



Sound policy is about people – creating an economy that allows employers to start and grow businesses and employees to access great jobs with opportunities to grow, earn more and achieve their families’ dreams. That’s why the Denver Metro Chamber of Commerce takes an in-depth look at policy and weighs in on issues that affect our state’s employers and workforce. This year, we are taking a stance on three statewide and two Denver ballot issues. Here is what you need to know as a voter. [Learn more at denverchamber.org/2021ballot.](https://denverchamber.org/2021ballot)



Amendment 78: Custodial Fund Appropriations Initiative

This amendment requires that all state spending, including custodial funds, be appropriated by the state legislature beginning in fiscal year 2022-2023. Custodial funds include emergency relief funds, federal funding, funds from legal settlements, grants, transportation funding and gifts and donations given to state agencies, colleges and universities. Currently, there are circumstances when state funds can be disbursed directly by a constitutional officer of the government or by a state agency without legislative approval. This measure is primarily supported by Michael Fields of Colorado Rising Action.

Why We Oppose It:

While we would generally agree that the legislature should control the “power of the purse,” it is too broad a mandate to require that ALL funds received by the state be subject to legislative appropriation. Some custodial fund spending is discretionary or political and should be debated at the legislative level; other funding is less so. Broadly applying this ballot remedy to all funding could delay or interrupt state services, including emergency response. A more narrowly focused measure would be more appropriate.



Proposition 119: Creation of Out-of-School Education Program and Marijuana Sales Tax Increase Initiative

This proposition creates the Learning Enrichment and Academic Progress (LEAP) program, a statewide program that provides out-of-classroom learning opportunities to Colorado students ages 5-17. LEAP provides a credit of up to \$1,500 per student each year for out-of-school learning, with priority given to kids from low-income households. Families choose from a menu of local providers in areas like tutoring in reading, math, science and writing; extra services for special needs students; and career and technical education-training programs. The program will be funded via an increase in state sales tax on retail marijuana from 15% to 18% in 2022, from 18% to 19% in 2023, and from 19% to 20% in 2024. This measure is primarily supported by former State Sen. Mike Johnston and a bi-partisan coalition led by former Govs. Bill Owens and Bill Ritter. It is primarily opposed by the American Federation of Teachers Union.

Why We Support It:

More than half of Colorado students in grades three through eight failed to meet grade-level expectations in reading, writing or math on state tests. Many of our kids have been falling further behind – particularly students of color, those from low-income families or those with special needs – and the pandemic has only worsened the problem. High school graduation rates are improving, but we're not seeing the same improvements for students of color. Graduation rates for Black and Hispanic students hover at about 74% while white students are seeing a graduation rate of 86%. Out-of-school learning has shown to be an effective tool for closing the gap, but not everyone can afford it. This program is intended to help students meet pressing educational needs and bridge the achievement gap for Colorado's kids, and is consistent with the Chamber's efforts through Prosper CO.



Proposition 120: Reduce Property Tax Rates and Retain \$25 Million in TABOR Surplus Revenue Initiative

This proposition reduces the residential property tax assessment rate from 7.15% to 6.5% and reduces the non-residential property tax assessment rate from 29% to 26.4%. While property taxes are not collected by the state, the measure allows the state to retain and spend up to \$25 million per year above the TABOR limit to reimburse local governments for revenue they will lose from this reduction for five years. This initiative is primarily supported by Michael Fields of Colorado Rising Action and has some support among commercial property owners. It is primarily opposed by the state legislature, which took pre-emptive action during the last legislative session against the effects of this initiative.

Why We Oppose It:

Just last year, voters successfully removed the Gallagher formula from Colorado's constitution via Amendment B, a change the Chamber supported as our board supports removing all formulas from our constitution. Removing Gallagher left property tax rates at 7.15% for residential and 29% for commercial properties and enabled the legislature to debate thoroughly and pass any future rate reductions via statute. This initiative makes changes to property tax rates without legislative debate and before local communities have had a chance to adjust to even last year's change.



Denver: Initiated Ordinance 304: Enough Taxes Already

This measure seeks to cap Denver's sales tax rates by inserting a "maximum tax" clause into its municipal code and setting the aggregate total sales and use tax levied by the city at 4.5%. It also requires that if at any election the people of the City and County of Denver pass a special sales and use tax that exceeds the aggregate 4.5%, the city must then adjust the existing tax levy to comply with the 4.5% aggregate.

Why We Oppose It:

This measure will result in an almost \$50 million reduction to the City's budget, forcing the city to cut important investments in things like the Denver Preschool Program, parks and recreation, climate protection and efforts to combat homelessness. Cuts would also need to be made in the recently passed College Affordability program and the Caring for Denver program, two measures the Chamber supported. Voters have already approved these tax rate increases, and it is unwise to force the city to cut essential services to meet an arbitrary tax-rate reduction at a time when the needs for these services are critical.



Denver: Bond Package – Referred Questions 2A to 2E

These five measures are part of a \$450 million infrastructure bond package for the City and County of Denver.

Referred Question 2A, Denver Facilities System Bonds: If approved, this measure would provide \$104 million for a variety of upgrades and maintenance projects at Denver libraries, museums and entertainment venues.

Referred Question 2B, Denver Housing and Sheltering System Bonds: This measure would direct \$38.6 million toward the “acquisition, conversion and/or construction” of shelters for people experiencing homelessness.

Referred Question 2C, Denver Transportation and Mobility System Bonds: This measure would spend \$63.3 million on bike and pedestrian projects, road reconstruction and other “transportation safety improvements.”

Referred Question 2D, Denver Parks and Recreation System Bonds: This measure would provide \$54 million for construction and maintenance projects in Denver parks.

Referred Question 2E, National Western Campus Facilities System Bonds: If approved, this measure would spend \$190 million on upgrades to the National Western Center, including construction of a brand new arena.

Why We Support It:

City officials estimate that the bond package will create nearly 7,600 jobs and result in more than \$1 billion in added economic output for the city. These jobs will aid in our recovery from the pandemic and provide opportunity to communities that are still dealing with ramifications while improving transportation systems and facilities that need updating, as well as providing more shelters for people experiencing homelessness.