### Notice of Election to Increase Taxes on a Referred Measure

#### Statewide election day is Tuesday, November 7, 2006 Polling places open from 7 a.m. to 7 p.m.

(Early Voting Begins October 23, 2006)

## ANALYSIS OF THE 2006 BALLOT PROPOSALS



Legislative Council of the Colorado General Assembly

Research Publication No. 554

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#### September 14, 2006

This booklet provides information on the fourteen statewide proposals on the November 7, 2006, ballot and on the judges that are on the ballot for retention in your area. The information is presented in three sections.

The *first section* contains an analysis of each proposed change to the state constitution and state statute. It includes a description of each proposal and major arguments for and against the proposal. Careful consideration has been given to the arguments in an effort to fairly represent both sides of the issue. It also includes an estimate of the fiscal impact of each proposal. More information on the fiscal impact of the proposals can be found at http://www.coloradobluebook.com. The state constitution requires that the nonpartisan research staff of the General Assembly prepare these analyses and distribute them in a ballot information booklet to registered voter households.

A proposal that is put on the ballot through the signature collection process is labeled an "Amendment," followed by a number. A proposal placed on the ballot by the state legislature is labeled a "Referendum," followed by a letter. Nine of the proposals on the ballot propose changes to the state constitution. Voter approval will be required in the future to change any constitutional proposals adopted by the voters, although the legislature may adopt statutes that clarify or implement these constitutional proposals as long they do not conflict with the constitution. The remaining five proposals change state statute. The state legislature, with the approval of the governor, may change any of these proposals in the future without voter approval. The first line of the analysis of each proposal indicates whether the proposal is a change to the constitution or to statute.

The **second section** provides the title and the legal language of each proposal, including whether the proposal changes the constitution or statute. The legal language of the proposals shows new laws in capitalized letters and laws that are being repealed in strikeout type, with the exception of Amendments 38 and 42. These two proposals are new laws but are not in capitalized letters.

The *third section* contains information about the performance of Colorado Court of Appeals and trial court judges who are on your ballot. Please note that no Colorado Supreme Court justices are standing for retention in 2006. The information was prepared by the state commission and district commissions on judicial performance. The profile for each judge includes a recommendation stated as "RETAIN," "DO NOT RETAIN," OR "NO OPINION."

The booklet concludes with addresses and telephone numbers of local election officials. Your local election official can provide you with information on polling places, absentee ballots, and early voting.

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Local Election Offices

A **YES** vote on any ballot issue is a vote **IN FAVOR OF** changing current law or existing circumstances, and a **NO** vote on any ballot issue is a vote **AGAINST** changing current law or existing circumstances.

#### Amendment 38 Petitions

#### Amendment 38 proposes adding a new section to Article VII of the Colorado Constitution that:

- expands the ability of citizens to propose changes to state and local laws;
- modifies current procedures for proposing changes to laws;
- limits governing bodies' ability to change, enact, or repeal measures proposed by citizens and decided by voters; and
- limits the number of measures governing bodies may exempt from voter challenge.

#### **Summary and Analysis**

The Colorado Constitution currently provides two ways for citizens to propose changes to state, city, or town laws. In both processes, citizens collect a certain number of signatures on a petition to place a law change on the ballot. For one process, citizens propose a change that becomes law if voters approve it. For the second process, citizens challenge a law approved by elected officials. A challenged law takes effect only if voters approve it.

Amendment 38 expands the ability of citizens to propose and challenge laws at all levels of state and local government, including school districts, counties, special districts, authorities, and other special purpose government entities. Amendment 38 also changes existing procedures for placing a measure on the ballot by petition and applies them to all levels of government. Amendment 38 does not affect measures that governing bodies refer to voters. Tables 1 through 3 summarize differences between current procedures and the proposal. While the tables reflect local procedures in state law, procedures may vary under city or town charters or by local ordinance.

Table 1 — procedures related to ballot titles and petition signatures. Before proponents may begin collecting petition signatures, a ballot title for the measure must be set. A ballot title tells voters how the law will change if the measure passes. It appears on petition forms and on the ballot. A certain number of signatures of registered Colorado voters must be collected to place a measure on the ballot. The signatures are counted and verified, and any protests are resolved, before the measure appears on the ballot.

| Issue  | Current Process for State, City,<br>and Town Governments  | Amendment 38 Process<br>for All Governments   |  |
|--|---|---|--|
| Is the length of a ballot title limited?                           | <u>State</u> - Must be brief;<br><u>Municipal</u> - No limit  | Yes, 75 words   |  |
| How are ballot title disputes resolved?                            | <u>State</u> – The title is reconsidered by a three-member title board, then appealed to the Supreme Court.<br><u>Municipal</u> – The process is established at the local level and disputes are appealed through the courts. | The Supreme Court finally<br>decides all title disputes within<br>7 days of filing; no other<br>appeals are allowed.  |  |
| How many signatures are required to place a measure on the ballot? | <u>State</u> – 5 percent of votes cast for<br>secretary of state in the last general<br>election, including vacancy elections;<br><u>Municipal</u> – Between 5 and 15 percent<br>of registered electors                       | Not more than 5 percent of<br>votes cast in the state or local<br>government for secretary of<br>state in the last full-term<br>general election for the office |  |

#### Table 1: Procedures Related to Ballot Titles and Petition Signatures

| Issue   | Current Process for State, City,<br>and Town Governments   | Amendment 38 Process<br>for All Governments  |  |
|---|--|--|--|
| How are petitions verified to place a measure on the ballot?                                  | Signatures are counted and verified<br>against voter registration files using<br>random sampling or a check of each<br>signature to ensure the signer is a<br>registered voter. A duplicate or<br>incomplete signature, or the signature of<br>an individual who is not a registered<br>voter, is not counted. Protests may be<br>filed. | Signatures are counted.<br>Protests may be filed. An<br>individual signature that is<br>protested and proven invalid<br>by clear and convincing<br>evidence is not counted.<br>Random sampling may not be<br>used to exclude signatures.<br>Signatures cannot be<br>disqualified for technical<br>defects or minor variations or<br>omissions. |  |
| What are the deadlines for protesting signatures?   | <u>State</u> – A protest must be filed within 30 days after verification of the petition signatures and resolved within 30 days of commencement of a hearing.<br><u>Municipal</u> – A protest must be filed within 40 days of petition filing and resolved within 65 days after the petition is filed.                                   | A protest must be filed within<br>10 days of petition filing and<br>resolved within 10 days<br>thereafter.   |  |
| How much time are proponents allowed to gather signatures to propose laws?                    | Up to 6 months   | 12 months  |  |
| What happens if proponents do<br>not turn in signatures in time for<br>the upcoming election? | The proposed measure is not placed on the ballot and any signatures collected are void.  | All signatures collected within<br>the 12-month period can be<br>submitted for the next<br>November election.  |  |

**Table 2**— *challenges to laws.* Registered electors may, by petition, challenge a law passed by elected officials unless the measure contains a "safety clause" stating that the law is necessary for the immediate preservation of the public peace, health, and safety.

#### Table 2: Challenges to Laws

| Issue   | Current Process for State, City,<br>and Town Governments  | Amendment 38 Process for<br>All Governments  |  |
|---|---|--|--|
| How are measures exempted from voter challenge?   | <u>State</u> – A majority of the legislature<br>passes a measure with a safety clause;<br><u>Municipal</u> – Three-fourths of the<br>governing body passes a measure with<br>a description of the emergency<br>justifying the exception | Three-fourths of the governing<br>body passes a measure with a<br>description of the emergency<br>justifying the exception |  |
| How many measures may each<br>governing body exempt from<br>voter challenge?                            | No limit  | 12 per year  |  |
| If voters reject a measure, may<br>a governing body enact a<br>mostly similar measure in the<br>future? | Yes   | Only with voter approval   |  |

Table 3 — elections and voter information materials for measures placed on the ballot by petition. Specific voter information materials are required at the state and municipal level.

| Issue  | Current Process for State, City,<br>and Town Governments   | Amendment 38 Process for<br>All Governments  |
|--|--|--|
| What types of measures may appear on the ballot by petition at November elections?                           | <u>State</u> – Any measure in even-<br>numbered years; only fiscal measures<br>that increase government revenue in<br>odd-numbered years;<br><u>Municipal</u> – Varies   | Measures by petition may only<br>appear on the ballot at a<br>November election, but they<br>may appear at any November<br>election.   |
| May voter-approved laws<br>proposed by petition be changed<br>by governing bodies?                           | Yes  | Only with voter approval,<br>unless otherwise provided in<br>the law   |
| What voter information materials are required?   | <u>State</u> – An analysis, written by the<br>state legislature's nonpartisan staff<br>and reviewed by legislators, that<br>includes arguments for and against<br>each measure;<br><u>Municipal</u> – For fiscal measures only,<br>two summaries, of up to 500 words<br>each, of comments written by the<br>proponents and opponents | Comments of up to 1,000<br>words from proponents, and a<br>summary of comments from<br>opponents limited to the<br>number of words submitted by<br>proponents  |
| May government officials and<br>employees use government<br>resources to discuss pending<br>ballot measures? | As long as they are not advocating for<br>a particular measure, government<br>officials and employees may respond<br>to questions from the public and<br>provide factual summaries, including<br>arguments for and against a proposal.   | Government officials and<br>employees may not use<br>government resources to<br>discuss any measure after<br>petition forms are ready for<br>signatures; information<br>required for court cases, on<br>election procedures, or<br>required by law is permitted. |

# Table 3: Elections and Voter Information Materialsfor Measures Placed on the Ballot by Petition

#### **Arguments For**

1) Amendment 38 makes local elected officials more responsive to constituents by extending the petition process to all state and local governments. It ensures that public policy issues of concern to the voters will be addressed at the appropriate level of government. It encourages citizen reforms to improve government. Laws proposed by citizens are subject to months of public debate leading up to an election, encouraging voter interest and participation. Citizens will gain an expanded voice in government actions that affect their lives, with a greater likelihood that officials will focus on their concerns.

2) Amendment 38 streamlines petition procedures and creates a uniform process. All measures to propose or challenge a law by petition will be before voters at a November election, which helps avoid special elections at the local level and may improve voter turnout. Additionally, the procedural changes make the petition process more workable for proponents and more helpful to voters. Specifically, Amendment 38 limits the length of ballot titles. It clarifies the requirements for petition signatures. It simplifies and shortens time frames related to court challenges, so rulings are made before ballots must be printed. It requires that signatures on petition forms count unless protested by clear and convincing evidence. Additionally, proponents and opponents of a measure will assume the primary role in providing the information that is distributed to voters for all issues placed on the ballot by petition.

3) Amendment 38 supports the existing constitutional right of the people to reject new laws passed by elected officials in Colorado. In the past ten years, roughly 76 percent of enacted state laws could not be challenged by voters because they contained a safety clause. Amendment 38 limits the number of laws that may be exempted from possible challenge, allowing voters to respond to and challenge most of the decisions of their elected officials. Further, Amendment 38 requires governing bodies to respect the decisions of voters on

| Amendment 38: Petitions |  | 3 |
|-------------------------|--|---|
|-------------------------|--|---|

measures that get on the ballot through the petition process by requiring a vote of the people before changing that voter-approved policy.

4) Amendment 38 encourages changing statutory, not constitutional law. Under Amendment 38, state laws proposed by citizens and approved by voters will require voter approval to be modified or repealed, unless the law itself allows legislative changes. Amendment 38 also allows the legislature to reduce the number of signatures needed to propose changes to state statute, further encouraging changes to statutes, rather than to the constitution.

#### **Arguments Against**

1) Amendment 38 weakens representative government. Citizens elect representatives to consider all points of view on issues, to make policy decisions, and to change those decisions when necessary. Under Amendment 38, more laws may be enacted that have not received sufficient refinement and that cannot be changed without another vote of the people. Voters will ultimately be ill-served by expanded petition use that limits the authority of their governing bodies. Further, under Amendment 38, city and town election laws and charter provisions that have been approved at the local level will be voided through a statewide measure.

2) Amendment 38 invites abuse of the petition process by eliminating current safeguards. For example, limiting the ability of election officials to check petition signatures and shortening the time for protesting signatures increase the likelihood that invalid signatures will be counted. Eliminating the state requirement that each petition signature page include the ballot title could result in voters not knowing which petition measure they are signing. By easing current requirements, the citizen petition process could become a powerful mechanism for placing numerous measures on the ballot. A sound petition process should include sufficient checks and balances to maintain public trust.

3) Amendment 38 may result in voters having to decide an increasing number of complex policy issues with less analysis than they have today and may result in laws that conflict with others laws, are unconstitutional, or create budgetary problems. An impartial analysis or summary of a proposed measure is not permitted, and background information or assistance currently provided by government officials and employees is restricted. Important issues may be oversimplified by individuals with an interest in the success or failure of a measure, with long-term implications overlooked. Further, proponents will determine how much information is provided on both sides of the issue because opponents' comments are limited to the length of the comments submitted by proponents.

4) Amendment 38 limits governments' ability to respond to changing circumstances, economic conditions, or emergencies. Unless specifically provided in the law, lawmakers cannot amend any law adopted by voters through the petition process, even if an event occurs that requires a change. For example, state lawmakers trying to respond to an emergency situation might have to wait up to two years to ask the voters to change a law. Further, under the new provisions for challenging laws, timetables for holding elections at the local level can delay the implementation of laws and create a way for a small group of citizens to stall the legislative process.

#### **Estimate of Fiscal Impact**

**State spending and revenue.** Amendment 38 is expected to increase the number of statewide ballot petitions by two in each even-numbered year and eight in each odd-numbered year. Currently, the state budgets for eight petitions in an even year and two in an odd year. Costs will increase due to a greater number of petitions, and because state courts must review ballot disputes within newly established deadlines. Costs will decrease to approve each petition because signatures will only be counted and not verified. Overall, state spending will increase by \$119,000 annually in even-numbered years and \$269,000 in odd-numbered years. Amendment 38 also imposes a \$3,000 fine for certain offenses related to government officials discussing pending ballot issues, which may increase fine revenue to the state. Total fine revenue has not been quantified.

**Local government spending.** Local governments without a petition process will be required to establish such a process, incurring administrative and computer programming costs. Local governments may experience an increase in the number of petitions received. Costs will depend upon the number of petitions filed.

4 ..... Amendment 38: Petitions

#### Amendment 39 School District Spending Requirements

Two ballot proposals establish requirements for school district spending. Amendment 39, discussed below, proposes a change to Section 17 of Article IX of the Colorado Constitution. Referendum J, discussed on page 24 proposes a change to state statute. Voters may choose to vote for one, both, or neither of the proposals. Neither proposal is dependent upon passage of the other. If both proposals pass and any provision of Referendum J is found to conflict with a provision of Amendment 39, then that provision of Referendum J will not be enforced. Both proposals:

- require each school district to spend at least 65 percent of its operating budget on specific items beginning in the 2007-08 school year, although the items are different in each proposal;
- require any school district that spends less than the 65-percent threshold to increase its spending on the specified items by two percentage points each year until the threshold is met:
- allow a school district to request a one-year waiver from the spending requirement; and
- allow the legislature to sanction any school district that fails to comply with the spending requirement.

Additionally, Referendum J:

- allows voters to exempt a school district from the 65-percent requirement; and
- requires each school district to submit an annual budget in a standardized format to the state.

#### **Summary and Analysis**

Decisions on how to spend money to operate public schools are made by locally elected school boards in each school district, with certain exceptions. Under current law, districts have to set aside money for school supplies and books, buildings and insurance, and services for at-risk students. On average, these earmarked purposes accounted for roughly \$600 per pupil in school year 2004-05, or nearly 8 percent of school district operating budgets. Both Amendment 39 and Referendum J propose to add a new requirement: that each school district spend at least 65 percent of its operating budget on the items listed in Table 1.

| School District Expenditure Items   | Included in<br>Amendment 39? | Included in<br>Referendum J? |
|---|------------------------------|------------------------------|
| Teachers, Classroom Aides, and Tutors   | U                            | U                            |
| Libraries and Librarians  | U                            | U                            |
| Books and Other Instructional Materials   | U                            | U                            |
| Classroom Computers   | U                            | U                            |
| Field Trips, Athletics, Arts, and Music   | U                            | U                            |
| Principals  |                              | U                            |
| Support Staff (Guidance Counselors, Nurses, Bus Drivers, and Food Service Workers)  |                              | U                            |
| Support Services Provided at the School Level (Teacher Training, Student<br>Testing, College Placement Services, Student Health and Medical<br>Services, Food Services, and Transportation) |                              | U                            |
| Superintendents and School Boards   |                              |                              |
| Building Construction, Maintenance, and Repairs   |                              |                              |
| Central Administrative Functions (Payroll, Accounting, and Budgeting)   |                              |                              |

#### Table 1: Examples of Items Included in the 65-Percent Requirement in Amendment 39 and Referendum J

In addition to applying the 65-percent requirement to different items, the two proposals define an operating budget differently. As a result, the proposals will affect districts differently. Table 2 compares spending on the items required by each proposal using average school district spending per pupil from the 2004-05 school year, the most recent year for which data are available.

| Statewide Average                          | Amendment 39 | Referendum J |  |
|--|--------------|--------------|--|
| Total Operating Budget Per Pupil           | \$7,942      | \$7,863      |  |
| Actual Spending on Specified Items         | \$4,784      | \$6,521      |  |
| Percent Currently Spent on Specified Items | 60%          | 83%          |  |

# Table 2: Comparison of 2004-05 Spending on Items Specified in Amendment 39 and Referendum J

Data on individual school district spending indicate that under both proposals some school districts would not have met the 65-percent requirement in the 2004-05 school year. If the requirements were in place in 2004-05, 166 school districts would have fallen short by a total of \$278 million under Amendment 39. Three districts would have fallen short by a total of \$1 million under Referendum J.

A district that spends less than the 65-percent threshold must increase spending on the specified items by two percentage points per year until the requirement is met. Alternatively, a district may seek a waiver from the requirements.

Each year, school district spending records are audited and reported to state and federal education agencies. The data are organized by category to show the amount spent on such items as classroom instruction, support staff, administration, and buildings. These reports will be used to determine compliance with the 65-percent requirement, although some modification to the categories may be required. The State Board of Education is responsible for approving the types of data that are reported in each category.

#### **Arguments For Amendment 39**

Arguments for Referendum J appear on page 25.

1) Amendment 39 increases funding for classroom instruction, without increasing taxes. It requires that school districts focus their resources on educating students in the classroom and be more efficient with other spending. As a result, more money may be available for teaching professionals. The most recent data available indicate that spending in the classroom could increase by as much as \$278 million.

2) Amendment 39 establishes a constitutional standard for school district spending. School district taxpayers across the state will know that at least 65 percent of the district's budget is being spent in the classroom without having to examine each district's financial documents. School boards in each district will decide how to meet the requirement, which may result in new spending priorities.

#### **Arguments Against Amendment 39**

Arguments against Referendum J appear on page 25.

1) Amendment 39 fails to account for the important differences among the 178 school districts across Colorado and does not necessarily improve student achievement. School districts vary greatly in the characteristics of their pupil population, geography, and community values. These differences should be addressed by locally elected school boards with input from parents, teachers, taxpayers, and others in the district, rather than by an amendment to the state constitution.

2) School districts not meeting the new requirement may have to divert money from support functions and positions that help teachers to teach and students to learn. Nurses, guidance counselors, and principals are essential to a well-run school but do not count toward the 65-percent spending requirement. In addition, costs for student transportation, utilities, and hot lunches, which are often beyond a district's control, do not count toward the 65-percent requirement.

6 ..... Amendment 39: School District Spending Requirements

#### **Estimate of Fiscal Impact**

Determining school district compliance with Amendment 39's expenditure requirements is expected to increase state costs by about \$50,000 per year and may also increase school district costs by requiring more detailed tracking of expenditures and additional budget planning to conform with Amendment 39. Additionally, while Amendment 39 does not increase funding for public education, an estimated 166 of 178 districts will have to increase spending on the specified items by a total of \$278 million to meet its requirements. This estimate is based on 2004-05 spending.

Amendment 40 Term Limits for Supreme Court and Court of Appeals Judges

#### Amendment 40 proposes changes to Article VI of the Colorado Constitution that:

- limit the number of terms that Colorado Supreme Court justices and Court of Appeals judges, called appellate court judges, may serve;
- reduce the term of Supreme Court justices from ten years to four years, and of Court of Appeals judges from eight years to four years;
- require appellate court judges who have already served ten years or more to leave their current position in January 2009; and
- require appellate court judges who are eligible to serve another term to appear on the November 2008 ballot for retention.

#### **Summary and Analysis**

**The Supreme Court and Court of Appeals.** The Colorado Supreme Court consists of seven justices who serve ten-year terms. The Colorado Court of Appeals consists of nineteen judges who serve eight-year terms. When a vacancy occurs on either of these courts, an appointed commission selects three nominees for consideration by the governor. The governor then appoints one of the three nominees to fill the vacancy.

*What happens after a judge is appointed?* After appointment, appellate judges serve an initial two-year term and then stand for retention at the next general election. At a retention election, voters vote to either keep a judge in office or to remove a judge from office. If voters choose to keep the judge in office, he or she serves an additional term before standing for retention again. There is currently no limit on the number of terms a judge can serve, but judges are required to retire at age 72.

How are Supreme Court justices and Court of Appeals judges evaluated? Appellate judges who are standing for retention are evaluated by a state commission on judicial performance. The commission reviews opinions authored by the justice or judge, conducts an interview with the justice or judge, and reviews surveys completed by trial court judges and attorneys. The commission's evaluation includes a recommendation stated as "retain," "do not retain," or "no opinion." This evaluation is printed in the ballot information booklet that is mailed to every Colorado voter household before a general election.

How does Amendment 40 change the current system? Amendment 40 limits Supreme Court and Court of Appeals judges to three terms — one initial two-year term plus two four-year terms. Appellate judges who, as of the November 2008 election, have already served ten years will not be eligible to serve another term in their current position. Judges who are eligible to continue serving will appear on the November 2008 ballot for retention.

#### **Arguments For**

1) Amendment 40 limits the number of years that a judge can influence the decisions of the state's two highest courts. By creating more turnover in office, it provides new perspectives and more opportunity for other judges to serve on the state's two highest courts. Voters have already limited the number of terms that elected officials in the legislative and executive branches may serve; Amendment 40 applies term limits to the highest officials in the judicial branch as well.

2) The current options available to remove a judge from office are inadequate. No Supreme Court justice or Court of Appeals judge in Colorado has ever been removed by voters in a retention election. Further, impeachment of judges is almost never used, and there is no process to recall a judge. As a result, judges can essentially serve as long as they want up until the mandatory retirement age. Amendment 40 ensures that after an appellate judge's initial two-year term, he or she does not serve more than eight additional years in that position.

3) Judges on Colorado's two highest courts should be held accountable more frequently than every eight to ten years. Requiring appellate judges to stand for retention every four years allows the public to evaluate the performance and decisions of these judges more often. All other judges in Colorado stand for retention every four to six years; Amendment 40 will make the terms of appellate judges more similar to the other courts.

#### **Arguments Against**

1) Amendment 40 will force five current Supreme Court justices and seven Court of Appeals judges from office in January 2009. Some of these judges will be forced to leave office before serving the full term that voters previously approved. In 2009, the governor will appoint new judges to the Supreme Court and Court of Appeals, including a majority of the justices of the Supreme Court. This means that in 2009, one political party will have disproportionate influence over the membership of the state's two highest courts. Further, every ten years thereafter, the governor may have the ability to appoint a large number of judges to the Court of Appeals and a super-majority to the Supreme Court.

2) Limiting the terms of Supreme Court and Court of Appeals judges is unnecessary. Judges are already held accountable through performance evaluations, retention elections, oversight by a state judicial discipline commission, possible impeachment, and mandatory retirement at age 72. Further, Amendment 40 may discourage the best candidates from pursuing judgeships on the Supreme Court and Court of Appeals. Qualified lawyers will have to choose between continuing an established career or accepting a short-term position on the bench.

3) Amendment 40 removes judges regardless of their skills, accomplishments, or experience. It is essential for judges to understand particular areas of legal theory and how laws develop over time. This knowledge comes from years of serving on the court. With the limit on terms, judges will be required to step down when their experience is most beneficial to the court.

#### **Estimate of Fiscal Impact**

Based on current terms, at least five of seven Supreme Court justices and seven of nineteen Court of Appeals judges will leave office on January 13, 2009. Replacement justices and judges may need time to receive training in judicial procedure and to review pending cases, which could create a case backlog and increase workload for agencies working in the court system. Any case backlog will depend on the number of appeals filed and the number of cases resolved during the next two years. It is estimated that if additional resources are needed, they will be requested during the annual budget process.

8 ..... Amendment 40: Term Limits for Supreme Court and Court of Appeals Judges

#### Amendment 41 Standards of Conduct in Government

#### Amendment 41 proposes adding a new Article XXIX to the <u>Colorado Constitution</u> that:

- prohibits elected state officials and certain elected local officials, appointed state and local officials, and government employees from accepting any amount of money or more than \$50 in gifts in any calendar year from anyone except a relative or a personal friend on a special occasion;
- prohibits immediate family members of elected state officials and certain elected local officials, appointed state and local officials, and government employees from accepting more than \$50 worth of gifts or other things of value in any calendar year that directly or indirectly benefit the public official or government employee;
- bans lobbyists from giving gifts or meals to any elected state official and certain elected local officials, appointed state and local officials, and government employees or to the immediate family members of these public officials and employees;
- prohibits statewide elected officeholders and state legislators from lobbying certain elected state
  officials for pay for two years after leaving office; and
- creates a five-member appointed ethics commission, with individual members having subpoena
  power, to investigate and hear state and local complaints, assess penalties, and advise government
  officials and employees when asked regarding the scope of the law.

#### **Summary and Analysis**

**Acceptance of gifts by public officials.** Current law prohibits an elected state official from accepting the following gifts in connection with the person's public service:

- **T** any money; or
- **T** any equipment, supplies, or services worth more than \$50, such as a fax machine, an office computer, a newspaper subscription, or donated office space.

Other gifts are allowed, but some must be reported quarterly to the Secretary of State. The prohibitions and reporting requirements apply to the following elected state officials, as well as candidates for these offices: governor, lieutenant governor, secretary of state, attorney general, treasurer, state legislators, district attorneys, members of the State Board of Education, and regents of the University of Colorado.

Amendment 41 expands the current prohibitions to cover other gifts and things of value, such as favors or services, travel, meals, entertainment, and honoraria, as well as promises of future employment. Amendment 41 also extends the ban to apply to heads of departments of state government, salaried members of state boards and commissions, county and municipal officials, and most government employees, including independent contractors.

*Gifts from lobbyists and lobbying by former elected state officials.* Amendment 41 prohibits professional lobbyists from giving gifts of any kind, including meals, to public officials and government employees or their family members. It also prohibits statewide elected officeholders and state legislators from lobbying professionally for two years after leaving office. This restriction applies only to lobbying a state legislator or a statewide elected officeholder. Professional lobbying is when a person is paid to advocate an interest or position to policymakers.

**Ethics commission.** Under current law, public officials and government employees are subject to a code of ethics. Ethics complaints against statewide elected officeholders, governor appointees, and employees of state departments are reviewed by a board of ethics upon request of the governor. Complaints filed against legislators are heard by a committee made up of legislators at the discretion of legislative leadership. Many local governments also have procedures in place to handle ethics complaints.

#### 

Amendment 41 creates an ethics commission with jurisdiction over all state, county, and municipal officials and employees. The commission's purpose is to hear complaints, issue findings, assess penalties, and issue advisory opinions. Any person can file a complaint with the commission alleging a violation of the proposal, or any other standard of conduct or reporting requirement specified in law. The commission must investigate the complaint, hold a public hearing, and issue findings, unless the complaint is found to be frivolous. The commission has the power to subpoen documents or witnesses. It can also assess penalties if it finds an ethics violation occurred. In addition to investigating complaints, the commission can issue advisory opinions in response to a written request from a public official or government employee.

The commission consists of five people. The state senate, the state house of representatives, the governor, and the chief justice of the Colorado Supreme Court each appoint one person to the commission. The fifth person is a local government official or local government employee selected by the other members. No more than two members may be from the same political party, and members must have been continuously registered with the same political party, or continuously unaffiliated, for at least two years before their appointment. Amendment 41 is silent on holding individual commission members accountable for any malfeasance committed while acting in their official capacity as members of the independent ethics commission.

#### **Arguments For**

1) The credibility and integrity of the political process is damaged when public officials accept gifts from lobbyists. When lobbyists give gifts to public officials, the perception is that they gain access and influence that other citizens in the state do not have. Amendment 41 strengthens public confidence by reducing actual or perceived conflicts of interest that arise when public officials accept gifts such as tickets to sporting events, meals, and lodging.

2) Amendment 41 eliminates the temptation for elected officials to make decisions based on the potential of future employment. Requiring lawmakers to wait two years before they can lobby ensures that policy decisions are based upon what is best for constituents.

3) Elected officials may not always objectively judge the ethics of their peers. Instead, an independent forum is needed where citizens can file legitimate concerns about possible ethics violations by their elected representatives. The ethics commission created by Amendment 41 is charged with enforcing standards of conduct for both state and local public officials and employees and provides a central venue for filing ethics complaints from across the state.

#### **Arguments Against**

1) Amendment 41 does not belong in Colorado's constitution and may have unintended and undesirable consequences. Elected officials can already be investigated for ethics violations, recalled, or removed from office when they run for reelection. Current law already prohibits state elected officials from receiving any money in connection with their public service, and many other gifts worth more than \$50 must already be publicly disclosed on a regular basis. Additionally, Amendment 41 may result in requiring the state to provide additional money for elected officials to attend certain educational and other seminars that could no longer be funded by private organizations. Amendment 41 would make gifts, even between any family members of most public employees, potentially subject to a politically motivated investigation that would include subpoena powers. Furthermore, it would prohibit most government employees, including entry-level local and county government employees and higher education faculty and employees, from accepting or receiving, among other things, educational scholarships for themselves, their dependent children, or their spouse.

2) Former lawmakers often have expertise in specific policy areas that can benefit the public. In addition, private companies should be allowed to hire the person they believe will best represent their interests. The responsibility for making policy decisions in the public interest lies with current elected officials, not former officials.

3) The commission may not be able to objectively judge the ethics of government officials because its members are appointed by, and it may actually include, government officials. With only five members to cover all city, county, and state public officials and employees, complaints may not receive a thorough or timely investigation. Procedures already exist to address ethics complaints at every level of government in Colorado. Establishing a new commission adds unneeded bureaucracy that may duplicate the work of existing ethics oversight entities.

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#### **Estimate of Fiscal Impact**

Amendment 41 is expected to increase state government expenditures and state, county, and municipal government revenues. The increase in expenditures will depend upon the number of staff employed by the ethics commission and the cost of office space and supplies. Staff will be needed to investigate complaints, advise the commission, and prepare subpoenas. State revenues will increase to the extent that public officials and employees are fined for ethics violations. Most existing ethics laws and standards are similar to this proposal. As such, any state or local government revenue from fines is anticipated to be minimal.

#### Amendment 42 Colorado Minimum Wage

#### Amendment 42 proposes adding a new section to Article XVIII of the Colorado Constitution that:

- raises the minimum wage from \$5.15 per hour to \$6.85 per hour, and adjusts the wage annually for inflation; and
- increases the minimum wage for workers who regularly receive tips from \$2.13 per hour to \$3.83 per hour, and adjusts it annually by the same dollar amount as the minimum wage for non-tipped workers.

#### Summary and Analysis

*What is the minimum wage*? The minimum wage is the lowest wage that can be paid to most workers. It was instituted in 1938 by the federal government. Since then, the federal minimum wage has been increased nineteen times, from \$0.25 to its current level of \$5.15 per hour for most workers and \$2.13 per hour for workers that receive tips. It was last increased in 1997.

States can set a higher minimum wage than the federal one. Colorado's minimum wage is currently set at the federal amount of \$5.15 per hour. Although federal law also allows cities to enact a higher minimum wage, state law does not allow cities to enact minimum wage laws separate from that of the state.

*Which workers typically get paid the minimum wage?* Nationally, nearly three-quarters of those paid \$5.15 per hour or less work in service jobs, mostly in food preparation and serving. Some workers can be paid less than \$5.15 per hour because they receive tips or other compensation in addition to their hourly wage. Also, there are several jobs that are not covered by the minimum wage. The most common of these include certain farm workers, part-time babysitters, some seasonal and recreational employees, newspaper delivery persons, and salespeople who regularly work away from their employer's place of business.

The federal government publishes wage data for workers paid by the hour. This data overstates the number of workers affected by Amendment 42 because it includes workers not covered by minimum wage laws. Also, it understates the earnings of some workers because it does not include tips and other compensation. According to 2005 wage data, about 106,000, or just under 5 percent, of Colorado workers were paid less than \$6.85 per hour, the wage rate set in Amendment 42. About 72,000 of these workers were paid between \$5.15 and \$6.85 per hour, 9,000 were paid \$5.15 per hour, and 25,000 were paid less than \$5.15 per hour. Many of the workers earning below \$5.15 per hour likely received other compensation that pushed their total earnings above \$5.15 per hour.

How does Amendment 42 change state law? Amendment 42 increases Colorado's minimum wage from \$5.15 per hour to \$6.85 per hour beginning January 1, 2007. Furthermore, the proposal adjusts the wage by the rate of inflation each year. For workers who regularly receive tips, the minimum wage increases from \$2.13 per hour to \$3.83 per hour. This wage will adjust each year so that it will always be no more than \$3.02 *less than* that for workers who do not receive tips. For example, if inflation is 3 percent in 2007, in 2008 the minimum wage would increase to \$7.06 for most workers and \$4.04 for workers who receive tips.

How many states have higher minimum wages than the federal one? As of August 2006, 23 states and the District of Columbia had adopted a minimum wage greater than the federal minimum wage. Of those, four are adjusted annually by the rate of inflation. Washington State has the highest minimum wage. It is currently set at \$7.63 per hour and adjusts for inflation each year.

#### **Arguments For**

1) Raising the minimum wage ensures that more Coloradans working full-time will earn an income above the poverty level. Currently, a full-time worker earning \$5.15 per hour makes about \$10,700 a year. Amendment 42 raises this amount by a third, to about \$14,250. The annual income considered to be poverty level is \$9,800 for a one-person household and \$13,200 for a two-person household. Up to an estimated 138,000 Colorado workers could benefit from Amendment 42, including low-income workers earning just above the proposed minimum. Some of these workers' wages are the only source of their family's earnings.

2) An increase in the minimum wage is overdue. The federal government has not raised the minimum wage for nine years. Each year it becomes more difficult for minimum wage workers to buy necessary goods and services because of the rising cost of living. The buying power of the minimum wage is the lowest it has been for over 50 years. The proposed minimum wage of \$6.85 restores the wage to near its average buying power over the last 50 years. Adjusting the wage for inflation guarantees that the wage will not lose its buying power in the future.

3) Raising the minimum wage could benefit both businesses and workers by increasing worker morale and productivity, as well as reducing turnover and absenteeism. Further, some evidence shows that states that have minimum wages above the federal level have had favorable employment growth, including in industries that typically pay lower wages. This evidence shows that an increase in the minimum wage in these states has benefitted low-income workers without harming the economy.

#### **Arguments Against**

1) Raising the minimum wage may hurt the economy. Requiring businesses to increase the pay of non-tipped minimum wage workers by 33 percent and tipped minimum wage workers by 80 percent will push up wages of other workers and increase overall labor costs. Some evidence shows that businesses respond to an increase in the minimum wage by raising prices or by hiring fewer workers, or both. An increase in the minimum wage could be particularly difficult for smaller businesses and restaurants with fewer financial resources. The government does not need to require businesses to pay their workers more; businesses already pay nearly all Colorado workers more than the proposed minimum wage.

2) Some evidence shows that increases in the minimum wage cause employers to hire fewer less-skilled and inexperienced workers. These workers would then miss the opportunity to earn an income and gain the skills and experience that would allow them to earn higher wages in the future. Also, businesses forced to pay higher wages may offer fewer benefits, raises, and training opportunities. Further, many minimum wage workers do not live in low-income households or earn the minimum wage for long. Instead of increasing the minimum wage for all workers, existing programs and tax benefits can help low-income workers in need.

3) Since changes to the state constitution require voter approval, putting the minimum wage in the state constitution will make it difficult to respond quickly to future economic and labor conditions. Also, adjusting the minimum wage each year for inflation could contribute to continuing higher prices for Colorado consumers. Further, businesses will be required to pay workers higher wages each year regardless of their qualifications or performance and the financial condition of the business or the economy.

#### **Estimate of Fiscal Impact**

**State spending and revenue.** Students employed in work-study positions at state universities and colleges are often paid less than \$6.85 per hour. The difference between current student wages and the wages required by Amendment 42 could cost the state up to \$2.8 million annually. The actual state cost will depend on the options used by the legislature or schools to address the higher wages, such as providing more state money to the schools, increasing fees or tuition, or reducing the number of work study hours available to students. All other state employees are currently paid above \$6.85 per hour. Presently, it is unknown whether Amendment 42 will affect state revenue from income or sales tax collections. Any change in tax revenue cannot be quantified at this time.

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**Local government impact.** The fiscal impact of the amendment on local government has not been estimated, though expenditures would increase for those local governments that currently pay workers at or near the minimum wage. Any change in local tax revenue cannot be quantified at this time.

#### Amendment 43 Marriage

# Amendment 43 proposes adding a new section to Article II of the <u>Colorado Constitution</u> that:

- defines marriage in Colorado as only a union between one man and one woman.

#### Summary and Analysis

**Definitions of marriage affecting Coloradans.** Federal statutes define marriage as a legal union between one man and one woman for purposes of all federal laws relating to marital status. Colorado statutes define marriage as a legal union between one man and one woman for purposes of the state's laws relating to marital status.

For a marriage to be valid under Colorado statutes, it must be: (1) between a man and a woman; and (2) licensed, solemnized, and registered according to established procedures. In addition, Colorado recognizes common law marriage between a man and a woman who live together and hold themselves out publicly as husband and wife. Common law marriages are treated exactly the same as licensed marriages.

*Legal effects of marriage in Colorado.* The marriage relationship in Colorado provides spouses with a number of legal rights, responsibilities, and benefits, including:

- collecting benefits such as pensions, life insurance, and workers' compensation without being designated as a beneficiary;
- jointly incurring and being held liable for debts;
- making medical treatment decisions for each other;
- protection from discrimination based on marital status in areas such as employment and housing;
- filing income taxes jointly; and
- ending a marriage and distributing property through a legal process.

#### **Arguments For**

1) The public has an interest in preserving the commonly accepted definition of marriage. Marriage as an institution has historically consisted of one man and one woman and, as such, provides the optimal environment for creating, nurturing, and protecting children and preserving families.

2) A constitutional amendment is necessary to avoid court rulings that expand marriage beyond one man and one woman in Colorado. In Massachusetts, a statutory definition was not sufficient to prevent a court from requiring the state to recognize same-sex marriages. Any change to the definition of marriage should be determined by the voters, not judges.

#### **Arguments Against**

1) Language that limits marriage to opposite-sex couples does not belong in Colorado's Bill of Rights, which generally guarantees individual rights. Amendment 43 may be unconstitutional because it denies same-sex couples and their children the legal benefits and protections that are available to married couples and their children.

2) Adding the proposed language to the constitution is unnecessary because there is already a statutory ban in Colorado on any marriage that does not consist of one man and one woman. Additionally, federal statutes define marriage as between one man and one woman for purposes of federal laws.

#### **Estimate of Fiscal Impact**

Amendment 43 is not expected to affect state and local revenues or spending. Costs that may result from potential legal challenges to the amendment cannot be estimated.

#### Amendment 44 Marijuana Possession

#### Amendment 44 proposes a change to the Colorado statutes that:

- legalizes the possession of up to one ounce of marijuana for adults 21 years of age or older.

#### **Summary and Analysis**

Individuals who grow, transfer, possess, sell, or consume marijuana violate federal, state and, in some cases, local laws. Amendment 44 addresses state law for possession only; enforcement of other marijuana laws would not change.

State possession law. Under state law, any person who possesses one ounce or less of marijuana commits a Class 2 petty offense, which is punishable by a fine of up to \$100. State courts convicted 3,700 adults for possession of one ounce or less of marijuana in the 2005 state budget year, the most recent data available. This number does not include convictions in municipal courts, which also hear some marijuana possession cases.

Amendment 44 allows adults 21 years of age or older to possess up to one ounce of marijuana. Possession would include consumption or use, as long as it does not occur in public. It also would include transferring up to one ounce of marijuana to another individual 15 years of age or older as long as there is no compensation, although possession for those under 21 years of age would remain illegal.

Other marijuana offenses. The following marijuana offenses will continue to be illegal under state law if Amendment 44 passes:

- for individuals under 21 years of age, possessing any amount of marijuana; ٠
- possessing more than one ounce of marijuana;
- for individuals 18 years of age and older, transferring any amount of marijuana to a person under ٠ 15 years of age;
- growing or selling marijuana;
- open and public display, use, or consumption of marijuana; and
- driving under the influence of marijuana.

#### **Arguments For**

1) Amendment 44 strikes a balance between individual choice and public safety. State law allows adults 21 years of age and older to possess and consume alcohol, but prohibits the possession and use of marijuana. To the extent that some adults believe that using marijuana is a safer alternative to consuming alcohol, possession of a small quantity of marijuana should be a personal and legal choice for adults.

2) Amendment 44 presents a sensible change in priorities without jeopardizing public safety. The proposal could free overburdened state and local criminal justice systems from expending public resources on petty offenders, and allow these systems to target their resources on the manufacturers, distributors, and traffickers of illegal drugs. At a time when government budgets for law enforcement and court systems are strained, focusing resources on more serious offenses is logical for taxpayers.

#### **Arguments Against**

1) Marijuana use may lead a person to use or possess other illegal drugs. Under Amendment 44 overall drug use in the state may rise, and legalizing the possession of marijuana will increase not only the availability and acceptability of marijuana, but also the likelihood that minors will have access to the drug. Colorado does not want to become a magnet for illicit drug users.

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2) Policy discussions should not focus on whether alcohol or marijuana is a safer drug, because the only safe alternative to alcohol or drug intoxication is sobriety. Colorado should enforce, not repeal, drug laws. State and local drug enforcement costs are minimal compared to the social costs of drug abuse and addiction. Public safety and health concerns, along with the fact that marijuana will remain illegal under federal law, make legalizing marijuana at the state level an unwise public policy decision.

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#### **Estimate of Fiscal Impact**

Amendment 44 may reduce state and local government revenues because fines would no longer be assessed for adult marijuana possession of one ounce or less. The amount of the revenue reduction cannot be quantified because the total number of individuals convicted annually for possessing one ounce or less of marijuana is not known. The state collects data for convictions in state courts but not municipal courts. In addition, judges have discretion when assessing fines, and the maximum fine is not levied against all offenders. Also, some fines cannot be collected from the person convicted.

> Referendum E Property Tax Reduction for Disabled Veterans

#### Referendum E proposes a change to Section 3.5 of Article X of the Colorado Constitution that:

- reduces property taxes for qualified disabled veterans by exempting a portion of the value of their home from property taxation; and
- defines a qualified disabled veteran as a veteran who has a service-connected disability with a 100-percent permanent disability rating.

#### Summary and Analysis

**How does the program work?** Homeowners pay property taxes based on the value of their home and the tax rate set by the local governments where they live. Referendum E reduces the taxable value of a qualified veteran's home by one-half of the first \$200,000 of the home's value, thereby lowering property taxes owed on the home. The state legislature can adjust the \$200,000 amount to either increase or decrease the benefit from Referendum E in future years. Currently, the state offers the same property tax reduction to homeowners age 65 and over who have lived in their homes for at least ten years. A qualifying veteran who is also eligible for a reduction in property taxes as a senior cannot claim both reductions.

The dollar amount of the tax reduction will vary among homeowners depending upon the local property tax rate, the home's value, and the amount of the exemption. Table 1 provides examples of how Referendum E reduces property taxes based on the average statewide property tax rate and the current exemption level.

| Home Value | Average Taxes<br>without<br>Referendum E | Average Taxes<br>with<br>Referendum E | Average Tax<br>Reduction | Percent Tax<br>Reduction |
|------------|--|---------------------------------------|--------------------------|--------------------------|
| \$100,000  | \$600                                    | \$300                                 | \$300                    | 50%                      |
| \$150,000  | \$900                                    | \$450                                 | \$450                    | 50%                      |
| \$200,000  | \$1,200                                  | \$600                                 | \$600                    | 50%                      |
| \$300,000  | \$1,800                                  | \$1,200                               | \$600                    | 33%                      |
| \$500,000  | \$3,000                                  | \$2,400                               | \$600                    | 20%                      |

# Table 1: Examples of the Property Tax Reduction for Qualified Veterans

Who qualifies for the tax reduction? Homeowners who have served on active duty in the U.S. Armed Forces and are rated 100-percent permanently disabled by the federal government due to a service-connected disability qualify for the tax reduction in Referendum E. Colorado National Guard members injured while serving in the U.S. Armed Forces also qualify. Veterans are rated 100-percent permanently disabled when a mental or physical injury makes it impossible for the average person to hold a job and the disability is lifelong. Nationally, less than one percent of veterans have a 100-percent permanent disability rating. About 2,200 veterans are expected to qualify for the property tax reduction in Colorado.

What are the fiscal implications? Referendum E affects property taxes paid beginning in 2008. The average property tax savings for those who qualify will be about \$466. The total reduction in property taxes is estimated to be about \$1 million in the first year. The state is required to reimburse local governments for the reduction in property tax revenue resulting from Referendum E.

#### **Arguments For**

1) Colorado needs to do more to help veterans who have sacrificed their health for our nation and state. Many states offer a property tax reduction for disabled veteran homeowners, and six states do not require these veterans to pay any property taxes. Referendum E provides one way, at a modest cost, for Colorado to thank 100-percent permanently disabled veterans for their service.

2) The money that Referendum E saves qualifying veterans can improve their quality of life. Despite existing government benefits, veterans still have unmet financial needs that are tied to their disability. Unlike most other citizens, 100-percent permanently disabled veterans have very limited opportunities to improve their quality of life through employment and other means. Referendum E is an opportunity for the state to at least partially offset this economic disadvantage.

#### **Arguments Against**

1) Referendum E is a special interest tax break that benefits less than one-twentieth of one percent of all Colorado residents. When one group benefits financially from a tax reduction, other taxpayers must pay. If the state can afford to reduce taxes for certain taxpayer groups, it should reduce taxes for all taxpayers. Referendum E further singles out a portion of the taxpayers it proposes to help by reducing taxes for 100-percent disabled veterans who are financially able to own homes. Disabled veterans who do not own a home do not benefit from this proposal.

2) Because veterans were in the service of the federal government, the responsibility to meet the financial needs of veterans rests with the federal government. By creating a new state program for a small group of veterans, Referendum E interferes with the balance of benefits set by the federal government. In addition, the recent focus on international conflicts may lead voters to believe the state is providing a benefit to only those veterans who were injured in a combat zone when in fact the injury may have resulted while on call or during a time when the United States was not at war.

#### **Estimate of Fiscal Impact**

Referendum E increases state expenditures because it requires the state to reimburse local governments for reduced property tax collections. The state estimates that roughly 2,200 disabled veterans will qualify for the exemption and the average property tax reduction per veteran will be \$466. Thus, the impact to the state will be slightly more than \$1 million, beginning with the 2008 budget year.

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#### Referendum F **Recall Deadlines**

#### Referendum F proposes a change to Section 2 of Article XXI of the Colorado **Constitution that:**

- removes deadlines for protesting petitions to recall elected state officials;
- allows the state legislature to set deadlines for protesting petitions to recall elected state officials; and
- changes the requirements for when a recall election is held.

#### **Summary and Analysis**

What is a recall election? A recall election lets voters remove and replace an elected official prior to the end of the official's term. Every state and local elected official in Colorado may be recalled. Recall elections occur mostly at the local level. At a recall election, voters are asked if they want to recall the elected official and to choose a candidate to replace the official if the recall election is successful.

*Current state recall election process.* Recall elections are triggered when the required number of registered voters sign a recall petition. For elected state officials, the required number of signatures is 25 percent of the votes cast for all candidates for that office in the preceding election. Elected state officials include statewide officeholders, such as the governor and the attorney general, and state officials elected from specific districts, such as legislators and district attorneys. Proponents have up to 60 days to gather signatures after a petition form is approved by state election officials. Signatures on petitions can be protested, which results in a hearing by the election official. The date of the recall election depends on when the petition is submitted, taking into account whether a November election in an even-numbered year will occur in the near future.

Proposed recall petition and election deadlines for elected state officials. Referendum F removes most deadlines for recall petitions and protest hearings from the state constitution and allows the state legislature to set these deadlines in statute. During the 2006 legislative session, House Bill 06-1051 was passed concerning recall elections. It will take effect July 1, 2007, if Referendum F is approved. As it relates to Referendum F, this law extends deadlines for election officials to hear protests of recall petitions and to hold recall elections. Table 1 compares the current recall deadlines with those in Referendum F and the new statute.

| Issue   | Current<br>Constitutional Deadline                     | Referendum F<br>Constitutional Deadline | Statutory<br>Deadline   |  |
|---|--|---|---|--|
| What is the deadline for<br>protesting signatures on a<br>petition?               | 15 days after the petition is filed                    | Deleted                                 | No change from current<br>statute - 15 days after the<br>petition is determined to be<br>sufficient |  |
| When must the election<br>official conclude the hearing<br>on a petition protest? | 30 days after the petition is filed                    | Deleted                                 | 55 days after the petition is filed   |  |
| How many days do<br>proponents have to remedy<br>petition shortfalls?             | 15 days after the petition is found to be insufficient | Deleted                                 | Not specified   |  |

#### Table 1: Recall Election Deadlines

| Current<br>Issue Constitutional Deadline                                  |   | Referendum F<br>Constitutional Deadline  | Statutory<br>Deadline  |  |
|---|---|--|--|--|
| What is the deadline for holding a recall election?                       | Between 30 and 60 days after the petition is submitted  | Between 30 and 60 days<br>after the protest period ends<br>and all petition protests have<br>been finally decided  | Between 30 and 60 days<br>after the protest period ends<br>and all petition protests have<br>been finally decided                |  |
| When must a recall election<br>be held as part of a<br>November election? | Held at the November election<br>in even-numbered years if the<br>recall petition is submitted in<br>the 90 days before the<br>election | Held at the November<br>election in even-numbered<br>years if it falls within 50 to 90<br>days after all petition<br>protests have been finally<br>decided | Held at any November<br>election if it falls within 50 to<br>90 days after all petition<br>protests have been finally<br>decided |  |

#### **Arguments For**

1) Referendum F gives the legislature the flexibility to change recall election procedures and deadlines to address changing circumstances, such as population growth, new voting procedures, or new technology that improves the petition verification process. The current deadlines for recall petitions were added to Colorado's constitution in 1913, when a recall of the governor would have required one-fifth as many signatures as would be required today.

2) The current deadlines may be too tight for election officials to respond to petition protests and to conduct a recall election. For example, if a recall petition for the current governor is protested, state election officials could have as few as five days to hear protests on the validity of 358,200 signatures. Also, if a recall petition is submitted close to a November election in an even-numbered year, there may not be enough time to prepare and reprint a new ballot. Referendum F allows the legislature to take all circumstances into account in setting deadlines for the recall election process.

#### **Arguments Against**

1) Referendum F puts too much power in the hands of legislators and the governor by allowing them to amend election deadlines that regulate recall of their own offices. These officials may have an incentive to adopt deadlines that make their recall more difficult or that extend their time in office before facing a recall election. Referendum F also removes the fifteen-day period for collecting additional signatures to remedy a shortfall. Without this guaranteed period of time, it is uncertain if there is any additional time to remedy petition shortfalls. Further, Referendum F is unnecessary because no statewide elected official has ever been the subject of a recall election.

2) Citizens should be able to remove unsatisfactory officials as quickly as possible and replace them with elected officials of their choice. Under the deadlines in the new law, elected officials may have more days in office prior to a recall election. This additional time may provide an advantage for an elected official to organize opposition to his or her recall. Recall proponents already face the difficult challenge of obtaining the high number of signatures required by the state constitution.

#### **Estimate of Fiscal Impact**

Referendum F is not expected to affect state or local government revenues or expenditures.

#### **Referendum G Obsolete Constitutional Provisions**

# Referendum G proposes changes to Articles XVII, XX, and XXIV of the Colorado

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- remove provisions, dates, and references to laws that are obsolete from three sections of the constitution: and
- eliminate specific gender references in one section of the constitution.

#### **Summary and Analysis**

**Constitution that:** 

Referendum G addresses three sections of the constitution: militia duty, the consolidation of the City and County of Denver's school districts, and the Old Age Pension Fund.

*Militia duty.* Referendum G removes a requirement that an individual with a moral objection to militia duty pay a fee to be exempt from duty. Requiring payment for an exemption from military service dates back to the colonial era and generally ended around the Civil War. Colorado's early draft constitutions were written during the Civil War era when exemption fees were still in practice. The provision was left in the constitution that was adopted in 1876, even though the practice was generally no longer in use.

Denver school districts. A 1901 state constitutional amendment consolidated the multiple school districts in the City and County of Denver into one district and created a temporary school board for the district before a permanent one was elected. To accomplish the consolidation, one section of the 1901 amendment eliminated the existing school districts in Denver, and another outlined the composition of the temporary school board. Referendum G removes these sections because the events have already occurred.

Old Age Pension Fund. The Old Age Pension Fund provides public assistance to eligible elderly residents. Referendum G eliminates references to specific genders and to dates that have passed. Referendum G also removes references to laws that no longer exist, and where appropriate, updates the constitution to reflect the current legal reference of existing laws.

#### **Argument For**

1) Referendum G continues an effort to update the constitution by deleting language that is outdated and not essential to the understanding of the constitution.

#### **Argument Against**

1) All provisions of the constitution have historical significance. Removing provisions may diminish the historical character of the constitution and make research of constitutional provisions and state laws more difficult.

#### **Estimate of Fiscal Impact**

Referendum G does not affect state or local revenues or expenditures.

#### Referendum H Limiting a State Business Income Tax Deduction

#### Referendum H proposes a change to the <u>Colorado statutes</u> that:

- increases state income taxes owed for some businesses that deduct wages or other compensation paid to unauthorized aliens; and
- defines an unauthorized alien as a person who is not eligible under federal immigration law to work in the United States.

#### Summary and Analysis

How do business income taxes work? Like individuals, businesses pay taxes based on the amount of income they earn. In determining the amount of income on which federal taxes are owed, federal law allows businesses to deduct all expenses that are considered ordinary and necessary in conducting business, including wages. These deductions lower the amount of federal taxes owed. Federal law does not specifically exclude wages paid to unauthorized aliens from a business' income tax deductions. State income taxes are based on federal taxable income. Therefore, any deductions claimed on the federal form also lower the amount of state income taxes owed.

How does Referendum H affect state income taxes? Beginning January 1, 2008, Referendum H requires a business to disclose the amount of wages or other compensation paid to unauthorized aliens that it deducted as an expense on its federal income tax return. Referendum H increases the business' state taxable income by this amount, which results in a higher state income tax bill. This requirement applies only to annual wages or other compensation paid of \$600 or more per worker. Furthermore, the requirement applies only in cases where the business knew at the time of hiring that it was hiring an unauthorized alien.

#### **Arguments For**

1) Referendum H is part of a broad strategy for addressing the illegal immigration problem at the state level. It targets the employment of unauthorized aliens, which is the root cause of illegal immigration. As long as job opportunities for unauthorized aliens exist, the incentive to come to Colorado or overstay visas will persist.

2) By discouraging the hiring of unauthorized aliens, Referendum H reduces the financial advantage that a business gains when it pays lower wages to unauthorized aliens. As a result, it provides a more competitive environment for businesses that pay higher wages to legal workers. By reducing the number of jobs available to unauthorized aliens, more job opportunities will be open to Colorado residents.

#### **Arguments Against**

1) Referendum H will likely have little or no impact on illegal immigration. In fact, the proposal only increases taxes if a business voluntarily discloses that it paid wages to unauthorized aliens. Furthermore, Referendum H would not impact a business that pays for services in cash or pays wages to an unauthorized alien who was hired using fraudulent documentation. As a result, no business in Colorado is likely to pay higher taxes. Finally, there is little incentive to stop hiring unauthorized aliens because a business can get a federal tax break worth at least five times as much as the additional taxes owed to Colorado under this proposal.

2) Illegal immigration is a national issue, and therefore it is the responsibility of the federal government to enforce and protect the country's borders. Hiring unauthorized aliens is already against the law, which means that the issue Referendum H tries to address would not exist if current laws were enforced.

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#### **Estimate of Fiscal Impact**

Referendum H may increase state income tax collections. Increased tax collections are expected to be minimal because Referendum H does not apply in a variety of circumstances, such as wages paid in cash or employment gained using fraudulent documents, and compliance is expected to be inconsistent. If the state collects more than \$150,000 in the 2009 budget year as a result of Referendum H, the state is required to refund the excess amount back to taxpayers. A small expenditure for the Department of Revenue will be necessary for computer programming in order to add a line on the state income tax form.

#### **State Spending and Tax Increases**

The state constitution requires that the following fiscal information be provided when a tax increase question is on the ballot:

- 1. the estimated or actual state spending under the constitutional spending limit for the current year and each of the past four years with the overall percentage and dollar change;
- 2. for the first full fiscal year of the proposed tax increase, an estimate of the maximum dollar amount of the tax increase and of state fiscal year spending without the increase.

Table 1 shows the dollar amount of state spending under the constitutional spending limit. Table 2 shows the revenue expected from the increased income taxes and state fiscal year spending with and without these taxes for 2009, the first full fiscal year for which the increase would be in place.

|  | Actual<br>2003  | Actual<br>2004  | Actual<br>2005  | Preliminary<br>2006 | Estimated 2007  |
|--|-----------------|-----------------|-----------------|---------------------|-----------------|
| State Spending   | \$7.713 billion | \$8.333 billion | \$8.311 billion | \$8.053 billion     | \$8.332 billion |
| Four-Year Dollar Change in State Spending: \$619 million |                 |                 |                 |                     |                 |
| Four-Year Percent Change in State Spending: 8.0 percent  |                 |                 |                 |                     |                 |

#### Table 1: State Spending

The numbers in Table 1 show state spending from 2003 through 2006 for programs that were subject to the constitutional spending limit during those years. However, the constitution allows a program that operates similar to a private business to become exempt from the limit if it meets certain conditions. Because some programs have done this during the last five years, the numbers in Table 1 are not directly comparable to each other. Furthermore, Referendum C, which was passed by voters in 2005, allows the state to spend money above the limit that it otherwise would have refunded to taxpayers. If numbers are adjusted for both of these factors, the four-year dollar change is \$2.163 billion and the four-year percent change is 30.7 percent.

#### Table 2: State Fiscal Year Spending and the Proposed Tax Increase

|                                  | 2009<br>Estimate   |
|----------------------------------|--------------------|
| State Spending without New Taxes | \$9,221.17 million |
| New Income Tax Increase          | \$0.15 million     |
| State Spending with New Taxes    | \$9,221.32 million |

#### Referendum I Domestic Partnerships

#### Referendum I proposes a change to the <u>Colorado statutes</u> that:

- creates a new legal relationship, called a domestic partnership, providing same-sex couples the
  opportunity to obtain the legal protections and responsibilities granted to married couples by Colorado
  law;
- defines the criteria and process for entering into a domestic partnership; and
- specifies that domestic partnerships are not marriage and do not change the public policy of the state, which defines marriage as only the union of one man and one woman.

#### Summary and Analysis

Under Colorado law, there is no process for same-sex couples to establish a legally binding relationship with legal protections, benefits, and responsibilities. Referendum I creates such a process, beginning February 12, 2007, and gives domestic partners the legal rights and responsibilities that spouses have. The legislature is required to pass laws to implement the provisions of Referendum I.

**Domestic partnerships under Referendum I.** Referendum I provides domestic partners legal rights, responsibilities, and benefits, including:

- jointly holding property with rights of inheritance;
- jointly incurring and being liable for debt;
- covering a partner as a dependent under policies for life insurance and health care;
- family leave benefits;
- committing a partner to a mental health facility;
- protection under the state's domestic violence laws; and
- disposing of a deceased partner's last remains.

Under Referendum I, Colorado laws that apply to spouses also apply to domestic partners, including laws that:

- pertain to medical care decisions, hospital visitation, and terminal care documents;
- grant workers' compensation payments to spouses and dependents;
- allow civil lawsuits based on spousal status, such as lawsuits for wrongful death;
- prohibit discrimination based on spousal status in areas such as housing and employment; and
- govern legal separation, divorce, property division, spousal maintenance, and child custody and support.

Currently, same-sex couples may sign legal documents for some protections and benefits, including the right to make medical decisions and to jointly hold and to inherit property. Other rights, such as filing suit for wrongful death, accessing a partner's workers' compensation benefits, or collecting child support, can only be granted by law. Therefore, they are not currently available to same-sex couples.

Referendum I specifically prohibits domestic partners from filing a joint state income tax return. Additionally, it permits a child placement agency to refuse to place a child with domestic partners for adoption if the agency objects on religious grounds.

*Creating domestic partnerships.* Individuals entering into a domestic partnership must be at least eighteen years of age and of the same sex. Individuals cannot enter into a domestic partnership with an ancestor, descendant, sibling, aunt, uncle, niece, or nephew, or a person who is married or in another domestic partnership.

Parties to a domestic partnership are required to obtain a license. The license may be certified by an individual such as a judge or member of the clergy, or the parties may certify the partnership themselves. The domestic partnership is then registered with the state.

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Recognition of domestic partnerships. Federal law allows each state to determine whether it recognizes a legal relationship between same-sex couples established in another state. Under Referendum I, only domestic partnerships that are registered in Colorado are valid in Colorado. Other states will determine whether to recognize domestic partnerships registered in Colorado.

The federal government uses marital status as the gualification for a number of federally regulated rights and responsibilities. Examples include the ability to jointly file federal taxes, receive Social Security survivor and disability benefits, and obtain work and residency visas for foreign spouses. Referendum I does not extend any of these federal rights and responsibilities to domestic partners in Colorado.

#### **Arguments For**

1) Committed same-sex couples deserve access to the legal protections, responsibilities, and benefits automatically granted to married couples. Many of these cannot be accessed through legal documents. Referendum I provides these legal protections while making no change to the legal status of marriage, which consists of the union of one man and one woman.

2) Establishing legal standards of responsibility and a framework for resolving disputes for same-sex couples is in the state's interest. By holding same-sex couples accountable for legal commitments made in raising children, incurring debt, and owning property, domestic partnerships benefit individuals, their families, and the broader community.

#### **Arguments Against**

1) Domestic partnerships diminish the significance of marriage for society by reducing marriage to a list of benefits and responsibilities. The benefits given to married couples are intended to support child rearing by one man and one woman. The state has an interest in restricting recognition and legal protection to these married couples to provide stability for the individuals, their families, and the broader community.

2) Domestic partnerships extend benefits to same-sex couples that are not extended to any other two unmarried people. Many of the rights and responsibilities of married couples are already available to any two people willing to make a will, assign power of attorney, or enter into contracts. However, Referendum I gives the rights and responsibilities that are not currently available by contract only to domestic partners.

#### **Estimate of Fiscal Impact**

State revenues and expenditures. The state will charge \$17 for domestic partnership certificates, resulting in new state revenues of \$59,500 per year, based on an estimated 3,500 certificates annually. Annual state expenditures of \$136,000 are expected to review and process civil rights complaints alleging discrimination on the basis of employment, housing, and public accommodation. These costs do not include spending associated with legal challenges that may result from Referendum I or from potential changes in the number and complexity of other court cases involving same-sex couples.

County revenues and expenditures. Counties are required to collect a \$7 license fee for each domestic partnership to offset their costs. Thus, \$24,500 in license fee revenue is expected to be retained by counties each year.

#### Referendum J School District Spending Requirements

Two ballot proposals establish requirements for school district spending. Referendum J, discussed below, proposes a change to state statute. Amendment 39, discussed on page 5, proposes a change to Section 17 of Article IX of the Colorado Constitution. Voters may choose to vote for one, both, or neither of the proposals. Neither proposal is dependent upon passage of the other. If both proposals pass and any provision of Referendum J is found to conflict with a provision of Amendment 39, then that provision of Referendum J will not be enforced. Both proposals:

- require each school district to spend at least 65 percent of its operating budget on specific items beginning in the 2007-08 school year, although the items are different in each proposal;
- require any school district that spends less than the 65-percent threshold to increase its spending on the specified items by two percentage points each year until the threshold is met;
- allow a school district to request a one-year waiver from the spending requirement; and
- allow the legislature to sanction any school district that fails to comply with the spending requirement.

Additionally, Referendum J:

- allows voters to exempt a school district from the 65-percent requirement; and
- requires each school district to submit an annual budget in a standardized format to the state.

#### **Summary and Analysis**

Decisions on how to spend money to operate public schools are made by locally elected school boards in each school district, with certain exceptions. Under current law, districts have to set aside money for school supplies and books, buildings and insurance, and services for at-risk students. On average, these earmarked purposes accounted for roughly \$600 per pupil in school year 2004-05, or nearly 8 percent of school district operating budgets. Both Amendment 39 and Referendum J propose to add a new requirement: that each school district spend at least 65 percent of its operating budget on the items listed in Table 1.

| School District Expenditure Items   | Included in<br>Amendment 39? | Included in<br>Referendum J? |
|---|------------------------------|------------------------------|
| Teachers, Classroom Aides, and Tutors   | U                            | U                            |
| Libraries and Librarians  | U                            | U                            |
| Books and Other Instructional Materials   | U                            | U                            |
| Classroom Computers   | U                            | U                            |
| Field Trips, Athletics, Arts, and Music   | U                            | U                            |
| Principals  |                              | U                            |
| Support Staff (Guidance Counselors, Nurses, Bus Drivers, and Food Service Workers)  |                              | U                            |
| Support Services Provided at the School Level (Teacher Training, Student Testing, College Placement Services, Student Health and Medical Services, Food Services, and Transportation) |                              | U                            |
| Superintendents and School Boards   |                              |                              |
| Building Construction, Maintenance, and Repairs   |                              |                              |
| Central Administrative Functions (Payroll, Accounting, and Budgeting)   |                              |                              |

| Table 1: Examples of Items Included in the 65-Percent Requirement |
|---|
| in Amendment 39 and Referendum J                                  |

In addition to applying the 65-percent requirement to different items, the two proposals define an operating budget differently. As a result, the proposals will affect districts differently. Table 2 compares spending on the items required by each proposal using average school district spending per pupil from the 2004-05 school year, the most recent year for which data are available.

# Table 2: Comparison of 2004-05 Spending on Items Specified in Amendment 39 and Referendum J

| Statewide Average                          | Amendment 39 | Referendum J |
|--|--------------|--------------|
| Total Operating Budget Per Pupil           | \$7,942      | \$7,863      |
| Actual Spending on Specified Items         | \$4,784      | \$6,521      |
| Percent Currently Spent on Specified Items | 60%          | 83%          |

Data on individual school district spending indicate that under both proposals some school districts would not have met the 65-percent requirement in the 2004-05 school year. If the requirements were in place in 2004-05, 166 school districts would have fallen short by a total of \$278 million under Amendment 39. Three districts would have fallen short by a total of \$1 million under Referendum J.

A district that spends less than the 65-percent threshold must increase spending on the specified items by two percentage points per year until the requirement is met. Alternatively, a district may seek a waiver from the requirements.

Each year, school district spending records are audited and reported to state and federal education agencies. The data are organized by category to show the amount spent on such items as classroom instruction, support staff, administration, and buildings. These reports will be used to determine compliance with the 65-percent requirement, although some modification to the categories may be required. The State Board of Education is responsible for approving the types of data that are reported in each category.

#### Arguments For Referendum J

Arguments for Amendment 39 appear on page 6.

1) By including all school functions in the 65-percent spending requirement, Referendum J recognizes that students and teachers benefit from the support provided by principals, guidance counselors, nurses, bus drivers, and many others who are outside the classroom.

2) Referendum J establishes a standard for school district spending that can be changed in the future by the state legislature as the delivery of education services changes. And, it preserves the flexibility of locally elected school boards to respond to the needs and desires of the community. School boards in each district can still decide whether school spending should be for teachers, counselors, classroom materials, technology, transportation, or hot lunches.

#### Arguments Against Referendum J

Arguments against Amendment 39 appear on page 6.

1) Referendum J is unnecessary because nearly all school districts in the state already meet the 65-percent requirement. It also creates new data and budget reporting requirements for school districts without necessarily improving student achievement.

2) Referendum J fails to account for the important differences among the 178 school districts across Colorado. School districts vary greatly in the characteristics of their pupil population, geography, and community values. These differences should be addressed by locally elected school boards with input from parents, teachers, taxpayers, and others in the district.

#### Estimate of Fiscal Impact of Referendum J

The Colorado Department of Education will determine school district compliance with Referendum J's expenditure requirements. This effort is expected to increase state costs by about \$62,000 per year. Referendum J may also increase school district costs by requiring more detailed tracking of expenditures, additional budget planning to conform with the proposal, and a new standardized budget submission. Additionally, while Referendum J does not increase funding for public education, an estimated 3 of 178 districts will have to increase spending on the specified items by a total of \$1 million to meet its requirements. This estimate is based on 2004-05 spending.

Referendum K Immigration Lawsuit Against Federal Government

#### Referendum K proposes a change to the Colorado statutes that:

 requires the state of Colorado to sue the federal government to demand enforcement of existing federal immigration laws.

#### **Summary and Analysis**

Federal immigration law determines which foreign-born individuals may enter the country, establishes procedures to become a U.S. citizen, and specifies how these laws are enforced. States cannot impose penalties for violations of federal immigration laws. States can adopt some laws related to immigration, for instance, some states, including Colorado, have laws prohibiting the expenditure of tax dollars to provide certain government services to illegal immigrants.

Referendum K directs the Colorado attorney general to initiate, or join other states in, a lawsuit against the U.S. attorney general to demand that the federal government enforce existing federal immigration laws. These attorneys general are the main legal advisors and law enforcement officers of the state of Colorado and the United States, respectively.

Several states have unsuccessfully sued the federal government to demand enforcement of immigration laws and to recover costs related to the education, incarceration, and health care of illegal immigrants, arguing that the costs result from the federal government's failure to enforce its laws. The Colorado legislature recently passed two laws that direct the state attorney general to take all available steps to make the federal government pay state costs related to illegal immigration. These steps could include suing the federal government.

#### **Argument For**

1) A lawsuit makes it explicitly clear that states want the federal government to take action to enforce federal immigration laws. An independent research group estimates that last year Colorado spent \$225 million on K-12 education, emergency medical care, and incarceration of illegal immigrants. Illegal immigrants also benefit from other state services provided to all residents of the state regardless of immigration status, such as public health assistance and child welfare services. The lawsuit required by Referendum K is an important step in reducing costs incurred by the state in dealing with illegal immigrants.

#### **Argument Against**

1) Requiring the state attorney general to sue the federal government for enforcement of immigration laws could waste state tax dollars and the attorney general's time. The federal government has exclusive authority to determine which immigrants may enter the U.S. and to remove those who are here illegally. Other states' attempts to make the federal government enforce immigration laws indicate that Colorado's effort will likely fail.

#### **Estimate of Fiscal Impact**

Referendum K is expected to cost the state \$190,000 annually until the lawsuit is resolved. The state attorney general's office will require two new attorneys plus support staff for time and work associated with the lawsuit.

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#### TITLES AND TEXT

#### Amendment 38 Petitions

**Ballot Title:** An amendment to the Colorado constitution concerning initiative and referendum petitions, and, in connection therewith, changing petition rights and procedures; allowing petitions to be submitted at all levels of Colorado government; limiting initiative ballot titles to 75 words; changing single subject requirements and procedures; limiting the annual number of new laws that governments may exclude from possible referendum petitions; establishing standards for review of filed petitions; specifying that petitions may be voted on at any November election; limiting the use of government resources to discuss a petition; requiring voter approval for future petition laws and rules and for changes to certain voter approved petitions; and authorizing measures to enforce the amendment.

#### Text of Proposal:

Be it Enacted by the People of the State of Colorado:

Article VII, section 2

#### Petitions.

(1) Enforcement. This section shall create fundamental rights to strengthen citizen control of government. It shall be self-executing and severable. It shall supersede conflicting constitutional, charter, and other state and local laws. Time limits shall extend only to expire on district workdays. The state shall enforce strictest compliance with this section by all districts. Individual and class action suits shall be filed within one year of violations. Only plaintiffs may demand jury trial verdicts on all matters of law, fact, and damages. District violations shall not void petitions, nor be balanced or harmonized, nor excused by substantial compliance, good faith, ignorance, or emergencies, but shall require strictest scrutiny and full enforcement. Successful plaintiffs shall recover from defendants who are not petition agents all costs and attorney fees, contingent or not. Defendants who are not petition agents may recover only if a jury unanimously finds a suit frivolous.

(2) Definitions. Within this section: (a) "Ballot titles" means all language on ballots describing specific petitions.

(b) "Districts" means the state and all local governments, and includes all enterprises, authorities, and other governmental entities.

(c) "Petitions" means citizen-sponsored initiatives and referenda on legislative policy, not on specific uses of administrative procedure.

(d) "Shall" means mandatory.

(3) Petition rights. (a) Petition rights shall exist in all districts. Required district registered elector petition entries shall not exceed 5% of all district votes for secretary of state candidates in the last full-term general election for that office. The general assembly may reduce that number for proposed statutes. Any review and comment hearing shall be held within 7 days of filing initiative drafts. Initiative ballot titles shall not exceed 75 words, shall be set within 7 days of requests made at any time, and may also be set by any state district court. Ballot title setters shall be disqualified for bias or other good cause. No summary or fiscal note shall be made at ballot title settings. Local single-subject requirements for petitions shall exist by voter-approved petitions only. All ballot title disputes and all single-subject challenges shall be filed with the supreme court within 5 days of such settings, finally decided within 7 days of filing, and very broadly construed to aid initiatives. Unless otherwise decided within 7 days of filing, initiatives shall conclusively be properly-titled single subjects. Decisions that initiatives contain multiple subjects shall list in writing all words not part of single subjects. Revisions that delete those words, and add no others, shall conclusively be single subjects. Decisions shall also provide ballot titles for initiatives and revisions. No other ballot title or single-subject rehearing, appeal, challenge, or decision shall be made. Within 7 days of requests for petition forms, districts shall print and deliver them and may charge actual costs up to one dollar per 100-entry form. All districts shall use the 1988 state petition forms, modified to comply with all final federal court rulings, but without summaries or county entry spaces. Errors in petition forms or ballot titles shall not affect petitions. Peaceful petitioning at exits of all buildings owned or leased by any district and then open to the public shall be protected. Except for petition form charges, no petition process permit, badge, bond, licensing, training, or fee for petition agents or circulators shall be required. Any adult in Colorado may circulate any petition. Using paid circulators shall create no extra legal duty.

| nent 38: Petitions |
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(b) In each district, no more than 12 legislative measures passed each year shall be excepted from possible referendum petitions. Excepted measures, with detailed descriptions of emergencies justifying the exceptions, shall be passed by 3/4ths or more of all members of the elected local board or of each house of the general assembly. State measures not excepted shall take effect 91 days or more after the general assembly session passing them finally adjourns, and such local measures 91 days or more after post-passage publication. Initial filing of referendum petitions with sufficient gross entries before that 91st day shall delay the effective date until the election or final petition invalidation. Measures rejected by voters shall then be void, and measures wholly or mostly similar shall then be passed again with voter approval only. Referendum petition ballot titles shall read, "SHALL (DISPUTED SECTIONS OF) (types of measures and numbers only) BE APPROVED?" Referendum petitions may begin at any time. They shall have no ballot title setting, appeal, or single-subject challenge, nor print texts of measures on petition forms. Only appropriations for district support are exempt from referendum petitions. This section shall not apply to referendum petitions to reduce private property rights, such as zoning challenges, which petitions may still lawfully exist.

(c) Within 12 months of petition form delivery, petitions shall be initially filed with sufficient gross entries. Such petitions shall receive ballot numbers and ballot placement, which remain until all protests and appeals end. Petitions not initially filed 3 months or more before elections may be filed for the next election. Signers of petitions later notarized or verified shall be presumed district registered electors making valid entries until disproved in protests by clear and convincing evidence. Technical defects, minor variations, and minor omissions shall be very broadly construed to aid petitions. Listing mailing addresses shown on registration records shall be valid. Protests shall be filed in state district court within 10 days of petition filing, and not amended. Hearings shall be public, limited to itemized entries, and decided within 10 days of protest filing, using judicial rules of evidence and procedure. Results of random sampling or machine reading of entries shall be excluded. Each itemized entry shall be examined separately at the hearing. If a district does not protest equally all petitions filed for its election, no district protest or research shall help to invalidate any petition in that election. Only petition agents defeating the protest shall be deemed successful plaintiffs under (1). Petition agents shall have 10 days after protest hearings and appeals to refile with corrections and added petition entries made at any time. All protests and appeals shall apply to those corrections and added entries. Third filings are barred.

(d) All state and local petitions on any subject shall be Article X, section 20 (3) ballot issues at any November election. Petition agents may file up to 1,000 words for ballot information booklets and election notices sent to all active registered elector addresses. The length of actual filings shall be the maximum for summaries of comments filed by opponents. For petitions, those booklets and notices shall be limited to such written comments filed by 45 days before elections and other information required by Article X, section 20 (3)(b). Article V, section 1 (7.5)(a)(II) and the last sentence of Article X, section 20 (3)(b)(v) shall not apply to petitions. Except for court cases, or petition or election procedures and materials required by statute, no district or district staff shall aid spending district resources, or using any district procedure, equipment, or staff time, to discuss pending petitions after petition forms are delivered. No district resources or staff time shall aid accused violators or repay expenses. Each district and other violator shall separately pay the state general fund at once, per event and without offset, the greater of \$3,000 or 3 times the value of such spending, use, aid, and/or repayment. Unless stated in the texts or unless the texts be unlawful, future voter-approved initiatives shall be in effect until changed by voters. This section may be amended, superseded, or repealed by voter-approved petitions only. Except for state statutes subject to possible referendum petitions and enacted by March 1, 2007, all future state and local petition laws, rules, and regulations shall be Article X, section 20 (3) ballot issues at any November election.

#### Amendment 39 School District Spending Requirements

**Ballot Title:** An amendment to the Colorado constitution concerning a requirement that in each state fiscal year a school district spend at least 65% of its operational expenditures on classroom instruction, with limited exceptions.

#### Text of Proposal:

Be it Enacted by the People of the State of Colorado:

Section 17 (1) and (2) of article IX of the constitution of the state of Colorado are amended, and the said section 17 is further amended BY THE ADDITION OF A NEW SUBSECTION to read:

**Section 17. Education – Funding.** (1) **Purpose.** In state fiscal year 2001-2002 through state fiscal year 2010-2011, the statewide base per pupil funding, as defined by the Public School Finance Act of 1994, article 54 of title 22, Colorado Revised Statutes on the effective date of this section, for public education from preschool through the twelfth grade and total state funding for all categorical programs shall grow annually at least by the rate of inflation plus an additional one percentage point. In state fiscal year 2011-2012, and each fiscal year thereafter, the statewide base per pupil funding

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for public education from preschool through the twelfth grade and total state funding for all categorical programs shall grow annually at a rate set by the general assembly that is at least equal to the rate of inflation IN STATE FISCAL YEAR 2007-2008 AND IN EACH STATE FISCAL YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL SPEND AT LEAST SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON CLASSROOM INSTRUCTION EXPENDITURES.

(2) **Definitions.** For purposes of this section: (a) "Categorical programs" include transportation programs, English language proficiency programs, expelled and at-risk student programs, special education programs (including gifted and talented programs), suspended student programs, vocational education programs, small attendance centers, comprehensive health education programs, and other current and future accountable programs specifically identified in statute as a categorical program.

(a.5) "CLASSROOM INSTRUCTION EXPENDITURES" MEANS EXPENDITURES DIRECTLY RELATED TO CLASSROOM INSTRUCTION, INCLUDING BUT NOT LIMITED TO INSTRUCTIONAL STAFF AND INSTRUCTIONAL MATERIALS. "CLASSROOM INSTRUCTION EXPENDITURES" SHALL INCLUDE ACTIVITIES DEALING DIRECTLY WITH INTERACTION BETWEEN STUDENTS AND TEACHERS, OR OTHER CLASSROOM AND INSTRUCTIONAL PERSONNEL, SPECIAL EDUCATION INSTRUCTION, TUTORS, BOOKS, CLASSROOM COMPUTERS, GENERAL INSTRUCTION SUPPLIES, INSTRUCTIONAL AIDES, LIBRARIES AND LIBRARIANS, AND CLASS ACTIVITIES SUCH AS FIELD TRIPS, ATHLETICS, ARTS, MUSIC, AND MULTI-DISCIPLINARY LEARNING.

(b) "Inflation" has the same meaning as defined in article X, section 20, subsection (2), paragraph (f) of the Colorado constitution.

(C) "OPERATIONAL EXPENDITURES" MEANS ALL EXPENDITURES MADE BY A SCHOOL DISTRICT OTHER THAN EXPENDITURES FOR CAPITAL CONSTRUCTION OR DEBT OR BOND PAYMENTS, INCLUDING BUT NOT LIMITED TO PAYMENT OF INTEREST ON DEBT OR BONDS.

(6) **Classroom Instruction Expenditures.** (a) IN STATE FISCAL YEAR 2007-2008 AND IN EACH STATE FISCAL YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL SPEND AT LEAST SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON CLASSROOM INSTRUCTION EXPENDITURES.

(b) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (6), IF IN THE STATE FISCAL YEAR 2006-2007, A SCHOOL DISTRICT SPENDS LESS THAN SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON CLASSROOM INSTRUCTION EXPENDITURES, THE SCHOOL DISTRICT SHALL INCREASE ITS CLASSROOM INSTRUCTION EXPENDITURES BY TWO PERCENT OF ITS OPERATIONAL EXPENDITURES IN EACH STATE FISCAL YEAR UNTIL ITS CLASSROOM INSTRUCTION EXPENDITURES REACH SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES.

(c) IN A STATE FISCAL YEAR IN WHICH A SCHOOL DISTRICT DETERMINES THAT IT CANNOT MEET THE REQUIREMENTS OF EITHER PARAGRAPH (a) OR (b) OF THIS SUBSECTION (6), THE SCHOOL DISTRICT MAY REQUEST A RENEWABLE, ONE-YEAR WAIVER OF THE REQUIREMENTS FROM THE GOVERNOR OF THE STATE OF COLORADO. WITHIN FORTY-FIVE DAYS AFTER RECEIPT OF A REQUEST, THE GOVERNOR OF THE STATE OF COLORADO SHALL EITHER GRANT OR DENY THE REQUESTED WAIVER.

(d) THE GENERAL ASSEMBLY MAY ENACT SANCTIONS FOR A SCHOOL DISTRICT THAT FAILS TO COMPLY WITH THE PROVISIONS OF THIS SUBSECTION (6).

#### Amendment 40 Term Limits for Supreme Court and Court of Appeals Judges

**Ballot Title:** An amendment to the Colorado constitution concerning term limits for appellate court judges, and, in connection therewith, reducing the terms of office for justices of the supreme court and judges of the court of appeals to four years, requiring appellate judges serving as of January 1, 2007, to stand for retention at the next general election, if eligible for another term, prohibiting an appellate judge from serving more than three terms, specifying that a provisional term constitutes a full term, and making any appellate judge who has served ten or more years at one court level ineligible for another term at that level.

#### Text of Proposal:

Be it Enacted by the People of the State of Colorado:

Section 1. Article VI of the constitution of the state of Colorado is amended by the addition of a new section to read:

**Section 27. Terms of office and term limits.** EFFECTIVE JANUARY 1, 2007, TERMS OF OFFICE FOR APPEALS COURT JUDGES AND SUPREME COURT JUSTICES SHALL BE FOUR YEARS. INCUMBENTS AS OF THAT DATE SHALL STAND FOR RETENTION AT THE NEXT GENERAL ELECTION, IF ELIGIBLE FOR ANOTHER TERM AT THAT LEVEL. AT EACH APPELLATE COURT LEVEL, NO ONE SHALL SERVE MORE THAN THREE TERMS OF OFFICE. A PROVISIONAL TERM SHALL BE A TERM OF OFFICE. ANYONE WHO HAS SERVED TEN YEARS OR MORE AT ONE APPELLATE COURT LEVEL SHALL NOT BE ELIGIBLE FOR ANOTHER TERM AT THAT LEVEL.

Section 2. Repeal. Section 7 of Article VI of the constitution of the state of Colorado is repealed as follows:

#### Section 7. Term of office. The full term of office of justices of the Supreme Court shall be ten years.

#### Amendment 41 Standards of Conduct in Government

**Ballot Title:** An amendment to the Colorado constitution concerning standards of conduct by persons who are professionally involved with governmental activities, and, in connection therewith, prohibiting a public officer, member of the general assembly, local government official, or government employee from soliciting or accepting certain monetary or in-kind gifts; prohibiting a professional lobbyist from giving anything of value to a public officer, member of the general assembly, local government official, government employee, or such person's immediate family member; prohibiting a statewide elected officeholder or member of the general assembly from personally representing another person or entity for compensation before any other such officeholder or member for a period of two years following departure from office; establishing penalties for a breach of public trust or inducement of such a breach; creating a five-member independent ethics commission to hear ethics complaints, to assess penalties, and to issue advisory opinions on ethics issues; and specifying that the measure shall not apply to home rule jurisdictions that have adopted laws concerning matters covered by the measure.

#### Text of Proposal:

Be it Enacted by the People of the State of Colorado:

The constitution of the state of Colorado is amended BY THE ADDITION OF A NEW ARTICLE to read:

#### ARTICLE XXIX Ethics in Government

Section 1. Purposes and findings. (1) THE PEOPLE OF THE STATE OF COLORADO HEREBY FIND AND DECLARE THAT:

(a) THE CONDUCT OF PUBLIC OFFICERS, MEMBERS OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIALS, AND GOVERNMENT EMPLOYEES MUST HOLD THE RESPECT AND CONFIDENCE OF THE PEOPLE;

(b) THEY SHALL CARRY OUT THEIR DUTIES FOR THE BENEFIT OF THE PEOPLE OF THE STATE;

(c) THEY SHALL, THEREFORE, AVOID CONDUCT THAT IS IN VIOLATION OF THEIR PUBLIC TRUST OR THAT CREATES A JUSTIFIABLE IMPRESSION AMONG MEMBERS OF THE PUBLIC THAT SUCH TRUST IS BEING VIOLATED;

(d) ANY EFFORT TO REALIZE PERSONAL FINANCIAL GAIN THROUGH PUBLIC OFFICE OTHER THAN COMPENSATION PROVIDED BY LAW IS A VIOLATION OF THAT TRUST; AND

(e) TO ENSURE PROPRIETY AND TO PRESERVE PUBLIC CONFIDENCE, THEY MUST HAVE THE BENEFIT OF SPECIFIC STANDARDS TO GUIDE THEIR CONDUCT, AND OF A PENALTY MECHANISM TO ENFORCE THOSE STANDARDS.

(2) THE PEOPLE OF THE STATE OF COLORADO ALSO FIND AND DECLARE THAT THERE ARE CERTAIN COSTS ASSOCIATED WITH HOLDING PUBLIC OFFICE AND THAT TO ENSURE THE INTEGRITY OF THE OFFICE, SUCH COSTS OF A REASONABLE AND NECESSARY NATURE SHOULD BE BORN BY THE STATE OR LOCAL GOVERNMENT.

Section 2. Definitions. As used in this article, unless the context otherwise requires:

(1) "GOVERNMENT EMPLOYEE" MEANS ANY EMPLOYEE, INCLUDING INDEPENDENT CONTRACTORS, OF THE STATE EXECUTIVE BRANCH, THE STATE LEGISLATIVE BRANCH, A STATE AGENCY, A PUBLIC INSTITUTION OF HIGHER EDUCATION, OR ANY LOCAL GOVERNMENT, EXCEPT A MEMBER OF THE GENERAL ASSEMBLY OR A PUBLIC OFFICER.

(2) "LOCAL GOVERNMENT" MEANS COUNTY OR MUNICIPALITY.

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(3) "LOCAL GOVERNMENT OFFICIAL" MEANS AN ELECTED OR APPOINTED OFFICIAL OF A LOCAL GOVERNMENT BUT DOES NOT INCLUDE AN EMPLOYEE OF A LOCAL GOVERNMENT.

(4) "PERSON" MEANS ANY INDIVIDUAL, CORPORATION, BUSINESS TRUST, ESTATE, TRUST, LIMITED LIABILITY COMPANY, PARTNERSHIP, LABOR ORGANIZATION, ASSOCIATION, POLITICAL PARTY, COMMITTEE, OR OTHER LEGAL ENTITY.

(5) "PROFESSIONAL LOBBYIST" MEANS ANY INDIVIDUAL WHO ENGAGES HIMSELF OR HERSELF OR IS ENGAGED BY ANY OTHER PERSON FOR PAY OR FOR ANY CONSIDERATION FOR LOBBYING. "PROFESSIONAL LOBBYIST" DOES NOT INCLUDE ANY VOLUNTEER LOBBYIST, ANY STATE OFFICIAL OR EMPLOYEE ACTING IN HIS OR HER OFFICIAL CAPACITY, EXCEPT THOSE DESIGNATED AS LOBBYISTS AS PROVIDED BY LAW, ANY ELECTED PUBLIC OFFICIAL ACTING IN HIS OR HER OFFICIAL CAPACITY, OR ANY INDIVIDUAL WHO APPEARS AS COUNSEL OR ADVISOR IN AN ADJUDICATORY PROCEEDING.

(6) "PUBLIC OFFICER" MEANS ANY ELECTED OFFICER, INCLUDING ALL STATEWIDE ELECTED OFFICEHOLDERS, THE HEAD OF ANY DEPARTMENT OF THE EXECUTIVE BRANCH, AND ELECTED AND APPOINTED MEMBERS OF STATE BOARDS AND COMMISSIONS. "PUBLIC OFFICER" DOES NOT INCLUDE A MEMBER OF THE GENERAL ASSEMBLY, A MEMBER OF THE JUDICIARY, ANY LOCAL GOVERNMENT OFFICIAL, OR ANY MEMBER OF A BOARD, COMMISSION, COUNCIL OR COMMITTEE WHO RECEIVES NO COMPENSATION OTHER THAN A PER DIEM ALLOWANCE OR NECESSARY AND REASONABLE EXPENSES.

**Section 3. Gift ban.** (1) NO PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE SHALL ACCEPT OR RECEIVE ANY MONEY, FORBEARANCE, OR FORGIVENESS OF INDEBTEDNESS FROM ANY PERSON, WITHOUT SUCH PERSON RECEIVING LAWFUL CONSIDERATION OF EQUAL OR GREATER VALUE IN RETURN FROM THE PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE WHO ACCEPTED OR RECEIVED THE MONEY, FORBEARANCE OR FORGIVENESS OF INDEBTEDNESS.

(2) NO PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE, EITHER DIRECTLY OR INDIRECTLY AS THE BENEFICIARY OF A GIFT OR THING OF VALUE GIVEN TO SUCH PERSON'S SPOUSE OR DEPENDENT CHILD, SHALL SOLICIT, ACCEPT OR RECEIVE ANY GIFT OR OTHER THING OF VALUE HAVING EITHER A FAIR MARKET VALUE OR AGGREGATE ACTUAL COST GREATER THAN FIFTY DOLLARS (\$50) IN ANY CALENDAR YEAR, INCLUDING BUT NOT LIMITED TO, GIFTS, LOANS, REWARDS, PROMISES OR NEGOTIATIONS OF FUTURE EMPLOYMENT, FAVORS OR SERVICES, HONORARIA, TRAVEL, ENTERTAINMENT, OR SPECIAL DISCOUNTS, FROM A PERSON, WITHOUT THE PERSON RECEIVING LAWFUL CONSIDERATION OF EQUAL OR GREATER VALUE IN RETURN FROM THE PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE WHO SOLICITED, ACCEPTED OR RECEIVED THE GIFT OR OTHER THING OF VALUE.

(3) THE PROHIBITIONS IN SUBSECTIONS (1) AND (2) OF THIS SECTION DO NOT APPLY IF THE GIFT OR THING OF VALUE IS:

(a) A CAMPAIGN CONTRIBUTION AS DEFINED BY LAW;

(b) AN UNSOLICITED ITEM OF TRIVIAL VALUE LESS THAN FIFTY DOLLARS (\$50), SUCH AS A PEN, CALENDAR, PLANT, BOOK, NOTE PAD OR OTHER SIMILAR ITEM;

(c) AN UNSOLICITED TOKEN OR AWARD OF APPRECIATION IN THE FORM OF A PLAQUE, TROPHY, DESK ITEM, WALL MEMENTO, OR SIMILAR ITEM;

(d) UNSOLICITED INFORMATIONAL MATERIAL, PUBLICATIONS, OR SUBSCRIPTIONS RELATED TO THE RECIPIENT'S PERFORMANCE OF OFFICIAL DUTIES;

(e) ADMISSION TO, AND THE COST OF FOOD OR BEVERAGES CONSUMED AT, A RECEPTION, MEAL OR MEETING BY AN ORGANIZATION BEFORE WHOM THE RECIPIENT APPEARS TO SPEAK OR TO ANSWER QUESTIONS AS PART OF A SCHEDULED PROGRAM;

(f) REASONABLE EXPENSES PAID BY A NONPROFIT ORGANIZATION OR OTHER STATE OR LOCAL GOVERNMENT FOR ATTENDANCE AT A CONVENTION, FACT-FINDING MISSION OR TRIP, OR OTHER MEETING IF THE PERSON IS SCHEDULED TO DELIVER A SPEECH, MAKE A PRESENTATION, PARTICIPATE ON A PANEL, OR REPRESENT THE STATE OR LOCAL GOVERNMENT, PROVIDED THAT THE NON-PROFIT ORGANIZATION RECEIVES LESS THAN FIVE PERCENT (5%) OF ITS FUNDING FROM FOR-PROFIT ORGANIZATIONS OR ENTITIES;

(g) GIVEN BY AN INDIVIDUAL WHO IS A RELATIVE OR PERSONAL FRIEND OF THE RECIPIENT ON A SPECIAL OCCASION.

(h) A COMPONENT OF THE COMPENSATION PAID OR OTHER INCENTIVE GIVEN TO THE RECIPIENT IN THE NORMAL COURSE OF EMPLOYMENT.

(4) NOTWITHSTANDING ANY PROVISIONS OF THIS SECTION TO THE CONTRARY, AND EXCEPTING CAMPAIGN CONTRIBUTIONS AS DEFINED BY LAW, NO PROFESSIONAL LOBBYIST, PERSONALLY OR ON BEHALF OF ANY OTHER PERSON OR ENTITY, SHALL

KNOWINGLY OFFER, GIVE, OR ARRANGE TO GIVE, TO ANY PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE, OR TO A MEMBER OF SUCH PERSON'S IMMEDIATE FAMILY, ANY GIFT OR THING OF VALUE, OF ANY KIND OR NATURE, NOR KNOWINGLY PAY FOR ANY MEAL, BEVERAGE, OR OTHER ITEM TO BE CONSUMED BY SUCH PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL OR GOVERNMENT EMPLOYEE, WHETHER OR NOT SUCH GIFT OR MEAL, BEVERAGE OR OTHER ITEM TO BE CONSUMED IS OFFERED, GIVEN OR PAID FOR IN THE COURSE OF SUCH LOBBYIST'S BUSINESS OR IN CONNECTION WITH A PERSONAL OR SOCIAL EVENT; PROVIDED, HOWEVER, THAT A PROFESSIONAL LOBBYIST SHALL NOT BE PROHIBITED FROM OFFERING OR GIVING TO A PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL OR GOVERNMENT EMPLOYEE WHO IS A MEMBER OF HIS OR HER IMMEDIATE FAMILY ANY SUCH GIFT, THING OF VALUE, MEAL, BEVERAGE OR OTHER ITEM.

(5) THE GENERAL ASSEMBLY SHALL MAKE ANY CONFORMING AMENDMENTS TO THE REPORTING AND DISCLOSURE REQUIREMENTS FOR PUBLIC OFFICERS, MEMBERS OF THE GENERAL ASSEMBLY AND PROFESSIONAL LOBBYISTS, AS PROVIDED BY LAW, TO COMPLY WITH THE REQUIREMENTS SET FORTH IN THIS SECTION.

(6) THE FIFTY-DOLLAR (\$50) LIMIT SET FORTH IN SUBSECTION (2) OF THIS SECTION SHALL BE ADJUSTED BY AN AMOUNT BASED UPON THE PERCENTAGE CHANGE OVER A FOUR-YEAR PERIOD IN THE UNITED STATES BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX FOR DENVER- BOULDER-GREELEY, ALL ITEMS, ALL CONSUMERS, OR ITS SUCCESSOR INDEX, ROUNDED TO THE NEAREST LOWEST DOLLAR. THE FIRST ADJUSTMENT SHALL BE DONE IN THE FIRST QUARTER OF 2011 AND THEN EVERY FOUR YEARS THEREAFTER.

**Section 4. Restrictions on representation after leaving office.** No statewide elected officeholder or member of the general assembly shall personally represent another person or entity for compensation before any other statewide elected officeholder or member of the general assembly, for a period of two years following vacation of office. Further restrictions on public officers or members of the general assembly and similar restrictions on other public officers, local government officials or government employees may be established by law.

Section 5. Independent ethics commission. (1) There is hereby created an independent ethics commission to be composed of five members. The purpose of the independent ethics commission shall be to hear complaints, issue findings, and assess penalties, and also to issue advisory opinions, on ethics issues arising under this article and under any other standards of conduct and reporting requirements as provided by Law. The independent ethics commission shall have authority to adopt such reasonable rules as may be necessary for the purpose of administering and enforcing the provisions of this article and any other standards of conduct and reporting requirements as provided by Law. The purpose of administering and enforcing the provisions of this article and any other standards of conduct and reporting requirements as provided by Law. The general assembly shall appropriate reasonable and necessary funds to cover staff and administrative expenses to allow the independent ethics commission to carry out its duties pursuant to this article. Members of the commission shall receive no compensation for their services on the commission.

(2) (a) MEMBERS OF THE INDEPENDENT ETHICS COMMISSION SHALL BE APPOINTED IN THE FOLLOWING MANNER AND ORDER:

- (I) ONE MEMBER SHALL BE APPOINTED BY THE COLORADO SENATE;
- (II) ONE MEMBER SHALL BE APPOINTED BY THE COLORADO HOUSE OF REPRESENTATIVES;
- (III) ONE MEMBER SHALL BE APPOINTED BY THE GOVERNOR OF THE STATE OF COLORADO;
- (IV) ONE MEMBER SHALL BE APPOINTED BY THE CHIEF JUSTICE OF THE COLORADO SUPREME COURT; AND

(V) ONE MEMBER SHALL BE EITHER A LOCAL GOVERNMENT OFFICIAL OR A LOCAL GOVERNMENT EMPLOYEE APPOINTED BY THE AFFIRMATIVE VOTE OF AT LEAST THREE OF THE FOUR MEMBERS APPOINTED PURSUANT TO SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a).

(b) NO MORE THAN TWO MEMBERS SHALL BE AFFILIATED WITH THE SAME POLITICAL PARTY.

(c) EACH OF THE FIVE MEMBERS SHALL BE REGISTERED COLORADO VOTERS AND SHALL HAVE BEEN CONTINUOUSLY REGISTERED WITH THE SAME POLITICAL PARTY, OR CONTINUOUSLY UNAFFILIATED WITH ANY POLITICAL PARTY, FOR AT LEAST TWO YEARS PRIOR TO APPOINTMENT TO THE COMMISSION.

(d) MEMBERS OF THE INDEPENDENT ETHICS COMMISSION SHALL BE APPOINTED TO TERMS OF FOUR YEARS; EXCEPT THAT, THE FIRST MEMBER APPOINTED BY THE COLORADO SENATE AND THE FIRST MEMBER APPOINTED BY THE GOVERNOR OF THE STATE OF COLORADO SHALL INITIALLY SERVE TWO YEAR TERMS TO ACHIEVE STAGGERED ENDING DATES.

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(e) IF A MEMBER IS APPOINTED TO FILL AN UNEXPIRED TERM, THAT MEMBER'S TERM SHALL END AT THE SAME TIME AS THE TERM OF THE PERSON BEING REPLACED.

(f) EACH MEMBER SHALL CONTINUE TO SERVE UNTIL A SUCCESSOR HAS BEEN APPOINTED, EXCEPT THAT IF A MEMBER IS UNABLE OR UNWILLING TO CONTINUE TO SERVE UNTIL A SUCCESSOR HAS BEEN APPOINTED, THE ORIGINAL APPOINTING AUTHORITY AS DESCRIBED IN THIS SUBSECTION SHALL FILL THE VACANCY PROMPTLY.

(3) (a) ANY PERSON MAY FILE A WRITTEN COMPLAINT WITH THE INDEPENDENT ETHICS COMMISSION ASKING WHETHER A PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE HAS FAILED TO COMPLY WITH THIS ARTICLE OR ANY OTHER STANDARDS OF CONDUCT OR REPORTING REQUIREMENTS AS PROVIDED BY LAW WITHIN THE PRECEDING TWELVE MONTHS.

(b) THE COMMISSION MAY DISMISS FRIVOLOUS COMPLAINTS WITHOUT CONDUCTING A PUBLIC HEARING. COMPLAINTS DISMISSED AS FRIVOLOUS SHALL BE MAINTAINED CONFIDENTIAL BY THE COMMISSION.

(c) THE COMMISSION SHALL CONDUCT AN INVESTIGATION, HOLD A PUBLIC HEARING, AND RENDER FINDINGS ON EACH NON-FRIVOLOUS COMPLAINT PURSUANT TO WRITTEN RULES ADOPTED BY THE COMMISSION.

(d) THE COMMISSION MAY ASSESS PENALTIES FOR VIOLATIONS AS PRESCRIBED BY THIS ARTICLE AND PROVIDED BY LAW.

(e) THERE IS HEREBY ESTABLISHED A PRESUMPTION THAT THE FINDINGS SHALL BE BASED ON A PREPONDERANCE OF EVIDENCE UNLESS THE COMMISSION DETERMINES THAT THE CIRCUMSTANCES WARRANT A HEIGHTENED STANDARD.

(4) MEMBERS OF THE INDEPENDENT ETHICS COMMISSION SHALL HAVE THE POWER TO SUBPOENA DOCUMENTS AND TO SUBPOENA WITNESSES TO MAKE STATEMENTS AND PRODUCE DOCUMENTS.

(5) ANY PUBLIC OFFICER, MEMBER OF THE GENERAL ASSEMBLY, LOCAL GOVERNMENT OFFICIAL, OR GOVERNMENT EMPLOYEE MAY SUBMIT A WRITTEN REQUEST TO THE INDEPENDENT ETHICS COMMISSION FOR AN ADVISORY OPINION ON WHETHER ANY CONDUCT BY THAT PERSON WOULD CONSTITUTE A VIOLATION OF THIS ARTICLE, OR ANY OTHER STANDARDS OF CONDUCT OR REPORTING REQUIREMENTS AS PROVIDED BY LAW. THE COMMISSION SHALL RENDER AN ADVISORY OPINION PURSUANT TO WRITTEN RULES ADOPTED BY THE COMMISSION.

Section 6. Penalty. Any public officer, member of the general assembly, local government official or government employee who breaches the public trust for private gain and any person or entity inducing such breach shall be liable to the state or local jurisdiction for double the amount of the financial equivalent of any benefits obtained by such actions. The manner of recovery and additional penalties may be provided by law.

**Section 7. Counties and municipalities**. Any county or municipality may adopt ordinances or charter provisions with respect to ethics matters that are more stringent than any of the provisions contained in this article. The requirements of this article shall not apply to home rule counties or home rule municipalities that have adopted charters, ordinances, or resolutions that address the matters covered by this article.

**Section 8. Conflicting provisions declared inapplicable**. Any provisions in the statutes of this state in conflict or inconsistent with this article are hereby declared to be preempted by this article and inapplicable to the matters covered by and provided for in this article.

Section 9. Legislation to facilitate article. LEGISLATION MAY BE ENACTED TO FACILITATE THE OPERATION OF THIS ARTICLE, BUT IN NO WAY SHALL SUCH LEGISLATION LIMIT OR RESTRICT THE PROVISIONS OF THIS ARTICLE OR THE POWERS HEREIN GRANTED.

# Amendment 42 **Colorado Minimum Wage**

Ballot Title: An amendment to the Colorado constitution concerning the state minimum wage, and, in connection therewith, increasing Colorado's minimum wage to \$6.85 per hour, adjusted annually for inflation, and providing that no more than \$3.02 per hour in tip income may be used to offset the minimum wage of employees who regularly receive tips.

### Text of Proposal:

Be it enacted by the People of the State of Colorado:

Article XVIII of the Colorado Constitution is amended BY THE ADDITION OF A NEW SECTION to read:

# Section 15. State minimum wage rate.

Effective January 1, 2007, Colorado's minimum wage shall be increased to \$6.85 per hour and shall be adjusted annually for inflation, as measured by the Consumer Price Index used for Colorado. This minimum wage shall be paid to employees who receive the state or federal minimum wage. No more than \$3.02 per hour in tip income may be used to offset the minimum wage of employees who regularly receive tips.

> Amendment 43 Marriage

**Ballot Title:** An amendment to the Colorado constitution, concerning marriage, and, in connection therewith, specifying that only a union of one man and one woman shall be valid or recognized as a marriage in Colorado.

# Text of Proposal:

Be it Enacted by the People of the State of Colorado:

SECTION 1. Article II of the Colorado constitution is amended BY THE ADDITION OF A NEW SECTION to read:

### Section 31. Marriages - valid or recognized.

ONLY A UNION OF ONE MAN AND ONE WOMAN SHALL BE VALID OR RECOGNIZED AS A MARRIAGE IN THIS STATE.

### SECTION 2. Effective date.

This section shall take effect upon proclamation of the vote by the governor.

Amendment 44 Marijuana Possession

Ballot Title: An amendment to section 18-18-406 (1) of the Colorado revised statutes making legal the possession of one ounce or less of marihuana for any person twenty-one years of age or older.

### Text of Proposal:

Be it Enacted by the People of the State of Colorado:

Section 18-18-406 (1), Colorado Revised Statutes, is amended to read:

18-18-406. Offenses relating to marihuana and marihuana concentrate. (1) Any person UNDER TWENTY-ONE YEARS OF AGE who possesses not more than one ounce of marihuana commits a class 2 petty offense and, upon conviction thereof, shall be punished by a fine of not more than one hundred dollars. This law shall take effect on December 7, 2006.

### Referendum E Property Tax Reduction for Disabled Veterans

**Ballot Title:** An Amendment to section 3.5 of article X of the constitution of the state of Colorado, concerning the extension of the existing property tax exemption for qualifying seniors to any United States military veteran who is one hundred percent permanently disabled due to a service-connected disability.

# Text of Proposal:

Be It Resolved by the Senate of the Sixty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the next election at which such question may be submitted, there shall be submitted to the registered electors of the state of Colorado, for their approval or rejection, the following amendment to the constitution of the state of Colorado, to wit:

Section 3.5 (1) of article X of the constitution of the state of Colorado is amended, and the said section 3.5 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

Section 3.5. Homestead exemption for qualifying senior citizens and disabled veterans. (1) For property tax years commencing on or after January 1, 2002, fifty percent of the first two hundred thousand dollars of actual value of residential real property, as defined by law, that, as of the assessment date, is owner-occupied and is used as the primary residence of the owner-occupier shall be exempt from property taxation if:

(a) The owner-occupier is sixty-five years of age or older as of the assessment date and has owned and occupied such residential real property as his or her primary residence for the ten years immediately preceding the assessment date; <del>or</del>

(b) The owner-occupier is the spouse or surviving spouse of an owner-occupier who previously qualified for a property tax exemption for the same residential real property under paragraph (a) of this subsection (1); OR

(c) FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2007, ONLY, THE OWNER-OCCUPIER, AS OF THE ASSESSMENT DATE, IS A DISABLED VETERAN.

(1.3) AN OWNER-OCCUPIER MAY CLAIM ONLY ONE EXEMPTION PER PROPERTY TAX YEAR EVEN IF THE OWNER-OCCUPIER QUALIFIES FOR AN EXEMPTION UNDER BOTH PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION AND EITHER PARAGRAPH (a) OR PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION.

(1.5) FOR PURPOSES OF THIS SECTION, "DISABLED VETERAN" MEANS AN INDIVIDUAL WHO HAS SERVED ON ACTIVE DUTY IN THE UNITED STATES ARMED FORCES, INCLUDING A MEMBER OF THE COLORADO NATIONAL GUARD WHO HAS BEEN ORDERED INTO THE ACTIVE MILITARY SERVICE OF THE UNITED STATES, HAS BEEN SEPARATED THEREFROM UNDER HONORABLE CONDITIONS, AND HAS ESTABLISHED A SERVICE-CONNECTED DISABILITY THAT HAS BEEN RATED BY THE FEDERAL DEPARTMENT OF VETERANS AFFAIRS AS ONE HUNDRED PERCENT PERMANENT DISABILITY THROUGH DISABILITY RETIREMENT BENEFITS OR A PENSION PURSUANT TO A LAW OR REGULATION ADMINISTERED BY THE DEPARTMENT, THE DEPARTMENT OF HOMELAND SECURITY, OR THE DEPARTMENT OF THE ARMY, NAVY, OR AIR FORCE.

**SECTION 2.** Each elector voting at said election and desirous of voting for or against said amendment shall cast a vote as provided by law either "Yes" or "No" on the proposition: "AN AMENDMENT TO SECTION 3.5 OF ARTICLE X OF THE CONSTITUTION OF THE STATE OF COLORADO, CONCERNING THE EXTENSION OF THE EXISTING PROPERTY TAX EXEMPTION FOR QUALIFYING SENIORS TO ANY UNITED STATES MILITARY VETERAN WHO IS ONE HUNDRED PERCENT PERMANENTLY DISABLED DUE TO A SERVICE-CONNECTED DISABILITY."

**SECTION 3.** The votes cast for the adoption or rejection of said amendment shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress, and if a majority of the electors voting on the question shall have voted "Yes", the said amendment shall become a part of the state constitution.

### Referendum F Recall Deadlines

**Ballot Title:** An amendment to section 2 of article XXI of the constitution of the state of Colorado, concerning elections to recall state elected officials, and, in connection therewith, providing for the deadlines regarding recall petitions and hearings to be set in statute rather than in the constitution and stating that a recall election shall be held as part of a general election if a general election will be held between fifty and ninety days after the time for filing a protest has passed and all protests have been finally decided.

# Text of Proposal:

Be It Resolved by the Senate of the Sixty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the next election at which such question may be submitted, there shall be submitted to the registered electors of the state of Colorado, for their approval or rejection, the following amendment to the constitution of the state of Colorado, to wit:

Section 2 of article XXI of the constitution of the state of Colorado is amended to read:

Section 2. Form of recall petition. Any recall petition may be circulated and signed in sections, provided each section shall contain a full and accurate copy of the title and text of the petition; and such recall petition shall be filed in the office in which petitions for nominations to office held by the incumbent sought to be recalled are required to be filed.

The signatures to such recall petition need not all be on one sheet of paper, but each signer must add to his signature the date of his signing said petition, and his place of residence, giving his street number, if any, should he reside in a town or city. The person circulating such sheet must make and subscribe an oath on said sheet that the signatures thereon are genuine, and a false oath, willfully so made and subscribed by such person, shall be perjury and be punished as such. All petitions shall be deemed and held to be sufficient if they appear to be signed by the requisite number of signers, and such signers shall be deemed and held to be registered electors, unless a protest in writing under oath shall be filed in the office in which such petition has been filed, by some registered elector, within fifteen days after such petition is filed, setting forth specifically the grounds of such protest, whereupon the officer with whom such petition is filed shall forthwith mail a copy of such protest to the person or persons named in such petition as representing the signers thereof, together with a notice fixing a time for hearing such protest. not less than five nor more than ten days after such notice is mailed. All hearings shall be before the officer with whom such protest is filed, and all testimony shall be under oath. Such hearings shall be summary and not subject to delay, and must be concluded within thirty days after such petition is filed, and the result thereof shall be forthwith certified to the person or persons representing the signers of such petition. In case the petition is not sufficient it may be withdrawn by the person or a majority of the persons representing the signers of such petition, and may within fifteen days thereafter, be amended and refiled as an original petition. The finding as to the sufficiency of any petition may be reviewed by any state court of general jurisdiction in the county in which such petition is filed, upon application of the person or a majority of the persons representing the signers of such petition, but such review shall be had and determined forthwith. The sufficiency, or the determination of the sufficiency, of the petition referred to in this section shall not be held, or construed, to refer to the ground or grounds assigned in such petition for the recall of the incumbent sought to be recalled from office thereby. PROTESTS AND HEARINGS ON THE SUFFICIENCY OF A RECALL PETITION SHALL BE CONDUCTED IN THE MANNER PRESCRIBED BY LAW.

When such petition is sufficient, the officer with whom such recall petition was filed, shall forthwith submit said petition, together with a certificate of its sufficiency to the governor, who shall thereupon order and fix the date for holding the election not less than thirty days nor more than sixty days from the date of submission of said petition AFTER THE TIME FOR FILING A PROTEST HAS PASSED AND ALL PROTESTS HAVE BEEN FINALLY DECIDED; provided, if a general election is to be held within NOT LESS THAN FIFTY DAYS NOR MORE THAN ninety days after the date of submission of said petition TIME FOR FILING A PROTEST HAS PASSED AND ALL PROTESTS HAVE BEEN FINALLY DECIDED, the recall election shall be held as part of said general election.

**SECTION 2.** Each elector voting at said election and desirous of voting for or against said amendment shall cast a vote as provided by law either "Yes" or "No" on the proposition: "AN AMENDMENT TO SECTION 2 OF ARTICLE XXI OF THE CONSTITUTION OF THE STATE OF COLORADO, CONCERNING ELECTIONS TO RECALL STATE ELECTED OFFICIALS, AND, IN CONNECTION THEREWITH, PROVIDING FOR THE DEADLINES REGARDING RECALL PETITIONS AND HEARINGS TO BE SET IN STATUTE RATHER THAN IN THE CONSTITUTION AND STATING THAT A RECALL ELECTION SHALL BE HELD AS PART OF A GENERAL ELECTION IF A GENERAL ELECTION WILL BE HELD BETWEEN FIFTY AND NINETY DAYS AFTER THE TIME FOR FILING A PROTEST HAS PASSED AND ALL PROTESTS HAVE BEEN FINALLY DECIDED."

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**SECTION 3.** The votes cast for the adoption or rejection of said amendment shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress, and if a majority of the electors voting on the question shall have voted "Yes", the said amendment shall become a part of the state constitution.

# Referendum G Obsolete Constitutional Provisions

**Ballot Title:** Amendments to articles XVII, XX, and XXIV of the constitution of the state of Colorado, concerning the elimination of obsolete provisions of the state constitution.

### Text of Proposal:

Be It Resolved by the Senate of the Sixty-fifth General Assembly of the State of Colorado, the House of Representatives concurring herein:

**SECTION 1.** At the next election at which such question may be submitted, there shall be submitted to the registered electors of the state of Colorado, for their approval or rejection, the following amendment to the constitution of the state of Colorado, to wit:

Section 5 of article XVII of the constitution of the state of Colorado is amended to read:

Section 5. Exemption in time of peace. No person having conscientious scruples against bearing arms shall be compelled to do militia duty in time of peace. provided, such person shall pay an equivalent for such exemption.

Section 7 of article XX of the constitution of the state of Colorado is amended to read:

Section 7. City and county of Denver single school district - consolidations. The city and county of Denver shall alone always constitute one school district, to be known as District No. 1, but its conduct, affairs and business shall be in the hands of a board of education consisting of such numbers, elected in such manner as the general school laws of the state shall provide. and until the first election under said laws of a full board of education which shall be had at the first election held after the adoption of this amendment, all the directors of school district No. 1, and the respective presidents of the school boards of school districts Nos. 2, 7, 17 and 21, at the time this amendment takes effect, shall act as such board of education, and all districts or special charters now existing are hereby abolished.

The said board of education shall perform all the acts and duties required to be performed for said district by the general laws of the state. Except as inconsistent with this amendment, the general school laws of the state shall, unless the context evinces a contrary intent, be held to extend and apply to the said "District No. 1".

Upon the annexation of any contiguous municipality which shall include a school district or districts or any part of a district, said school district or districts or part shall be merged in said "District No. 1", which shall then own all the property thereof, real and personal, located within the boundaries of such annexed municipality, and shall assume and pay all the bonds, obligations and indebtedness of each of the said included school districts, and a proper proportion of those of partially included districts.

Provided, however, that the indebtedness, both principal and interest, which any school district may be under at the time when it becomes a part, by this amendment or by annexation, of said "District No. 1", shall be paid by said school district so owing the same by a special tax to be fixed and certified by the board of education to the council which shall levy the same upon the property within the boundaries of such district, respectively, as the same existed at the time such district becomes a part of said "District No. 1", and in case of partially included districts such tax shall be equitably apportioned upon the several parts thereof.

Section 2 (a), (b), (c), and (e) of article XXIV of the constitution of the state of Colorado are amended to read:

Section 2. Moneys allocated to fund. There is hereby set aside, allocated and allotted to the old age pension fund sums and money as follows:

(a) Beginning January 1, 1957, Eighty-five percent of all net revenue accrued or accruing, received or receivable from any and all excise taxes now or hereafter levied upon sales at retail, or any other purchase transaction; together with eighty-five percent of the net revenue derived from any excise taxes now or hereafter levied upon the storage, use, or consumption of any commodity or product; together with eighty-five percent of all license fees imposed by the provisions of sections 138-6-1 to 138-6-42, both inclusive, of ARTICLE 26 OF TITLE 39, Colorado Revised Statutes, 1953, and amendments thereto; provided, however, that no part of the revenue derived from excise taxes now or hereafter levied, for highway purposes, upon gasoline or other motor fuel, shall be made a part of said old age pension fund.

(b) Beginning January 1, 1957, Eighty-five percent of all net revenue accrued or accruing, received or receivable from taxes of whatever kind upon all malt, vinous, or spirituous liquor, both intoxicating and non-intoxicating, and license fees connected therewith.

(c) All unexpended money in any fund of the state of Colorado, or political subdivision thereof, as of January 1, 1957, which prior to said date has been allocated to the payment of an old age pension.

(e) All inheritance taxes and incorporation fees appropriated under 101-2-2 to 101-2-4, both inclusive, Colorado Revised Statutes 1953, for old age pensions.

Section 3 of article XXIV of the constitution of the state of Colorado is amended to read:

Section 3. Persons entitled to receive pensions. From and after January 1, 1957, Every citizen of the United States who has been a resident of the state of Colorado for such period as the general assembly may determine, who has attained the age of sixty years or more, and who qualifies under the laws of Colorado to receive a pension, shall be entitled to receive the same; provided, however, that no person otherwise qualified shall be denied a pension by reason of the fact that he THE PERSON is the owner of real estate occupied by him THE PERSON as a residence; nor for the reason that relatives may be financially able to contribute to his THE PERSON's support and maintenance; nor shall any person be denied a pension for the reason that he THE PERSON owns personal property which by law is exempt from execution or attachment; nor shall any person be required, in order to receive a pension, to repay, or promise to repay, the state of Colorado any money paid to him THE PERSON as an old age pension.

Section 5 of article XXIV of the constitution of the state of Colorado is amended to read:

**Section 5. Revenues for old age pension fund continued.** The excise tax on sales at retail, together with all license fees levied by the provisions of sections 138-6-1 to 138-6-42, both inclusive ARTICLE 26 OF TITLE 39, Colorado Revised Statutes, <del>1953,</del> and amendments thereto, are hereby continued in full force and effect beyond the date on which said taxes and license fees would otherwise expire, and shall continue until repealed or amended; provided, however, that no law providing revenue for the old age pension fund shall be repealed, nor shall any such law be amended so as to reduce the revenue provided for the old age pension fund, except in the event that at the time of such repeal or amendment, revenue is provided for the old age pension fund in an amount at least equal to that provided by the measure amended or repealed during the calendar year immediately preceding the proposed amendment or repeal.

Section 9 of article XXIV of the constitution of the state of Colorado is repealed as follows:

Section 9. Effective date. This article shall be in force and effect from and after January 1, 1957.

**SECTION 2.** Each elector voting at said election and desirous of voting for or against said amendment shall cast a vote as provided by law either "Yes" or "No" on the proposition: "AMENDMENTS TO ARTICLES XVII, XX, AND XXIV OF THE CONSTITUTION OF THE STATE OF COLORADO, CONCERNING THE ELIMINATION OF OBSOLETE PROVISIONS OF THE STATE CONSTITUTION."

**SECTION 3.** The votes cast for the adoption or rejection of said amendment shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress, and if a majority of the electors voting on the question shall have voted "Yes", the said amendment shall become a part of the state constitution.

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### Referendum H Limiting a State Business Income Tax Deduction

**Ballot Title:** Shall state taxes be increased one hundred fifty thousand dollars annually by an amendment to the Colorado Revised Statutes that eliminates a state income tax benefit for a business that pays an unauthorized alien to perform labor services, and, in connection therewith, prohibits certain wages or remuneration paid to an unauthorized alien for labor services from being claimed as a deductible business expense for state income tax purposes if, at the time the business hired the unauthorized alien, the business knew of the unauthorized status of the alien unless specified exceptions apply and, to the extent such a payment was claimed as a deduction in determining the business' federal income tax liability, requires an amount equal to the prohibited deduction to be added to the business' federal taxable income for the purpose of determining state income tax liability?

# Text of Proposal:

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** 39-22-104 (3), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**39-22-104.** Income tax imposed on individuals, estates, and trusts - single rate - definitions. (3) There shall be added to the federal taxable income:

(i) AN AMOUNT EQUAL TO A BUSINESS EXPENSE FOR LABOR SERVICES THAT IS DEDUCTED PURSUANT TO SECTION 162 (a) (1) OF THE INTERNAL REVENUE CODE BUT THAT IS PROHIBITED FROM BEING CLAIMED AS A DEDUCTIBLE BUSINESS EXPENSE FOR STATE INCOME TAX PURPOSES PURSUANT TO SECTION 39-22-529.

**SECTION 2.** 39-22-304 (2), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**39-22-304.** Net income of corporation. (2) There shall be added to federal taxable income:

(h) AN AMOUNT EQUAL TO A BUSINESS EXPENSE FOR LABOR SERVICES THAT IS DEDUCTED PURSUANT TO SECTION 162 (a) (1) OF THE INTERNAL REVENUE CODE BUT THAT IS PROHIBITED FROM BEING CLAIMED AS A DEDUCTIBLE BUSINESS EXPENSE FOR STATE INCOME TAX PURPOSES PURSUANT TO SECTION 39-22-529.

**SECTION 3.** Part 5 of article 22 of title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**39-22-529.** Business expense deduction - labor services - unauthorized alien - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "LABOR SERVICES" MEANS THE PHYSICAL PERFORMANCE OF SERVICES IN THIS STATE.

(b) "UNAUTHORIZED ALIEN" SHALL HAVE THE SAME MEANING AS SET FORTH IN 8 U.S.C. SEC. 1324a (h) (3), AS AMENDED.

(2) ON OR AFTER JANUARY 1, 2008, NO WAGES OR REMUNERATION FOR LABOR SERVICES PAID TO AN UNAUTHORIZED ALIEN OF SIX HUNDRED DOLLARS OR MORE IN A YEAR SHALL BE CLAIMED AS A DEDUCTIBLE BUSINESS EXPENSE FOR STATE INCOME TAX PURPOSES BY A TAXPAYER WHO, AT THE TIME THE TAXPAYER HIRED THE UNAUTHORIZED ALIEN, KNEW OF THE UNAUTHORIZED STATUS OF THE ALIEN. THE PROVISIONS OF THIS SUBSECTION (2) SHALL APPLY REGARDLESS OF WHETHER AN INTERNAL REVENUE SERVICE FORM 1099-MISC IS ISSUED IN CONJUNCTION WITH THE WAGES OR REMUNERATION.

(3) THIS SECTION SHALL NOT APPLY TO:

(a) ANY BUSINESS DOMICILED IN THE STATE THAT IS EXEMPT FROM COMPLIANCE WITH FEDERAL EMPLOYMENT VERIFICATION PROCEDURES UNDER FEDERAL LAW THAT MAKES THE EMPLOYMENT OF UNAUTHORIZED ALIENS UNLAWFUL;

(b) ANY INDIVIDUAL HIRED BY THE TAXPAYER BEFORE THE EFFECTIVE DATE OF THIS PARAGRAPH (b);

(c) ANY TAXPAYER WHERE THE INDIVIDUAL BEING PAID IS NOT DIRECTLY COMPENSATED OR EMPLOYED BY THE TAXPAYER; OR

(d) WAGES OR REMUNERATION PAID FOR LABOR SERVICES TO ANY INDIVIDUAL WHO HOLDS AND PRESENTS TO THE TAXPAYER A VALID LICENSE OR IDENTIFICATION CARD ISSUED BY THE DEPARTMENT OF REVENUE.

(4) THE EXECUTIVE DIRECTOR IS AUTHORIZED TO PRESCRIBE FORMS AND PROMULGATE RULES THAT ARE NECESSARY TO ADMINISTER THIS SECTION.

**SECTION 4.** Refer to people under referendum. (1) This act shall be submitted to a vote of the registered electors of the state of Colorado at the next election for which it may be submitted, for their approval or rejection, under the provisions of the referendum as provided for in section 1 of article V and section 20 of article X of the state constitution, and in article 40 of title 1, Colorado Revised Statutes. Each elector voting at said election and desirous of voting for or against said act shall cast a vote as provided by law either "Yes" or "No" on the proposition: "SHALL STATE TAXES BE INCREASED ONE HUNDRED FIFTY THOUSAND DOLLARS ANNUALLY BY AN AMENDMENT TO THE COLORADO REVISED STATUTES THAT ELIMINATES A STATE INCOME TAX BENEFIT FOR A BUSINESS THAT PAYS AN UNAUTHORIZED ALIEN TO PERFORM LABOR SERVICES, AND, IN CONNECTION THEREWITH, PROHIBITS CERTAIN WAGES OR REMUNERATION PAID TO AN UNAUTHORIZED ALIEN FOR LABOR SERVICES FROM BEING CLAIMED AS A DEDUCTIBLE BUSINESS EXPENSE FOR STATE INCOME TAX PURPOSES IF, AT THE TIME THE BUSINESS HIRED THE UNAUTHORIZED ALIEN, THE BUSINESS KNEW OF THE UNAUTHORIZED STATUS OF THE ALIEN UNLESS SPECIFIED EXCEPTIONS APPLY AND, TO THE EXTENT SUCH A PAYMENT WAS CLAIMED AS A DEDUCTION IN DETERMINING THE BUSINESS' FEDERAL INCOME TAX LIABILITY, REQUIRES AN AMOUNT EQUAL TO THE PROHIBITED DEDUCTION TO BE ADDED TO THE BUSINESS' FEDERAL TAXABLE INCOME FOR THE PURPOSE OF DETERMINING STATE INCOME TAX LIABILITY?" The votes cast for the adoption or rejection of said act shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress.

(2) In accordance with section 1-5-407 (5), Colorado Revised Statutes, it is the intent of the general assembly that this act, as a measure to increase taxes, be printed on the ballot immediately following all constitutional referred measures and before any other statutory referred measures and lettered accordingly.

#### Referendum I Domestic Partnerships

**Ballot Title:** Shall there be an amendment to the Colorado Revised Statutes to authorize domestic partnerships, and, in connection therewith, enacting the "Colorado Domestic Partnership Benefits And Responsibilities Act" to extend to same-sex couples in a domestic partnership the benefits, protections, and responsibilities that are granted by Colorado law to spouses, providing the conditions under which a license for a domestic partnership may be issued and the criteria under which a domestic partnership may be dissolved, making provisions for implementation of the act, and providing that a domestic partnership is not a marriage, which consists of the union of one man and one woman?

### Text of Proposal:

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** Title 14, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

#### ARTICLE 15 Colorado Domestic Partnership Benefits and Responsibilities Act

**14-15-101.** Short title. This article shall be known and may be cited as the "Colorado Domestic Partnership Benefits and Responsibilities Act".

**14-15-102.** Legislative declaration. The general assembly declares that the purpose of this article is to provide eligible same-sex couples the opportunity to obtain the benefits, protections, and responsibilities afforded by Colorado Law to spouses consistent with the principles of equality under law and religious freedom embodied in both the United States constitution and the constitution of this state.

**14-15-103. Definitions.** As used in this article, unless the context otherwise requires:

(1) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

(2) "DOMESTIC PARTNER" MEANS A PERSON WHO HAS ESTABLISHED A DOMESTIC PARTNERSHIP PURSUANT TO THIS ARTICLE.

(3) "DOMESTIC PARTNERSHIP" MEANS TWO ELIGIBLE PERSONS WHO HAVE ESTABLISHED A RELATIONSHIP PURSUANT TO THIS ARTICLE AND WHO SHALL RECEIVE THE BENEFITS AND PROTECTIONS AND BE SUBJECT TO THE RESPONSIBILITIES OF SPOUSES.

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(4) "DOMESTIC PARTNERSHIP CERTIFICATE" MEANS A DOCUMENT THAT CERTIFIES THAT THE PERSONS NAMED IN THE CERTIFICATE HAVE ESTABLISHED A DOMESTIC PARTNERSHIP IN THIS STATE IN COMPLIANCE WITH THIS ARTICLE.

(5) "MARRIAGE" MEANS THE LEGALLY RECOGNIZED UNION OF ONE MAN AND ONE WOMAN.

(6) "Spouses" means two persons married pursuant to the provisions of the "Uniform Marriage Act", part 1 of article 2 of this title.

(7) "STATE REGISTRAR" MEANS THE STATE REGISTRAR OF VITAL STATISTICS IN THE DEPARTMENT.

**14-15-104.** Requisites of a valid domestic partnership. (1) For a domestic partnership to be established in Colorado, the domestic partners shall satisfy all of the following criteria:

(a) NOT BE A PARTNER IN ANOTHER DOMESTIC PARTNERSHIP;

(b) NOT BE MARRIED TO ANOTHER PERSON;

(c) BE OF THE SAME SEX AND THEREFORE EXCLUDED FROM THE MARRIAGE LAWS OF THIS STATE, AS SPECIFIED IN THE "UNIFORM MARRIAGE ACT", PART 1 OF ARTICLE 2 OF THIS TITLE; AND

(d) MEET THE CRITERIA AND OBLIGATIONS SET FORTH IN THIS ARTICLE.

**14-15-105. Person shall not enter into a domestic partnership with a relative.** (1) AN INDIVIDUAL SHALL NOT ENTER INTO A DOMESTIC PARTNERSHIP WITH AN ANCESTOR OR A DESCENDANT OR WITH A BROTHER OR A SISTER, WHETHER THE RELATIONSHIP IS BY THE HALF OR THE WHOLE BLOOD.

(2) AN INDIVIDUAL SHALL NOT ENTER INTO A DOMESTIC PARTNERSHIP WITH AN UNCLE OR AUNT OR WITH A NIECE OR NEPHEW, WHETHER THE RELATIONSHIP IS BY THE HALF OR THE WHOLE BLOOD.

(3) A DOMESTIC PARTNERSHIP BETWEEN PERSONS PROHIBITED BY SUBSECTION (1) OR (2) OF THIS SECTION FROM ENTERING INTO A DOMESTIC PARTNERSHIP IS VOID.

**14-15-106.** Benefits, protections, and responsibilities of partners in a domestic partnership. (1) A DOMESTIC PARTNER SHALL HAVE THE BENEFITS, PROTECTIONS, AND RESPONSIBILITIES UNDER LAW, WHETHER THEY DERIVE FROM STATUTE, ADMINISTRATIVE OR COURT RULE, POLICY, COMMON LAW, OR ANY OTHER SOURCE OF CIVIL LAW, AS ARE GRANTED TO SPOUSES.

(2) A DOMESTIC PARTNER SHALL BE INCLUDED IN ANY DEFINITION OR USE OF THE TERMS "SPOUSE", "FAMILY", "IMMEDIATE FAMILY", "DEPENDENT", "NEXT OF KIN", AND ANY OTHER TERM THAT DENOTES THE SPOUSAL RELATIONSHIP, AS THOSE TERMS ARE USED THROUGHOUT THE LAW.

(3) DOMESTIC PARTNERS SHALL BE RESPONSIBLE FOR THE FINANCIAL SUPPORT OF ONE ANOTHER IN THE MANNER AS PRESCRIBED UNDER LAW FOR SPOUSES.

(4) THE LAW OF DOMESTIC RELATIONS, INCLUDING DECLARATION OF INVALIDITY, LEGAL SEPARATION AND DISSOLUTION OF MARRIAGE, CHILD CUSTODY, ALLOCATION OF PARENTAL RESPONSIBILITIES, PARENTING TIME, CHILD SUPPORT, PROPERTY DIVISION, AND MAINTENANCE SHALL APPLY TO DOMESTIC PARTNERS.

(5) LEGAL BENEFITS, PROTECTIONS, AND RESPONSIBILITIES OF SPOUSES, INCLUDING BUT NOT LIMITED TO THE FOLLOWING, SHALL APPLY IN LIKE MANNER TO DOMESTIC PARTNERS:

(a) LAWS RELATING TO TITLE, TENURE, DESCENT AND DISTRIBUTION, INTESTATE SUCCESSION, WAIVER OF WILL, SURVIVORSHIP, OR OTHER INCIDENTS OF THE ACQUISITION, OWNERSHIP, OR TRANSFER, INTER VIVOS OR AT DEATH, OF REAL OR PERSONAL PROPERTY, INCLUDING ELIGIBILITY TO HOLD REAL AND PERSONAL PROPERTY AS JOINT TENANTS WITH RIGHT OF SURVIVORSHIP OR AS TENANTS IN COMMON;

(b) CAUSES OF ACTION RELATED TO OR DEPENDENT UPON SPOUSAL STATUS, INCLUDING AN ACTION BASED ON WRONGFUL DEATH, EMOTIONAL DISTRESS, LOSS OF CONSORTIUM, DRAMSHOP LAWS, OR OTHER TORTS OR ACTIONS UNDER CONTRACTS RECITING, RELATED TO, OR DEPENDENT UPON SPOUSAL STATUS;

(c) PROHIBITIONS AGAINST DISCRIMINATION BASED UPON SPOUSAL STATUS;

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(d) PROBATE LAW AND PROCEDURE, INCLUDING NONPROBATE TRANSFERS AND PRIORITY FOR APPOINTMENT AS A CONSERVATOR, GUARDIAN, OR PERSONAL REPRESENTATIVE;

(e) WORKERS' COMPENSATION BENEFITS;

(f) ADOPTION LAW AND PROCEDURE;

(g) GROUP BENEFIT PLANS FOR STATE EMPLOYEES PURSUANT TO PART 6 OF ARTICLE 50 OF TITLE 24, C.R.S.;

(h) THE RIGHT TO DESIGNATE A DOMESTIC PARTNER AS A BENEFICIARY UNDER THE STATE PUBLIC EMPLOYEES RETIREMENT SYSTEM;

(i) SURVIVOR BENEFITS UNDER LOCAL GOVERNMENT FIREFIGHTER AND POLICE PENSIONS;

(j) DOMESTIC ABUSE PROGRAMS PURSUANT TO ARTICLE 7.5 OF TITLE 26, C.R.S., EMERGENCY PROTECTION ORDERS PURSUANT TO SECTION 13-14-103, C.R.S., AND THE RIGHT TO RECEIVE THE PROTECTIONS AND PROGRAMS SPECIFIED IN PART 8 OF ARTICLE 6 OF TITLE 18, C.R.S., NOTWITHSTANDING THE INTIMATE RELATIONSHIP REQUIREMENT;

(k) VICTIM'S COMPENSATION RIGHTS PURSUANT TO ARTICLE 4.1 OF TITLE 24, C.R.S.;

(I) LAWS RELATING TO EMERGENCY AND NONEMERGENCY MEDICAL CARE AND TREATMENT AND HOSPITAL VISITATION AND NOTIFICATION, INCLUDING THE RIGHTS OF NURSING HOME PATIENTS DESCRIBED IN SECTION 25-1-120, C.R.S.;

(m) TERMINAL CARE DOCUMENTS, MEDICAL TREATMENT DOCUMENTS, AND DECISIONS MADE PURSUANT TO THE "COLORADO MEDICAL TREATMENT DECISION ACT", ARTICLE 18 OF TITLE 15, C.R.S., MEDICAL DECISIONS MADE PURSUANT TO ARTICLE 18.5 OF TITLE 15, C.R.S., AND ANY MEDICAL DURABLE POWER OF ATTORNEY OR ADVANCE MEDICAL DIRECTIVES PURSUANT TO ARTICLE 14 OF TITLE 15, C.R.S.;

(n) RIGHTS CONCERNING DIRECTION OF THE DISPOSITION OF A DECEASED DOMESTIC PARTNER'S LAST REMAINS PURSUANT TO ARTICLE 19 OF TITLE 15, C.R.S.;

(0) LAWS RELATING TO MAKING, REVOKING, AND OBJECTING TO ANATOMICAL GIFTS BY OTHERS PURSUANT TO THE "UNIFORM ANATOMICAL GIFT ACT", PART 1 OF ARTICLE 34 OF TITLE 12, C.R.S.;

(p) FAMILY LEAVE BENEFITS;

(q) PUBLIC ASSISTANCE BENEFITS PURSUANT TO STATE LAW;

(r) LAWS RELATING TO IMMUNITY FROM COMPELLED TESTIMONY AND EVIDENTIARY PRIVILEGES PURSUANT TO SECTION 13-90-107, C.R.S.;

(s) THE RIGHT TO APPLY FOR EMERGENCY OR INVOLUNTARY COMMITMENT OF A DOMESTIC PARTNER;

(t) THE HOMESTEAD RIGHTS OF A SURVIVING SPOUSE PURSUANT TO PART 2 OF ARTICLE 41 OF TITLE 38, C.R.S.;

(u) THE ABILITY TO PROTECT EXEMPT PROPERTY FROM ATTACHMENT, EXECUTION, OR GARNISHMENT;

(V) INSURANCE POLICIES FOR LIFE INSURANCE OR HEALTH CARE COVERAGE, INCLUDING THE ABILITY TO COVER A DOMESTIC PARTNER AS A DEPENDENT.

(6) THE RESPONSIBILITIES AND RIGHTS OF DOMESTIC PARTNERS, WITH RESPECT TO A CHILD OF WHOM EITHER BECOMES THE BIOLOGICAL PARENT DURING THE TERM OF THE DOMESTIC PARTNERSHIP, SHALL BE DETERMINED AS IF THE PARTIES WERE SPOUSES SUBJECT TO THE PROVISIONS OF SECTION 19-4-105, C.R.S.

**14-15-107.** Modification of domestic partnership terms. Domestic partners may modify the terms, conditions, or effects of their domestic partnerships in the manner specified in part 3 of article 2 of this title, setting forth particular understandings with respect to their partnership.

**14-15-108.** Dissolution, legal separation, and declaration of invalidity of domestic partnerships. The district court has jurisdiction over all proceedings relating to the dissolution of a domestic partnership, legal separation of a domestic partnership, or the declaration of invalidity of a domestic partnership. Such proceedings shall follow the procedures specified in article 10 of this title.

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**14-15-109.** Domestic partnership license and certificate. (1) The EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL PRESCRIBE THE FORM FOR AN APPLICATION FOR A DOMESTIC PARTNERSHIP LICENSE, WHICH SHALL INCLUDE THE FOLLOWING INFORMATION:

(a) NAME, SEX, ADDRESS, SOCIAL SECURITY NUMBER, AND DATE AND PLACE OF BIRTH OF EACH PARTY TO THE PROPOSED DOMESTIC PARTNERSHIP; AND, FOR SUCH PURPOSE, PROOF OF DATE OF BIRTH MAY BE BY A BIRTH CERTIFICATE, A DRIVER'S LICENSE, OR OTHER COMPARABLE EVIDENCE;

(b) IF EITHER PARTY HAS PREVIOUSLY BEEN MARRIED OR PREVIOUSLY BEEN A PARTNER IN A DOMESTIC PARTNERSHIP, SUCH PARTY'S MARRIED OR PREVIOUS NAME AND THE DATE, PLACE, AND COURT IN WHICH THE MARRIAGE OR DOMESTIC PARTNERSHIP WAS DISSOLVED OR DECLARED INVALID OR THE DATE AND PLACE OF DEATH OF THE FORMER SPOUSE OR FORMER PARTNER IN THE DOMESTIC PARTNERSHIP;

- (c) NAME AND ADDRESS OF THE PARENTS OR GUARDIAN OF EACH PARTY;
- (d) WHETHER THE PARTIES ARE RELATED TO EACH OTHER AND, IF SO, THEIR RELATIONSHIP.

(2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL PRESCRIBE THE FORMS FOR THE DOMESTIC PARTNERSHIP LICENSE, THE DOMESTIC PARTNERSHIP CERTIFICATE, AND THE CONSENT TO FORM A DOMESTIC PARTNERSHIP.

**14-15-110. Issuance of a domestic partnership license - certification - fee.** (1) When both parties to a proposed domestic partnership complete a domestic partnership application and at least one party appears before the county clerk and recorder and pays the domestic partnership license fee of seven dollars, and an additional amount established pursuant to section 25-2-121, C.R.S., to be credited to the vital statistics records cash fund pursuant to section 25-2-121, C.R.S., and the county clerk and recorder the requirements for proof of legal qualifications as specified in section 14-15-111, the county clerk and recorder shall issue a domestic partnership license and a domestic partnership certificate form. Both parties to the proposed domestic partnership shall sign the application attesting to the accuracy of the facts stated.

(2) THE DOMESTIC PARTNERSHIP LICENSE SHALL BE ISSUED BY THE COUNTY CLERK AND RECORDER OF THE COUNTY WHERE EITHER PARTY RESIDES OR, IF NEITHER IS A RESIDENT OF THE STATE, BY ANY COUNTY CLERK AND RECORDER IN THE STATE.

(3) ONE OF THE PARTIES TO A PROPOSED DOMESTIC PARTNERSHIP, WITHIN THIRTY DAYS AFTER THE DATE OF ISSUE, SHALL DELIVER THE DOMESTIC PARTNERSHIP LICENSE TO A PERSON AUTHORIZED TO CERTIFY DOMESTIC PARTNERSHIPS BY SECTION 14-15-113. IF THE AUTHORIZED PERSON DOES NOT CERTIFY THE PROPOSED DOMESTIC PARTNERSHIP WITHIN THIRTY DAYS AFTER THE DATE OF ISSUE, THE LICENSE SHALL BECOME VOID. AFTER AN AUTHORIZED PERSON HAS CERTIFIED THE DOMESTIC PARTNERSHIP, THE DOCUMENT SHALL BE KNOWN AS A DOMESTIC PARTNERSHIP CERTIFICATE.

**14-15-111. Proof of legal qualifications of parties to a domestic partnership.** Before issuing a domestic partnership license to an applicant, the county clerk and recorder shall be satisfied that each party to the intended domestic partnership meets the criteria set forth in section 14-15-104 to enter into a domestic partnership.

**14-15-112.** Restrictions as to minors and wards. (1) A COUNTY CLERK AND RECORDER SHALL NOT ISSUE A DOMESTIC PARTNERSHIP LICENSE WHEN EITHER PARTY TO THE INTENDED DOMESTIC PARTNERSHIP IS:

(a) UNDER EIGHTEEN YEARS OF AGE;

- (b) UNDER GUARDIANSHIP, WITHOUT THE WRITTEN CONSENT OF SUCH GUARDIAN.
- (2) A VIOLATION OF SUBSECTION (1) OF THIS SECTION SHALL MAKE THE DOMESTIC PARTNERSHIP VOIDABLE.

**14-15-113. Persons authorized to certify domestic partnerships - registration - fee.** (1) A DOMESTIC PARTNERSHIP MAY BE CERTIFIED BY A JUDGE OF A COURT, BY A DISTRICT COURT MAGISTRATE, BY A COUNTY COURT MAGISTRATE, BY A RETIRED JUDGE OF A COURT, BY THE PARTIES TO THE DOMESTIC PARTNERSHIP, OR IN ACCORDANCE WITH ANY MODE OF RECOGNITION OF A DOMESTIC PARTNERSHIP BY ANY RELIGIOUS DENOMINATION OR INDIAN NATION OR TRIBE.

(2) EITHER THE PERSON CERTIFYING THE DOMESTIC PARTNERSHIP OR, IF NO INDIVIDUAL ACTING ALONE CERTIFIED THE DOMESTIC PARTNERSHIP, A PARTY TO THE DOMESTIC PARTNERSHIP SHALL COMPLETE THE DOMESTIC PARTNERSHIP CERTIFICATE AND RETURN THE CERTIFICATE TO THE COUNTY CLERK AND RECORDER'S OFFICE THAT ISSUED THE LICENSE WITHIN SIXTY DAYS AFTER THE DATE ON WHICH THE DOMESTIC PARTNERSHIP WAS CERTIFIED. A PERSON WHO FAILS TO FORWARD THE DOMESTIC PARTNERSHIP WAS CERTIFIED.

PARTNERSHIP CERTIFICATE TO THE COUNTY CLERK AND RECORDER AS REQUIRED BY THIS SECTION SHALL BE REQUIRED TO PAY A LATE FEE IN AN AMOUNT OF NOT LESS THAN TWENTY DOLLARS. AN ADDITIONAL FIVE-DOLLAR LATE FEE MAY BE ASSESSED FOR EACH ADDITIONAL DAY OF FAILURE TO COMPLY WITH THE FORWARDING REQUIREMENTS OF THIS SUBSECTION (2) UP TO A MAXIMUM OF FIFTY DOLLARS. FOR PURPOSES OF DETERMINING WHETHER A LATE FEE SHALL BE ASSESSED PURSUANT TO THIS SUBSECTION (2), THE DATE OF FORWARDING SHALL BE DEEMED TO BE THE DATE OF POSTMARK.

(3) UPON RECEIPT OF THE DOMESTIC PARTNERSHIP CERTIFICATE, THE COUNTY CLERK AND RECORDER SHALL REGISTER THE DOMESTIC PARTNERSHIP.

(4) NO PRIEST, MINISTER, RABBI, OR OTHER OFFICIAL OF ANY RELIGIOUS INSTITUTION OR DENOMINATION SHALL BE REQUIRED TO CERTIFY ANY DOMESTIC PARTNERSHIP IN VIOLATION OF HIS OR HER RIGHT TO THE FREE EXERCISE OF RELIGION GUARANTEED BY THE FIRST AMENDMENT TO THE UNITED STATES CONSTITUTION AND BY SECTION 4 OF ARTICLE II OF THE COLORADO CONSTITUTION.

**14-15-114. Domestic partnership license required for certification.** PERSONS AUTHORIZED BY SECTION 14-15-113 TO CERTIFY DOMESTIC PARTNERSHIPS SHALL REQUIRE A DOMESTIC PARTNERSHIP LICENSE FROM THE PARTIES BEFORE CERTIFYING THE DOMESTIC PARTNERSHIP. THE LICENSE SHALL AFFORD FULL IMMUNITY TO THE PERSON WHO CERTIFIES THE DOMESTIC PARTNERSHIP.

**14-15-115.** Evidence of domestic partnership. A COPY OF THE RECORD OF THE DOMESTIC PARTNERSHIP RECEIVED FROM THE COUNTY CLERK AND RECORDER OR THE STATE REGISTRAR SHALL BE PRESUMPTIVE EVIDENCE OF THE DOMESTIC PARTNERSHIP IN ALL COURTS.

**14-15-116. Construction.** (1) The provisions of this article shall not be construed to create a marriage between the parties to a domestic partnership, create or recognize a legal status similar to that of marriage as defined in sections 14-2-101 to 14-2-104, or alter the public policy of this state which recognizes only the union of one man and one woman as a marriage.

(2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, NOTHING IN THIS ARTICLE SHALL BE INTERPRETED TO REQUIRE A CHILD PLACEMENT AGENCY TO PLACE A CHILD FOR ADOPTION WITH A COUPLE THAT HAS ENTERED INTO A DOMESTIC PARTNERSHIP PURSUANT TO THIS ARTICLE IF THE CHILD PLACEMENT AGENCY OBJECTS TO SUCH PLACEMENT ON THE BASIS OF RELIGIOUS BELIEFS.

(3) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO PERMIT THE FILING OF A JOINT INCOME TAX RETURN BY THE PARTIES TO A DOMESTIC PARTNERSHIP.

**14-15-117.** Enacting legislation. The general assembly shall enact legislation to implement this article, including the benefits, protections, and responsibilities of partners in a domestic partnership as outlined in section 14-15-106.

SECTION 2. 25-2-105, Colorado Revised Statutes, is amended to read:

**25-2-105.** Vital statistics, reports, and certificates - forms and information to be included. (1) The state registrar shall prescribe, furnish, and distribute such forms as are required by this article and shall furnish and distribute such rules and regulations as are promulgated pursuant to section 25-2-103. The state registrar may also prescribe such other means for transmission of data as will accomplish the purpose of complete and accurate reporting and registration.

(2) THE STATE REGISTRAR SHALL PRESCRIBE, FURNISH, AND DISTRIBUTE SUCH FORMS AS ARE REQUIRED BY THIS ARTICLE WITH RESPECT TO DOMESTIC PARTNERSHIP CERTIFICATES, AS DEFINED IN SECTION 14-15-103 (4), C.R.S.

**SECTION 3.** Article 2 of title 25, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**25-2-106.5.** Reports of domestic partnerships. Each county clerk and recorder shall prepare a report containing such information and using the form as prescribed and furnished by the state registrar with respect to every duly executed domestic partnership certificate registered in accordance with section 14-15-113, C.R.S. On or before the tenth day of each month, or more frequently if requested by the state registrar, a county clerk and recorder shall forward to the state registrar all domestic partnership certificates registered in the preceding period. Any county clerk and recorder may issue certified copies of domestic partnership certificates.

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SECTION 4. 25-2-107 (1), Colorado Revised Statutes, is amended to read:

**25-2-107.** Reports of adoption, dissolution of marriage, domestic partnerships, parentage, and other court proceedings affecting vital statistics - tax on court action affecting vital statistics. (1) The clerk of each court or, for parentage proceedings, the clerk of the court or a delegate child support enforcement unit shall prepare a report containing such information and using such form as may be prescribed and furnished by the state registrar with respect to every decree entered by the court with respect to parentage, legitimacy, adoption, change of name, dissolution of marriage, legal separation or OF A MARRIAGE, declaration of invalidity of marriage, DISSOLUTION OF A DOMESTIC PARTNERSHIP, LEGAL SEPARATION OF A DOMESTIC PARTNERSHIP, OR DECLARATION OF INVALIDITY OF A DOMESTIC PARTNERSHIP, and every decree amending or nullifying such a decree and also with respect to every decree entered pursuant to section 25-2-114. On or before the tenth day of each month, or more frequently if so requested by the state registrar, such clerk shall forward to the state registrar the reports for all such decrees entered during the preceding period.

**SECTION 5.** 25-2-117 (2) (d) and (2) (e), Colorado Revised Statutes, are amended, and the said 25-2-117 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

**25-2-117.** Certified copies furnished - fee. (2) An applicant shall pay fees established pursuant to section 25-2-121 for each of the following services:

- (d) The verification of marriage or divorce; and
- (e) The reproduction of various vital statistics, publications, reports, and data services; AND
- (f) THE VERIFICATION OF A DOMESTIC PARTNERSHIP OR DISSOLUTION OF A DOMESTIC PARTNERSHIP.

**SECTION 6.** 2-4-401, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

**2-4-401. Definitions.** The following definitions apply to every statute, unless the context otherwise requires:

(2.2) "DOMESTIC PARTNER" MEANS A PERSON WHO HAS ENTERED INTO A DOMESTIC PARTNERSHIP IN ACCORDANCE WITH THE REQUIREMENTS OF ARTICLE 15 OF TITLE 14, C.R.S.

(2.3) "DOMESTIC PARTNERSHIP" MEANS THAT TWO ELIGIBLE PERSONS HAVE ESTABLISHED A RELATIONSHIP PURSUANT TO THE REQUIREMENTS OF ARTICLE 15 OF TITLE 14, C.R.S., THAT ENTITLES THEM TO RECEIVE THE BENEFITS AND PROTECTIONS AND BE SUBJECT TO THE RESPONSIBILITIES OF SPOUSES.

(2.4) "DOMESTIC PARTNERSHIP CERTIFICATE" MEANS A DOCUMENT THAT CERTIFIES THAT THE PERSONS NAMED IN THE CERTIFICATE HAVE ESTABLISHED A DOMESTIC PARTNERSHIP IN THIS STATE IN COMPLIANCE WITH THE PROVISIONS OF ARTICLE 15 OF TITLE 14, C.R.S.

**SECTION 7.** 24-72-204 (3) (a) (XIX), Colorado Revised Statutes, as enacted by House Bill 06-1357, enacted at the Second Regular Session of the Sixty-fifth General Assembly, is amended to read:

**24-72-204.** Allowance or denial of inspection - grounds - procedure - appeal. (3) (a) The custodian shall deny the right of inspection of the following records, unless otherwise provided by law; except that any of the following records, other than letters of reference concerning employment, licensing, or issuance of permits, shall be available to the person in interest under this subsection (3):

(XIX) (A) Except as provided in sub-subparagraphs (B) and (C) of this subparagraph (XIX), applications for a marriage license submitted pursuant to section 14-2-106, C.R.S., AND EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (C) OF THIS SUBPARAGRAPH (XIX), APPLICATIONS FOR A DOMESTIC PARTNERSHIP LICENSE SUBMITTED PURSUANT TO SECTION 14-15-109, C.R.S. A person in interest under this subparagraph (XIX) includes an immediate family member of either party to the marriage application OR TO THE DOMESTIC PARTNERSHIP APPLICATION. As used in this subparagraph (XIX), "immediate family member" means a person who is related by blood, marriage, or adoption. Nothing in this subparagraph (XIX) shall be construed to prohibit the inspection of marriage licenses or marriage certificates OR TO DOMESTIC PARTNERSHIP LICENSES OR DOMESTIC PARTNERSHIP CERTIFICATES or to otherwise change the status of those licenses or certificates as public records.

(B) Any record of an application for a marriage license submitted pursuant to section 14-2-106, C.R.S., shall be made available for public inspection fifty years after the date that record was created.

(C) Upon application by any person to the district court in the district wherein a record of an application for a marriage license OR FOR A DOMESTIC PARTNERSHIP LICENSE is found, the district court may, in its discretion and upon good cause shown, order the custodian to permit the inspection of such record.

**SECTION 8.** Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of regulatory agencies, for the fiscal year beginning July 1, 2006, the sum of fifty-eight thousand fifty-two dollars (\$58,052) and 0.5 FTE, or so much thereof as may be necessary, for the implementation of this act. Of said sum and said FTE, twenty-four thousand one hundred sixty-seven dollars (\$24,167) and 0.5 FTE shall be allocated to the Colorado civil rights division and thirty-three thousand eight hundred eighty-five dollars (\$33,885) shall be allocated to the executive director's office.

(2) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2006, the sum of thirty-three thousand eight hundred eighty-five dollars (\$33,885) and 0.2 FTE, or so much thereof as may be necessary, for the provision of legal services to the department of regulatory agencies related to the implementation of this act. Said sum shall be from cash funds exempt received from the department of regulatory agencies out of the appropriation made in subsection (1) of this section.

**SECTION 9. Effective date - applicability.** This act shall take effect February 12, 2007, and shall apply to domestic partnerships entered into on or after said date.

**SECTION 10.** Refer to people under referendum. This act shall be submitted to a vote of the registered electors of the state of Colorado at the next biennial regular general election, for their approval or rejection, under the provisions of the referendum as provided for in section 1 of article V of the state constitution, and in article 40 of title 1, Colorado Revised Statutes. Each elector voting at said election and desirous of voting for or against said act shall cast a vote as provided by law either "Yes" or "No" on the proposition: "SHALL THERE BE AN AMENDMENT TO THE COLORADO REVISED STATUTES TO AUTHORIZE DOMESTIC PARTNERSHIPS, AND, IN CONNECTION THEREWITH, ENACTING THE "COLORADO DOMESTIC PARTNERSHIP BENEFITS AND RESPONSIBILITIES ACT" TO EXTEND TO SAME-SEX COUPLES IN A DOMESTIC PARTNERSHIP THE BENEFITS, PROTECTIONS, AND RESPONSIBILITIES THAT ARE GRANTED BY COLORADO LAW TO SPOUSES, PROVIDING THE CONDITIONS UNDER WHICH A LICENSE FOR A DOMESTIC PARTNERSHIP MAY BE ISSUED AND THE CRITERIA UNDER WHICH A DOMESTIC PARTNERSHIP MAY BE ISSUED AND THE ACT, AND PROVIDING THAT A DOMESTIC PARTNERSHIP IS NOT A MARRIAGE, WHICH CONSISTS OF THE UNION OF ONE MAN AND ONE WOMAN?" The votes cast for the adoption or rejection of said act shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress.

# Referendum J School District Spending Requirements

**Ballot Title:** Shall Colorado state law require that in each state fiscal year a school district spend at least sixty-five percent of its operational expenditures on services that directly affect student achievement?

### Text of Proposal:

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

# ARTICLE 54.5 Public School Expenditures Accountability Act

**22-54.5-101.** Short title. This article shall be known and may be cited as the "Public School Expenditures Accountability Act".

**22-54.5-102.** Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS AND DETERMINES THAT:

(a) COLORADO'S SCHOOL DISTRICTS HAVE THE RESPONSIBILITY TO ENSURE THAT OPERATIONAL EXPENDITURES MAXIMIZE THE QUALITY OF EACH STUDENT'S EDUCATIONAL EXPERIENCE;

(b) COLORADO'S PUBLIC SCHOOL STUDENTS HAVE THE RIGHT TO REALIZE THE IMMEDIATE EFFECTS OF ADDITIONAL RESOURCES, WHETHER THESE RESOURCES ARE PROVIDED THROUGH NEW OR REALLOCATED FUNDING, THAT ARE FOCUSED ON SERVICES THAT DIRECTLY AFFECT EACH STUDENT'S ACHIEVEMENT;

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(c) TAXPAYERS, INCLUDING PARENTS AND BUSINESS OWNERS IN EACH SCHOOL DISTRICT, HAVE A RIGHT TO KNOW WHETHER THEIR TAX DOLLARS ARE BEING APPROPRIATELY BUDGETED AND SPENT BY THEIR SCHOOL DISTRICTS TO PROVIDE STUDENTS WITH AN OPPORTUNITY FOR A QUALITY EDUCATION.

(2) THE GENERAL ASSEMBLY THEREFORE DECLARES THAT, TO ENSURE ACCOUNTABILITY IN SCHOOL DISTRICT BUDGETING TO TAXPAYERS AND STUDENTS, IT IS NECESSARY TO REQUIRE EACH SCHOOL DISTRICT:

(a) TO ADOPT AN ANNUAL BUDGET REPORT IN A STANDARD FORMAT THAT PROVIDES TRANSPARENCY AND COMPARABILITY FROM DISTRICT TO DISTRICT FOR THE PURPOSE OF PUBLIC INSPECTION; AND

(b) TO SPEND A MINIMUM PERCENTAGE OF ITS OPERATIONAL EXPENDITURES ON SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT.

22-54.5-103. Definitions. As used in this article, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) (a) "OPERATIONAL EXPENDITURES" MEANS ALL EXPENDITURES MADE BY A SCHOOL DISTRICT, WITH THE EXCEPTION OF THE FOLLOWING EXPENDITURES RELATED TO TYPES OF REVENUES:

(I) ALL MONEYS REQUIRED TO BE SET ASIDE FOR CAPITAL RESERVE AND RISK-MANAGEMENT FUNDING PURSUANT TO SECTION 22-54-105 (2);

(II) ALL MONEYS RECEIVED FOR CAPITAL CONSTRUCTION PURSUANT TO SECTION 22-54-117 OR 22-54-124;

(III) ALL MONEYS TRANSFERRED TO A DISTRICT CHARTER SCHOOL PURSUANT TO SECTION 22-30.5-112;

(IV) ALL MONEYS RECEIVED AS A MILL LEVY OVERRIDE PURSUANT TO SECTION 22-54-107.5 OR 22-54-108 THAT ARE UNRELATED TO SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT;

(V) ALL MONEYS SET ASIDE FOR THE SCHOOL DISTRICT'S OPERATING RESERVE FUND PURSUANT TO SECTION 22-44-106;

(VI) ALL MONEYS REQUIRED TO BE SET ASIDE FOR THE SCHOOL DISTRICT'S EMERGENCY RESERVE FUND PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION;

(VII) LOCAL REVENUES RECEIVED THROUGH LOCAL BOND ELECTIONS, INCLUDING INTEREST EARNINGS AND SPECIFIC OWNERSHIP TAXES RELATED TO BOND REDEMPTION FUNDS;

(VIII) BOND REDEMPTION FUNDS;

(IX) LOCAL, STATE, FEDERAL, AND PRIVATE FUNDS RECEIVED FOR A DESIGNATED PURPOSE THAT ARE UNRELATED TO SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT;

(X) ENTERPRISE FUNDS FROM PROGRAMS THAT ARE UNRELATED TO SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT;

(XI) TRUST AND AGENCY FUNDS RECEIVED FOR A DESIGNATED PURPOSE; AND

(XII) INTERNAL SERVICE FUNDS, AS SUCH FUNDS ARE DEFINED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR GOVERNMENTS, WITH THE EXCEPTION OF PROPERTY TAX REVENUES OR ALLOCATIONS ATTRIBUTABLE TO THE GENERAL FUND PURSUANT TO SECTION 22-54-105 AND THE CORRESPONDING EXPENDITURES OF SUCH PROPERTY TAXES OR ALLOCATIONS.

(2) (a) "SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT" MEANS PROGRAMS AND SERVICES FUNDED BY A SCHOOL DISTRICT'S TOTAL BUDGET THAT HAVE AN IMMEDIATE EFFECT ON THE QUALITY OF A STUDENT'S EDUCATIONAL EXPERIENCE, INCLUDING BUT NOT LIMITED TO:

(I) SALARIES AND BENEFITS OF SCHOOL PERSONNEL WHO HOLD EDUCATOR OR OTHER PROFESSIONAL LICENSES OR CERTIFICATIONS, INCLUDING BUT NOT LIMITED TO PRINCIPALS, ASSISTANT PRINCIPALS, ACADEMIC OR DISCIPLINARY DEANS, TEACHERS, SUBSTITUTE TEACHERS, SCHOOL LIBRARIANS AND MEDIA SPECIALISTS, SCHOOL COUNSELORS, SCHOOL NURSES, SCHOOL PSYCHOLOGISTS, AND SCHOOL SOCIAL WORKERS;

(II) SALARIES AND BENEFITS OF SCHOOL PERSONNEL WHO DO NOT HOLD EDUCATOR OR OTHER PROFESSIONAL LICENSES OR CERTIFICATIONS, INCLUDING BUT NOT LIMITED TO PARAPROFESSIONALS, BUS DRIVERS, FOOD SERVICE EMPLOYEES, SCHOOL SUPPORT STAFF, AND ATHLETIC COACHES;

(III) SUPPLIES, MATERIALS, EQUIPMENT, AND TECHNOLOGY INTENDED TO SERVE AN INSTRUCTIONAL PURPOSE;

(IV) INSTRUCTIONAL SERVICES PURCHASED BY A SCHOOL DISTRICT FROM INDIVIDUALS OR ENTITIES OUTSIDE THE SCHOOL DISTRICT;

(V) INSTRUCTIONAL SERVICES PROVIDED THROUGH ENTERPRISE PROGRAMS, INCLUDING BUT NOT LIMITED TO PRESCHOOL, FULL-DAY KINDERGARTEN, BEFORE- AND AFTER-SCHOOL PROGRAMS, TUTORING, AND EXTENDED-DAY PROGRAMS;

(VI) EXTRACURRICULAR STUDENT ACTIVITIES, INCLUDING BUT NOT LIMITED TO ATHLETICS; AND

(VII) CERTAIN SUPPORT SERVICES PROVIDED AT THE SCHOOL LEVEL, INCLUDING:

(A) INSTRUCTIONAL SUPPORT, INCLUDING BUT NOT LIMITED TO THE COORDINATION, DELIVERY, EVALUATION, AND TECHNOLOGICAL SUPPORT OF TEACHER TRAINING AND PROFESSIONAL DEVELOPMENT, CURRICULUM DEVELOPMENT, AND STUDENT TESTING;

(B) STUDENT SUPPORT, INCLUDING BUT NOT LIMITED TO THE COORDINATION, DELIVERY, EVALUATION, AND TECHNOLOGICAL SUPPORT OF COLLEGE PLACEMENT SERVICES, STUDENT HEALTH CARE AND MEDICAL SERVICES, NUTRITIONAL SERVICES, AND ATTENDANCE AND OTHER STUDENT RECORD-KEEPING SERVICES;

(C) FOOD SERVICES FOR STUDENTS; AND

(D) TRANSPORTATION FOR STUDENTS.

(b) "SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT" DOES NOT INCLUDE:

(I) CENTRAL SCHOOL DISTRICT OFFICE SERVICES AND BUSINESS SERVICES, INCLUDING BUT NOT LIMITED TO ACCOUNTING, BUDGETING, PAYROLL, RECEIVING, PURCHASING, PLANNING, RECRUITING, HUMAN RESOURCES ADMINISTRATION, RISK MANAGEMENT ADMINISTRATION, AND COMMUNICATIONS;

(II) GENERAL SCHOOL DISTRICT ADMINISTRATION, INCLUDING BUT NOT LIMITED TO:

(A) SALARIES AND BENEFITS OF SCHOOL DISTRICT SUPERINTENDENTS, ASSISTANT SUPERINTENDENTS, AND OTHER PERSONNEL ASSOCIATED WITH CENTRAL SCHOOL DISTRICT OFFICE SERVICES AND BUSINESS SERVICES, AS THESE SERVICES ARE DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b); AND

(B) ADMINISTRATIVE FUNCTIONS, INCLUDING BUT NOT LIMITED TO COSTS ASSOCIATED WITH SCHOOL DISTRICT DIRECTORS, LEGAL MATTERS, AUDITS, FEES PAID TO THE COUNTY TREASURER, AND ELECTIONS; OR

(III) OPERATIONS AND MAINTENANCE OF FACILITIES, INCLUDING BUT NOT LIMITED TO PROPERTY INSURANCE PAYMENTS; MAINTENANCE AND REPAIR OF BUILDINGS, GROUNDS, VENTILATION SYSTEMS, EQUIPMENT, AND SECURITY SYSTEMS; AND THE SALARIES AND BENEFITS OF CUSTODIAL, MAINTENANCE, AND GROUNDS PERSONNEL.

(3) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION.

**22-54.5-104. Annual budget reporting.** (1) Each school district shall prepare an annual budget as required by section 22-44-105 and file that budget with the department of education on or before December 31, 2007, and on or before December 31 each year thereafter.

(2) THE STATE BOARD SHALL DESIGNATE A STANDARD FORMAT FOR THE SCHOOL DISTRICTS' ANNUAL BUDGETS BY JULY 1, 2007.

(3) EACH SCHOOL DISTRICT SHALL ADOPT THE DESIGNATED ANNUAL BUDGET FORMAT PURSUANT TO SECTION 22-44-110. THE STANDARD FORMAT FOR THE ANNUAL BUDGET SHALL SUMMARIZE REVENUES BY REVENUE SOURCE AND SHALL SUMMARIZE EXPENDITURES BY FUNCTION, FUND, AND OBJECT AS THESE TERMS ARE DEFINED IN SECTION 22-44-102.

(4) THE ANNUAL BUDGET REPORT FORMAT DESIGNATED BY THE STATE BOARD SHALL BE SUBSTANTIALLY CONSISTENT FROM YEAR TO YEAR.

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**22-54.5-105. Expenditures on student services.** (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2) OF THIS SECTION AND IN SECTION 22-54.5-106 (2), IN THE 2007-08 BUDGET YEAR, AND IN EACH BUDGET YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL SPEND AT LEAST SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT. EXPENDITURES BY A CHARTER SCHOOL WITHIN A SCHOOL DISTRICT SHALL NOT BE CONSIDERED EXPENDITURES BY THAT SCHOOL DISTRICT.

(2) A SCHOOL DISTRICT MAY HOLD A PUBLIC ELECTION FOR THE PURPOSE OF DETERMINING WHETHER VOTERS IN THE SCHOOL DISTRICT WISH TO EXEMPT THE SCHOOL DISTRICT FROM THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION. IF A MAJORITY OF VOTERS IN A SCHOOL DISTRICT VOTE TO EXEMPT THE SCHOOL DISTRICT FROM THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION, THE SCHOOL DISTRICT SHALL BE EXEMPT FROM THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION, THE SCHOOL DISTRICT SHALL BE

(3) THE STATE BOARD SHALL ANNUALLY DETERMINE WHETHER A SCHOOL DISTRICT HAS SATISFIED THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION. THE STATE BOARD SHALL BASE THIS DETERMINATION UPON THE END-OF-YEAR FINANCIAL AUDIT OF THE SCHOOL DISTRICT'S BUDGET CONDUCTED PURSUANT TO SECTION 22-32-109 (1) (k) AND NOT UPON THE ANNUAL BUDGET PREPARED BY THE SCHOOL DISTRICT PURSUANT TO SECTIONS 22-44-105 AND 22-54.5-104.

(4) BEFORE DECEMBER 31, 2008, AND BEFORE DECEMBER 31 EACH YEAR THEREAFTER, THE STATE BOARD SHALL REPORT TO THE GENERAL ASSEMBLY A LIST OF ALL SCHOOL DISTRICTS IN THE STATE THAT:

(a) FAILED IN THE PRECEDING SCHOOL YEAR TO SATISFY THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION; AND

(b) ARE NOT EXEMPT FROM THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION AS A RESULT OF A LOCAL ELECTION HELD PURSUANT TO SUBSECTION (2) OF THIS SECTION OR A WAIVER ISSUED PURSUANT TO SECTION 22-54.5-106 (2) (a).

(5) THE GENERAL ASSEMBLY MAY IMPOSE SANCTIONS UPON A SCHOOL DISTRICT THAT FAILS TO SATISFY THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SUBSECTION (1) OF THIS SECTION UNLESS THE SCHOOL DISTRICT IS EXEMPT FROM THE REQUIREMENT AS A RESULT OF A LOCAL ELECTION HELD PURSUANT TO SUBSECTION (2) OF THIS SECTION OR A WAIVER ISSUED PURSUANT TO SECTION 22-54.5-106 (2) (a).

**22-54.5-106.** Enforcement - waivers - local elections. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (2) AND (3) OF THIS SECTION, IF A SCHOOL DISTRICT FAILS TO SATISFY THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1) IN THE 2007-08 BUDGET YEAR OR A BUDGET YEAR THEREAFTER, THE SCHOOL DISTRICT SHALL INCREASE ITS OPERATIONAL EXPENDITURES ON SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT BY TWO PERCENT OF ITS TOTAL OPERATIONAL EXPENDITURES EACH YEAR UNTIL THE SCHOOL DISTRICT SATISFIES THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1).

(2) (a) A SCHOOL DISTRICT THAT HAS FAILED TO SATISFY THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1) MAY APPLY TO THE STATE BOARD FOR A WAIVER, PURSUANT TO SECTION 22-2-117, EXCUSING THE SCHOOL DISTRICT FROM COMPLIANCE WITH THE OPERATIONAL EXPENDITURES REQUIREMENT.

(b) A SCHOOL DISTRICT THAT APPLIES FOR A WAIVER PURSUANT TO THIS SUBSECTION (2) SHALL SPECIFY IN THE APPLICATION THE MANNER IN WHICH IT SHALL COMPLY WITH THE INTENT OF THE OPERATIONAL EXPENDITURES REQUIREMENT AND SHALL BE ACCOUNTABLE TO THE STATE BOARD FOR SUCH COMPLIANCE.

(c) IF A SCHOOL DISTRICT THAT HAS FAILED TO MEET THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1) APPLIES TO THE STATE BOARD FOR A WAIVER PURSUANT TO THIS SUBSECTION (2), THE STATE BOARD MAY, PURSUANT TO SECTION 22-2-117, APPROVE A WAIVER EXCUSING THE SCHOOL DISTRICT FROM COMPLIANCE WITH THE OPERATIONAL EXPENDITURES REQUIREMENT.

(d) THE STATE BOARD MAY IDENTIFY CRITERIA FOR APPROVAL OR DENIAL OF A WAIVER PURSUANT TO THIS SUBSECTION (2).

(e) IF THE STATE BOARD GRANTS A WAIVER TO A SCHOOL DISTRICT PURSUANT TO THIS SUBSECTION (2), THE STATE BOARD MAY ORALLY NOTIFY THE SCHOOL DISTRICT OF THE DECISION TO GRANT THE WAIVER. IF THE STATE BOARD DENIES A WAIVER TO A SCHOOL DISTRICT PURSUANT TO THIS SUBSECTION (2), THE STATE BOARD SHALL NOTIFY THE SCHOOL DISTRICT IN WRITING THAT THE REQUEST HAS BEEN DENIED AND SPECIFY THE REASONS FOR THE DENIAL.

(f) IF THE STATE BOARD GRANTS A WAIVER TO A SCHOOL DISTRICT PURSUANT TO THIS SUBSECTION (2), THE WAIVER SHALL BE VALID FOR ONE YEAR, AFTER WHICH TIME THE SCHOOL DISTRICT SHALL EITHER:

(I) MEET THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1);

(II) REAPPLY TO THE STATE BOARD FOR ANOTHER WAIVER; OR

(III) BECOME EXEMPT FROM THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1) AS THE RESULT OF A PUBLIC ELECTION HELD PURSUANT TO SECTION 22-54.5-105 (2).

(3) PURSUANT TO SECTION 22-54.5-105 (2), THE VOTERS OF A SCHOOL DISTRICT MAY, THROUGH A PUBLIC ELECTION, EXEMPT THE SCHOOL DISTRICT FROM THE OPERATIONAL EXPENDITURES REQUIREMENT SPECIFIED IN SECTION 22-54.5-105 (1).

SECTION 2. 22-44-111, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**22-44-111. Budget - filing.** (3) The board of education shall report its adopted budget to the department of education on or before December 31, 2007, and on or before December 31 each year thereafter, in accordance with section 22-54.5-104.

**SECTION 3. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of education, for the fiscal year beginning July 1, 2006, the sum of twenty-five thousand two hundred forty-five dollars (\$25,245) and 0.3 FTE, or so much thereof as may be necessary, for the implementation of this act.

**SECTION 4.** Refer to people under referendum. This act shall be submitted to a vote of the registered electors of the state of Colorado at the next biennial regular general election, for their approval or rejection, under the provisions of the referendum as provided for in section 1 of article V of the state constitution, and in article 40 of title 1, Colorado Revised Statutes. Each elector voting at said election and desirous of voting for or against said act shall cast a vote as provided by law either "Yes" or "No" on the proposition: "SHALL COLORADO STATE LAW REQUIRE THAT IN EACH STATE FISCAL YEAR A SCHOOL DISTRICT SPEND AT LEAST SIXTY-FIVE PERCENT OF ITS OPERATIONAL EXPENDITURES ON SERVICES THAT DIRECTLY AFFECT STUDENT ACHIEVEMENT?" The votes cast for the adoption or rejection of said act shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress.

# Referendum K Immigration Lawsuit Against Federal Government

**Ballot Title:** Shall the Colorado state attorney general initiate or join other states in a lawsuit against the United States attorney general to demand the enforcement of all existing federal immigration laws by the federal government?

# Text of Proposal:

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

#### ARTICLE 19.8 Directive to the Attorney General to Demand Federal Enforcement of Existing Federal Immigration Laws

**24-19.8-101.** Legislative declaration. The general assembly hereby finds and declares that the failure to enforce immigration laws at the federal level places an undue burden on state government resources and that there is a limitation on what can be done at the state level to enforce the federal laws and to implement laws at the state level. The general assembly further finds that the state of Colorado spends a disproportionate share of its limited tax revenue on public services and benefits such as health care, law enforcement, criminal defense and incarceration, and education that are provided to illegal aliens as a result of the federal government's failure to enforce immigration laws. Therefore, the Colorado state attorney general shall initiate or join other states in a lawsuit against the United States attorney general to demand the enforcement of all existing federal immigration laws by the federal government.

**SECTION 2.** Refer to people under referendum. This act shall be submitted to a vote of the registered electors of the state of Colorado at the next election for which it may be submitted, for their approval or rejection, under the provisions of the referendum as provided for in section 1 of article V of the state constitution, and in article 40 of title 1, Colorado Revised Statutes. Each elector voting at said election and desirous of voting for or against said act shall cast a vote provided by law either "Yes" or "No" on the propositions: "SHALL THE

COLORADO STATE ATTORNEY GENERAL INITIATE OR JOIN OTHER STATES IN A LAWSUIT AGAINST THE UNITED STATES ATTORNEY GENERAL TO DEMAND THE ENFORCEMENT OF ALL EXISTING FEDERAL IMMIGRATION LAWS BY THE FEDERAL GOVERNMENT?" The votes cast for the adoption or rejection of said act shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress.

#### LOCAL ELECTION OFFICES

Adams 1865 West 121<sup>st</sup> Avenue, Westminster, CO 80234 Alamosa 402 Edison Ave., Alamosa, CO 81101 5334 S. Prince St., Littleton, CO 80166 Arapahoe 449 San Juan, Pagosa Springs, CO 81147 Archuleta Baca 741 Main St., Springfield, CO 81073 Bent 725 Bent Ave., Las Animas, CO 81054 1750 33rd St. #200, Boulder, CO 80301 Boulder Broomfield 1 DesCombes Drive, Broomfield, CO 80020 104 Crestone Ave., Salida, CO 81201 Chaffee Cheyenne 51 S. 1<sup>st</sup> St., Cheyenne Wells, CO 80810 Clear Creek 405 Argentine St., Georgetown, CO 80444 6683 County Road 13, Conejos, CO 81129 Conejos Costilla 416 Gasper St., San Luis, CO 81152 631 Main St., Suite 102, Ordway, CO 81063 Crowley 205 S. 6th St., Westcliffe, CO 81252 Custer Delta 501 Palmer #211, Delta, CO 81416 Denver 303 W. Colfax Ave., Dept. 101, Denver, CO 80204 409 N. Main St., Dove Creek, CO 81324 Dolores Douglas 301 N. Wilcox St., Castle Rock, CO 80104 500 Broadway, Eagle, CO 81631 Eagle Elbert 215 Comanche St., Kiowa, CO 80117 El Paso 200 S. Cascade, Colorado Springs, CO 80901 615 Macon Ave. #102, Canon City, CO 81212 Fremont 109 Eighth St. #200, Glenwood Spgs, CO 81601 Garfield 203 Eureka St., Central City, CO 80427 Gilpin Grand 308 Byers Ave., Hot Sulphur Springs, CO 80451 221 N. Wisconsin, Suite C, Gunnison, CO 81230 Gunnison 317 N. Henson St., Lake City, CO 81235 Hinsdale 401 Main St., Suite 204, Walsenburg, CO 81089 Huerfano 396 La Fever St., Walden, CO 80480 Jackson Jefferson 100 Jefferson Cty. Pkwy. #2560, Golden, CO 80419 1305 Goff St., Eads, CO 81036 Kiowa 251 16th St., Burlington, CO 80807 Kit Carson Lake 505 Harrison Ave., Leadville, CO 80461 La Plata 1060 Second Ave., #134, Durango, CO 81301 Larimer 200 W. Oak St., Ft. Collins, CO 80522 Las Animas 200 E. First St., Room 205, Trinidad, CO 81082 103 Third Ave., Hugo, CO 80821 Lincoln Logan 315 Main St., Suite 3, Sterling, CO 80751 544 Rood Ave., Suite 200, Grand Junction, CO 81502 Mesa Mineral 1201 N. Main St., Creede, CO 81130 221 W. Victory Way #200, Craig, CO 81625 Moffat Montezuma 109 W. Main St., Room 108, Cortez, CO 81321 320 S. First St., Montrose, CO 81401 Montrose Morgan 231 Ensign, Ft. Morgan, CO 80701 13 W. Third St., Room 210, La Junta, CO 81050 Otero 541 Fourth St., Ouray, CO 81427 Ouray 501 Main St., Fairplay, CO 80440 Park 221 S. Interocean Ave., Holyoke, CO 80734 Phillips Pitkin 530 E. Main St. #101, Aspen, CO 81611 301 S. Main St. #210, Lamar, CO 81052 Prowers 215 W. 10th St., Pueblo, CO 81003 Pueblo Rio Blanco 555 Main St., Meeker, CO 81641 Rio Grande 965 Sixth St., Del Norte, CO 81132 Routt 522 Lincoln Ave. Steamboat Springs, CO 80487 Saguache 501 Fourth St., Saguache, CO 81149 San Juan 1557 Green St., Silverton, CO 81433 305 W. Colorado Ave., Telluride, CO 81435 San Miguel Sedqwick 315 Cedar St., Julesburg, CO 80737 Summit 208 E. Lincoln Ave., Breckenridge, CO 80424 101 W. Bennett Ave., Cripple Creek, CO 80813 Teller Washington 150 Ash, Akron, CO 80720 Weld 1402 N. 17th Ave., Greelev, CO 80632 310 Ash St., Suite F, Wray, CO 80758 Yuma

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