

Rates the Legislature

The Taxpayer's Voice
Since 1976



Sixty-eighth General Assembly, 2011 Report • Prepared by the Colorado Union of Taxpayers

CONGRATULATIONS!

2011 Taxpayer Champions*

Senate Champions (Tie)
Kevin Lundberg 90%

R - Berthoud

Scott Renfroe 90%

R - Greeley

House Champion
Don Beezley 85%

R - Broomfield

2011 Taxpayer Guardians*

Senate Guardians (Tie)
Bill Cadman 86%

R - Colorado Springs

Kevin Grantham 86%

R - Canyon City

House Guardian
David Balmer 84%

R - Centennial

* Highest score in each house.
(rounded)

REVISED EDITION, 8/10/2011

CORRECTIONS: A vote error on SB200 for Senator Grantham necessitated corrections on the following pages, 1,3, 5 & 6. Senator Grantham was added as pledge signer, page 2. Representative Acree was added as pledge signer page 3. Senator Cadman and Senator Grantham are indicated as E, excused, HB 1318, page 6.

Colorado Union Of Taxpayers Rates the 2011 Legislature

The Colorado Legislature once again fails the Colorado Taxpayers. Legislators did manage to repeal some of 2010 "dirty dozen" tax bills (see HB1005 & HB 1293); however, the most offensive of those; the vehicle late registration "fee" (see HB1084) and the Amazon tax (see HB1318) were killed in Senate committee. HB1055 which would have given charter schools the right to use public school facilities sitting empty received the Senate kill. Business friendly bill (see HB1263) which addressed the business personal property tax debacle also got the Senate hammer. Unfortunately, when the House did present good bills, the Senate took swift action to kill them. Regrettably, the Legislature continued its path toward expanding healthcare entitlements. (see HB1014, HB1217, SB008, & SB128) The Legislature's attacks on Colorado citizens' petition rights were most egregious. (see HB1072, HB1117, SCR-001) And finally, the Legislature passed the largest budget EVER \$19.8 Billion, while Colorado citizens are out of work and the economy is in disarray. Why not true spending cuts?

CUT CALL TO ACTION!

Beware! Democrat Senator Rollie Heath wants to raise your taxes.

Petition gatherers are busy collecting signatures to put these tax increases on the 2011 ballot.

The initiative, if passed, would increase the state income tax rate from 4.63 to 5.0 percent for five years, starting January 1, 2012; increase the state sales and use tax rate from 2.9 to 3.0 percent for five years, starting January 1, 2012; and require the state legislature to spend the money on public education by increasing funding above the amount in budget year 2011-12.

**Don't sign the petition. If this tax increase makes the ballot, VOTE NO!
There will NEVER be enough of your money for the tax and spend lobby in Denver!**

Key Bill Summaries

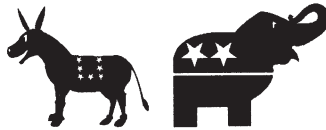
Begin on Page 2

Year to Year?

Overall the Senate scored 40%, down from 44% last year. The House scored 39%, down from 43% last year. See the CUT Grid on pages 6-7.

Governor's Score...

See Page 4



How Did the Parties Score?

Senate

Democrats 17%
Republicans 71%

House

Democrats 17%
Republicans 59%

High Scoring Democrats

Senator Morgan Carroll 26%
Representative Pete Lee 27%

Low Scoring Republicans

Senator Jean White 37%
Representative Cheri Gerou 39%

Complete Listing and Scores Inside

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KEY BILL SUMMARIES

SB-008 Concerning Aligning Children's Medicaid Eligibility

This bill specifies that the present income eligibility criteria for Medicaid for children <5 & pregnant women, shall be extended to children through age 18 after 9/1/11. It also raises their family income eligibility to 133% of the Federal Poverty Level and creates Funds to: cover additional enrollees above the normal growth rate; and a 'non raid able' Trust Fund to capture surpluses. Additionally it allows Tobacco Tax cash funds to be used to offset General Fund expenditures for children who enroll in Medicaid if they were eligible for the Children's Basic Health Plan (CBHP aka CHP+) prior to 9/1/11. It claims savings to the State will be \$2.3 million in 2012/13 and \$10.4 million in 2013/14. PASSED. Senate 23/11/1, House 61/4, (Sen. Boyd, Rep. Gerou). Governor SIGNED. **CUT votes NO.** How more eligible people can be served for less money, by shifting children from CHP+ to Medicaid is beyond our ken. The Tobacco Tax revenues are already over-appropriated, so the General Fund must at some future time 'backfill' other needs. The Bill's Fiscal Note states that these costs have not been estimated *and that if funding was calculated in the normal manner the costs would increase by \$3.5 million in 2012/13 and \$14.1 million in 2013/2014.* The bill also seems to anticipate that even more, not previously enrolled eligible children, will appear. Do we really need more wards of the State?

SB-047 Bioscience and Clean Technology Innovation Reinvestment Act

This bill redirects 50% of the growth of state income tax withholdings from specific Colorado businesses towards a cash fund dedicated to the clean technology industry. It also extends until 2024 the grant program related to this industry. PASSED. Senate 21/14, House 45/19/1, (Sen. Heath/Rep. Gerou). Governor SIGNED. **CUT votes NO.** In CUT's view this utilizes funds meant for one purpose, the General Fund, being diverted to another and unrelated purpose. Furthermore, it is CUT's view that funding of the Office of Economic Development and International Trade (OEDIT) is not a valid purpose for tax dollars and would not be necessary if business Regulations and Corporate Taxes were reduced to create a more business-friendly environment. The Clean Technology Research Program funds are used to pick winners and losers, which is contrary to the free market.

Senate Scores: Friend or Foe?

Highest to Lowest - Who is representing your best interest as a taxpayer? Here's what Members of Colorado's Senate earned on CUT's 2011 Ratings Scorecard:

Score	Senator	Pledge	Party	District	Home
89.47	Lundberg, Kevin	P	R	15	Berthoud
89.47	Renfroe, Scott	P	R	13	Greeley
85.71	Cadman, Bill	P	R	10	Colorado Springs
85.71	Grantham, Kevin	P	R	2	Canyon City
84.21	King, Keith	P	R	12	Colorado Springs
84.21	Lambert, Kent	P	R	9	Colorado Springs
80.95	Harvey, Ted	P	R	30	Highlands Ranch
80.00	Mitchell, Shawn	P	R	23	Broomfield
78.95	Scheffel, Mark		R	4	Parker
72.22	Kopp, Mike	P	R	22	Littleton
57.89	King, Steve		R	7	Grand Junction
55.56	Brophy, Greg	P	R	1	Wray
42.11	Spence, Nancy		R	27	Centennial
38.89	Roberts, Ellen		R	6	Durango
36.84	White, Jean		R	8	Hayden
26.32	Carroll, Morgan		D	29	Aurora
25.00	Tochtrop, Lois		D	24	Westminster
23.53	Hodge, Mary		D	25	Brighton
21.05	Morse, John		D	11	Colorado Springs
21.05	Newell, Linda		D	26	Littleton
21.05	Steadman, Pat		D	31	Denver
20.83	Aguilar, Irene		D	32	Denver
20.00	Jahn, Cheri		D	20	Wheat Ridge
17.65	Williams, Suzanne		D	28	Aurora
16.67	Johnson, Michael		D	33	Denver
15.79	Giron, Angela		D	3	Pueblo
15.79	Guzman, Lucia		D	34	Denver
15.79	Hudak, Evie		D	19	Westminster
15.79	Schwartz, Gail		D	5	Snowmass Village
13.64	Bacon, Bob		D	14	Fort Collins
13.64	Boyd, Betty		D	21	Lakewood
13.64	Heath, Rollie		D	18	Boulder
13.04	Nicholson, Jeanne		D	16	Black Hawk
11.76	Shaffer, Brandon		D	17	Longmont
4.55	Foster, Joyce		D	35	Denver

P = Taxpayer Pledge Signer

Overall Senate Score 40%

SB-76 Continue Higher Employee Retirement Contribution.

Saves the taxpayer \$37 million by extending for one more year a greater amount paid by employees for their retirement fund. PASSED. Senate 35/0, House 44/21. (Sen. Steadman / Rep. Becker). Governor SIGNED. **CUT votes YES.** Significant reform must still come to the Public Employee Retirement Association to close a huge unfunded liability that puts the taxpayer at risk. This is a good interim action, to place on recipients a greater burden for the very generous retirement benefits they will receive.

SB-126 Classification as an Unsubsidized In-state Student for Tuition Purposes at State Institutions of Higher Education

This bill creates, a new classification of students

at state supported institutions of higher education: "unsubsidized in-state student for tuition purposes" provided the student meets the following criteria: the student attended high school in the state for at least 3 years, the student is admitted to a school of higher education within 1 academic year following graduation or earning a general education equivalent degree (GED). The purpose of the bill is to allow students illegally resident in the U.S. and Colorado the ability to attend a state college or university at in-state tuition rates. **KILLED HOUSE EDUCATION COMMITTEE.** Senate 20/15, House Education 7/6 to Postpone Indefinitely. (Sen. Geron/Rep. Miklosi). **CUT votes NO.** While this bill is designed such that no General Funds or increased fees will initially be used,

Key Bill Summaries continue on page 3

CUT sees this as creating an entitlement that will become the first step in requiring support by future tax dollars.

SB-128 Requiring a Carrier that Participates in the Individual Health Insurance Market in Colorado to Issue Child-Only Plans on a Guaranteed-Issue Basis

This bill requires all insurance carriers selling individual health benefit plans in Colorado to provide at least one child-only health benefit plan for children up to age 19 without regard to preexisting conditions, during two specified month-long reenrollment periods per year. The bill is to be funded with federal grant monies. PASSED. Senate 25/9/1, House 47/18. (Sen. Newell/Rep. McCann). Governor SIGNED. **CUT votes NO.** The fact that this bill will require Federal Funds means additional entanglement with the Federal Government, which should be avoided. Also, this bill will increase the cost of health insurance by adding an additional mandate, impinge on the free market, and continue the path of redistribution of wealth.

SB-200 Colorado Health Benefits Exchange Act

In order to comply with the federal 'Patient Protection and Affordable Care Act' of 2010 (aka Obama Care), this bill seeks to increase access, affordability, and choice in health care solutions with a Colorado flavor, by creating a 12 member appointed board. This board, whose members can be drawn from health, health ins., IT, or small business backgrounds, will review what are the 'best deals' for individuals and small businesses; decide whether individuals and businesses may be directed into health plans; grant waivers; and create an Implementation Review Committee which may draft up to 5 bills annually, outside the normal bill limits, to be presented to the Legislature. Further the Committee may subdivide itself into Small Business and Individual sections. PASSED. Senate 19/14/2, House 44/21, (Sen. Boyd/Rep. Stephens) Governor SIGNED. **CUT votes NO.** There was no reason to rush to pass

A SPECIAL BREED

A special breed of legislators is demonstrating election year campaign pledges are not simply political rhetoric. In 1998, CUT established a ten-point Candidate/Legislator Pledge for legislative candidates. See Page 9. CUT's pledge signers are shown with a "P" on pages 2-3. CUT Champions and Guardians are almost always pledge signers. Be sure to congratulate them for their high scores and integrity in following through on their campaign promise to be fiscally conservative.

House Scores: Friend or Foe?

Highest to Lowest - Who is representing your best interest as a taxpayer? Here's what Members of Colorado's House earned on CUT's 2011 Rating Scorecard:

Score	Representative	Pledge	Party	District	Home
85.19	Beezley, Don	P	R	33	Broomfield
84.00	Balmer, David	P	R	39	Centennial
81.48	Holbert, Chris	P	R	44	Parker
76.92	Looper, Marsha		R	19	Calhan
73.08	Nikkel, B.J.	P	R	49	Loveland
70.37	Joshi, Janak		R	14	Colorado Springs
69.23	Becker, Jon		R	63	Fort Morgan
69.23	DelGrosso, Brian		R	51	Loveland
69.23	Swalm, Spencer	P	R	37	Centennial
66.67	Ramirez, Robert	P	R	29	Westminster
65.38	Acree, Cindy	P	R	40	Aurora
65.38	Barker, Mark		R	17	Colorado Springs
65.38	Baumgardner, Randy		R	57	Hot Sulphur Springs
65.38	Scott, Ray		R	54	Grand Junction
62.96	Murray, Carole		R	45	Castle Rock
61.54	Bradford, Laura	P	R	55	Collbran
61.54	Szabo, Libby	P	R	27	Arvada
57.69	Brown, J. Paul		R	59	Ignacio
57.69	Gardner, Bob		R	21	Colorado Springs
57.69	Sonnenberg, Jerry		R	65	Sterling
57.69	Waller, Mark		R	15	Colorado Springs
50.00	Priola, Kevin	P	R	30	Henderson
50.00	Stephens, Amy		R	20	Monument
50.00	Vaad, Glenn		R	48	Mead
48.00	Liston, Larry	P	R	16	Colorado Springs
46.15	Coram, Don		R	58	Montrose
46.15	Kerr, Jim		R	28	Littleton
42.31	Conti, Kathleen	P	R	38	Littleton
42.31	Swerdfefer, Keith		R	47	Pueblo West
40.74	Massey, Tom		R	60	Poncha Springs
40.74	Summers, Ken		R	22	Lakewood
39.13	McNulty, Frank		R	43	Highlands Ranch
38.46	Gerou, Cheri		R	25	Evergreen
26.92	Lee, Pete		D	18	Colorado Springs
26.92	Wilson, Roger		D	61	Glenwood Springs
23.08	Fischer, Randy		D	53	Fort Collins
23.08	Pabon, Don		D	4	Denver
23.08	Pace, Sal		D	46	Pueblo
20.00	Casso, Edward		D	32	Thornton
19.23	Duran, Crisanta		D	5	Denver
19.23	Jones, Matt		D	12	Louisville
19.23	Kefalas, John		D	52	Fort Collins
19.23	Levy, Claire		D	13	Boulder
19.23	Miklosi, Joe		D	9	Denver
19.23	Tyler, Max		D	23	Lakewood
19.23	Vigil, Edward		D	62	Alamosa
18.52	Hamner, Millie		D	56	Dillon
18.52	Kerr, Andy		D	26	Lakewood
18.52	Peniston, Cherylin		D	35	Westminster
18.52	Schafer, Sue		D	24	Wheat Ridge
18.52	Solano, Judy		D	31	Brighton
18.52	Todd, Nancy		D	41	Aurora
18.18	McKinley, Wesley		D	64	Walsh
16.00	Kagan, Daniel		D	3	Denver
15.38	Gardner, Deb		D	11	Longmont
15.38	Hullinghorst, Dickey Lee		D	10	Boulder
15.38	Labuda, Jeanne		D	1	Denver
15.38	Ryden, Su		D	36	Aurora
13.64	Fields, Ronda		D	42	Aurora
11.54	Court, Lois		D	6	Denver
11.54	Ferrandino, Mark		D	2	Denver
11.54	McCann, Elizabeth		D	8	Denver
11.54	Williams, Angela		D	7	Denver
7.69	Riesberg, Jim		D	50	Greeley
7.69	Soper, John		D	34	Thornton

P = Taxpayers Pledge Signer

Overall House Score39%

the bill this year, as Exchanges do not have to be in place until 1/1/2013. Further its passage, with bipartisan support, seriously undermines A/G Suthers' position in his suit to declare Obama Care unconstitutional. Finally CUT does not believe that more government expertise and coercion is the answer for any and all problems.

SB-209 Budget Bill (aka "Long Bill").

The General Assembly is required every year to appropriate annual revenues to the various programs while avoiding deficit. The budget is the largest ever at \$19.8 Billion. PASSED. Senate 30/5, House 50/14/1. (Sen. Hodge / Rep. Gerou) Governor SIGNED. **CUT votes NO.** By comparison to other years' budget bills, this was an improvement because it did not steal from cash funds nor charge a new huge tax camouflaged as new fees. The economy is emerging from recession. That will increase tax receipts so legislators had less pressure to be careful with the budget. CUT wanted a great deal more reform but we were disappointed. Legislators avoided significant changes that would improve the process and bend down the spending curve. They spent every last cent without a sideways glance at privatizing programs or identifying indefensible spending. They pretty much ignored the Roadmap for Sustainable Government offered by the Independence Institute. Legislators next year must show greater courage towards major reform.

SB-226 General Fund Transfers

This bill directs the State Treasurer to transfer monies in several cash funds to the General Fund. PASSED. Senate 25/10, House 52/12/1. (Sen. Hodge/Rep. Gerou) Governor SIGNED. **CUT votes NO.** Cash funds are created by statute with the stipulation they are to be used for specific purposes and not go to the General Fund. This is yet another year when the Legislature has robbed cash funds to "balance the budget". They further overreached by including in this bill cash fund transfers in FY2011-2012. Reducing expenditures rather than robbing from cash funds would be the better way to balance the budget.

SCR-001 Ballot Measures

This concurrent resolution refers a constitutional amendment to voters at the 2012 general election and makes the following changes: constitutional amendments will have to receive at least 60 percent of the vote, will allow voters to repeal constitutional amendments approved before 2013 with a simple majority vote, will require that a certain number of petition signatures be collected in each of the state's seven congressional districts, in order to initiate a constitutional amendment and will require a vote of 2/3 of the members of the General Assembly to repeal or amend an initiated law approved by voters for a period of three years after the law takes effect. DIED FOR LACK OF SENATE/HOUSE COMMITTEE CONCURRENCE. Senate 25/9/1, House 52/12/1. (Sen. Shaffer/Rep. Murray) **CUT votes NO.** The real intent of this

legislative ukase is transparent enough - it is destruction of TABOR, the taxpayer's most effective protection against rapacious government elite, as well as, for all practical purposes, ending the ballot initiative process in Colorado.

HB-1005 Reinstate Tax Exemption for Ag Products

This bill reinstates the exemption from sales and use taxes for the sale or storage, use, or consumption of agricultural compounds used in caring for livestock, semen for agricultural and ranching purposes, and pesticides for use in the production of agricultural and livestock products. PASSED. House 46/18/1, Senate 29/5/1. (Rep. Sonnenberg/Sen. Brophy) Governor SIGNED. **CUT votes YES.** The exemption is reinstated by means repealing the House Bill 10-1195. In CUT's view, this represents a badly needed boost to our state's economy, in the amount of \$3.7 million annually, as well as long overdue correction of the last year's legislative mistakes.

HB-1014 Concerning the Repeal of the Limiting Trigger Associated with the Child Care Contribution Income Tax Credit

Whereas State Appropriations are not scheduled to grow at 6% for the foreseeable future, which event now limits contributions into several specified diversionary programs, this bill removes the 'trigger' for the CCCITC (Child Care Contribution Income Tax Credit) and increases its Credit to 75% beginning in 2014, regardless of the revenue/appropriations forecast. PASSED. House 61/4, Senate 23/12. (Rep. DelGrosso, Sen. Roberts) Governor SIGNED. **CUT votes NO.** Should the State be 'picking winners'? Revenue formerly available from a surplus, should not be siphoned into a semi permanent (through 2019) diversion. There may be more pressing needs for it in future years.

HB-1055 Concerning Facilities Use By Charter Schools

Whereas there are presently 20 vacant school buildings in 6 School Districts statewide, and whereas presently a School Board may deny a Charter School the use of such properties without recourse, this bill would have created a means of appeal, first to the Colo. Dept. of Education for an Evaluation of the Charter's request (for a \$9600 charge) subject to certain limitations, and then to the State Board of Education if necessary. Further it would have blocked School Districts from inserting 'poison pill' covenants used to forbid the future use of surplussed school properties for educational purposes. KILLED SENATE STATE AFFAIRS. House 36/27/2, Senate State Affairs 3/2 to Postpone Indefinitely. (Rep. Beezley/Sen. Spence). **CUT votes YES.** This legislation would have eased the establishment or expansion both in time and cost of Charter Schools which could have provided parents and their children 'Choice in Educational Opportunities' to fit their unique needs.

HB-1072 Designated Rep of Initiative Proponents

This bill creates a new civil cause of action by

allowing a registered voter to file a complaint with the Secretary of State alleging "violations" of the reporting requirements within 10 days of a report being filed by the designated petition representatives. Complaints may be referred to an administrative law judge and if it is determined that a "violation" occurred, the designated representative will be subject to a penalty equal to 3 times (!) the amount of any expenditures omitted from or erroneously included on the required disclosure report. A registered voter who files a complaint may commence a civil action to recover costs and attorney fees from designated representatives found to have "violated" the reporting requirements. PASSED. House 63/2, Senate 24/10/1. (Rep. McNulty /Sen. Morse). Governor SIGNED. **CUT votes NO.** In CUT's view this bill is nothing more than heavy-handed and corrupt attempt by government elite to put an end to ballot initiative process in Colorado by threatening to bankrupt the ballot proponents.

HB-1084 Concerning Modifications of Fees for Late Vehicle Registration

The Colorado Legislative Council Staff Fiscal Note provided the following bill summary:

"In 2009, the General Assembly enacted Senate Bill 09-108, which established two fees for late registration violations: a mandatory \$25 per month

Key Bill Summaries continue on page 8



Governor John Hickenlooper

How did the Governor Rate?

19%

Governor Hickenlooper's 19% rating is up from former Governor Ritter's 8%. Still a failing grade. The Governor walked in lock step with the Legislature in its healthcare entitlement expansion, attacks on citizens' right to petition, and increased government spending. He was there for taxpayers with his signature on the reversal of the few 2010's "dirty dozen" which made it through the Senate. We would hope for more bold leadership regarding growth of government and excessive spending.

2011 Taxpayer Champions



Senate Champions
Kevin Lundberg and Scott Renfroe

“To secure our God-given, inalienable rights, we cannot increase taxes. This is a first principle for free people.”



“It is an honor to serve and stand firm against the progressive vision of growing government and controlling our lives with tax increases. Our Country simply cannot afford the destructive spending path government is on. It is time to prioritize spending, reduce government programs, balance our budget and pay down our debts. It is an honor to receive this award from CUT.”



House Champion
Don Beezley

“I will continue to stand for freedom and opportunity, and against ever-growing government, so the hardworking people of Colorado can prosper into the future. The work the Colorado Union of Taxpayers does is essential to that effort, and to be recognized by CUT for my work is an honor. Thank you.”

2011 Taxpayer Guardians



Senate Guardian Bill Cadman

“CUT's commitment to holding Colorado government accountable to its citizens is renowned. Again, I am honored to receive CUT's recognition of my own commitment to limiting the size, cost and power of government.”



Senate Guardian Kevin Grantham

“What an honor to be recognized by CUT for standing up for the taxpayers of Colorado. It is a great privilege to work to limit the size and scope of government and to fight against tax and fee increases.”



House Guardian David Balmer

“We work for the taxpayers. I will continue to work hard to protect their money.”

fee, capped at \$100, for not registering a vehicle by the applicable deadline; and a supplemental \$25 per month fine, capped at \$100, for knowingly not registering a vehicle within 90 days of becoming a state resident. Fee revenue is credited \$10 to the county government registering a vehicle; remaining revenue is deposited in the Highway Users Tax Fund (HUTF) for subsequent distribution to the State Highway Fund (60%), counties (22%), and cities (18%). State law provides specific exceptions for fee waivers." "As amended by the Committee of the Whole, House Bill 11-1084 repeals late vehicle registrations fees enacted in Senate Bill 09-108, and reinstates the \$10 waivable late fee, credited to county governments, previously in effect." **KILLED SENATE STATE AFFAIRS.** House 36/27/2, Senate State Affairs 3/2 Postpone Indefinitely. (Rep. Baumgardner/Sen. Grantham). **CUT votes YES.** In a mad dash in 2009 to implement all sorts of taxes, disguised as "fees", the legislature gave us this late registration "fee" structure. The current arrangement provides state governments, i.e. HUTF, counties and municipalities approximately \$31 million in late "fees". Enactment of this bill would have reduced HUTF revenues by \$25 million and county revenue by \$5.8 million per year. This bill would have returned the rules to the previous rate of a flat \$10 late charge. CUT recognizes the House for doing the right thing to reverse this abuse of the "fee" imposition on motorists. CUT encourages the sponsors to bring this bill back in the 2012 legislative session and end foisting taxes on voters disguised as "fees".

HB-1116 Local Gov't Waste Services

This Bill requires local governments to receive voter approval before providing, contracting to provide, or requiring residents to pay fees for waste services. The ballot is required to contain a description of the service to be provided and the cost of the service and must be submitted at an election at which other matters are being voted upon. Citizens will be allowed to vote on any changes that may affect the availability, cost, or service level of waste services. **KILLED SENATE LOCAL GOVT COMMITTEE.** House 33/32, Senate Local Gov't 3/1/1 Postpone Indefinitely. (Rep. Szabo/Sen. Brophy /). **CUT votes YES.** In CUT's view, while the government itself often represents a form of waste, allowing the citizens to decide how to dispose of their waste and at what cost would have been a breath of fresh air indeed.

HB-1117 Concerning Subpoenas Issued By Administrative Law Judges in Campaign finances Proceedings

The Colorado Revised Statutes are amended to add a whole new subsection. The Colorado Legislative Council Staff Fiscal Note describes the Summary of Legislation:

- upon failure to comply with an administrative subpoena issued in relation to an alleged campaign finance violation, the party

requesting the subpoena may petition the districts court for an order directing the witness or party to comply;

- if the district court is satisfied by the petition that the subpoena was properly served, the district court shall order the subpoenaed witness or party to appear before the court and show cause why the individual should not be ordered to comply;
- at a show cause hearing, the subpoenaed witness or party may present evidence to overcome the presumption in favor of ordering compliance with the subpoena;
- failure to appear at a show cause hearing may result in issuance of a warrant for the witness's or party's arrest or the imposition of other sanctions; and
- upon a finding that the individual subpoenaed has not shown good cause why that person should not be ordered to comply with an administrative subpoena, the district court shall order compliance within 10 business days and may impose remedial and punitive fines.

PASSED. House 61/4, Senate 35/0 (Rep. McCann/Sen. King S.) Governor **SIGNED.** **CUT votes NO.** Yet another non-problem in search of a solution. Attorneys involved in these alleged campaign finance proceedings can issue unlimited numbers of subpoenas to many individuals. An individual's lost time and income associated with having to comply with potential fishing expeditions can be excessive. Complying with the current voluminous regulations is difficult enough. Just what we need, more volumes for our state statutes. The legislators ought to spend their time on more pressing issues facing the state.

HB-1146 Definition of Agricultural Land for Property Tax Purposes

As noted by the Colorado Legislative Council Staff Fiscal Note "Under current law, residential property on agricultural land is assessed at the residential assessment rate. However, the land underneath it is classified as agricultural, and is valued and assessed as such. This bill amends the definition of "agricultural land" to exclude up to two acres of land associated with residential improvements located on the land unless the residence is "integral to an agricultural operation" conducted on the land. The bill affects property taxes starting in property tax year 2012."

"Under the reengrossed bill, a residential improvement is "integral to an agricultural operation" if the individual occupying it either regularly conducts, supervises, or administers material aspects of the agricultural operation or is the spouse or parent, grandparent, sibling, or child of an individual who regularly conducts, supervises, or administers material aspects of the agricultural operation." The bill has the potential to Reclassify 1-5 acre agricultural residences. **PASSED.** House 41/23/1, Senate 22/12/1 (Rep. Massey/Sen. Steadman) Governor **SIGNED.** **CUT votes NO.** The legislature knows no bounds



Legislative Phone Numbers Call Your Colorado Legislators

Representatives

Democrats: (303) 866-2904
Republicans: (303) 866-2904

Senators

Democrats: (303) 866-2316
Republicans: (303) 866-2316

HOW OUR RATING IS DONE

Each state legislator is rated on his or her tax, spending, or government intrusion votes. For a bill to be chosen, it must relate to the CUT pledge (see page 9), it must have a split vote, with votes both for and against the bill. The bill must have a full vote in one chamber and at least a committee vote or full vote in the second chamber. Each legislator's percentage is calculated by the number of votes cast. Year-to-year comparisons indicate that CUT is accurately measuring whether a legislator favors lower taxes and less government, is a friend of the taxpayer, or continues with higher spending and creating more government intrusion in our lives.

CUT Board of Directors ruled that Taxpayer Champions must score 75% or better to be identified as a Taxpayer Champion.

Pledge Violations

The Colorado Union of Taxpayers Board of Directors voted to include in this Ratings notice calling out pledge signers who sponsored and supported **SCR001** which is in direct violation of the pledge each signed to support the citizen's right to petition with rules as non-restrictive as possible. **Sponsoring and voting for SCR001: Senators Brophy and Kopp; Representatives Acree, Conti, Liston, and Priola. Not sponsoring but voting for: Representatives Bradford and Swalm.**

Likewise with **SB200** which brings Obama Care to Colorado and violates the pledge each signed to defend private property rights from "takings" by government or by regulation. **There were no pledge signer sponsors of SB200. Voting for SB200: Representatives Conti, Liston, Priola, Ramirez, and Swalm.**

when it comes to nickeling and diming the state taxpayers. This is an overt action to increase local property taxes to make more money available at the state level. **This raises taxes without a vote of the people.** By passing this bill the state legislature has increased taxes at the local level by up to \$21.6 million a year and simultaneously reducing the state funding requirements for schools by \$5.25 million allowing the state legislature to continue to spend more money.

HB-1160 Green Building Incentive Pilot Program

As noted by the Colorado Legislative Council Staff Fiscal Note "This reengrossed bill creates the Green Building Incentive Pilot Program, to be developed and administered by the Governor's Energy Office (GEO). Under the program, the GEO will award grants to qualified applicants who are preparing to sell their current homes with energy efficiency ratings below minimum standards and purchase highly efficient new residential construction. Grants will be awarded for the purpose of **allowing applicants to make energy efficiency improvements to their current residences to increase their marketability.**" *Emphasis added.* "Applicants are required to submit specified documentation related to the energy requirements for both the existing and the new residences to the GEO, as well as closing documents for the new residence. The GEO is

required to maintain a list of qualified contractors able to make the energy efficiency improvements. **The bill specifies that federal funds are to be used for all pilot program expenses.**" *Emphasis added.* PASSED. House 34/30/1, Senate 25/10 (Rep. Gerou/Sen. Jahn) Governor SIGNED. **CUT votes NO.** Noted problems with this bill:

- The state government is again involved in trying to change individual behavior and favor certain individuals.
- Since the only money being spent is federal government money, apparently our legislators do not think that we are paying the bill.
- This bill only applies to existing homeowners, who have poor energy rating on their existing home and are going to purchase new construction that exceeds current energy standards by 25%.
- As noted in the bill description the bill "allow(s) applicants to make energy efficiency improvements to their current residences to increase their marketability." Why is the state government getting involved in improving the marketability of private residences? Homeowners ought to be responsible for their own property and getting it in a saleable condition.

This bill is another example of the state government injecting itself into private transactions, to manipulate behavior and favor one group over another.

HB-1207 Movie Ticket Fee.

Allows movie ticket vendors to collect gifts for the state film commission. Mandates that ticket sellers forward funds every time \$100 accumulates, or once a year. **KILLED IN SENATE BUSINESS & LABOR COMMITTEE.** House 40/25, Senate Business & Labor Committee 7/0 Postpone Indefinitely. (Rep. Massey / Sen. Spence) **CUT votes NO.** The original intent was to create another tax, lie about it by identifying it as a fee, and force movie-goers to subsidize the film industry. Supporters fool themselves into thinking government may best direct new business development in the state, rather than the private sector. This legislation was so outrageous that its coercive mechanism was gutted, offering only useless clutter in the laws, except for onerous transfers. The Republican sponsors would likely shout enthusiastically about reducing regulations, but amended the bill so that movie theaters would track pennies and cut \$100 checks. You don't need a law to give a gift to government. It rarely gets more stupid than this.

HB-1217 Adjustments to Government Health Care Laws.

There were two vastly different versions. The House expanded eligibility to private providers for education subsidies under a federal plan and within that given budget. It mandated local governments

Key Bill Summaries continue on page 10

CANDIDATE / LEGISLATOR PLEDGE

I _____, candidate / legislator for _____ do hereby pledge to the Citizens of Colorado:

- TABOR** to honor and uphold the spirit as well as the letter of TABOR.
- New Taxes** to oppose any new net tax increase.
- Spending Limit** to limit government spending to growth of Colorado population and inflation.
- Tax Surplus** to support the refund of surplus taxes to the citizens of Colorado proportional to their contributions.
- Prioritize Spending** to support prioritizing the budget by shifting spending from lower valued programs to higher priorities, and not fund spending with new taxes.
- Education** to support educational alternatives such as vouchers to create competition and improve student results at a lower cost.
- Privatize** to support privatization of government departments and functions to make them more efficient and less expensive.
- Property Rights** to defend property rights from "takings" by government or by regulation.
- Payroll Deductions** to oppose payroll deductions that are used for political purposes.
- Petition Rights** to support the citizen's right to petition with rules as non-restrictive as possible.

Signature: _____ Date: _____

to provide access to buildings for health care provision. It directed a report on reimbursement rates. The Senate reduced the details for subsidies and mandates, but expanded eligibility for Medicaid. It mandated that local governments include health care planning by government into the local master planning. DEEMED LOST WHEN BOTH BODIES ADHERED TO THE DIFFERENT BILL VERSIONS. House 52/13, Senate 22/11/2. (Rep. Acree / Sen. Boyd) **CUT votes NO on both versions.** Improvement of a health care system that has been warped and badly damaged by the government's third party-payer system is much under debate. The better direction would be to move directly and forcefully towards a free market construct. The House version tinkered with improvement, but a fatal flaw was its expansion of educational dependency on government programs. The Senate version made mockery of what is left of privately owned health care. Mandate a Master Plan for health care by local governments? How is that not blatantly socialized industry?

HB-1263 Concerning Property Tax Exemptions for Business Personal Property

The Colorado Legislative Council Staff Fiscal Note describes the legislation as:

"Under current law, the property tax exemption for business personal property on a single personal property schedule is \$5,500 for property tax years 2011 and 2012, \$7,000 for property tax years 2013 and 2014, and an inflation-adjusted amount every two years thereafter. **This bill, increases the exemption for property tax years 2013 and 2014 to \$14,000, which in turn increases the future inflation-adjusted amount of the exemption.**" *Emphasis added.*

"For property tax years 2012 through 2022, the amended bill also caps a portion of the business personal property tax liability of a **state assessed public utility** [*Emphasis added*] at the actual value of the public utility's operating property and plant for the 2011 property tax year, plus an annual growth factor. The 2011 actual value is defined as the base year. The growth factor is set at 3.0 percent for each of the first five property tax years and 1.0 percent for the last five property tax years." KILLED SENATE LOCAL GOVT COMMITTEE. House 36/29, Senate Local Gov't Committee 3/0/2 Postpone Indefinitely (Rep. Priola/Sen. Scheffel). **CUT votes YES.** With local property taxes slated to decrease, because of the decrease in business personal property and state assessed public utility taxes, the state government would have had to make up a portion of local school funding required under the School Finance Act. Some legislators seem to forget that as businesses become more successful, more tax revenue is generated. Colorado's businesses could have used a shot in the arm that this legislation would have provided. Increasing the business personal property exemption would provide some needed relief to small and medium size businesses in the state. Some in the legislature are loath to see revenues

decreased in any way. CUT congratulates the legislators in the House who voted for this bill.

HB-1273 – Health Care Opportunity and Patient Empowerment Act

This bill requires the state to develop a health care interstate compact that would allow signatory states to opt out of federal health care reform legislation as well as any other federal law regulating health care and instead regulate health care within Colorado in a manner determined by our legislature. The final compact would require approval by the U. S. Congress. It is believed that by forming a compact with many states, there would be a greater probability of Congressional passage. KILLED SENATE LOCAL GOVT COMMITTEE. House 34/31, Senate Local Gov't Committee 3/0/2 Postpone Indefinitely (Rep. Nikkel, Sen. Kopp) **CUT votes YES.** The federal government has exceeded its constitutional powers by enacting laws which have preempted state laws regarding healthcare and which have placed additional burdens on the state budget. This law promotes individual liberty and personal control over healthcare decisions by taking control back to the state level. It also brings decisions about the allocation of limited taxpayer dollars to various needs that also include education, infrastructure and public safety to a more local level that can be directly influenced by voters.

HB-1280 New Limit on State General Fund Appropriations and Use of Surplus Funds for a State Rainy Day Fund

This bill changes the maximum allowable amount of total state general fund appropriations for a given fiscal year from 5% of Colorado personal income to an amount equal to a 6% increase over the previous year's general fund appropriation. It further mandates that any end-of-the-year surplus, less amounts required for reserves and constitutionally required refunds, is placed in a newly created state rainy day fund until this fund reaches 8% of the general fund appropriations level. Any additional surplus is then transferred to the highway users' tax fund and capital construction fund. During economic downturns, the state can access rainy day funds by a 2/3 majority of each house of the legislature. KILLED SENATE LOCAL GOVT COMMITTEE. House 34/31, Senate Local Gov't Committee 3/0/2 Postpone Indefinitely. (Rep. Beezley, Sen. Brophy) **CUT votes YES.** The limitation on the growth of the State General Fund prevents escalation of new program funding and size of government during economic recovery that could easily happen under the previous formula. A 6% growth in the general fund is, in fact, a greater increase than most Colorado families enjoy and should easily accommodate the needs of the state. Establishment and funding of a Rainy Day fund is a financially prudent move to protect funding of established and appropriate roles of the state government.

HB-1293 Repeal the State Sales and Use Tax of Standardized Software.

This bill repeals last year's HB10-1192 (which eliminated the sales tax exemption for downloaded software) and refocuses the tax on products delivered in a tangible medium. PASSED. House 48/16/1, Senate 33/1/1 (Rep. Stephens, Sen. Jahn). Governor SIGNED. **CUT votes YES.** The now-repealed HB10-1192 had increased business costs, and the complexity of compliance provided a further disincentive for business creation or expansion in Colorado. No more. Whereas the repealed law had imposed a tax on all standardized software, regardless of the method of acquisition, HB 1293 taxes only software considered to be "tangible personal property"—defined as products prepackaged for repeated licensing, governed by tear-open, non-negotiable license agreements, and delivered through a tangible medium. In other words, a standard product such as Microsoft Excel, but not an accounting program customized for one particular business customer. The new law also ensures that licensing fees will only be charged for licenses actually used in Colorado. CUT expects that the tax reform will ease entrepreneurial minds, and we are pleased to have helped remove an artificial barrier to data center expansion and job creation in Colorado.

HB-1296 Temporary Continuation of the State Sales Tax & Use Tax on Cigarettes

This bill extends the provision of a state sales tax from its soon-to-expire deadline of July 1, 2011 to July 1, 2013. PASSED. House 37/26/1/1, Senate 22/12/1 (Rep. Kagan, Sen. Steadman). Governor SIGNED. **CUT votes NO.** Until July 1, 2009, cigarettes had been exempt from Colorado's state sales and use taxes because of an existing excise tax of 84 cents per pack. Then, the legislature subjected cigarettes to the sales and use taxes. Although the Colorado Supreme Court let the legislature get away with it, CUT continues to believe that expanding the scope of the sales and use taxes requires a vote of the people under TABOR, and we will never stop fighting for full enforcement of TABOR. The 2009 imposition of the extra taxes on cigarettes had been scheduled to expire in 2011. HB 1296 continues the tax until July 1, 2013. Besides being a violation of TABOR, HB 1296 exacerbates the persecution of smokers, who have the right to make personal choices without being punitively taxed.

HB-1311 Increase Number of Regional Tourism Projects

This bill increases the number of regional tourism projects that are legally funded by the government in the name of state-wide economic development. PASSED. House 48/17, Senate 23/11/1 (Rep. Swerdfeger, Sen. Giron). Governor SIGNED. **CUT votes NO.** Currently the Colorado Economic Development Commission uses taxpayer funds to advertise Colorado as a tourist destination. In addition, the Commission also uses taxpayer



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- I want to do more! Here is my additional donation of \$ _____
- "Taxes are too high already and I want to protect against further tax growth. Here is my contribution of \$ _____" Please keep me informed

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money for two regional tourism promotion projects. HB 1311 increases the number of regional promotion projects to six. Business development and promotion are good things, but they are the responsibility of business, not of the taxpayers. Tax revenue should never be used to provide corporate welfare to any business or group of businesses. Colorado businesses in the tourism industry—either statewide, or in a particular region—can choose to pool their money to buy advertising touting Colorado (or a region of Colorado) as a desirable tourist destination. The taxpaying public of Colorado should not have the duty of paying for business advertising. Whether the taxpayer-funded advertising results in an increase in sales tax revenues is beside the point; the state government has no business subsidizing business.

HB-1318 Concerning the Policy of the State of CO Regarding Notification of Use Taxes by Out-of-State Retailers.

This bill would have repealed HB-10-1193 (One of last year's 'Dirty Dozen') and the Dept. of Revenue regulations associated with it. It would also have required that out-of-state retailers, with sales revenues of \$500,000+, notify their recipients that Use Tax may be due; and would have prohibited retailers from advertising that no tax is due. **KILLED SENATE STATE AFFAIRS COMMITTEE.** House 58/6/1, Senate State Affairs Committee 3/0/2 Postpone Indefinitely. (Rep. Stephens, Sen. Spence). **CUT votes YES.** Removing the impediment that caused the largest Internet retailer, Amazon.com, to drop its local affiliates would have restored the supplemental income lost by them, and also would have returned some privacy to our fellow citizens, as last year's bill required that all transactions be reported to the State. i.e. It would have slightly reduced the size and reach of government.

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How Coloradoans in US CONGRESS Scored*

Senate Results

(D) Bennet, M	D	20%
(D) Udall, M	F	15%

State Scoring Average 17%

House Results

(R) Coffman	A	90%
(D) DeGette, D	F	3%
(R) Lamborn, D	A	91%
(D) Markey, B	F	18%

Replaced by (R) Gardner, C

(D) Perlmutter, E	F	4%
(D) Polis, J	F	14%
(D) Salazar, J	F	15%

Replaced by (R) Tipton, S

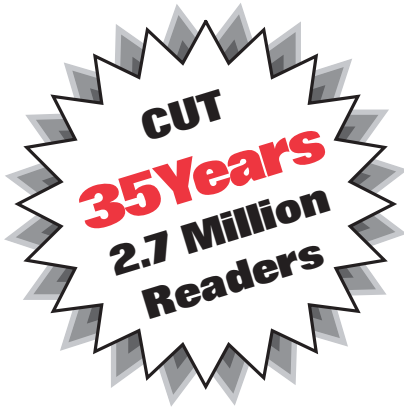
State Scoring Average 34%

** Source: National Taxpayers Union, Ratings for the 2nd Session of the 111th Congress*

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from the Colorado Union of Taxpayers

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From CUT President Marty Neilson



In our 2010 Ratings, I encouraged you to vote FOR Amendments 60, 61, & Prop 101 which we identified as moderate, modest proposals for tax relief and tax reform. We all know how the measures fared at the ballot box and observed the millions of dollars delivered to the campaign to defeat. What you don't know is that the "other side" was so incensed with the audacity of anyone putting forth such measures and anyone bold enough to support them, a further campaign of harassment and intimidation was launched against me personally and proponents of the initiatives. We also saw several bills in the 2011 legislative session assaulting our right to petition. The most egregious being SCR001 which would have made it more difficult for citizens to get issues on the ballot. BUT, the bottom line of the bill was to once again pave the way to rescinding TABOR. SCR001 passed both Houses; but, died when the Senate did not take action on House amendments. That was this year but make no mistake the same enemies of TABOR and the citizens' right to petition will be back. Protecting TABOR and petition rights is our continual battle with the tax and spend lobbies.

The Independence Institute, with CUT past president and former legislator Penn Pfiffner, presented the Colorado Citizen's Budget, a Roadmap for Sustainable Government. Sadly, our legislative representatives chose to ignore the sensible proposals and passed Colorado's highest budget ever --\$19.8 Billion. Now comes Democrat Senator Rollie Heath with ballot initiatives to increase income and sales taxes on Coloradoans. Withhold your concern. This is for the children! Oh yes, these new taxes are for education. While there are no statistics to support throwing more dollars at failing educational systems gives you better outcomes, there are stark facts of quite the opposite. Washington DC schools receive one of the highest per pupil funding in America and its outcomes are disastrous. We don't need more school funding, we need to wrest control of our children's education from bureaucrats and teachers' unions. I am becoming increasingly disillusioned with government's insatiable appetite for more and more of our hard-earned dollars. Let us be frank. It's the spending, stupid!

CUT lobbies the Legislature each session on behalf of Colorado taxpayers. Our 35-year track record of accurately rating Colorado legislators, I hope, has earned your support. Each year the battles are the same and the fight becomes more grueling. I urge you to join CUT and become soldiers in our army to fight for smaller government, fiscal responsibility, and our LIBERTY.

President's Message