

**NOTICE OF ELECTION TO INCREASE
TAXES ON A REFERRED MEASURE**

**2020 State Ballot
Information Booklet**

**STATEWIDE ELECTION DAY
is Tuesday, November 3, 2020**

Voter service and polling centers are open 7 a.m. to 7 p.m. on Election Day.
Ballots are mailed to all registered voters between October 9 and October 16, 2020.





Taxes on Nicotine Products

Placed on the ballot by the legislature • Passes with a majority vote

Proposition EE, if approved, would:

- increase taxes on cigarettes and tobacco products;
- create a new tax on nicotine products, including vaping products; and
- distribute the new revenue to expanded preschool programs, as well as to K-12 education, rural schools, affordable housing, eviction assistance, tobacco education, and health care.

What Your Vote Means

YES A “yes” vote on Proposition EE increases taxes on cigarettes and other tobacco products, and creates a new tax on nicotine products, including vaping products. The new tax revenue will be spent on education, housing, tobacco prevention, health care, and preschool.

NO A “no” vote on Proposition EE means taxes on cigarettes and other tobacco products will stay the same, and there will be no new taxes on nicotine or vaping products.

Summary and Analysis for Proposition EE

Why is Proposition EE on the ballot?

Earlier this year, the state legislature passed a law to raise taxes on cigarettes and tobacco products, create a state tax on nicotine products, and modify the regulation of these products. The new law takes effect only if Proposition EE is approved by voters, as all tax increases require voter approval under the Colorado Constitution. This analysis discusses the changes that will occur if Proposition EE passes.

How are cigarettes, other tobacco products, and nicotine products currently taxed?

Cigarettes are currently taxed at 4.2¢ per cigarette, which is 84¢ per pack of 20 cigarettes. Tobacco products include chewing tobacco, cigars, and snuff and are currently taxed at 40 percent of the manufacturer's list price, which is the price at which a manufacturer sells the product to a distributor. Nicotine products, which include vaping products, are not currently subject to any existing state cigarette or tobacco tax. All three products are currently subject to the state sales tax.

Cigarette and tobacco taxes are required to be paid by the distributor that first receives products in the state, which may include local manufacturers. The business pays taxes to the state, but may keep a portion of the tax as compensation for work associated with filing taxes.

Current revenue distributions. Current cigarette and tobacco tax revenue is distributed to a variety of health care, tobacco education, and disease prevention programs, as well as for general state programs and services.

How does Proposition EE change taxes on those products?

Proposition EE raises taxes on cigarettes and tobacco products, and establishes a new tax on nicotine products. The new taxes increase incrementally until they are fully phased in by 2027. Table 1 lists the current tax rates and the new rates under the measure. The new revenue is exempt from constitutional spending limits.

Table 1
Changes to Cigarette, Tobacco, and Nicotine Products Taxes

Product	Current Tax Rates	New Rates Under Proposition EE*							Tax Rate Increase 2021-2027
		2021	2022	2023	2024	2025	2026	2027	
Cigarettes <i>Tax per pack</i>	\$0.84	\$1.94	\$1.94	\$1.94	\$2.24	\$2.24	\$2.24	\$2.64	\$1.80
Tobacco Product <i>Percent of price**</i>	40%	50%	50%	50%	56%	56%	56%	62%	22%
Nicotine Products <i>Percent of price**</i>	None	30%	35%	50%	56%	56%	56%	62%	62%

* Rate increases begin January 1, except in 2024 and 2027, when rate increases begin July 1.

** Manufacturer's list price.



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If approved, the measure also:

- sets new tax rates for modified risk tobacco products, which are federally designated as having lower health risks compared to existing commercial products. Currently, there is only one type of tobacco product that has received this designation for sale nationwide. This product would be taxed at 35 percent of the manufacturer's list price, while a regular tobacco product would be taxed at 50 percent in 2021;
- establishes a minimum tax for moist snuff products at \$1.48 per 1.2 ounce container, increasing to \$2.26 by 2027-28. Moist snuff is a type of cut, smokeless tobacco that can be loose or pouched and is intended to be placed in the mouth rather than sniffed;
- sets the minimum after-tax price of cigarettes for consumers at \$7.00 per pack beginning in January 2021, and \$7.50 per pack beginning in July 2024;
- makes online sales from out of state retailers to Colorado consumers subject to the new taxes; and
- reduces the portion of the taxes that distributors may keep as compensation for the work associated with filing taxes from 4.0 percent to 0.4 percent for cigarette distributors, from 3.33 percent to 1.6 percent for tobacco distributors, and sets this rate at 1.1 percent for nicotine distributors.

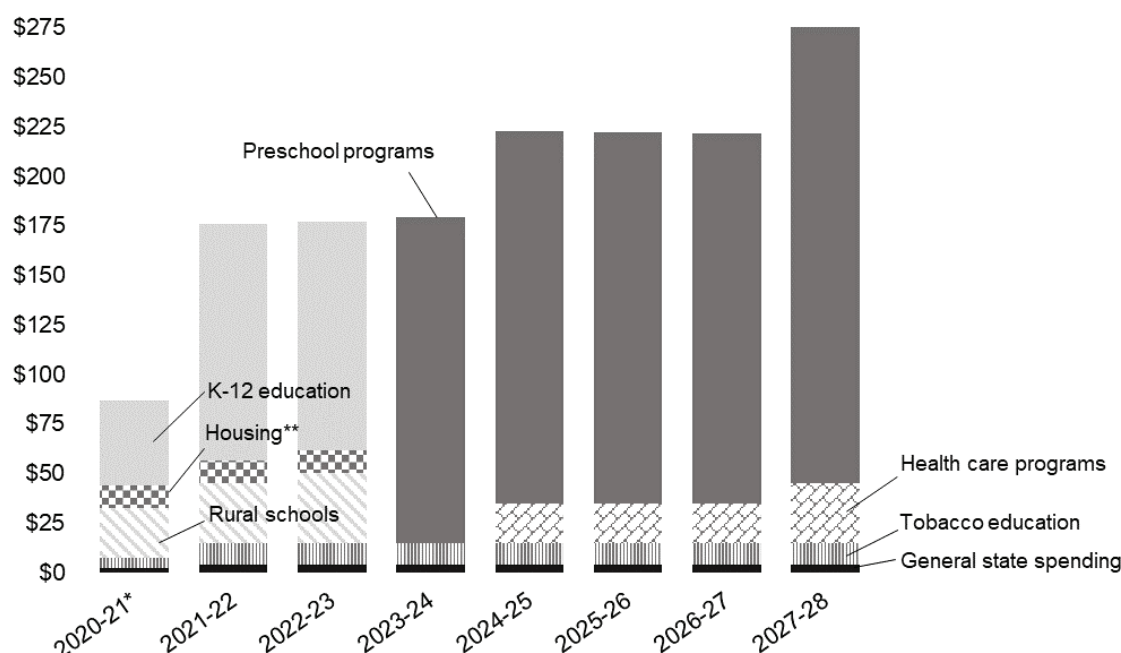
Are vaping products taxed under Proposition EE?

Yes, vaping products that contain liquid nicotine are subject to the nicotine tax established by Proposition EE. Vaping products and devices that do not contain nicotine are not subject to the tax. Vaping products are not eligible for the lower tax rates for modified risk tobacco products, even if they are approved for this designation by the federal government.

How will the new tax revenue be spent?

Proposition EE is expected to generate up to \$175.6 million in cigarette, tobacco, and nicotine tax revenue in budget year 2021-22, the first full year the measure will be in effect, and up to \$275.9 million beginning in budget year 2027-28 when the new tax rates are fully phased in. Figure 1 shows the programs that will receive funding as the new tax rates are phased in through budget year 2027-28. Programs funded in budget year 2027-28 will continue to receive funding in future years.

Figure 1
Distributions of New Tax Revenue
Millions of dollars, by budget year



* Half-year impact.

** Includes housing development and eviction legal assistance.

As shown in the above figure, the measure will provide funding for the following programs:

- **Preschool programs.** Proposition EE provides funding for expanded preschool, including at least ten hours per week of free preschool for every child in their final year before kindergarten. A portion of the additional sales tax revenue from the minimum cigarette price is also used for this purpose.
- **Rural schools.** Of the money allocated for rural schools in the first three years, 55 percent goes to rural school districts with between 1,000 and 6,500 students, and 45 percent goes to rural school districts with fewer than 1,000 students. The funding is allocated on a per-student basis.
- **K-12 education.** In addition to the funding for rural schools, any revenue not allocated to other programs will be available for K-12 education funding for the first three years. Specific uses may include school finance funding to school districts statewide, including charter schools, as well as other education programs.
- **Housing development.** In the first three years, funding will be allocated as grants or loans to buy, renovate, and construct houses, or provide rental assistance, in an effort to increase the supply of affordable housing. Of the amount allocated for this purpose, \$5.0 million must be used in rural areas.
- **Eviction legal assistance.** Funding for this purpose is allocated in the first three years and will be awarded to organizations that provide legal assistance to low-income clients at risk of eviction.



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- **Health care programs.** Funding allocated for health care programs will be used for Medicaid, primary care, tobacco use prevention, children's health and a variety of other health care programs that currently receive cigarette and tobacco tax revenue.
- **General state spending.** Of the amount allocated for this purpose, 27 percent must be distributed to local governments, and the remainder used for general state spending, which may include education, transportation, and health care, and will be determined by the state legislature. A portion of the additional sales tax revenue from the minimum cigarette price is also used for general state spending.
- **Tobacco education programs.** Money allocated for this purpose is used for grants for community-based and statewide programs to reduce tobacco use by youth, encourage cessation, and reduce exposure to secondhand smoke.

How would preschool availability and funding change?

Currently, the Colorado Preschool Program funds 29,360 half-day preschool slots for three- and four-year-old children who are from low-income families, in need of language development, or who meet certain criteria indicating they may be in danger of falling behind in school. About 9,000 low-income students also have access to preschool through federal Head Start programs. The measure requires that the new funding be used to offer at least 10 hours per week of free preschool to every child in their final year before kindergarten. This is expected to begin in the 2023-24 school year. Any remaining revenue must be used to expand preschool opportunities for low-income families and children at risk of not being ready for kindergarten.

For information on those issue committees that support or oppose the measures on the ballot at the November 3, 2020, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

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Arguments For Proposition EE

- 1) Colorado has one of the highest rates of youth vaping in the country, while also having one of the lowest tax rates on cigarettes and tobacco products, and no tax on vaping products. Cigarettes, tobacco, and nicotine products are addictive and have negative health impacts, which can include cancer as well as heart and lung disease. Tax increases usually result in higher prices, which deter smoking and tobacco use, especially among youth and young adults. Higher taxes on cigarettes, tobacco products, and vaping products could decrease consumption while funding health care, and tobacco cessation, education, and prevention programs.
- 2) Proposition EE provides needed funding for education. The impacts of the COVID-19 pandemic on the state budget have resulted in a 10 percent decrease in the state share of public school funding for the 2020-21 school year. Additional federal funding has helped lessen the impact of this state budget cut in 2020; however, it is not likely to be available next year, and further cuts are expected. The

measure provides vital funding for schools as the economy recovers, and additional assistance for small rural districts that are disproportionately impacted by state funding cuts.

- 3) Providing access to free preschool gives all children the same foundation before entering kindergarten. Currently, half of Colorado three- and four-year-olds do not attend any type of preschool. High quality preschool is shown to improve educational, economic, and health outcomes throughout a child's life, including higher wages, higher graduation rates, and fewer criminal convictions. Access to preschool also supports working parents by giving them the option to enroll their children in up to ten hours per week at no cost.

Arguments Against Proposition EE

- 1) Increasing taxes on cigarette, tobacco, and nicotine products imposes a financial burden on people who choose to consume them, particularly low-income users. Because these products are addictive, users may continue to purchase them even after a tax increase. In addition, vaping products are used by many as a way to quit using traditional cigarettes. Youth vaping should be addressed through enforcement of existing age restrictions and additional education and prevention, not through raising taxes on a product that some use as a cessation device.
- 2) Raising taxes and establishing a minimum purchase price hurts business owners. This is particularly true for businesses that sell low-cost products, or that are in areas of the state where local governments have already imposed cigarette, tobacco, and nicotine taxes. Businesses selling these products may see a decline in sales, which can be particularly harmful for small, local businesses at a time when many are already struggling. Private businesses and market competition are best suited to determine the prices at which products are bought and sold.
- 3) The state should not be dependent on tax revenue from a specific, addictive product to fund schools, preschool, and other state services. Once Proposition EE is fully phased in, revenue from this tax is likely to decline over time as the increased price results in fewer products being purchased. At the same time, preschool funding needs are likely to grow. A tax intended to decrease consumption is not a funding source on which the state should rely.

Estimate of Fiscal Impact for Proposition EE

State revenue. Proposition EE will increase state revenue from cigarette, tobacco product, and nicotine product taxes by \$87 million in state budget year 2020-21 and \$176 million in state budget year 2021-22, the first full year under the measure. The amount of new revenue will increase as the measure is phased in, with \$276 million expected to be generated in state budget year 2027-28.

In addition, the measure will also increase state revenue from sales taxes by \$0.8 million in state budget year 2020-21 and by \$1.5 million in state budget year 2021-22, the first full year under the measure. The amount of additional sales tax revenue will decline as



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the measure is phased in, with no new sales tax revenue expected in state budget year 2027-28.

State spending. Proposition EE will increase state spending by \$87 million in state budget year 2020-21 and by \$177 million in state budget year 2021-22. As the measure is phased in, state spending will increase, with \$276 million expected to be spent in state budget year 2027-28. Spending includes the amounts shown in Figure 1 for education, housing, preschool, tobacco and nicotine education and cessation programs and other programs, as well as costs for administrative and auditing purposes.

Taxpayer impacts. Proposition EE is expected to increase taxes paid by an average of \$38 per Colorado adult in state budget year 2021-22, and \$53 per Colorado adult in budget year 2027-28; however, the direct tax impact applies only to people who consume cigarette, tobacco products, and/or nicotine products. If the percentage of adult smokers remains constant at 14.5 percent, the measure is expected to increase the taxes paid by cigarette smokers by an average of \$222 in state budget year 2021-22 and by \$291 in state budget year 2027-28.

State Spending and Tax Increases

Article X, Section 20, of the Colorado Constitution requires that the following fiscal information be provided when a tax increase question is on the ballot:

- Estimates or actual amounts of state fiscal year (FY) spending for the current year and each of the past four years with the overall percentage and dollar change; and
- For the first full fiscal year of the proposed tax increase, estimates of the maximum dollar amount of the tax increase and of state fiscal year spending without the increase.

“Fiscal year spending” is a legal term in the Colorado Constitution. It equals the amount of revenue subject to the constitutional spending limit that the state or a district is permitted to keep and either spend or save for a single year. Table 2 shows state fiscal year spending for the current year and each of the past four years.

Table 2
State Fiscal Year Spending

	Actual FY 2016-17	Actual FY 2017-18	Actual FY 2018-19	Actual FY 2019-20	Estimated FY 2020-21
Fiscal Year Spending	\$12.89 billion	\$13.70 billion	\$14.36 billion	\$14.87 billion	\$12.70 billion
Four-Year Dollar Change in State Fiscal Year Spending: -\$0.19 billion					
Four-Year Percent Change in State Fiscal Year Spending: -1.5 percent					

Table 3 shows the revenue expected from the cigarette, tobacco product, and nicotine product tax increase for FY 2021-22, the first full fiscal year for which the tax increase would be in place, and an estimate of state fiscal year spending without the tax increase. The estimate in Table 3 differs from the amount in the ballot question for Proposition EE because it reflects a different fiscal year, FY 2021-22 rather than FY 2027-28.



Table 3
Estimated State Fiscal Year Spending
and the Proposed Cigarette, Tobacco Product, and Nicotine Product Tax Increase

	FY 2021-22 Estimate
Fiscal Year Spending Without the Tax Increase	\$16.46 billion
Revenue from the Tax Increase	\$186.5 million



Adopt Agreement to Elect U.S. President By National Popular Vote

Placed on the ballot by referendum petition • Passes with a majority vote

Proposition 113, if approved, would:

- enter Colorado into an agreement among states to elect the President of the United States by a national popular vote once enough states join the National Popular Vote Interstate Compact.

What Your Vote Means

YES A “yes” vote on Proposition 113 approves a bill passed by the legislature and signed by the Governor joining Colorado with other states as part of an agreement to elect the President of the United States by national popular vote if enough states enter the agreement.

NO A “no” vote on Proposition 113 rejects a bill passed by the legislature and signed by the Governor and retains Colorado’s current system of awarding all of its electors for the President of the United States to the winner of the Colorado popular vote.

Summary and Analysis for Proposition 113

What is the National Popular Vote Interstate Compact?

The National Popular Vote Interstate Compact is an agreement among participating states to ensure that the presidential candidate who wins the most votes nationwide is elected President. States that join the agreement commit to awarding all of their state's electoral votes to the candidate who receives the most popular votes nationwide once the agreement becomes binding. The agreement only becomes binding when participating states represent more than half of all electoral votes, at least 270 of the total 538 votes in the Electoral College. This ensures that the candidate who wins the most votes nationwide is also elected by the Electoral College, since a majority of electoral votes will go to the winner of the national popular vote.

If Proposition 113 is approved by voters, Colorado will be the fifteenth state, plus the District of Columbia, to join the agreement, bringing the number of committed electoral votes to 196, short of the 270 needed.

What happens if Proposition 113 passes?

Until enough states join the agreement, Colorado will continue to award its electoral votes to the winner of the state's popular vote. Thus, this measure will have no effect on the 2020 presidential election. If the agreement goes into effect, because states with enough electoral votes join it in the future, this measure would require Colorado's presidential electors to vote for the winner of the national popular vote, regardless of which candidate wins the most votes in Colorado.

How is the President of the United States elected now?

Individual voters in the states vote for a ticket consisting of the President and Vice President of the United States. The tally of individual votes is known as the popular vote. The President is then elected by the 538 members of the Electoral College, known as electors. The popular vote in each state determines which candidate the state's electors will vote for in the Electoral College.

Each December after a presidential election, the electors cast votes to elect the President and Vice President. Each state receives a number of electors equal to the total of its Senators and Representatives in Congress, plus the District of Columbia receives three electors. Every state has two Senators and a number of Representatives based on the state's population at the last census. Colorado has two Senators and currently has seven Representatives, for a total of nine electors. Individual electors are chosen by the political parties in each state.

To win the presidential election, a candidate must receive a majority of electoral votes, at least 270 out of the 538. Under Article II, Section 1 of the U.S. Constitution, each state's legislature determines how to award its electoral votes. In all but two states (Maine and Nebraska), all of the state's electoral votes are allocated to the candidate who wins the most votes in the state. If no candidate receives a majority in the Electoral College, the House of Representatives chooses the President and the Senate chooses the Vice President, although this has not occurred since 1824.

Throughout the history of the United States, there have been five elections in which the national popular vote and the Electoral College vote have diverged. Two of these elections were in 2000 and 2016, while the other three occurred in the 1800s.

Why is Proposition 113 on the ballot?

The General Assembly passed, and the Governor signed, Senate Bill 19-042 during the 2019 legislative session. This measure is the result of a referendum petition, a right reserved under the Colorado Constitution that allows citizens to place a bill passed by the General Assembly on the statewide ballot. A referendum petition can be filed against any bill passed by the Colorado legislature, unless the General Assembly declares that the bill is necessary to preserve public peace, health, and safety. Proposition 113 consists of the text of Senate Bill 19-042, and if it passes, the bill remains state law. If Proposition 113 is rejected, this text will be removed from state law. This measure is on the ballot because enough signatures were collected to refer the bill to voters.

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Arguments For Proposition 113

- 1) A national popular vote for President advances the democratic principle of one person, one vote, and ensures that votes in every community count equally. The national popular vote for President could also encourage candidates to campaign in a way that addresses the concerns of voters in all 50 states. The current system places too much importance on just a few competitive states where candidates focus almost all of their attention and campaign efforts. Candidates should reach out to voters wherever they live and take positions on issues that affect all parts of the country. The national popular vote gives all voters an equal impact on the outcome of the election, regardless of where they live or whether their state's final vote count might be close.
- 2) The President of the United States should be the person who gets the most popular votes nationwide. Five times in our country's history, including twice in the last 20 years, a candidate has won the presidential election despite losing the popular vote. A "yes" vote on Proposition 113 is an important step toward making sure this cannot happen in the future. Recent history demonstrates that when the results are close in even a few states, it is easy for the Electoral College vote to not reflect the national popular vote.

Arguments Against Proposition 113

- 1) Colorado should cast its electoral votes for the candidate who obtains the most votes in Colorado. If the agreement goes into effect, Colorado's presidential electors would be obligated to vote for whomever wins the national popular vote, even if that candidate did not win the majority of votes in the state. Further, a national popular vote may encourage candidates to focus their campaigns in large population centers where they can efficiently reach more voters. In this process, all Coloradans risk having the unique regional issues they care about lose out to the interests of a few large cities in a few large states.
- 2) This agreement attempts to sidestep the U.S. Constitution and could lead to disruptions in our electoral system. Rather than amend the U.S. Constitution to implement a true national popular vote, the compact relies on legal agreements between member states, which have different election requirements and policies, to ensure that their electors will vote the way the compact demands. In addition, in a close election run by 50 separate states, trying to determine who won the national popular vote could lead to recounts and litigation in every state, delaying results, causing confusion, and eroding confidence in our electoral system.

Estimate of Fiscal Impact for Proposition 113

No fiscal impact. Proposition 113 is assessed as having no fiscal impact. The Secretary of State is responsible for certifying presidential electors, and this bill does not change the process by which this is done. Therefore, the measure does not affect the revenue, spending, or workload of any state or local government entity.



Reintroduction and Management of Gray Wolves

Placed on the ballot by citizen initiative • Passes with a majority vote

Proposition 114 proposes amending the Colorado statutes to require the state to:

- develop a plan to reintroduce and manage gray wolves in Colorado;
- take necessary steps to begin reintroduction by December 31, 2023; and
- pay fair compensation for livestock losses caused by gray wolves.

What Your Vote Means

YES A “yes” vote on Proposition 114 means that the Colorado Parks and Wildlife Commission will develop a plan to reintroduce and manage gray wolves west of the Continental Divide.

NO A “no” vote on Proposition 114 means that Colorado will not be required to reintroduce gray wolves.

Summary and Analysis for Proposition 114

What happens if Proposition 114 passes?

The Colorado Parks and Wildlife Commission will be required to:

- develop a plan to reintroduce and manage gray wolves in Colorado by December 31, 2023, on designated lands west of the Continental Divide;
- hold statewide hearings about scientific, economic, and social considerations;
- periodically obtain public input to update the plan; and
- use state funds to assist livestock owners in preventing conflicts with gray wolves and pay fair compensation for livestock losses.

What will be included in the plan?

The plan will identify gray wolves to be reintroduced in Colorado, as well as the locations, methods, and timing for reintroduction. The plan will also determine how to establish and maintain a self-sustaining population and the criteria for removing the gray wolf from the state's threatened and endangered species list. The reintroduction may be subject to federal approval. The commission is prohibited from imposing any land, water, or resource use restrictions on private landowners.

What is the gray wolf?

The gray wolf (*Canis lupus*) is a large predatory canine that lives in packs. Historically, gray wolves were found throughout North America, including Colorado. Gray wolf populations declined during the nineteenth and twentieth centuries due to human activities, such as hunting and trapping, and were largely eliminated from the lower 48 states, except for the northern portions of Minnesota and Michigan. They are carnivores that consume small and large prey, including elk and deer, and are able to survive in a range of habitats if enough food is available.

What is the deer and elk population in Colorado?

Colorado is home to about 710,000 deer and elk, roughly three-quarters of which live west of the Continental Divide. The size of these herds is impacted by many factors, including disease, hunting, land use, predators, and weather. About 73,000 deer and elk were killed statewide by licensed hunters in 2019. Since 2006, the statewide deer population has declined, while the elk population has remained relatively stable.

Where does the gray wolf live today?

Gray wolves in the lower 48 states are largely clustered in two self-sustaining populations: about 4,000 in the western Great Lakes region and about 2,000 in the northern Rocky Mountain region. An additional 60,000 to 70,000 gray wolves live throughout Alaska and Canada. While there have been confirmed sightings of gray wolves in Colorado in recent years, a self-sustaining population of gray wolves has not been confirmed in Colorado since the 1930s or 1940s. Figure 1 shows the estimated current and historical range of the gray wolf in the United States.

Figure 1
Approximate Gray Wolf Range



Source: Adapted from U.S. Fish and Wildlife Service Proposed Rule Docket No. FWS-HQ ES-2018-0097 to exclude the Mexican gray wolf, a separately listed entity under the Endangered Species Act, which resides in Arizona and New Mexico.

Do gray wolves present a danger to humans?

All wild animals, including gray wolves, can pose a danger to humans under certain conditions, and caution should be exercised when near them. Gray wolves are generally shy of people and tend to avoid contact when possible. Aggressive behavior from wild gray wolves toward humans is rare. However, when wild animals are cornered, injured, sick, or become accustomed to humans, they can become dangerous and cause harm.

Who manages wildlife in Colorado?

The Colorado Parks and Wildlife Commission is responsible for wildlife management in Colorado and regulates hunting, fishing, and trapping. State law requires wildlife and their environment to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people and visitors of Colorado. The commission develops recreation areas, wildlife habitat, and species conservation and management plans.

How are gray wolves protected and managed in the United States?

The Endangered Species Act requires the federal government to conserve and restore species deemed threatened by or in danger of extinction. In 1978, the U.S. Fish and Wildlife Service (USFWS) listed the gray wolf as endangered throughout the contiguous United States, except in Minnesota, where they are classified as threatened. States are prohibited from managing federally endangered species without federal permission. In 1995, gray wolves were reintroduced in the northern Rocky Mountains, and in 2011 they were removed from the federal endangered species list in that region. Because of this, Idaho, Montana, and Wyoming now have statewide management authority for gray wolves. Gray wolves in these states are managed to maintain populations above species recovery thresholds while mitigating predation on livestock and sustaining deer and elk herds. These states monitor gray wolf populations and distribution, permit

limited hunting and trapping, and allow gray wolves to be killed in order to protect livestock. These states also monitor livestock losses and offer compensation programs for livestock owners. Across these three states, confirmed livestock losses total about 300 per year, mostly consisting of cattle and sheep.

Who would manage gray wolves in Colorado if Proposition 114 passes?

If gray wolves remain on the federal endangered species list, management authority rests with the USFWS, and the state would need to obtain federal approval prior to reintroduction. If gray wolves are removed from the federal endangered species list, Colorado could assume management responsibility as other states have done. In 2019, the USFWS proposed removing gray wolves from the endangered species list in the remaining portions of the United States, including Colorado.

For information on those issue committees that support or oppose the measures on the ballot at the November 3, 2020, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

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Arguments For Proposition 114

- 1) Gray wolves perform important ecological functions that impact other plants and animals. Without them, deer and elk can over-graze sensitive habitats such as riverbanks, leading to declines in ecosystem health. Leftover prey can also provide food for other scavengers such as birds and smaller mammals. Reintroducing gray wolves can help support a healthy environment upon which Coloradans depend.
- 2) Reintroduction is necessary to ensure that a permanent gray wolf population is restored to western Colorado. Through eradication efforts such as bounty programs, gray wolves were eliminated in Colorado by the 1940s. While there have been sightings in Colorado, it is uncertain gray wolves will establish a permanent population on their own. The measure aligns with other states' successful recovery efforts while considering Colorado's interests.

Arguments Against Proposition 114

- 1) The presence of gray wolves can cause conflict with humans and animals that live in Colorado now. Gray wolves are known to prey on livestock. Deer herds in some areas have fallen below population goals established by state wildlife managers, and introducing another predator would put further pressure on these herds. In addition, many people live and recreate in areas being considered for gray wolf habitat.

- 2) Gray wolves from neighboring states have been observed in Colorado, including a wolf pack in northwest Colorado in 2020. This suggests that wolves may be establishing a presence in the state on their own, making a reintroduction program unnecessary. Allowing wolves to come back on their own, rather than through an intentional reintroduction, could give Coloradans more time to adapt to their presence.

Estimate of Fiscal Impact for Proposition 114

State spending. Proposition 114 increases state spending by approximately \$300,000 in state budget year 2021-22 and \$500,000 in state budget year 2022-23 for public outreach and development of a gray wolf reintroduction plan. Beginning in state budget year 2023-24, spending will increase to about \$800,000 per year for the implementation of the wolf reintroduction plan. Implementation costs will only be incurred if federal approval is received, or gray wolves are no longer listed as endangered and the state is able to begin its reintroduction plan. Costs will be paid primarily from hunting and fishing license fees or appropriations made by the state legislature. Actual state spending will depend on the details of the plan developed by the Colorado Parks and Wildlife Commission and the amount of livestock losses caused by wolves.



Prohibit Abortions After 22 Weeks

Placed on the ballot by citizen initiative • Passes with a majority vote

Proposition 115 proposes amending the Colorado statutes to:

- prohibit abortion after 22 weeks gestational age of the fetus, except when an abortion is immediately required to save the life of a pregnant woman;
- create a criminal penalty for any person who performs a prohibited abortion; and
- require that the state suspend the medical license for at least three years of any physician who violates the measure.

What Your Vote Means

YES A “yes” vote on Proposition 115 prohibits abortions in Colorado after 22 weeks gestational age, except when an abortion is immediately required to save the life of a pregnant woman.

NO A “no” vote on Proposition 115 means that abortion in Colorado continues to be legal at any time during a pregnancy.

Summary and Analysis for Proposition 115

What happens if Proposition 115 passes?

Under Proposition 115, abortions may not be performed after 22 weeks gestational age of the fetus. The measure allows for an exception when, in the reasonable medical judgement of a physician:

- the pregnant woman's life is threatened by a physical disorder, physical illness, or physical injury, but not including psychological or emotional conditions; and
- an abortion, rather than an expedited delivery of the living fetus, is immediately required to save the life of a pregnant woman.

How does the measure define abortion?

Under the measure, abortion is any surgical or medication-assisted procedure performed with the intent to terminate a pregnancy. A procedure is not an abortion if performed with the intent to:

- save the life or preserve the health of the embryo or fetus;
- remove a dead embryo or fetus caused by miscarriage; or
- remove an embryo or fetus growing outside of the uterus.

What would be the penalties for performing an abortion after 22 weeks gestational age?

If the measure passes, any person who intentionally or recklessly performs or attempts to perform an abortion after 22 weeks gestation would be guilty of a class 1 misdemeanor punishable by a fine of \$500 to \$5,000. The measure specifies that jail time for this offense is not allowed. In addition, the measure classifies performing an abortion after 22 weeks gestation as unprofessional conduct for a licensed physician. The Colorado Medical Board must suspend the professional license of a physician for at least three years who is found to have violated the law.

There would be no penalty for a woman who receives an abortion or for a person who fills a prescription or provides equipment used in an abortion.

What is Colorado's current law related to abortion?

Abortion is legal in Colorado, and an adult woman may seek an abortion at any time during her pregnancy. For minors seeking an abortion, Colorado law requires that the parents or caregivers of the minor receive written notification of the abortion at least 48 hours prior to the procedure, with certain exceptions.

Can states place restrictions on the time at which a woman may seek an abortion?

Yes. The U.S. Supreme Court has ruled that a woman has the right to choose to have an abortion before the fetus is viable, and that states may regulate or prohibit abortions after fetal viability because the fetus is capable of meaningful life outside of the mother's

womb. The state law must contain exceptions for pregnancies that endanger the woman's life or health. Currently, 43 states have laws limiting abortions after a certain point in pregnancy.

For information on those issue committees that support or oppose the measures on the ballot at the November 3, 2020, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

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Argument For Proposition 115

- 1) The measure protects viable human life by placing a reasonable restriction on abortion after an infant can live outside the mother's womb. Colorado is one of only seven states that allow abortion at any time during a pregnancy even though infants born as early as 22 weeks gestation can survive outside the womb and experience good developmental outcomes. The measure allows time for a pregnant woman to make a choice about her pregnancy, and permits abortion after 22 weeks when necessary to save the life of the mother. In addition, the measure does not penalize women who receive prohibited abortions. This is a balanced approach with reasonable and limited exceptions that recognizes the dignity of women and the humanity of their unborn children.

Argument Against Proposition 115

- 1) Restricting access to abortion limits a woman's right to bodily autonomy and interferes with the patient and doctor relationship. The choice to end a pregnancy is often a serious and difficult decision, and should be left solely up to the woman, in consultation with her doctor and in accordance with her beliefs. The measure does not include any exceptions for risks to the woman's health or for a woman who has been the victim of rape or incest to obtain an abortion after 22 weeks. In addition, it provides no exceptions for the detection of a serious fetal abnormality after 22 weeks, which may force women to carry a nonviable pregnancy to term. Every pregnancy is unique, and decisions related to pregnancy should not be arbitrarily limited by state government.

Estimate of Fiscal Impact for Proposition 115

State revenue. Proposition 115 will minimally increase state revenue from criminal fines and court fees beginning in state budget year 2020-21. It may also increase revenue from civil penalties and regulatory fees by a minimal amount.

State spending. Starting in state budget year 2020-21, Proposition 115 will minimally increase workload in the Department of Regulatory Agencies and may increase costs in the Department of Health Care Policy and Financing.

115

Prohibit Abortions After 22 Weeks

Local government revenue and spending. Starting in state budget year 2020-21, Proposition 115 will increase costs and workload for district attorneys and may increase revenue, costs, and workload for the Denver County Court.



State Income Tax Rate Reduction

Placed on the ballot by citizen initiative • Passes with a majority vote

Proposition 116 proposes amending the Colorado statutes to:

- reduce the state income tax rate from 4.63 percent to 4.55 percent for tax year 2020 and future years.

What Your Vote Means

YES A “yes” vote on Proposition 116 reduces the state income tax rate to 4.55 percent for tax year 2020 and future years.

NO A “no” vote on Proposition 116 keeps the state income tax rate unchanged at 4.63 percent.

Summary and Analysis for Proposition 116

Proposition 116 reduces the state income tax rate from 4.63 percent to 4.55 percent for tax year 2020 and future years. This analysis provides information on the current state income tax and the changes proposed in the measure.

What is the state's current income tax rate?

Since 2000, Colorado's income tax rate has been a flat 4.63 percent, which means that all taxpayers pay the same tax rate regardless of their taxable income. The income tax rate applies to the Colorado taxable income of both individuals and corporate taxpayers. Colorado taxable income is equal to federal taxable income, adjusted for any state additions and deductions.

How are state income tax collections spent?

State income tax collections are the main source of General Fund revenue, which is the primary resource for financing state government operations. In state budget year 2018-19, the state income tax generated \$9.2 billion and accounted for 67 percent of General Fund revenue. Currently, most of the money in the General Fund is spent on health care, education, human services, and other state programs.

How does Proposition 116 change the state's income tax rate?

Proposition 116 reduces the state individual and corporate income tax rate from 4.63 percent to 4.55 percent for tax year 2020 and future years. The measure is expected to reduce state income tax revenue by \$154 million in state budget year 2021-22, equal to 1.2 percent of expected state General Fund revenue for that year.

Taxpayer impacts. Table 1 shows the reduction in state income tax owed for taxpayers of different levels of Colorado taxable income, which is less than the total amount of income reported by the taxpayer.

Table 1
Income Taxes Under Current Law and Proposition 116

Taxable Income	Tax Owed at Current Rate of 4.63%	Tax Owed Under Proposition 116	Decrease in Tax Owed Under Proposition 116
\$10,000	\$463	\$455	\$8
\$25,000	\$1,158	\$1,138	\$20
\$50,000	\$2,315	\$2,275	\$40
\$125,000	\$5,788	\$5,688	\$100
\$250,000	\$11,575	\$11,375	\$200
\$1,000,000	\$46,300	\$45,500	\$800

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Arguments For Proposition 116

- 1) At a time when households and businesses are struggling to make ends meet, Proposition 116 leaves more money in the pocket of every taxpayer. Allowing taxpayers to keep more of their earnings will promote spending, business investment, and employment.
- 2) After years of growth in the state's budget, the state government can handle a small tax decrease to provide relief to families and businesses. Even with the tax reduction under Proposition 116, state revenue is expected to increase in the next budget year; the measure only modestly slows the rate by which it will grow. Households that are struggling and foregoing basic purchases need their earnings more than the state government does.

Arguments Against Proposition 116

- 1) Reducing state revenue will compound the impact of significant budget cuts already being made to education, transportation, health care programs, and other state services as a result of the current economic crisis. Additional loss of state revenue will cause layoffs and reduce critical state services, further hurting Colorado's economy and quality of life. Now is not the time to reduce state revenue further.
- 2) Most of the measure's benefits will go to only a very small population of very wealthy taxpayers, including corporations. About 75 percent of taxpayers will receive a tax cut of less than \$50 per year. Comparatively, those with incomes over \$500,000, representing less than 2 percent of taxpayers, will receive over half of the total tax savings.

Estimate of Fiscal Impact for Proposition 116

State revenue. Proposition 116 reduces state General Fund revenue by an estimated \$203 million in state budget year 2020-21 and \$154 million in state budget year 2021-22. The first-year estimate includes the measure's full impact for tax year 2020 and half of its impact for tax year 2021 due to the timing of the change in the tax rate.

State spending. The measure is expected to increase state spending by about \$15,000 to administer the tax rate change. By reducing tax revenue, Proposition 116 reduces the amount available to be spent or saved beginning in state budget year 2020-21.

Taxpayer impacts. All taxpayers will pay 1.7 percent less in state income tax, though the impact in dollar terms will vary by income. On average, individual income taxpayers will pay \$37 less in individual income taxes for tax year 2020.



Voter Approval for Certain New State Enterprises

Placed on the ballot by citizen initiative • Passes with a majority vote

Proposition 117 proposes amending the Colorado statutes to:

- require voter approval for new state government-owned businesses, called enterprises, if the enterprise's revenue from fees over its first five years exceeds \$100 million; and
- require that specific language be included on the ballot when voters are asked to approve enterprises.

What Your Vote Means

YES A "yes" vote on Proposition 117 requires voter approval for new state government enterprises with fee revenue over \$100 million in the first five years.

NO A "no" vote on Proposition 117 retains the state legislature's authority to create new enterprises as under current law.