part of making a more progressive tax code. When our state reduces income taxes, as we did in 2020, our legislature can often close loopholes to make up the gap. This policy uses one such loophole to fund universal school meals. It is an important step forward on another important need among many that our state struggles to afford. It's a step in the right direction.

Key Facts

1. Through pandemic relief programs funded by the federal government, school meals were provided to all students free of cost for the 2021-22 school year. That federal money has run out. To qualify for free meals in 2022-23, a family of four must make less than $36,075. Families of four making up to $51,338 are eligible for reduced price school meals.
2. Over the last year, there was a 20-40 percent increase in children taking advantage of school meals because they were free.
3. Since 2012, the rate of students qualifying for free school meals has hovered around a third of all Colorado public school students, with another 7-8 percent of students qualifying for reduced price lunches.
4. Using 2021-22 school year numbers, the $100 million raised annually by this measure works out to $112.80 per student or 65 cents per scholastic day (there were 886,517 students in Colorado public schools in 2021-22).
5. According to the Food Research and Action Center, a non-profit focused on eradicating poverty-related hunger and undernutrition in the United States, “students who participate in school breakfast programs have improved attendance, behavior, academic performance, and academic achievement as well as decreased tardiness.”
6. Starting in tax year 2023, the funding mechanism is an itemized deduction cap for those making $300,000 and above. For single tax filers, the cap is $12,000, and for joint filers, it is $16,000 in deductions from taxable income.

Score Card

Tax Fairness: Good

Proposition FF closes tax loopholes exclusively for those making over $300,000 in income – those within the top 5 percent of all Coloradans. That money will be used to help low- and middle-income students across the state have better access to meals and, in turn, better academic outcomes. There is no question this proposition would make our tax code more fair.

Racial Equity: Good

Because Black and Brown students are disproportionately represented in lower income brackets – thus they benefit from school meals served free of charge – this would have positive consequences for their school performance over time.

Economic Mobility: Very Good

Because academic performance is closely correlated with future economic opportunity, ensuring better academic outcomes because students are not hungry during class would improve economic mobility. Doing this while not asking everyday Coloradans to pay a cent more in taxes just increases the economic mobility for those students that will benefit from this proposition.

Arguments For

- Healthy meals help kids focus in school, and giving all students access to meals free of cost reduces stigma and division between students.
- Colorado has a regressive tax code, meaning that the wealthiest pay less of their income in taxes than everyday Coloradans. This measure will ensure that they pay what they owe to help young students get food and do better in school.
- This proposition gives grants for purchasing healthy and local foods. This will help Colorado agriculture continue to thrive, all while helping students across the state.

Supporters: Colorado Fiscal Institute, Hunger Free Colorado, Colorado Children's Campaign, Colorado Consumer Health Initiative, Colorado PTA, Boulder County Public Health, Great Education Colorado

Arguments Against

- Colorado, like every other state, already provides meals at free and reduced costs to students in need. The government should not be in the business of giving free meals to students whose families can easily afford to provide them with meals. Colorado has a finite amount of money available for the myriad of government services that people need. While giving all students access to free meals is laudable, if we are raising taxes on the wealthy, we should use that money for other important programs that are targeted to people in need, not students whose families can afford the meals.
- With inflation at 40 year highs, and costs of all sorts continuing to rise, we should not be raising taxes – even on those making $300,000 and above. If this is a priority for Colorado, the legislature should prioritize it and find the money in the budget, instead of asking Coloradans to foot more of the bill in taxes.

Opponents: None to date

Proposition GG
Add Tax Information Table to Ballot and Petitions

RECOMMENDATION: **YES** NO

Summary

If adopted, Proposition GG would put a tax impact table on all petitions and ballots for citizen initiatives that seek to change the individual income tax rate. The table would include different income levels and the average change in taxes paid for each income bracket.

Recommendation

The Bell Policy Center recommends a YES vote on Proposition GG. This measure will serve to increase the information readily available to voters. As voters are the primary tax policymakers in this state, giving them a full suite of data empowers them to understand the issue more fully. Sunlight is democracy's greatest disinfectant, and giving voters the ability to sort through all the implications of their votes will serve the greater democratic effort in Colorado.

Key Facts

1. The Taxpayer's Bill of Rights puts Colorado voters in the driver's seat on tax questions. Like lawmakers, they need essential information at their fingertips to make the choices that make sense for them and their communities.
2. While all taxpayers pay the same tax rate – the actual impact of a reduction varies by income. Voters must also consider tradeoffs between public services and infrastructure vs. money in their pocket.
3. A number of legislative and constitutional requirements shape how tax questions are written. This includes a requirement under TABOR to begin any tax increase with the total amount of funds raised by the policy, regardless of whose taxes are being increased.
4. These are two examples of how this table would look:

#1 Tax Table for Proposal to Cut Tax Rate from 4.55% to 4.4% (Prop 121)

Income Categories	Current Average Tax Owed	Proposed Average Tax Owed	Proposed Change in Average Income Tax Owed
$25,000 or less	$568.75	$550	**-$18.75**
$25,001 - $50,000	$1706.27	$1650.02	**-$56.25**
$50,001 - $100,000	$3412.52	$3300.02	**-$112.50**
$100,001 - $200,000	$6825	$6600	**-$225**
$200,001 - $500,000	$15,925	$15,400	**-$525**
$500,001 - $1,000,000	$34,125	$33,000	**-$1125**
$1,000,001 - $2,000,000	$68,250	$66,000	**-$2250**
$2,000,001 - $5,000,000	$159,250	$154,000	**-$5250**

#2 Tax Table for Proposal for Progressive Tax (Fair Tax Code)

Income Categories	Current Average Tax Owed	Proposed Average Tax Owed	Proposed Change in Average Income Tax Owed
$25,000 or less	$568.75	$550	**-$18.75**
$25,001 - $50,000	$1,706.27	$1,650.02	**-$56.25**
$50,001 - $100,000	$3,412.52	$3,300.02	**-$112.50**
$100,001 - $200,000	$7,962.50	$7,700	**-$262.50**
$200,001 - $500,000	$17,062.50	$19,750	**+$2,687.50**
$500,001 - $1,000,000	$34,125	$47,875	**+$13,750**
$1,000,001 - $2,000,000	$68,250	$111,750	**+$43,500**
$2,000,001 - $5,000,000	$159,250	$289,750	**+$130,500**

Score Card

Tax Fairness: Good

With more information at their fingertips, voters will be better able to understand what they want our tax code to look like. Informed decision-making will lead to a fairer process, which is crucial for making our tax code more fair. Giving policymakers – and in Colorado, for tax issues the voters are the policymakers – more data will lead to better decisions.

Racial Equity: Good

Ensuring all Colorado voters have access to the same information allows them to make the best decisions for themselves. Given that ballots are printed in both English and Spanish and delivered to every household, this measure ensures that everyone can have the best understanding of the impact of tax policies on themselves and their communities. Better information leads to better informed voters.

Economic Mobility: Good

Economic mobility depends on being able to make better-informed decisions about one's own economic situation. Proposition GG gives voters those tools and helps them understand the economic implications of our tax code and any subsequent changes.

Arguments For

- Colorado ballots can be confusing, especially when it comes to taxes. It is hard to know what the effects on your tax bill will be. Having tables with different income brackets on your ballot will help all voters understand the tax landscape in Colorado and the initiative's financial implications. Understanding the consequences of tax changes will help voters make better and more informed decisions.
- Currently, ballot initiatives that seek to change tax rates have one-sided information about how much total money is to be raised. But the ballot doesn't have any information on what that means for individual Coloradans. Presenting a fuller picture of the fiscal implications of tax policy is necessary to ensure voters know what they are voting upon. Knowing how much money a tax cut will save someone will help them weigh the possible trade-offs.

Supporters: The Bell Policy Center, Together Colorado, Colorado Fiscal Institute, United for a New Economy, Colorado Education Association

Arguments Against

- These tables are already in the Blue Books that are distributed to every voter in Colorado. Putting them directly on the ballot will only add to confusion and complications for voters. If they want this information, it is not hard to find. Furthermore, increasing the length of ballots will cost the state, and localities, money in printing and distributing.
- Average tax change is a misleading category. Many families and Coloradans take credits and deductions that reduce their taxable income in a way that makes "average tax change" not true for many. Putting misleading information on the ballot does the exact opposite of what this initiative intends.

Opponents: Advance Colorado Action and Independence Institute

Proposition 121
State Income Tax Rate Reduction

RECOMMENDATION

YES NO

Summary
This measure would permanently cut the individual and corporate income tax rate in Colorado from 4.55 percent to 4.4 percent.

Recommendation
The Bell Policy Center strongly urges a NO vote on Proposition 121. Tax cuts seem to find their way to our ballot every year, and every year the Bell Policy Center stands against this regressive and fiscally harmful policy. We should not be permanently reducing our revenue to give millionaires an extra $1,500. This measure actually reverses the progressive progress of the 2022 TABOR rebate mechanism and worse, it locks it in forever.

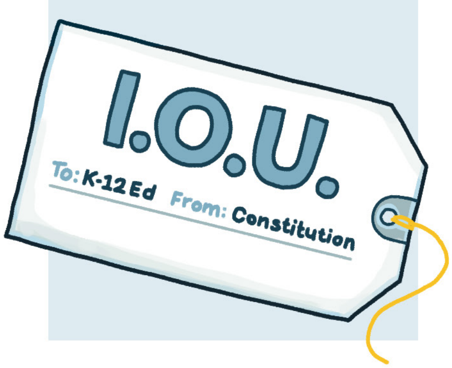
From targeted rebates, to early child care and transportation funding, it should be up to the legislature and voters to decide how best to use surplus dollars in the times ahead. Vote no on this bait and switch.

Key Facts

1. According to non-partisan analysis, this measure will cost the Colorado general fund nearly $400 million in annual revenue reduction. To put that number in perspective:
   - Colorado currently has a $320 million IOU to K-12 education – known as the Budget Stabilization Factor.
   - The entire budget for the Department of Natural Resources – the agency that houses water conservation, forestry and wildfire divisions, oil and gas and mining, and state parks and wildlife maintenance – is $350 million.
   - The total amount of corporate tax deductions taken by corporations in Colorado in 2018 – the last year of data available – is nearly the same as the fiscal note of this tax cut.

Proposition 121: $400 Million Revenue Cut

Budget Stabilization Factor
$320 Million Owed



Department of Natural Resources
$350 Million Budget

All Corporate Tax Deductions
~$400 Million

2. Under spending limits dictated by TABOR, this revenue will come directly out of future TABOR surplus amounts. According to Legislative Council Staff, the next two years are projected to have $3.63 billion and $2.28 billion rebates, respectively.
3. We have been here before. In 1999 and 2000, Colorado was expected to have significant TABOR rebates coming in future years. As a result, the legislature permanently cut the income tax rate from 5 percent to 4.63 percent. An unexpected recession led to a drop in revenue below the TABOR limit and, even with the passage of Referendum C in 2005, Colorado has lost nearly $10 billion in revenue (adjusted for 2019 inflation dollars) because of those tax cuts.
4. Voters approved a permanent tax cut just two years ago. The loss in revenue was restored by closing around $145 million in tax breaks and loopholes through HB21-1312.
5. Colorado has a number of underfunded needs in K-12 education, transportation, higher education, and early childhood programs. They will not be able to maintain current levels of service unless dollars over the TABOR limit are dedicated toward them.
6. Twenty-four percent of the $400 million in revenue loss will go to the top 1 percent of earners ($500,000 or more).

Score Card

Tax Fairness: Very Bad

This measure would make our already regressive tax code MORE regressive by allowing our highest earners to keep thousands of dollars that would go to communities, while most other taxpayers would end up paying more in local fees and taxes to plug the holes that emerge when this money goes away.

Racial Equity: Very Bad

While this measure is technically race neutral, the effects of it are certainly not. White Coloradans are disproportionately represented in the wealthiest income categories – the income categories that would see the biggest gain from this tax cut. Black and Brown Colorado families are overrepresented in lower income quintiles. Also, public programs – like K-12 education, health care, older adult care, and more – are much more important for families in lower income quintiles. As a result, the lost revenue to the state will see cuts to these services, which will disproportionately harm Black, Latino, and Indigenous Coloradans.

Economic Mobility: Very bad

Nearly $400 million in revenue can support many different programs. Losing that revenue will mean less access to child care centers, less funding for local schools and educational programs, less money for health care, and other programs. That will reduce economic mobility for future generations in our state.

Arguments For

- Colorado's government has too much money. We have billions of dollars in TABOR rebates going to taxpayers into the future. Cutting into those rebates by letting taxpayers keep more of their money makes sense.
- Inflation is causing problems for families across Colorado. What used to be a decent paycheck, just doesn't go as far as it used to. We should be letting all Colorado families keep more of their money by paying less in taxes.

Supporters: Independence Institute, Advance Colorado, gubernatorial candidate Heidi Ganahl, Colorado Republican Party

Arguments Against

- When the state has less revenue to spend, local governments make up the difference in local taxes and fees. Sales and property taxes, which disproportionately hurt those making low- and middle-income wages, are often increased to close gaps in local funding. That would mean that even with a tax cut, low- and middle-income Coloradans would pay more in total taxes.
- Permanently cutting taxes in a time of temporary economic bullishness is a recipe for disaster. Colorado's economy, like all of the United States, is not immune to bumps and downturns. When that happens, our legislature will have to make difficult decisions on what to cut and eliminate to balance the budget. With nearly $400 million less in revenue, the cuts will have to be more severe and drastic, affecting everything from mental health services, educator and school support, public safety, and transportation.
- Colorado has a regressive tax system. That means that the wealthy pay less of their income in taxes than everyone else. This tax cut would tilt the playing field toward the wealthy even more, with the top 1 percent of Coloradans – those earning about $500,000 and above in annual income – would get 24 percent of the tax cut. A millionaire would see $1,500 in tax savings, while the median Coloradan would only see $47.

Opponents: The Bell Policy Center, Colorado Fiscal Institute, Together We Thrive

Proposition 122
Access to Natural Psychedelic Substances

RECOMMENDATION

YES NO

Summary

Proposition 122, or the Natural Medicine Health Act of 2022, legalizes the growth, personal use, and possession of certain psychedelic substances found in plants and fungi for individuals 21 and over. The proposition also requires the state Department of Regulatory Affairs, in consultation with the Natural Medicine Board (which would be created through this measure), to set up a regulatory structure to license and oversee facilities that allow for the purchase and supervised use of these substances; and develop public education materials.

Recommendation

Because the measure does not impact the values the Bell Policy Center has identified for our ballot guide, we do not offer a position on the measure.

Key Facts

1. The measure would create a state-regulated therapeutic system for adults 21 and older to access natural psychedelic medicine under the guidance of a licensed and supervised facilitator at designated healing centers and health-care facilities.
2. Proposition 122 does not allow for the retail sale of psychedelic medicines. There will be no psychedelic dispensaries in Colorado.
3. If passed, products with psilocybin and psilocin (substances which are found in certain fungi) would be legalized for supervised use in 2024. Dimethyltryptamine, ibogaine, and mescaline (substances that are found in certain plants) would also be legal, but would have to be approved by the state before becoming available through state-regulated facilities.
4. All of the substances included in this proposition are classified as Schedule 1 substances, meaning the federal government believes they have no accepted medical use and there is a high potential for abuse. They are also illegal.
5. In 2019, Denver became the first city to decriminalize the use and possession of psilocybin. Since then, other cities, including Ann Arbor, MI, Oakland, CA and Seattle, WA have taken similar steps. Additionally, in 2020, Oregon became the first state in the country to legalize psilocybin, with similar efforts under way in other states.
6. Recent research suggests some substances included in this proposition, particularly psilocybin, may have medicinal benefits, which include reducing depression and anxiety, helping with smoking cessation, and lessening pain. Much of this research has been conducted at reputable institutions such as Johns Hopkins University and the University of Alabama.
7. In the fall of 2021, Denver's Psilocybin Mushroom Policy Review Board, which was required to be set-up upon the substance's decriminalization, reported that the measure, "has not since created any significant public health or safety issue in the city".

Score Card

Tax Fairness: Neutral

This does not have a large effect on the state's tax code.

Racial Equity: Neutral

It's unclear how this measure would directly impact BIPOC Coloradans, or bridge the income and wealth inequalities that exist.

Economic Mobility: Neutral

This measure neither promotes nor undermines economic mobility in a significant manner. It does not clearly contribute to redressing socioeconomic disparities that exist in the state.

Arguments For

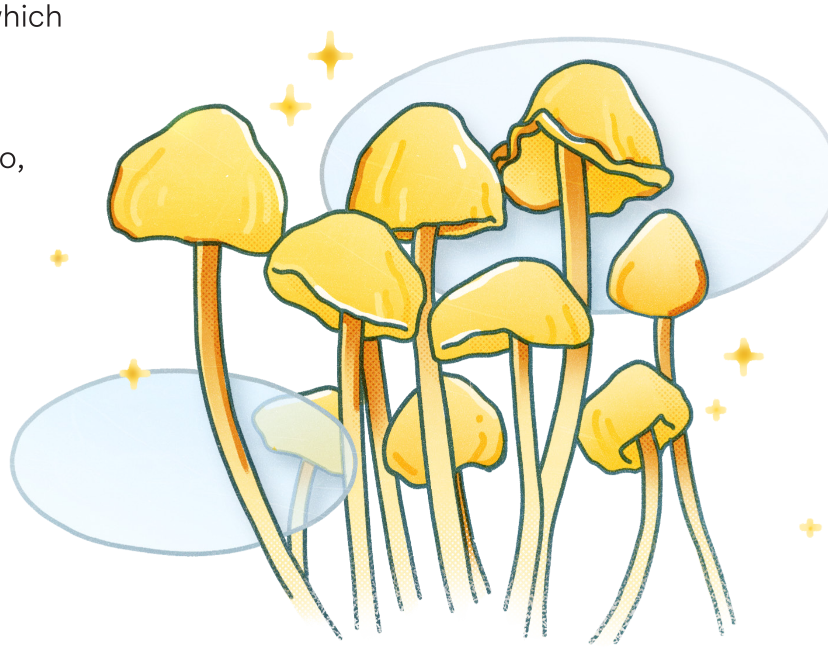
- Some research suggests the substances included in this proposition may offer medicinal and health benefits not available through other treatments. As a result, passage of this proposition may offer new health care options for Coloradans with mental and physical health ailments.
- Decriminalizing these substances could free up public law enforcement resources to pursue other issues which pose a greater danger to Colorado communities.

Supporters: Natural Medicine Colorado, New Approach PAC

Arguments Against

- Though growing, evidence surrounding both decriminalizing and the health benefits of the substances covered in this proposition are not fully formed. Waiting until more evidence is available will help to ensure Coloradans are creating robust and meaningful policy surrounding these substances.

Opponents: None to date



Proposition 123

Dedicate Revenue for Affordable Housing Programs

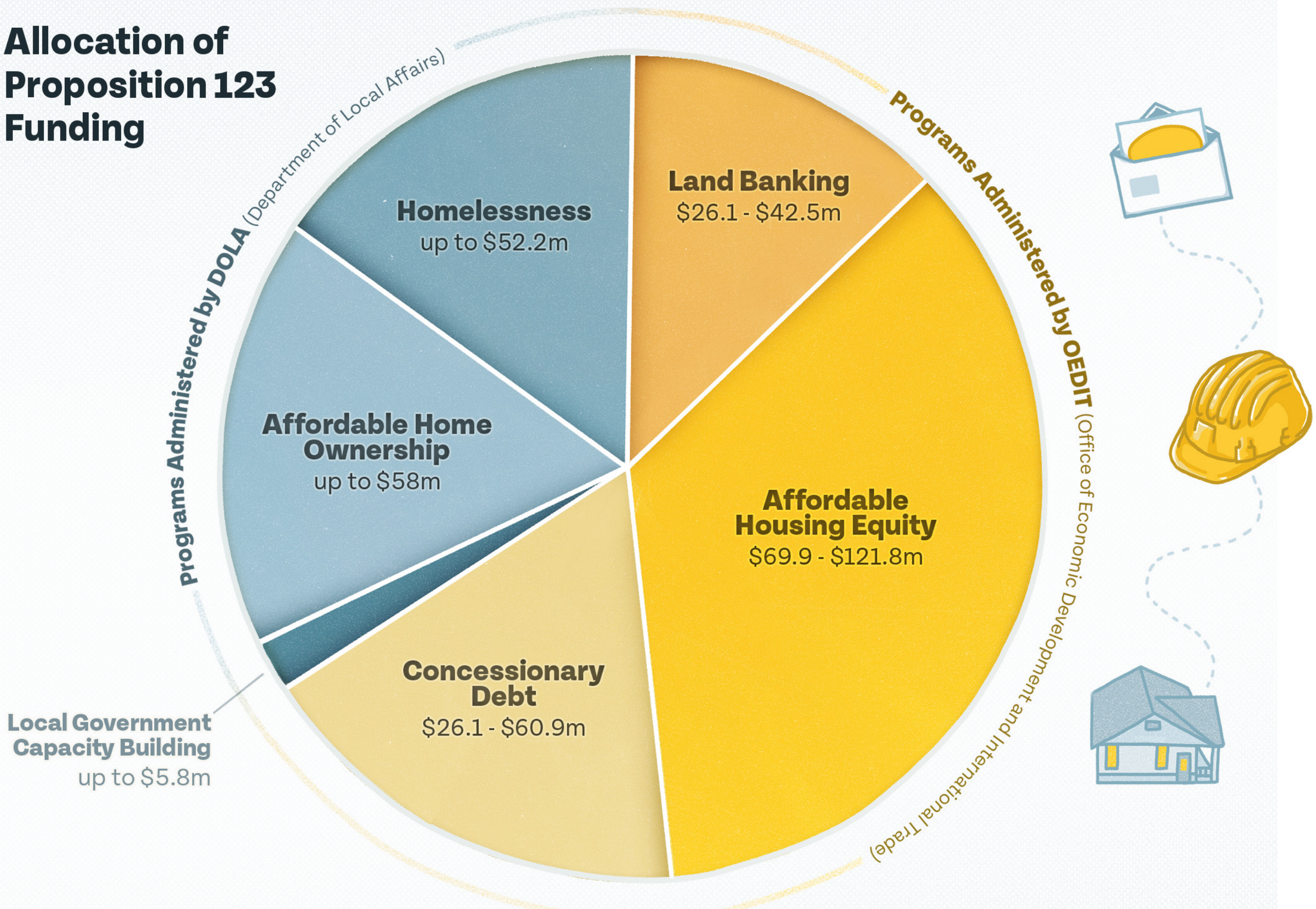
RECOMMENDATION

YES NO

Summary

Proposition 123 dedicates 0.1 percent of the state's income tax revenue for housing projects, including programs to purchase land for affordable housing projects, provide rent support, maintain existing affordable housing, assist homeless Coloradans, and build local planning capacity. It's projected to take roughly $300 million annually from the general fund, exempting these dollars from the TABOR cap; in years of budget surplus, reducing TABOR refunds. To receive funding, local governments would be required to increase affordable housing units by 3 percent annually.

Allocation of Proposition 123 Funding



Recommendation

This measure would provide a sustainable funding source to lower housing costs around the state and give local governments power to direct funds to their communities' needs. The measure is well targeted for renters and homeowners who most need relief. While it's true that we need zoning and land reform, too, sustainable and directed funding to increase low-income and workforce housing, provide rental assistance and vouchers, and build up local government capacity to accelerate new housing unit permitting will go a long way toward solving our affordable housing crisis. This measure does all of those things and more. For this reason, **the Bell Policy Center recommends a YES vote.**

Key Facts

1. Housing prices and rents have surged over the last decade in Colorado, a result of a statewide housing shortage combined with increased demand to live in Colorado. Today, Colorado is the 9th least affordable state for housing. For a minimum wage earner to afford a two-bedroom apartment, that person would need to work 89 hours per week.
2. Colorado is no longer affordable for low-income workers and families. Half of all renters in Colorado are housing burdened (spending more than 30 percent of their income on rent), and 83 percent of renters making less than $50,000 are. This measure will fund at least 5,000 new income-restricted units annually, on top of the 5,000 that the state currently produces each year.
3. The funds to pay for this measure will be taken from the general fund and exempted from TABOR. During economic upturns, this means that taxpayers will receive smaller TABOR refunds. Current projections estimate Colorado will have TABOR surpluses through 2025, though they will be smaller than 2022. In years when the government is not expected to refund money through TABOR the state legislature will be permitted to reduce funding to affordable housing programs to balance the budget and avoid cuts to other essential services.
4. State housing programs are supported by a mix of state and federal funds, amounting to $200 million annually. One-time federal funds provided through COVID relief packages are slated to end in 2024, with $50 million of state funding expected in 2024. If this measure passes, current budget allocation may be discontinued.
5. The programs enacted by this measure would be administered by state agencies and include funding for local governments to build their planning capacities. All administrative requirements are paid through the measure.

Score Card

Tax Fairness: Good

This measure utilizes existing funding from the state income tax, exempting these dollars from the general fund and redistributing TABOR surplus dollars in a targeted manner to housing burdened Coloradans, who are more likely to be low- and middle-income.

Racial Equity: Good

BIPOC Coloradans compromise a disproportionate number of the housing cost-burdened and homeless population in our state. This measure will direct funds to renters and people experiencing homelessness, and may help close the racial homeownership gap.

Economic Mobility: Good

By directing funds to low- and middle-income Coloradans and building affordable housing, this measure should contribute to greater access to affordable housing in our state. Lower rent and mortgage interest rates benefit Coloradans struggling to keep up with soaring housing costs. Further, households that spend less on housing are more likely to save for retirement, medical care, or unforeseen circumstances.

Arguments For

- Mitigating the housing crisis will take time and resources. This measure provides a permanent and sustainable funding source to improve our housing market. Also, the measure incentivizes not only direly needed housing units for lower-income Coloradans, but also environmentally sustainable and higher-density housing. It will also provide resources to renters and the homeless, segments of our population often left out of housing relief policies.
- By using money from an existing source and exempting it from TABOR, this measure allows Colorado to fund affordable housing and other essential public services. In fact, a permanent funding source for housing assures this service is well-funded and that Colorado doesn't have to redirect monies away from other community needs. Access to affordable housing makes our communities stronger and more resilient.
- Our economy cannot continue to flourish if the workers that run our businesses cannot afford to live in the area. Building and maintaining affordable housing helps us retain our workforce while attracting more workers and businesses to help the state economy thrive.
- Proponents claim that the $300 million annually in public funding would unlock $6 billion in private funding to build 170,000 new affordable housing units over the next 20 years. This knock-on effect will help us generate the capital necessary to solve this crisis.

Supporters: Gary Community Ventures, Urban Land Conservancy, Habitat for Humanity of Colorado, Housing Colorado, Colorado Association of Realtors, Neighborhood Development Collaborative, Enterprise Community Partners, Colorado Coalition for the Homeless, Colorado Eviction Defense Project

Arguments Against

- These programs would not address the underlying causes of our affordable housing crisis. In the last few years, the state has received $1 billion in federal stimulus funds for housing and prices remain high. More money without long-term policy changes will not significantly improve the housing market and could distort it further.
- Despite funding for building capacity, local governments will struggle to keep up with the funding requirements and build administrative capacity. Communities most in need of funding affordable housing may be unable to receive these funds.
- In economic upturns, Coloradans will receive less in TABOR refunds due to this measure. During economic downturns, the legislature will be forced to reduce funding for housing or cut public services elsewhere to balance the budget and account for this additional funding priority.
- This puts affordable housing, a new funding area for the state, at the front of the line for TABOR surplus dollars. Needs such as like higher education, teacher pay and transportation needs will be pushed back further.

Opponents: Advance Colorado Action

Proposition 124
Retail Liquor Store Licenses Initiative

RECOMMENDATION

YES NO

Summary
This measure permits liquor stores to immediately expand to up to eight locations in Colorado. These stores would be allowed to incrementally increase their number of locations afterward. By 2037, liquor stores would be allowed to have an unlimited number of locations.

Recommendation
Because the measure does not impact the values the Bell Policy Center has identified for our ballot guide, we do not offer a position on the measure.

Key Facts

1. By current law, liquor stores can open in three locations per license; in 2027, that will increase to four locations.
2. Grocery and convenience stores, which are also allowed to sell liquor, will be able to do so at a growing number of locations in the coming years. This is seen in the chart below. If this measure is passed, liquor stores will follow the same schedule.

Number of Locations	8	13	20	∞
Year	2023	2027	2032	2037

3. A 2022 bipartisan bill (HB22-1417) included similar measures as those included in this proposition to regulate the liquor market. The bill passed the House, but failed in the Senate.
4. Recent and ongoing policy initiatives impact the liquor market. In 2016, state legislation passed allowing full-strength beer to be sold in grocery and convenience stores, altering liquor stores' competitive advantage. Additionally, another 2022 ballot measure (Proposition 125) would alter grocery and convenience store licenses to include the ability to sell wine.

Score Card

Tax Fairness: Neutral

This does not have a large effect on the state's tax code.

Racial Equity: Neutral

It's unclear how this measure would directly impact BIPOC Coloradans, or bridge the income and wealth inequalities that exist.

Economic Mobility: Neutral

This measure neither promotes nor undermines economic mobility in a significant manner. It does not clearly contribute to redressing socioeconomic disparities that exist in the state.

Arguments For

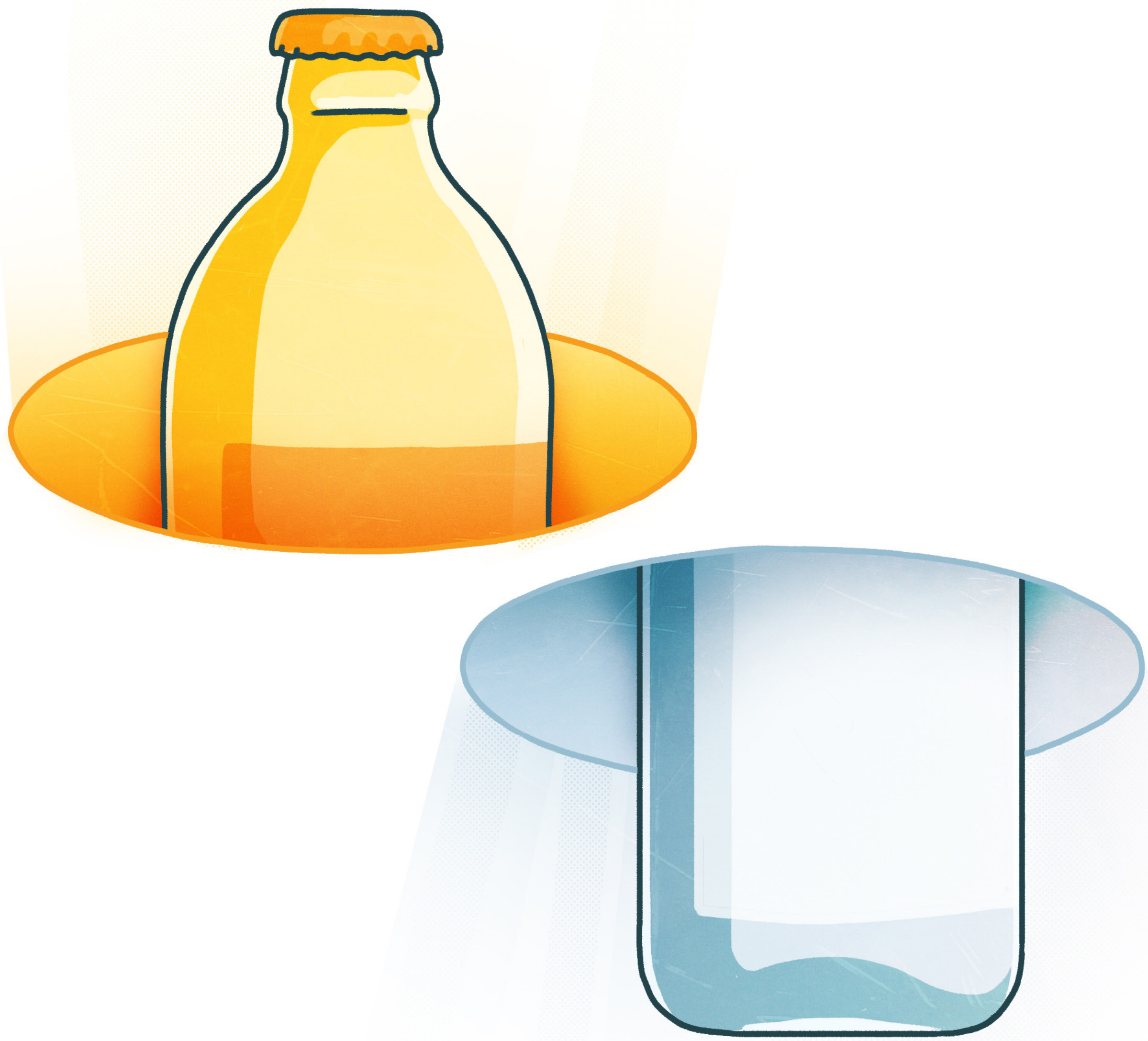
- Liquor stores can't fairly compete with grocery stores. The measure levels the playing field. As grocery stores are allowed to sell beer and other spirits without location restrictions, liquor stores should be permitted the same conditions.

Supporters: David Trone, U.S. Representative from Maryland, Coloradans for Consumer Choice and Retail Fairness, Coloradans for Liquor Fairness, Total Wine and More

Arguments Against

- Small liquor stores won't be able to compete with larger liquor stores. Large liquor stores will monopolize the market and force smaller liquor stores to close.
- This measure is led by two millionaire brothers from Maryland. If this measure passes, outside interests will be the ultimate winners not the interests or people of Colorado.

Opponents: Keeping Colorado Local, Colorado License Beverage Association



Proposition 125
Allow Grocery and Convenience Stores to Sell Wine

RECOMMENDATION

YES NO

Summary

This measure would permit grocery and convenience stores that currently sell beer to also sell wine. Based upon local approval, beer and wine tastings at these locations would also be permitted.

Recommendation

Because the measure does not impact the values the Bell Policy Center has identified for our ballot guide, we do not offer a position on the measure.

Key Facts

1. In 2016, legislation was passed allowing grocery stores and convenience stores to sell full-strength beer. Sales began in 2019.
2. Colorado voters rejected a measure similar to this initiative in 1982. Today, wine is sold with groceries in 37 other states.
3. Since grocery and convenience stores started selling beer in 2016, the total number of liquor stores in the state has remained constant. However, some stores have had to downsize and others shuttered.

Score Card

Tax Fairness: Slightly Bad

This measure would generate state tax revenue from excise taxes, which are economically regressive. However, there is no clear evidence that it would change the rate of consumption of wine rather than merely the place of consumption.

Racial Equity: Neutral

It's unclear how this measure would directly impact BIPOC Coloradans, or bridge the income and wealth inequalities that exist.

Economic Mobility: Neutral

This measure neither promotes nor undermines economic mobility in a significant manner. It does not clearly contribute to redressing socioeconomic disparities that exist in the state.

Arguments For

- Since 2016, Coloradans have been able to purchase beer with their groceries. Rather than traveling elsewhere to buy wine, people should have the choice of buying wine in the same place as they purchase beer and/or groceries.
- The prohibition on purchasing wine in grocery and convenience stores is antiquated, extending beer sale retail licenses to also sell wine is a logical next step. The ban is a remnant of Prohibition.

Supporters: Wine in Grocery Stores, DoorDash, Instacart, Target, and Safeway

Arguments Against

- After full-strength beer sales began in grocery stores, sales initially grew by 20 percent. Similar changes in wine retail licensing are likely to increase the sale of wine. Greater sales volume signifies greater consumption, which is not necessarily a socially wise or desirable health outcome.
- The measure could give an advantage to large national or chain stores over smaller, locally owned liquor stores. Additionally, small wine producers may be less likely to be sold in large grocery stores.

Opponents: Keeping Colorado Local

Proposition 126
Third-Party Delivery of Alcohol Beverages

RECOMMENDATION

YES NO

Summary

Proposition 126 permits the home delivery of alcohol by third-party delivery services. The measure also makes permanent an allowance for bars and restaurants to deliver alcohol to consumers' homes.

Recommendation

Because the measure does not impact the values the Bell Policy Center has identified for our ballot guide, we do not offer a position on the measure.

Key Facts

1. Certain establishments, including liquor stores, grocery stores, restaurants, convenient stores, bars, and wineries are currently allowed to deliver alcohol to consumers. However, deliveries must be made using employees of the retail establishment. Deliveries cannot be made by independent contractors, like those who drive for DoorDash or Instacart.
2. On-site consumption establishments, like bars and restaurants, are currently allowed to deliver alcohol. This ability was a COVID-related policy change that is set to expire in 2025.
3. If passed, third-party entities will only be allowed to deliver alcohol if they are licensed and meet certain requirements established by the state.

Score Card

Tax Fairness: Neutral

This does not have a large effect on the state's tax code.

Racial Equity: Neutral

It's unclear how this measure would directly impact BIPOC Coloradans, or bridge the income and wealth inequalities that exist.

Economic Mobility: Neutral

This measure neither promotes nor undermines economic mobility in a significant manner. It does not clearly contribute to redressing socioeconomic disparities that exist in the state.

Arguments For

- Home delivery of alcohol has been allowed in Colorado, to varying degrees, for many years. This proposition simply allows for a continuation of existing policy, but in was that are more efficient and better meet the needs of certain retailers and consumers.

Supporters: Wine in Grocery Stores, DoorDash, Instacart, Target, and Safeway

Arguments Against

- The current regulatory system is meant, in-part, to limit access to alcohol for individuals who are inebriated and underage. By decentralizing distribution and delivery, it may become more likely that these Coloradans are able to access alcohol.

Opponents: Keeping Colorado Local