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Colorado General Assembly

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MEMORANDUM

To: Chris deGruy Kennedy and Kiyana Newell

From: Legislative Council Staff and Office of Legislative Legal Services

Date: January 2, 2026

Subject: Proposed initiative measures 2025-2026 #189, #190, #191, #192, #193, #194, #195, and #196, concerning a graduated state income tax

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Legislative Council Staff and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado Constitution. We hereby submit our comments and questions to you regarding the appended proposed initiatives.

The purpose of this statutory requirement of the directors of Legislative Council Staff and the Office of Legislative Legal Services is to provide comments and questions intended to aid designated representatives, and the proponents they represent, in determining the language of their proposals and to avail the public of the contents of the proposals. Our first objective is to be sure we understand your intended purposes of the proposals. We hope that the comments and questions in this memorandum provide a basis for discussion and understanding of the proposals. Discussion between designated representatives or their legal representatives and employees of the Legislative Council Staff and the Office of Legislative Legal Services is encouraged during review and comment meetings, but comments or discussion from anyone else is not permitted.

Proposed initiatives **2025-2026 #189** through **#196** were submitted by the same designated representatives as a series of proposed initiatives. The comments and questions raised in this memorandum address proposed initiatives **2025-2026 #189** through **#196**.

Purposes

Purposes for Proposed Initiatives 2025-2026 #189 through #196

The major purposes of the proposed amendments to the Colorado Constitution and to the Colorado Revised Statutes appear to be to:

1. Make legislative findings and declarations;

2. Repeal certain requirements in section 20 (8)(a) of article X of the Colorado Constitution including that:
    a. For proposed initiatives #189, #190, #191, and #192: "all taxable net income to be taxed at one rate, excluding refund tax credits or voter-approved tax credits, with"; and
    b. For proposed initiatives #193, #194, #195, and #196: "at one rate, excluding refund tax credits or voter-approved tax credits, . . . tax or".

3. Impose, commencing on or after January 1, 2027, a graduated state income tax on the federal taxable income of every individual, estate, and trust;

4. Specify that income from the sale or exchange of a principal residence exceeding the amount excluded from federal taxable income under the federal internal revenue code is subject to a 4.4% state income tax;

5. Impose, commencing on or after January 1, 2027, a graduated state income tax on the Colorado net income of every domestic C corporation, foreign C corporation, and combined group doing business in the state;

6. Designate, for each taxable year commencing on or after January 1, 2027, "all revenue collected under the income tax rates" of the graduated state income taxes on individuals, estates, trusts, and corporations, "in excess of the revenue that would be generated in any such taxable year by applying the income tax rate that existed as of December 31, 2026," (excess revenue) as "a voter approved revenue change under section 20(7)(d) of article X of the Colorado Constitution," and state that such excess revenue "may be collected, kept, and spent notwithstanding any other limits" in section 20(7)(d) of article X of the Colorado Constitution;

7. Create the Colorado future's fund (fund) in the department of the treasury and to require excess revenue specified in the proposed initiative to be collected, retained, and transferred to the fund;

8. Require that the money in the fund be spent on certain programs and purposes, including programs and purposes related to:

    a. For proposed initiatives #189 and #193, public school education, including specified purposes such as kindergarten through 12th grade, early childhood, and post-secondary education; health care, including specified purposes; and child care, including specified purposes, as set forth in the proposed initiative;

    b. For proposed initiatives #190 and #194, public school education, health care, and child care;

    c. For proposed initiatives #191 and #195, kindergarten through 12th grade public school education, including specified purposes; health care, including specified purposes; and early child care and education, including specified purposes, as set forth in the proposed initiative; and

    d. For proposed initiatives #192 and #196, kindergarten through 12th grade public school education, health care, and early child care and education;

9. Specify that the money spent from the fund:

    a. For proposed initiatives #189, #191, #193, and #195, "must supplement and not supplant current levels of appropriations" for the programs and purposes set forth in the proposed initiatives;

    b. For proposed initiatives #190, #192, #194, and #196, is "intended to supplement and not supplant current levels of appropriations" for the programs and purposes set forth in the proposed initiatives;

10. Require the director of research of the legislative council to annually prepare a report "to be transmitted to the General Assembly and made publicly available," which "must at a minimum contain the [...]amount of such excess revenue; and [...]specification and description of the amounts, programs and purposes to which such revenue has been allocated and appropriated"; and

11. Require the office of the state auditor to audit the annual report prepared by the director of research of the legislative council.

Substantive Comments and Questions

The substance of the proposed initiatives raises the following comments and questions:

1. Article V, section 1 (5.5) of the Colorado Constitution requires all proposed initiatives to have a single subject. What is the single subject of each of the proposed initiatives?

2. Article V, section 1 (4)(a) of the Colorado Constitution requires that when the majority of voters approve an initiative, the initiative is effective on and after the date of the official declaration of the vote and proclamation of the governor. Because the proposed initiatives do not contain an effective date, this would be the default effective date of each of the proposed initiatives. Does this default effective date satisfy your intent for each of the proposed initiatives? If not, the designated representatives should include the desired effective date that is not earlier than the default effective date to comply with this constitutional requirement.

3. The following comments and questions relate to the amendment of section 20 (8)(a) of article X of the Colorado Constitution (TABOR) in section 2 of proposed initiatives #189, #190, #191, and #192:

    a. If any of the proposed initiatives is approved, section 20 (8)(a) of TABOR will provide that "[a]ny income tax law change after July 1, 1992 shall also require no added tax or surcharge." However, in sections 3 and 4 of the proposed initiatives, the way the upper-bracket tax rates are structured requires certain high-income taxpayers to pay an additional tax on the same income base. How is this consistent with the prohibition on any income tax law change that requires added tax?

    b. The proposed initiatives change income tax law from a single-rate structure to a graduated rate structure requiring certain taxpayers to pay a higher marginal rate. How is the new structure not an "added tax" on those taxpayers?

4. The following comments and questions relate to the amendment of section 20 (8)(a) of article X of the Colorado Constitution (TABOR) in section 2 of proposed initiatives #193, #194, #195, and #196:

    a. If any of the proposed initiatives are approved, section 20 (8)(a) of TABOR will provide that "[a]ny income tax law change after July 1, 1992 shall also require all taxable net income to be taxed with no added surcharge." What is the purpose of this amendment?

    b. While leaving the prohibition on an added surcharge in place, the proposed amendment would repeal the language in section 20 (8)(a) of TABOR providing for no added "tax" in connection with any income tax law change after July 1, 1992. How is the repeal of this specific phrase related to the single subject of the proposed initiatives?

    c. Is the repeal of the language in section 20 (8)(a) of TABOR prohibiting an added "tax" necessary for the imposition of the graduated state income tax system set forth in the proposed initiatives?

5. The following comments and questions relate to the proposed statutory changes to sections 39-22-104 and 39-22-301, C.R.S., in sections 3 and 4, respectively, of the proposed initiatives:

    a. Both proposed new subsection (1.8) of section 39-22-104 and proposed new subsection (1)(d)(I)(L) of section 39-22-301, C.R.S., begin with the phrase, "Except as otherwise provided in section 39-22-627." Section 39-22-627, C.R.S., relates to TABOR and specifies that if certain requirements are met, for any state fiscal year commencing on or after July 1, 2024, but before July 1, 2034, the state income tax rate shall be temporarily adjusted downward to refund excess state revenues. "Excess state revenues" are defined in section 39-22-627 (10)(a), C.R.S., as "the total amount of the state revenues for the state fiscal year in excess of the limitation on state fiscal year spending imposed by section 20 (7)(a) of article X of the Colorado Constitution that voters statewide have not authorized the state to retain and spend and that the state is required to refund under section 20 (7)(d) of article X of the state constitution, including any adjustments for amounts specified in section 24-77-103.7 or 24-77-103.8." The higher the amount of "excess state revenues," the

greater the temporary reduction in the income tax rate as set forth in section 39-22-627 (1)(a)(II)(A) to (G).

i. If any of the proposed initiatives were approved, how would that impact or change this statutory requirement for TABOR refunds by means of a temporary downward adjustment of the state income tax rate for any state fiscal year commencing on or after July 1, 2027?

ii. Given the "voter approved revenue change" described in section 5 of the proposed initiatives, if any of the initiatives were approved, how would the approval of that "voter approved revenue change" affect the amount of "excess state revenues" as defined in section 39-22-627 (10)(a), C.R.S.?

b. Section 39-22-627 (1)(a)(I), C.R.S., requires adjustment of the "state income tax rate" specified in "sections 39-22-104 (1.7) and 39-22-301 (1)(d)(I)," C.R.S., as a method to make the required refunds. Assuming the requirement to issue TABOR refunds set forth in section 39-22-627 (1)(a)(I), C.R.S., were met in a fiscal year commencing on or after July 1, 2027, how would the temporary downward adjustment of the state income tax rate be implemented in the context of the proposed new sections 39-22-104 (1.8) and 39-22-301 (1)(d)(I)(L)?

c. Because the language in section 39-22-627, C.R.S., is not consistent with the changes proposed in sections 3 and 4 of the proposed initiatives, and given the impact of the proposed initiatives as a whole on the refund mechanism set forth in section 39-22-627, C.R.S., the designated representatives should add a section to the initiatives amending or repealing section 39-22-627, C.R.S., as necessary, to reflect the changes that would be effectuated by the proposed initiatives.

d. Proposed new subsection (1.8)(b) of section 39-22-104, C.R.S., states, "For purposes of subsection (a) of this section, income from the sale or exchange of a principal residence exceeding the amount excluded from federal taxable income under Section 63 of the Internal Revenue Code shall be subject to tax under this section at the rate of four and forty one-hundredths percent."

i. What is the purpose of this proposed subsection?

ii. Section 63 of the Internal Revenue Code does not provide for the exclusion of any amount of income from the sale or exchange of a principal residence. For clarity in administration and enforcement, this provision should be revised to reference the federal income tax exclusion in section 121 of the Internal Revenue Code.

iii. Currently, if a Colorado taxpayer sells their principal residence and has a gain above the federal section 121 exclusion, then the excess gain is taxable at the state's flat income tax rate, unless the excess gain qualifies for Colorado's capital gain subtraction under section 39-22-518, C.R.S. The proposed new subsection (1.8)(b) states such excess gain income "shall be subject to tax" at the specified rate. Is it the designated representative's intent to require such income be subject to income tax regardless of whether it may qualify for the capital gain subtraction?

6. The following comments and questions relate to subsection (1) of proposed section 24-77-103.3, C.R.S., to be added to the Colorado Revised Statutes, in section 5 of each of the proposed initiatives:

   a. Proposed section 24-77-103.3, C.R.S., concerns a "voter approved revenue change" and the "retention and use of revenue" in accordance with section 20 (7)(d) of article X of the Colorado Constitution. Such a "voter approved revenue change" may be used "as an offset" to exclude revenue from a specified source from the state's "fiscal year spending" for purposes of TABOR. However, the proposed initiatives begin the definition of "excess revenue" with the phrase "for each taxable year commencing on or after January 1, 2027." The word "taxable" does not fit and is ambiguous in the context of state fiscal year spending. The provision should be revised to state: "For each fiscal year commencing on or after July 1, 2027."

   b. Subsection (1) of section 24-77-103.3, C.R.S., states that the "excess revenue" that may be generated by the proposed initiatives "shall constitute a voter approved revenue change under section 20(7)(d) of article X of the Colorado constitution, and may be collected, kept, and spent notwithstanding any other limits in that section."

      i. What is the purpose of making the "excess revenue" a voter approved revenue change under section 20 (7)(d) of TABOR?

ii. What does it mean that the "excess revenue" "may be collected, kept, and spent notwithstanding any other limits in that section"? What are the "limits" being referred to in this phrase?

iii. What is the intended result of making the "excess revenue" a "voter approved revenue change" that is not subject to "any other limits in that section"?

iv. Is it the designated representatives' intent to seek voter approval of a ballot issue in accordance with the requirements of TABOR and all applicable statutory requirements for state taxes to be increased and to authorize the state to keep and spend all "excess revenue" as a voter approved revenue change?

v. Will voter approval be sought at the November 2026 general election?

vi. In accordance with section 20 (3)(b)(iii) of TABOR, the title for the proposed initiatives would be required to include, among other things, for the first full fiscal year of the proposed new graduated income taxes, an estimate of the maximum dollar amount of each increase. Have the designated representatives calculated or otherwise considered what those amounts might be?

vii. If the proposed initiative is approved and the revenue generated exceeds the estimates required by section 20 (3)(b)(iii) of TABOR for 2027, then the "tax increase" or new graduated income tax rates would be required to be reduced "up to 100% in proportion to the combined dollar excess, and the combined excess revenue refunded in the next fiscal year." How might this requirement be applied in the context of the proposed initiatives?

c. The definition of "excess revenue" in subsection (1) of section 24-77-103.3, C.R.S., requires the calculation of a counterfactual baseline annually (i.e. amount of revenue that would have been generated under the 2026 single income tax rate). How would future income tax rate or base changes be accounted for, if at all, in this counterfactual baseline calculation?

7. The following comments and questions relate to the "Colorado's Future Fund" created in subsection (2) of proposed section 24-77-103.3, C.R.S., in section 5 of the proposed initiatives:

    a. Subsection (2) creates the "Colorado Future's Fund" "in the department of treasury" and states "[t]he excess revenue [...] shall be collected, retained, transferred into" the fund. By law, all revenue and money received by the state must be transmitted to the state treasurer and credited to the general fund unless the money is required by the constitution or statute to be credited and paid to a cash fund. Is it the designated representative's intent to create a new cash fund to be credited or paid an amount equal to the "excess revenue" collected pursuant to sections 3 and 4 of the proposed initiatives? If so, the name of the fund must be revised to "Colorado future's cash fund." Additionally, the fund should be created in the state treasury, not the department of treasury.

    b. All state income tax revenue must be transmitted to the state treasurer and is generally credited to the general fund, unless otherwise required. Accordingly and to avoid any confusion regarding the state treasurer's duties concerning the "excess revenue," subsection (2) should be revised to expressly require the state treasurer to credit an amount equal to the "excess revenue" to the fund.

    c. Pursuant to section 24-36-114 (1), C.R.S., all interest derived from the deposit and investment of state money shall be credited to the general fund unless otherwise expressly provided by law. Is it the designated representatives' intent that interest and other investment income generated by the cash fund be credited to the general fund in accordance with current law? If not, the proposed initiatives should be revised to specify what happens to cash fund interest and other investment income.

8. The following comments and questions relate to the spending structure in subsection (2) of the proposed section 24-77-103.3, C.R.S., in section 5 of proposed initiatives #189, #191, #193, and #195:

    a. Subsection (2) states that "The excess revenue specified in subsection (1) of this section shall be[...]spent from that fund for the following programs and purposes and must supplement and not supplant current levels of appropriations thereto." This statement is followed by a list of programs

and purposes divided into three categories set forth in subsection (2)(a) through (2)(c).

i. In proposed initiatives #189 and #193, the three categories are: (a) Public school education; (b) Health care; and (c) Child care. The items listed in each category in these two initiatives are identical.

ii. In proposed initiatives #191 and #195, the three categories are: (a) K-12 public school education; (b) Health care; and (c) Early child care and education. The items listed in each category of these two initiatives are identical.

b. Are the spending structures in these four proposed initiatives the same?

c. What is the spending structure and how is it intended to work?

d. How is the spending structure in these four proposed initiatives different than the spending structure in proposed initiatives #190, #192, #194, and #196?

e. None of the four proposed initiatives requires any particular amount of "excess revenue" to be used to fund any particular state program or purpose listed in subsection (2)(a) through (2)(c). What, if any, requirements or limitations are intended to apply to how the "excess revenue" is spent or distributed among the listed items?

f. Are the lists in subsection (2) of proposed new section 24-77-103.3, C.R.S., in order of priority or preference for spending of the "excess revenue"?

g. Must the items listed each receive an equal amount of money?

h. Must the items listed each receive some amount of money?

i. Would it be permissible for all "excess revenue" to be spent on a single item on the list?

j. May the spending of the "excess revenue" change over time? If so, how?

k. Must the spending of the "excess revenue" always be related to the items listed in subsection (2)?

l. Subsection (2)(b)(II) in all four of the proposed initiatives refers to "replacing medicaid funding lost due to recent federal legislation, and paying for implementation of new federal requirements."

   i. What does "recent federal legislation" mean?

   ii. What does "new federal requirements" mean?

   iii. The proposed initiatives should be revised to change these phrases to the specific federal laws that they are intended to refer to for clarity and to conform with the standard practice for referencing federal law in the Colorado Revised Statutes.

m. Although the collection, retention, and spending of the "excess revenue" would be a "voter approved revenue change", the language in proposed new section 24-77-103.3, C.R.S., including the programs and purposes listed in subsection (2), may be changed by subsequent legislation enacted by the general assembly. Is that your intention?

9. The following comments and questions relate to the spending structure in subsection (2) of proposed section 24-77-103.3, C.R.S., in section 5 of proposed initiatives #190, #192, #194, and #196:

   a. In proposed initiatives #190 and #194, subsection (2) states "The excess revenue specified in subsection (1) of this section shall be[…] spent from that fund for public school education, health care, and child care and is intended to supplement and not supplant current levels of appropriations thereto."

   b. In proposed initiatives #192 and #196, subsection (2) states "The excess revenue specified in subsection (1) of this section shall be[…] spent from that fund for K-12 public school education, health care, and early child care and education and is intended to supplement and not supplant current levels of appropriations thereto."

   c. Are the spending structures in these four proposed initiatives the same?

   d. What is the spending structure and how is it intended to work?

e. How is the spending structure in these four proposed initiatives different than the spending structure in proposed initiatives #189, #191, #193, and #195?

f. What, if any, requirements or limitations are intended to apply to how the "excess revenue" is spent or distributed among three purposes listed in subsection (2)?

g. Are the purposes in subsection (2) listed in order of priority or preference for spending of the "excess revenue"?

h. Must each purpose listed each receive an equal amount of money?

i. Must each purpose listed each receive some amount of money?

j. Would it be permissible for all "excess revenue" to be spent on a single purpose?

k. May the spending of the "excess revenue" change over time? If so, how?

l. Must the spending of the "excess revenue" always be related to the purposes listed in subsection (2)?

m. Although the collection, retaining, and spending of the "excess revenue" would be a "voter approved revenue change," the language in proposed new section 24-77-103.3, C.R.S., including the programs and purposes listed in subsection (2), may be changed by subsequent legislation enacted by the general assembly. Is that your intention?

10. The following comments and questions relate to use of the excess revenue pursuant to subsection (2) of proposed new section 24-77-103.3, C.R.S., in section 5 of each of the proposed initiatives:

    a. Subsection (2) in each of the proposed initiatives states that money from the fund "shall be [...] spent" for specified purposes or listed programs. However, a state agency may only expend money from the state treasury for a particular purpose if the agency has a legislative appropriation for that purpose or if the expenditure is otherwise authorized by law. Subsection (2) does not reference an appropriation by the general assembly to any state or local governmental entity to expend any money from the fund or include any express authorization for such expenditures.

How do the designated representatives intend for the money in the fund to be appropriated or otherwise authorized for expenditures?

b. Is it the designated representatives' intent that some or all of the money in the fund be subject to annual appropriation by the General Assembly, in its discretion, for any of the specified purposes listed in subsection (2)?

c. Do the designated representatives intend for some or all of the money in the fund to be continuously appropriated by the General Assembly, in its discretion, to any state or local entity to expend for one or more of the specified purposes listed in subsection (2)?

d. Is there any purpose or program listed in subsection (2) for which the designated representatives intend an appropriation to be mandatory and not within the discretion of the General Assembly? If so, that appropriation must be specified in the proposed initiative.

e. Whether money in the fund is intended to be subject to annual appropriation or continuously appropriated, the specific authority for such legislative appropriation must be specified in subsection (2) in each of the proposed initiatives.

f. Subsection (2) in each of the proposed initiatives includes public school education or K-12 public school education in its list of purposes for spending of the "excess revenue." However, none of the proposed initiatives reference or include any amendments to the "Public School Finance Act of 2025," article 54 of title 22, C.R.S. (Act). Section 22-54-114, C.R.S., creates the state public school fund to which money is annually appropriated by the General Assembly in quarterly installments for the required distribution of state money to school districts and institute charter schools. For the "excess revenue" to be used to "supplement" current levels of appropriations to K-12 public schools, the proposed initiatives should be revised to specify such use through an appropriation or transfer of money from the Colorado futures fund to the state public school fund, whether mandatory or discretionary.

g. Subsection (2) provides that the "excess revenue" be used to "supplement and not supplant current levels of appropriations" to the purposes and programs listed. What does this phrase mean?

h. Some of the purposes and programs listed in subsection (2), including K-12 public school education, receive funding from multiple sources, including federal, state, and local governments. Does "current levels of appropriations" mean current levels of all appropriations from all funding sources or just current levels of state appropriations?

i. How would this requirement to "supplement and not supplant current levels of appropriations" be administered and enforced?

j. Who would be responsible for such administration and enforcement?

k. What does "current levels of appropriations thereto" mean?

l. At what time during what type of year is an appropriation level determined to be "current"? For example, would the current appropriation level be determined at the beginning of each fiscal year?

m. How often must appropriation levels be reassessed to determine the "current levels" for purposes of this requirement?

n. How would the determination be made that money from the fund had "supplanted" rather than "supplemented" the "current levels of appropriations" for a particular program, in violation of this provision?

o. What would be the consequence for such a violation?

11. The following comments and questions relate to subsection (3) of proposed new section 24-77-103.3, C.R.S., in section 5 of the proposed initiatives:

    a. Subsection (3) requires the director of research of the legislative council (director) to prepare a report that includes "the amount of such excess revenue." This reporting requirement is "[f]or each fiscal year commencing on or after January 1, 2026." However, "excess revenue" is required by subsection (1) to be calculated "for each taxable year commencing on or after January 1, 2027." How and why is the director supposed to provide a report for each state fiscal year based on a calculation made for each taxable year? Because a "voter approved revenue change" affects the state's fiscal year spending, the calculation of "excess revenue" in subsection (1) and related reporting requirement in subsection (3) should both be tied to the state's fiscal year.

b. How is the reporting requirement in subsection (3) intended to interact with section 24-77-106.5, C.R.S., pursuant to which the state controller prepares an annual financial report and provides certification of excess state revenues for purposes of compliance with TABOR?

c. Why is the report in subsection (3) required to be prepared by the director, rather than the state controller?

d. Section 24-77-106.5 (1)(b), C.R.S., requires that, "based upon the financial report prepared" by the controller, the controller must "certify to the governor, the general assembly, and the executive director of the department of revenue no later than September 1 following the end of a fiscal year" the total amount of excess state revenues and the amount the state is authorized to retain and spend pursuant to law.

    i. Is it the designated representatives' intent not to require the director to certify the total amount of "excess revenue" or any of the other information required to be calculated and reported by the director pursuant to subsections (1) and (3)?

    ii. Why is the director's report not required to be certified or otherwise required to be shared with the governor or the executive director of the department of revenue, similar to the controller's report?

e. At what time during each fiscal year commencing on or after January 1, 2026, and how is the report required by subsection (3) required to be transmitted to the General Assembly?

f. Subsection (3) states "The office of the state auditor shall audit the report." When and how often is the audit of the report required to be conducted?

g. Subsection (3) does not include a requirement for the office of the state auditor to create or transmit an audit report or to otherwise document or share its findings and conclusions. What is the purpose of the audit requirement?

h. Is the office of the state auditor required to determine that the "amount of such excess revenue" included in the director's report is correct?

i. Is the office of the state auditor required to determine that the "specification and description of the amounts, programs and purposes to which such revenue has been allocated and appropriated" is accurate?

j. What would happen if the office of the state auditor determined that the "amount of such excess revenue" or the "specification and description" portion of the report is incorrect or inaccurate?

k. Have the proponents considered whether additional individuals or entities should receive the report or any information related to the audit required by subsection (3) for purposes of effective administration of the "excess revenue"?

l. Subsection (3) requires the report to "be made reasonably available in other formats when requested." What does "other formats" mean? What does reasonably available mean?

12. Have the designated representatives considered the time and resources required for the director and the director's staff at the legislative council to perform the annual calculations of "excess revenue" and prepare the report required for each fiscal year?

13. Have the designated representatives considered the time and resources required for the department of revenue to implement the graduated income tax system for individuals, trusts, estates, and corporations as required by sections 3 and 4 of the proposed initiatives?

14. Have the designated representatives considered whether the legislative council or the department of revenue should be allowed to retain and spend some percentage of the "excess revenue" from the Colorado future's cash fund to cover initial implementation or ongoing administrative costs?

Technical Comments

The following comments address technical issues raised by the form of the proposed initiatives. These comments will be read aloud at the public meeting only if the designated representatives so request. You will have the opportunity to ask questions

about these comments at the review and comment meeting. Please consider revising the proposed initiative as follows:

1. The Colorado Revised Statutes are divided into sections, and each section may contain subsections, paragraphs, subparagraphs, and sub-subparagraphs as follows:

   X-X-XXXX. Headnote. (1) Subsection.

   (a) Paragraph

   (I) Subparagraph

   (A) Sub-subparagraph

   (B) Sub-subparagraph

   (II) Subparagraph

   (b) Paragraph

   (2) Subsection

   (3) Subsection

   In section 4 of the proposed initiatives, the proponents have further divided sub-subparagraphs into small roman numerals. This is not standard drafting practice, as sub-subparagraphs are the last possible division in the Colorado Revised Statutes.

2. It is standard drafting practice to not capitalize common nouns. For example, “The People of the State” in the legislative declaration does not need to be initial-capitalized.
3. It is standard drafting practice to not capitalize standalone titles of government officers or names of agencies.
4. When dividing a subsection, the first word of each division should be initial-capitalized. For example, “(III) improving” should instead read “(III) Improving”.
5. It is standard drafting practice for the second to last item in a numbered or lettered list to end in a conjunction that connects the items, either "; and" or "; or".

For example, in the legislative declaration, (1)(h) should end with "; and" before the final paragraph (1)(i).

6. In section 3 of the proposed initiatives, the amending clauses read "**amend** (1.7)", but the initiatives only amend (1.7)(c). Consider changing the amending clauses to reflect the substance of the initiatives.
7. Similarly, in section 4 of the proposed initiatives, the amending clauses say that (1)(d)(I)(M) is being added, but only (1)(d)(I)(L) is shown.
8. When setting off phrases with commas, make sure to include the second comma to set off the phrase correctly. For example, in section 4 (1)(d)(I)(L) introductory portion, "as defined in section 9-22-303 (12)(a.3)" should include a comma after (a.3).
9. The following is the standard drafting language used for creating a definitions section:

    > As used in this [title/article/part/section/subsection], unless the context otherwise requires:
    >
    > (1) "[The term]" means [the definition of the term].
    >
    > (2) "[The term]" means [the definition of the term].

    In section 5 (1) of the proposed initiatives, there appears to be a definition "("excess revenue")". Consider creating a separate subsection for this definition.
10. In section 5 of the proposed initiatives, the text after (3)(b) does not appear to be attached to any subsection. Consider making (3) introductory portion into (3)(a), the current (a) and (b) into (I) and (II), and the text at the end (3)(b).
11. In section 3 of the proposed initiatives, the text in new (1.8)(b) refers to "subsection (a) of this section". Consider making this "subsection (1.8)(a) of this section" for clarity and to conform to standard drafting practice.