



The following are Independence Institute’s voting recommendations based on its review of all ballot measures.

Recommendation
VOTE YES

Amendment E:
Extend Homestead Exemption to Gold Star Spouses

WHY WE SUPPORT AMENDMENT E

Under the current Homestead Property Tax Exemption, seniors over 65 who have lived in their home for 10 years or more are entitled to exempt up to half of the first \$200,000 of their home’s market value from property tax. If the qualifying senior dies, the surviving spouse may retain the exemption. The state reimburses localities for lost property tax either from the general fund or from that year’s TABOR refund obligation.

In 2006, voters extended the exemption to veterans with a service-related disability. Amendment E would further extend the exemption to surviving Gold Star spouses of a veteran killed in the line of duty, or as the result of a service-related injury or disease. Neither the existing, nor the proposed veterans benefit, is subject to the 10-year residency requirement.

Property taxes are often among the most unfair of taxes; even if property values are increasing the tax must be paid out of current income. Limiting the potential hardship for a worthy group is always appealing. In addition, the legislature has in the past sometimes effectively eliminated the exemption by setting the ceiling to \$0. Amendment E would make that more difficult; adopting a policy that might cause a war widow to be tossed out of her home for failure to pay taxes would probably be politically unpopular.

Recommendation
VOTE NO

Amendment F:
Charitable Gaming Measure

WHY WE OPPOSE AMENDMENT F

The Colorado State Constitution requires that charitable organizations that want to run games of chance as fundraisers must have been in existence for five years. Amendment F would change that limitation to three years in the Constitution, and then allow the legislature to set it, or eliminate it altogether, in statute. Those running the games would no longer have to be volunteers, but could be paid the minimum wage.

Allowing workers to be paid the minimum wage is probably harmless enough; it doesn’t create incentives to cheat the way that paying an operating firm a percentage of the take would. But it seems as though a charitable organization should have been in existence long enough to establish a reputation for integrity and legitimacy before being able to ask people to put money down on roulette. Also, the whole matter seems like an oddly specific thing to be dealt with in the state constitution in the first place.

Recommendation
VOTE NO

Proposition FF:
Healthy Meals for All Public School Students

WHY WE OPPOSE PROPOSITION FF

Referred to the ballot by HB 22-1414, this measure calls for a tax increase of more than \$100 million per year and an accompanying statutory change to provide meals for all public school students in Colorado—effectively continuing the free-meals-for-all model made possible during the pandemic by federal stimulus money. The tax increase would be levied against individuals making more than \$300,000 annually by limiting state tax deductions for those taxpayers. The measure also creates a grant program for schools to purchase foods grown or processed in Colorado or increase wages for school meal workers and creates advisory committees to determine whether meals are “healthy and appealing to all students,” among other things.

While we are certain that parents have enjoyed access to free meals through the pandemic, that emergency has passed. We question whether a tax increase—even on the highest earners—to fund free meals for all in perpetuity is necessary, especially since low-income students will continue receiving free meals under current law. Additionally, we question whether subsidies (in the form of “grants”) for schools that purchase Colorado food (as opposed to the highest-quality, most cost-effective foods) are a good use of taxpayer money—and whether those incentive programs will be administered in a fair, impartial way that sidesteps favoritism and political maneuvering.

Recommendation
VOTE NO

Proposition GG:
Amount of Tax Owed Table for Initiatives

WHY WE OPPOSE PROPOSITION GG

This measure represents an attempt to thwart future citizen ballot efforts that would reduce income taxes. If adopted by voters, this measure would require a new table to appear directly in the ballot title that already appears in the state ballot information booklet, or “Blue Book,” which goes out to all voters with their ballot. The table breaks income down into 12 different arbitrary income “brackets” and provides an average tax savings to for each group of income earners.

In addition to unnecessarily crowding the ballot title—intended to be short and to-the-point—such a table does not accurately reflect to voters what an income tax rate cut would mean for them, as every individual, household, and business tax situation is unique, even within each income bracket. Frustrated by recent citizen ballot initiatives to reduce income taxes, proponents of big government believe having such a table in the ballot title will persuade more voters to oppose future income tax rate cuts.

Recommendation
VOTE YES

Proposition 121: State Income Tax Rate Reduction

WHY WE SUPPORT PROPOSITION 121

This is a modest income tax cut for ALL taxpayers, from 4.55% to 4.40%. Everyone who pays income taxes will receive the exact same tax rate cut of 0.15%. Coloradans face the fastest increase in prices in over 40 years. Rising costs are strangling household budgets and reducing our standard of living. Proposition 121 would allow Coloradans to keep more of their hard-earned money, helping them cope with record inflation. Lowering taxes is also one of the main ways Colorado can attract businesses, entrepreneurs, and job creators to the state, adding resiliency to the state's economy.

The state of Colorado has created and collected billions of dollars in new taxes and fees on Coloradans in recent years without voter consent. This tax cut will give taxpayers back only a fraction of what has been taken. For example, in the 2021 legislative session alone, taxes and fees increased by over \$700 million annually without voter consent.

Recommendation
VOTE NO

Proposition 123: Dedicated State Income Tax Revenue for Affordable Housing Programs

WHY WE OPPOSE PROPOSITION 123

This measure would reduce TABOR refunds by approximately \$300 million annually for any year in which state tax revenues exceed the TABOR limit. Right now, the state anticipates TABOR refunds for at least the next three years. The measure—branded as a solution to the affordable housing crisis in our state—would exempt the money from TABOR and dedicate it to affordable housing grant and loan programs.

Rather than throwing more taxpayer money at the problem, we should focus on reducing government regulations that create barriers to new housing supply, including local zoning regulations, growth boundaries, stringent building codes, and other regulatory bottlenecks that make building new homes costly and inefficient.

Recommendation
VOTE YES

Proposition 124

WHY WE SUPPORT PROPOSITION 124

Although Proposition 124 maintains elements of protectionism and flagrantly discriminates against new entries into the liquor market, on net, it expands freedom by permitting many existing liquor license holders to increase their number of licensed establishments over time.

The number of licenses potentially is unlimited starting in 2037, subject to other requirements such as keeping a minimum distance away from other liquor stores. This measure modifies language introduced by Senate Bill 2016-197.

The measure changes treatment of retail liquor stores to match that of so-called liquor-licensed drugstores in terms of number of licenses allowed. Per existing statute, the measure applies only to "a retail liquor store licensed on or before January 1, 2016." Licenses can be transferred, subject to various restrictions.

Although Prop. 124 does not come close to establishing a free market in liquor sales in Colorado, it moves a step in that direction. Because the measure changes statutes, a future legislature could fix its shortcomings.

Recommendation
VOTE YES

Proposition 125

WHY WE SUPPORT PROPOSITION 125

Following 2016 legislation allowing grocery stores to sell full-strength beer, Proposition 125 allows those same stores to also sell wine starting in 2023.

Although most grocers still may not sell liquor (spirits) under the measure, Prop. 125 clearly establishes more liberty in the market for alcoholic beverages and gives consumers greater freedom of choice regarding where they shop for wine.

Recommendation
VOTE YES

Proposition 126

WHY WE SUPPORT PROPOSITION 126

Proposition 126 allows third-party companies to deliver products sold by stores that offer alcoholic beverages. The measure also allows permanent takeout and delivery of alcoholic beverages by bars and restaurants, a practice the legislature has allowed on a temporary basis during the pandemic. Prop. 126 requires deliverers of alcoholic beverages to verify the ages of people receiving the product, to be 21 years of age or older, and to meet various other requirements, including completion of a certification program. The measure also transfers legal liability to the delivering company and worker once they take possession of the product.

Prop. 126 clearly increases liberty for sellers, deliverers, and consumers of alcoholic beverages in Colorado.

PAID FOR BY PATH TO ZERO. REGISTERED AGENT: KATIE KENNEDY

INDEPENDENCE INSTITUTE HAS ESTABLISHED THE ISSUE COMMITTEE "PATH TO ZERO" FOR ALL ADVOCACY RELATED TO THE PATH TO ZERO PROJECT, INCLUDING PROPOSITION 121.