PROPOSITION 109 AND 110: INVESTMENTS INTO COLORADO'S INFRASTRUCTURE

Given the current cost to the Colorado economy, of over $7.1B annually, urgent action is needed to improve our transportation network. In 2017 only 5.8% of all spending by CDOT was on expanding the state's road network. 84% was on maintenance and operations.

- **PROPOSITION 110 (Let's Go Colorado)** would raise over $1 billion annually over the next 20 years from an additional .62% increase in the state's sales tax. $470M would go to state funding and allow CDOT to issue roughly $6 billion in new bonds, $418M of annual revenue would go to municipal/county projects, while $157M would go to multi-modal projects. 39% of projects are in the Denver Metro, with 51% of state-funded highway projects spent on I-25 and I-70.
- **PROPOSITION 109 (Fix Our Damn Roads)** would require CDOT to issue $3.5B in new bonds at an annual cost of $260M, to be paid from existing state revenue. 42% of projects are in the Denver Metro, with 54% spent on I-25 and I-70.

	PROPOSITION 110 Let's Go Colorado	**PROPOSITION 109** Fix Our Damn Roads
What does the measure do?	Increases the state sales tax by an additional .62% and dedicates the increase in revenue to transportation projects. Initial estimates suggest total bonding amount of $6 billion. This would be in additional to existing policy to increase revenue by $1.5 billion from sale and lease-back of state buildings.	Requires CDOT to issue a new bond to fund a specific list of projects. The total value of the new bond cannot exceed $3.5 billion and the total cost cannot exceed $5.5 billion. Against current policy, Proposition 109 would increase total available state revenue from bonding by a net of $2 billion as it would replace existing policy to generate $1.5 billion in revenue from the sale and lease-back of state buildings.
How much money is needed/ raised annually?	The measure is estimated to raise over $1 billion annually over next 20 years.	To repay the bond the legislature would need to appropriate approximately $260 million annually.
Where does money come from?	Increases the sales and use tax rate 0.62 percent from 2.9% to 3.52%.	The Legislature and CDOT will have final say over whether additional annual payment comes from the General fund or existing transportation funds.
Where does money go?	45% to State Transportation Fund and bond repayment 15% to Multimodal Projects 40% to Municipal and County Projects	100% to Bond repayment of state road and bridge projects
What is estimated total value of the projects this measure can fund?	The July project list of 107 projects released by CDOT has a total estimated cost of $8.9 billion.	The total estimated value of all 66 projects included in the text of the amendment is $5.5 billion. CDOT has discretion over which of those projects ultimately gets funding.
What happens if I vote no?	Per the passage of Senate Bill 1 earlier this year, a "No" vote would mean that a ballot question would appear in 2019, asking voters whether or not to allow CDOT to issue $2.3 billion in bonds. This would be a net increase of $800 million in bonding capacity from current policy and a net annual cost increase to the general fund and CDOT of $50 million.	

To read the full report visit: *http://commonsensepolicyroundtable.org/*

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COMMON SENSE Policy Roundtable

CSPR is a non-profit free-enterprise think tank dedicated to the protection and promotion of Colorado's economy. Our mission is to research and promote common sense solutions for economic issues facing Colorado.

From energy to education, we examine the economic impact of policies, initiatives, and proposed laws by employing dynamic modeling that accurately measures the impact of each measure on the Colorado economy. To fully achieve our mission, we actively promote these solutions through the education of policy experts, lawmakers, community leaders, and the general public.

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PROPOSITION 112: MINIMUM-DISTANCE REQUIREMENTS FOR NEW OIL, GAS, AND FRACKING PROJECTS

Increase setbacks for oil and gas to five times the current distance. Proposition 112 would mandate all new oil and gas development to be at least 2,500 feet from occupied buildings and "vulnerable" areas like parks and creeks. The current requirements are 500 feet from homes and 1,000 feet from schools.

WHAT IT MEANS FOR COLORADO

- Eliminate 54% of all surface land in Colorado to new production
- Over 85% of all new oil and gas development has occurred within that area over the past 3 years

ECONOMIC IMPACT: REMI STUDY KEY FINDINGS

- Lose between 60% and 80% of new production going forward
- Loss of up to $258M in state and local tax revenue during the first year
- Loss of as many as 147,000 jobs across all sectors of the economy by 2030
- Total annual job loss between 33,500 and 43,000 jobs in the first year
- Lose between 115,000 and 147,800 total jobs after 12 years
- Only 23% of the jobs impacted would be in the oil and gas extraction sector

  If adopted, by 2030 the measure would eliminate:
  - 12,000 – 16,000 retail jobs
  - 9,000 – 12,000 health care jobs
  - 8,000 – 10,000 construction jobs
  - 7,000 – 9,000 hotel and food service jobs
  - 7,000 – 9,000 local government jobs, including teachers
  - 4,000 – 6,000 real estate jobs
- Cost the Colorado economy $169B to $217B in GDP over 12 years
- Loss of 62% – 80% of annual new oil and gas development and 55% to 70% of the entire sector by 2030
- Eliminate $7B-9B in state and local tax revenue over 12 years*

  **The lost tax revenue covers everything from public safety*

To read the full report please visit: *http://commonsensepolicyroundtable.org/oil-gas-setback-study/*

AMENDMENT 73: ESTABLISH INCOME TAX BRACKETS AND RAISE TAXES FOR EDUCATION

A $1.6B tax increase to fund education. It changes the current flat individual income tax rate by imposing a progressive rate for individual and joint income filers who earn over $150,000. It would also increase the corporate income tax rate, and significantly change residential and commercial property tax rates. The new revenue generated would be placed into a new fund designated for PK-12 education.

WHAT IT MEANS FOR COLORADO

- 20% personal income tax revenue increase
- 80% increase for top marginal tax rate
- Move Colorado from 37th to 8th highest top marginal tax rate
- The corporate rate would increase 30% and jump from 43rd to 31st amongst states
- Raise $1.5B for education, but does not guarantee any increase in student performance

ECONOMIC IMPACT: REMI STUDY KEY FINDINGS

- Over the next 20 years the average annual loss of private-sector jobs is over 11,400
- The average annual impact on state GDP is a loss of $850M
- Disposable personal income estimated to be lower by $1.8B on average annually

Tax Increase

- $1.6B tax increase, including $1.4B increase in personal income taxes, a 20% increase. Unintended consequence could be forcing assessment rate for all other districts - like fire, to fall faster and squeeze out future revenue. Or residential property taxes will likely increase over time.

Spending Increase

- Increase the state base per-pupil amount, funding for full-day kindergarten, and program funding for disabled, ESL, gifted and preschool funding.

Performance Improvement

- No evidence of any performance increase in terms of graduation rates can be determined from increased spending alone.
- Recent spending patterns indicate there is no guarantee that new money will reach classrooms.
- Rising PERA costs now take over $450M from school districts to pay down unfunded liability

To read the full report visit: *http://commonsensepolicyroundtable.org/amendment-73/*