



## 2022 Colorado Ballot Initiatives - Liberty Scorecard Positions

### **Proposition 123: Funding Affordable Housing**

This measure will earmark .01% of state income tax revenue to create an affordable housing equity program that will also include a concessionary debt program (think student loan forgiveness) for qualified individuals. This measure will siphon off dollars that would otherwise go to fund education, transportation and health care.

This \$300 million program will provide grants to local governments to encourage land purchases and affordable housing developments, putting them in direct competition with private sector real estate developers. The obvious question is: when has government ever done anything more efficiently and effectively than the private sector? Better solutions would be to streamline the permitting processes, change zoning where possible and remove unnecessary regulations so builders can build homes more cost-effectively.

We **OPPOSE** this measure because it violates the principles of *Free Markets, Limited Government* and *Fiscal Responsibility*.

### **Propositions 124, 125 & 126: Beer, Wine & Liquor Sales**

These three measures will remove restrictions on the distribution and sale of alcoholic beverages in Colorado.

*Prop 124* expands the number of retail liquor store licenses an individual may hold.

*Prop 125* creates a new retailer license for the sale of fermented malt beverages and wine. This will permit the sale of wine in grocery and convenience stores, where beer sales are already allowed.

*Prop 126* allows retail establishments that offer alcoholic beverages for off-site consumption to offer delivery service, via their own vehicles or a third party delivery service.

We **SUPPORT** all three measures, as they reinforce the principles of *Free Markets, Limited Government* and *Personal Responsibility*.

### **Proposition 122: Decriminalization and Regulated Access for Certain Psychedelic Plants**

This ballot measure will decriminalize the personal use of psychedelic mushrooms and other plant-based controlled substances. It would also seal criminal records for those previously convicted of these crimes.

Additionally, this initiative will create the Natural Medicine Advisory Board to regulate the growth, distribution, and sale of such substances to permitted entities.

We **LEAN SUPPORT** on this measure as it reinforces the principles of *Free Markets, Individual Liberty* and *Personal Responsibility*. Because the measure creates new regulations and bureaucracy, it violates the principle of *Limited Government* and therefore our support is tempered.

## **Proposition [121](#): State Income Tax Rate Reduction**

Initiative 31 will reduce our flat state income tax rate from 4.55% to 4.4% for individuals as well as C Corporations.

With TABOR surpluses projected for the next 2 years, this measure will not impact the state budget for the near future. It will only reduce taxpayer refunds required by law.

According to the Urban Institute, Colorado's tax expenditures have increased by \$6.8 billion in just 2 years, from \$30.0 billion in FY 2019 to \$36.8 billion in FY 2021. Lack of funds doesn't appear to be the problem. Allocation of funds is suspect.

We **SUPPORT** this initiative, as it reinforces the principles of *Limited Government* and *Fiscal Responsibility*.

## **Amendment [E](#): Expand the Homestead Exemption to Surviving Spouses of Armed Services and Veterans**

The Homestead Exemption from property tax currently applies to qualifying seniors and disabled veterans. It exempts 50% of the first \$200K of property value when calculating taxes owed. The state reimburses local governments for the revenue loss. This amendment would extend the exemption to surviving spouses of veterans.

While noble in its intent, this amendment violates the principle of *Equal Protection/Rule of Law*. It creates a special class of individuals for whom special treatment is bestowed. It shifts the tax burden to "everyone else" and opens the door for other "special classes" to be added to the exemption. We have already seen this happen.

We **OPPOSE** this amendment.

## **Amendment [D](#): Create the 23rd Judicial District**

This measure will add the 23rd Judicial District, carving out Douglas, Elbert and Lincoln Counties from the current 18th Judicial District.

The bill that proposed the creation of this new district had broad bipartisan support. It was a result of rapid population growth in the counties south of Denver that comprised the 18th District, which was originally formed in 1964.

Seven of the current 24 judges in the 18th District will be reassigned to the 23rd District, with one additional judge to be appointed by the Governor.

We **LEAN SUPPORT** of this amendment. The proper role of government is to protect the rights of individuals. Understanding that the residents of Douglas, Elbert and Lincoln Counties would be better served by a judicial system that is more responsive to their needs, we believe this amendment reinforces the principles of *Equal Protection/Rule of Law*. That said, approval of this amendment will allow the Governor to expand his influence in the judicial system. Because of this, our support is tempered.

## Amendment **E**: Charitable Gaming

This amendment will allow the operators and managers of charitable gaming activities to be paid and allows the legislature to determine how long an organization must exist to obtain a charitable gaming license.

We **LEAN SUPPORT** of this amendment, as it reinforces the principles of *Individual Liberty* and *Limited Government*. It does come with a \$300 - \$400K price tag, so it violates the principle of *Fiscal Responsibility*.

## Proposition **FF**: Reduce Income Tax Deduction Amounts to Fund School Meals For All

This amendment would effectively eliminate Colorado's flat tax structure. It reduces the tax deductions for those making over \$300K in order to fund the program.

The school lunch program isn't broken, so why are they trying to "fix" it?

We **OPPOSE** this amendment, as it violates the principles of *Limited Government*, *Fiscal Responsibility* and *Equal Protection/Rule of Law*.

## Proposition **GG**: Include Income Tax Effects in Ballot Language

For any new initiative that would reduce state income tax rates (see Initiative 31 above), this amendment would require that a table be added that would demonstrate the net effects of these measures on different income tax brackets. The intent is to show minimal impact to those making less than \$50K and maximum impact to individuals in higher tax brackets. It is interesting to note that the proposed brackets are very narrow on the lower incomes and much broader among the higher income levels. When using an "average income tax owed," the numbers become distorted.

If we look back on the 2020 ballot and the repeal of the Gallagher Amendment, it becomes apparent that ballot language matters. When voters were presented with language that said their property tax rates would be reduced if the measure passed, many assumed that their property tax owed would be reduced accordingly. That has not proven to be the case.

We **OPPOSE** this amendment, as it is manipulative in its intent to grow government. It violates the principles of *Limited Government* and *Fiscal Responsibility*.

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