TABOR Yes!

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TABOR means good, fair, consensual, and transparent government

In addition to requiring that state and local spending authorities ask before they collect more of people's incomes, TABOR contains good government requirements that have helped well-meaning officials ensure that Colorado government is fair, transparent, and prepared for unexpected events.

Uniform, predictable election requirements

All votes on issues referred to the ballot must be decided in regular elections. This prevents government from holding a vote to raise revenues on a day and time when voters are not paying attention or find it difficult to vote. Though existing court decisions are at odds with TABOR's wording about which referenda are affected, the current interpretation holds that all referenda concerning government finance, spending, and taxation must be voted on in a state general election, a biennial local government election, or on the first Tuesday in November in odd-numbered years.

Voter attention is a scarce resource. Restricting votes to specific days ensures that lawmakers ask people to give up more income to state governments when the maximum number of voters are paying attention. In 2018, Oregon held a special election to repeal provider taxes on hospitals. Like Colorado, Oregon has a vote by mail system. The measure passed with a ballot return rate of 40.3 percent, the lowest return rate in a special or general election in the last two decades. Over 1.6 million registered voters did not vote. If the tax question had been on the November 8, 2017 ballot, the 80.3 percent return rate would likely have led to a million more votes on the measure.

Fully informed voters

Colorado election districts must mail voter information packets to registered voters at least 30 days before an election on tax or debt increases. The information packets must include estimates of the amount of the tax increase and the increase in spending for the first fiscal year in which it takes effect. For a debt increase, the packet must provide the principal amount, the maximum annual payments required, and the total repayment cost. For context, it must also include the total amount of bonded debt outstanding, its maximum annual repayment cost, and the remaining total repayment cost.

For state elections, the nonpartisan research staff of the general assembly prepares the ballot information booklet. For elections in other levels of government, the election officer must provide two summaries of up to 500 words of the positions for and against the issue on the ballot. Summaries may not include any names of people or private groups or information about endorsements for or against the proposal. The election officer must "maintain and accurately summarize all other written comments." Written comments must be filed with the election officer 45 days before the election.

Uniform titles making it clear that a "YES" vote increases taxes or debt

When it comes to producing ballot language, US voters have a long and confusing history with those who describe the provisions they are voting on. Fortunately, TABOR requires that all measure to increase taxes or debt be written so that a "yes" vote is a vote for an increase.

In some jurisdictions, unregulated governments have developed a cottage industry devoted to confusing ballot language. California's June 1980 ballot included Proposition 10, a measure declaring rent control to be a matter of local government concern, allowing it only through the enactment of local ordinances. Its title was "Rent—Initiative Constitutional Amendment." Its summary was equally uninformative. According to exit polls conducted by the *Los Angeles Times*, up to 75 percent of voters were so confused by the title and subject language that they ended up voting against their own preferences.[1]

Equal tax rates for all

All taxable income must be taxed at one rate. If someone decides to earn another dollar, he pays the same amount of state tax on that extra dollar as everyone else. It does not matter how he earned his money. This prevents state government from favoring a way of making a living by offering preferential tax rates. The one rate income tax weakens incentives for state legislators to increase tax rates on groups of taxpayers who are too small to protect themselves from the tyranny of the majority. It also weakens the ability of voting majorities to vote themselves more government benefits by raising taxes on others.

Transparent property tax valuation

Property taxes are kept honest by requiring that the market appraisals be used for all property taxes. Valuation notices must be mailed annually and may be appealed annually. Property tax bills must include the actual value of the property.

No increase in transfer tax rates on real property

In 1992, Colorado's real estate transfer tax was $0.01 per $100 or 0.01%. Some jurisdictions in the state imposed additional taxes of 1 to 4 percent. TABOR outlawed new transfer taxes and forbade increases in existing transfer tax rates. Limiting real estate transfer taxes makes it less expensive for families and businesses to change houses or business locations as their needs change. It is saving families money as housing prices soar.

Alaska, Idaho, Indianan, Louisiana, Mississippi, Missouri, Montana, New Mexico, North Dakota, Texas, Utah, and Wyoming do not tax the purchase or sale of real estate. Among states that do tax real estate transfers, Colorado has the lowest rate. In Delaware, the transfer rate is 2.5 to 3 percent plus a local tax of up to 1.5 percent. In Washington State it is 1.28 percent of the sales price plus local taxes.[2]

Frees local school districts from paying for state mandated school programs.

Though school districts must offer public education through grade 12 or as required by federal law, "a local district may reduce or end its subsidy to any program delegated to it by the general assembly for administration."

Requires state and local governments to have emergency reserve funds, limits emergency taxation

Requires government reserve funds equal to at least 3 percent of spending. After reserves are spent, an emergency tax may be passed if a 2/3 majority agrees in a roll call vote. Tax revenues must be refunded within 180 days of the end of the emergency. Emergency property taxes are prohibited.

1 Philip L. Dubois and Floyd Feeney, *Lawmaking by Initiative: Issues, Options, and Comparisons*, Agathon Series on Representation, v. 4 (New York: Agathon Press, 1998), 118.

2 Real Estate Transfer Taxes. 2017. *National Conference of State Legislatures*. Website, accessed March 5, 2018. http://www.ncsl.org/research/fiscal-policy/real-estate-transfer-taxes.aspx