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Testimony: HB17-1187 Change Excess State Revenues Cap Growth Factor

February 27, 2017

Good afternoon, Chairman Pabon, Vice Chairman Foote, Representative Thurlow and members of the House Finance committee.

My name is Mizraim Cordero and I am the Vice President of Government Affairs at the Denver Metro Chamber of Commerce. Thank you for the opportunity to speak today. The Denver Metro Chamber of Commerce represents over 3000 large, medium and small employers throughout Colorado, who combined employ over 300,000 employees.

For 150 years, the Chamber and its affiliates have been a voice for both small and large businesses across the state. We engage in tax and state revenue collection **policy decisions** because we know that these decisions have consequential impacts on our state's ability to invest on infrastructure, education and other **key pillars** of our economy.

Although we **strongly support and defend** the right of voters to approve tax increases, **today** we are here in **support of HB17-1187** because the TABOR growth rate makes it exceedingly difficult to truly prioritize what we as a state invest in, or to respond to changes in economic conditions.

The Chamber supports the **removal of all formulas in our State's Constitution**, particularly those relating to revenue and expenditure growth for government (TABOR), ratios pertaining to the allocation of property tax revenues (Gallagher) and expenditure growth formulas as established in Amendment 23 for K-12 education.

We take this position **with resolve** because we recognize that these changes would place critical decisions in the hands of the **legislature**. Decisions around **prioritizing** what gets funded, **allocating adequate resources**, and determining the **appropriate rate of government growth**; and we believe they would hold legislators **accountable**.

There is **overwhelming** proof that TABOR's growth formula which applies to all levels of government, **impedes economic growth** and **restraints** a government's ability to prioritize how it serves its **citizens**. And Colorado voters throughout the state have consistently and repeatedly opted out of its **incapacitating effects on governance**.

201 out of 271 municipalities have approved **opting out** of the TABOR requirement to refund excess revenues back to taxpayers, that's nearly **75 percent** - also **81 percent of counties** and **98 percent of School Districts** according to the *Colorado [DOLA Division of Property Taxation](#)*.

We recognize that HB17-1187 **does not solve** the negative effects of TABOR's growth formula; it **doesn't fix** TABOR's compounding negative interaction with other **revenue and spending formulas** in the constitution; nor does it fix how TABOR ties the hands of the legislature rendering the General Assembly **ineffectual and constricted** from your responsibility to **prioritize and govern**.

We support, HB17-1187 because it maintains a growth cap while offering some relief by using a calculation that is more reflective of our state's economic growth track.

On behalf of our collective membership, I respectfully ask for this committee to **support** House Bill 1187. Thank you.