



Rates the Colorado Legislature



Sixty-ninth General Assembly • 2009 Report • Prepared by Colorado Union of Taxpayers

CONGRATULATIONS!

2009 Taxpayer Champions*

Senate
Dave Schultheis 97%
Colorado Springs

Bill Cadman 97%
Colorado Springs

House
Kent Lambert 100%
Colorado Springs

2009 Taxpayer Guardians

Senate
Kevin Lundberg 91%
Berthoud

House
Cory Gardner 90%
Yuma

Jerry Sonnenberg 90%
Sterling

*Highest score in each house. (rounded)

Colorado Union of Taxpayers Rates the 2009 Legislature

F! Failing grades for the Colorado Legislature have become the norm! Their continued disregard for taxpayers is evident in almost every new law enacted. We are pleased that "The Transparency Act" passed and was signed by the Governor (HB-1288). Citizens will now be able to see just how their taxpayer dollars are spent. The Governor vetoed two bills unfriendly to taxpayers (HB-1170 and SB-180). The Legislature continues to introduce and pass bills which re-distribute dollars to special interest groups, increase fees, bypass accountable oversight, and attack your liberty.

CUT CALL TO ACTION!

info@cotaxreform.com
www.cotaxreform.com
www.limitpropertytax.com
www.limitcodebt.com

These are three very important issues for taxpayers!

Among other reforms, these petitions will:

1. Undo the new exorbitant fees on vehicles.
2. Undo the illegal property tax increase.
3. Ban future state debt and limit local debt to voter-approved bonds. Local debt limited by total amount and 10 year-term.

Please help us get these issues on the ballot so fiscal responsibility and accountability can be restored!

IS HAVING THIS INFORMATION AVAILABLE IMPORTANT?

Support CUT by your membership or contribution.

See the panel on page 9

Key Bill Summaries

Begin on Page 2

Year to Year?

Overall the Senate scored, 33% up from 27% last year. The House scored 36%, up from 27% last year. See the CUT Grid on pages 6-7.

Governor's Score... See

Page 4

How Did the Parties Score?

<u>Senate</u>	<u>House</u>
Democrats5%	Democrats10%
Republicans75%	Republicans72%

High Scoring Democrats

Senator Lois Tochtrop	10%
Representative Wesley McKinley	45%

Low Scoring Republicans

Senator Al White	31%
Representative Don Marostica	34%

Complete Listing and Scores Inside

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KEY BILL SUMMARIES

SB-002 Increase Motor Vehicle Registration Fee

This bill increases a motor vehicle registration fee from \$1 to \$2. The fee increase is credited to the emergency medical services account within the Highway Users Tax Fund. PASSED. Senate 23/12, House 43/21/1. (Sen. Morse/Rep. Peniston). Governor SIGNED. **CUT votes NO.** This 100% increase in a registration fee for emergency medical services would probably have passed if put to a vote of the people as required by TABOR. The additional \$4.9 million in revenue each year also adds 3 more FTE's to the state payroll at the cost of nearly \$200,000 annually. This is an additional tax with built in advocates where an existing program already has sufficient systems in place to distribute the current revenue. This additional tax should have been requested of the people and should not have added any more personnel to the state payroll.

SB-003 Concerning the automobile inspection and readjustment program, expanding enhanced emission program to Weld and Larimer counties and altering the criteria used to determine which collector's automobiles are excluded from the emissions testing.

This Bill will bring into the Colorado emission control program large parts of Weld and Larimer counties. This Bill will also make the ownership of collectible automobiles, which today are not subject to the emission tests, more expensive if they are sold to a new owner. In order to accomplish all of this, in 2009 alone, the state government will spend nearly a quarter million dollars. PASSED. Senate 20/11/4, House 36/29. (Sen. Bacon / Rep. Fischer) Governor SIGNED. **CUT votes NO.** This bill was conceived by Legislature "Green" zealots. The urban areas of Weld and Larimer counties are relatively small and do not warrant expansion of the emission program into these areas. It is also desirable, in our opinion, for the government bureaucrats to leave the owners of collectible automobiles alone.

SB-051 Concerning measures to facilitate the financing of energy-efficient structures.

This Bill dramatically increases the role of the state government in trying to force Coloradans to use solar energy. It is done in the name "reducing carbon emissions and building a new energy economy". The unelected government bureaucrats" program administrators" will decide who will get the contracts to do the work of installing the equipment and who will provide the "Clean energy loans" guaranteed by the state of Colorado to the tune of tens of millions of dollars for years to come. PASSED. Senate 24/11, House 40/24/1. (Sen. Carroll M. / Rep. Levy) Governor SIGNED.

Senate Scores: Friend or Foe?

Highest to Lowest - Who is representing the best interests of taxpayers? Here's what Members of Colorado's Senate earned on CUT's 2009 Ratings Scorecard:

CUT

SCORE	Senators	Pledge	Party	District	Hometown
96.88	Schultheis, David	P	R	9	Colorado Springs
96.77	Cadman, Bill	P	R	10	Colorado Springs
90.63	Lundberg, Kevin	P	R	15	Berthoud
84.38	Scheffel, Mark		R	4	Parker
83.87	Renfroe, Scott	P	R	13	Greeley
81.25	Harvey, Ted	P	R	30	Highlands Ranch
80.77	Mitchell, Shawn	P	R	23	Broomfield
78.13	Brophy, Greg	P	R	1	Wray
75.00	King, Keith		R	12	Colorado Springs
73.33	Kopp, Mike	P	R	22	Littleton
63.33	Penry, Joshua		R	7	Grand Junction
60.00	Spence, Nancy		R	27	Centennial
48.39	Kester, Kenneth		R	2	Las Animas
31.25	White, Al		R	8	Winter Park
10.00	Tochtrop, Lois		D	24	Westminster
9.68	Gibbs, Dan		D	16	Silverthorne
9.38	Sandoval, Paula		D	34	Denver
9.38	Schwartz, Gail		D	5	Snowmass Village
6.25	Carroll, Morgan		D	29	Aurora
6.25	Foster, Joyce		D	35	Denver
6.25	Isgar, Jim		D	6	Hesperus
6.25	Keller, Marianne		D	20	Wheat Ridge
6.25	Newell, Linda		D	26	Littleton
3.45	Veiga, Jennifer		D	31	Denver
3.33	Groff, Peter C.		D	33	Denver
3.23	Heath, Rollie		D	18	Boulder
3.13	Bacon, Bob		D	14	Fort Collins
3.13	Boyd, Betty		D	21	Lakewood
3.13	Hodge, Mary		D	25	Brighton
3.13	Hudak, Evie		D	19	Westminster
3.13	Morse, John		D	11	Colorado Springs
3.13	Romer, Chris		D	32	Denver
3.13	Shaffer, Brandon C.		D	17	Longmont
3.13	Tapia, Abel		D	3	Pueblo
3.13	Williams, Suzanne		D	28	Aurora

Overall Senate Score 32.57%

CUT votes NO. Harnessing large quantities of solar energy today is still an expensive and wasteful undertaking. It is particularly ill considered for the state government to force such a huge sacrifice of economic resources on the altar of "Global warming" fantasy while our nations economy is in the depth of the Depression, the likes of which we have not seen in nearly a century.

SB-068 Funding for Domestic Abuse Services

This bill creates new funding sources to support Domestic Abuse services and makes a \$840,430 appropriation therewith. PASSED. Senate 20/13/2, House 36/26/3. (Sen. Morse/Rep. McCann). Governor SIGNED.

CUT votes NO. Twisting and (en)twining even so, mingling shades of joy and woe, the legislature has decided to impose fees (aka Taxes) on both those marrying and divorcing for the benefit of those involved in domestic abuse situations regardless of their marital status. Four new cash funds will benefit from the proceeds while those entering or leaving marriage will be a bit poorer. This is a flagrant abuse of the purpose of a fee.

SB-088 State Group Benefits for Domestic Partners

This bill extends group benefits to the, 18 year

Key Bill Summaries continued on page 3

old and older, domestic partners of state employees. PASSED. Senate 22/11/2, House 34/30/1. (Sen. Viega/ Rep. Ferrandino). Governor SIGNED. **CUT votes NO.** When the state is raiding every fund that it can for cash, and borrowing from itself to cover shortfalls, it should not be looking for additional ways to spend and reward favored splinter groups. Since the recipients of this largess must be of the same sex and involved for one year, there is the possibility that there could be one year of taxpayer sanctioned pedophilia.

SB-105 Remove Limit on Property Taxes to Fight Forest Fires

This legislation removes the statutory ceiling on the amount that may be raised in a single year by a special property tax levied by a board of county commissioners for the purpose of fighting forest and prairie fires. With this law, counties can impose any tax level approved by the voters for wildfire protection. PASSED. Senate 25/10 House 46/18/1. Governor SIGNED. **CUT votes NO.** The previous law limited the tax to a maximum one mill (\$1 per \$1000 of taxable value) or \$500,000 per year, whichever was less. The actual fiscal impact of this bill will depend on how much counties seek and how much voters approve. However, another safety check on tax increases has been lost. While there is still the protection of requiring voter approval, governments that are allowed to increase taxes often seek to obtain

Key Bill Summaries continued on page 4

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. The program was very successful—with about one-third of the entire general assembly signing the pledge. 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 the best interests of taxpayers? Here's what Members of Colorado's House earned on CUT's 2009 Ratings Scorecard:

CUT

SCORE	Representatives	Pledge	Party	District	Hometown
100.00	Lambert, Kent D.....	P.....	R.....	14	Colorado Springs
90.32	Sonnenberg, Jerry.....		R.....	65	Sterling
90.32	Gardner, Cory.....	P.....	R.....	63	Yuma
87.50	Nikkel, B.J.....	P.....	R.....	49	Loveland
84.38	Liston, Larry.....	P.....	R.....	16	Colorado Springs
81.25	Acree, Cindy.....		R.....	40	Aurora
81.25	Waller, Mark.....		R.....	15	Colorado Springs
78.13	Swalm, Spencer.....	P.....	R.....	37	Centennial
78.13	Gardner, Bob.....		R.....	21	Colorado Springs
75.00	Vaad, Glenn.....		R.....	48	Mead
75.00	Looper, Marsha.....		R.....	19	Calhan
73.33	Tipton, Scott.....		R.....	58	Cortez
73.33	Priola, Kevin.....		R.....	30	Henderson
71.88	Baumgardner, Randy.....		R.....	57	Hot Sulfer Spgs
71.88	Bradford, Laura.....		R.....	55	Collbran
70.97	Stephens, Amy.....		R.....	20	Monument
70.00	May, Mike.....		R.....	44	Parker
68.75	McNulty, Frank.....		R.....	43	Highlands Ranch
68.75	Balmer, David.....	P.....	R.....	39	Centennial
67.74	King, Steve.....		R.....	54	Grand Junction
67.74	Kerr, Jim.....		R.....	28	Littleton
65.63	Murray, Carole.....		R.....	45	Castle Rock
65.63	Summers, Ken.....		R.....	22	Lakewood
59.38	Gerou, Cheri.....		R.....	25	Evergreen
50.00	Massey, Tom.....		R.....	60	Poncha Springs
46.88	Roberts, Ellen.....		R.....	59	Durango
45.16	McKinley, Wesley.....		D.....	64	Walsh
34.38	Marostica, Don.....		R.....	51	Loveland
33.33	McGihon, Anne.....		D.....	3	Denver
28.57	Weissmann, Paul.....		D.....	12	Louisville
19.35	Curry, Kathleen.....		D.....	61	Gunnison
15.63	Soper, John.....		D.....	34	Thornton
15.63	Apuan, Dennis.....		D.....	17	Colorado Springs
12.90	Green, Gwyn.....		D.....	23	Golden
12.50	Rice, Joe.....		D.....	38	Littleton
12.50	Primavera, Dianne.....		D.....	33	Broomfield
12.50	Benefield, Debbie.....		D.....	29	Arvada
12.50	Pommer, Jack.....		D.....	11	Boulder
12.50	Kagan, Daniel.....		D.....	3	Denver
9.68	Levy, Claire.....		D.....	13	Boulder
9.68	Hullingshorst, Dickey Lee.....		D.....	10	Boulder
9.38	Fischer, Randy.....		D.....	53	Fort Collins
9.38	Riesberg, Jim.....		D.....	50	Greeley
9.38	Schafer, Sue.....		D.....	24	Wheat Ridge
9.38	Merrifield, Michael.....		D.....	18	Colorado Springs
9.38	Court, Lois.....		D.....	6	Denver
9.38	Frangas, K.Jerry.....		D.....	4	Denver
9.38	Labuda, Jeanne.....		D.....	1	Denver
6.45	Carroll, Terrance.....		D.....	7	Denver
6.25	Vigil, Edward.....		D.....	62	Alamosa
6.25	Kefalas, John.....		D.....	52	Fort Collins
6.25	Solano, Judy.....		D.....	31	Brighton
6.25	Gagliardi, Sara.....		D.....	27	Arvada
6.25	Judd, Joel.....		D.....	5	Denver
6.25	Ferrandino, Mark.....		D.....	2	Denver
3.33	Pace, Sal.....		D.....	46	Pueblo
3.33	McCann, Elizabeth.....		D.....	8	Denver
3.23	McFadyen, Buffie.....		D.....	47	Pueblo West
3.13	Scanlan, Christine.....		D.....	56	Dillon
3.13	Middleton, KarenD42.....		D.....	42	Aurora
3.13	Todd, Nancy.....		D.....	41	Aurora
3.13	Peniston, Cherylin.....		D.....	35	Westminster
3.13	Casso, Edward.....		D.....	32	Thornton
3.13	Kerr, Andy.....		D.....	26	Lakewood
3.13	Miklosi, Joe.....		D.....	9	Denver
0.00	Ryden, Su.....		D.....	36	Aurora

Overall House Score 35.53%

that revenue. And county residents who do not live in high fire danger zones should not have to bear the burden of protecting those who have chosen to live in potentially dangerous areas.

SB-108 Improvement of the Transportation System of the State

This bill is a tax (disguised as a "surcharge") with no vote of the people as required by our Constitution. Once again, the Legislature and the Governor chose to ignore the document they swore to uphold. PASSED. Senate 19/16, House 36/29. (Sen. Gibbs/Rep. Rice). Governor SIGNED. **CUT votes NO.** Known as FASTER, this bill is one of the most flagrant violations of the Taxpayer's Bill of Rights this session. It increases taxes without a vote of the people. In addition, it creates the statewide bridge enterprise and the high-performance transportation enterprise, more government bureaucracy which will siphon funding from actual expenditures needed to improve roads and bridges.

SB -173 Regional Tourism Projects

This bill aims to promote state wide economic development by partially financing large-scale regional tourism projects with a portion of state sales tax revenues above a certain amount. PASSED. Senate 30/3/2, House 46/19. (Sen. Viega/Rep. Rice). Governor SIGNED. **CUT votes NO.** At a time when the State needs every dollar it can get, it should not be sponsoring projects whose success is seemingly dependent on recycled sales tax revenues. Nor should it be creating dedicated urban renewal authorities or be playing favorites for those developers who have better connections. Do we really need to take TIF (Tax increment Financing) to the state level? How this measure rates an Emergency Clause is beyond us.

SB-180 Collective Bargaining by Employees of Public Safety Agencies

This bill would give firefighters the ability to form a union and bargain collectively. Once designated, a union would have the authority to act as the exclusive representative of all firefighters in the bargaining unit. A union vote must be taken if 30% or more of firefighters in a bargaining unit so petition. Disputes are handled by a "fact finder" and eventually may be decided by a special election. The legislation applies to all public fire departments employing 50 (25 before being amended) or more firefighters. PASSED. Senate 18/17, House 34/30/1. (Sen. Tochtrop/Rep. Casso), Governor VETOED. **CUT votes NO.** By this bill, the state would have usurped the local elected officials' and local voters' rights to determine personnel matters for their public

employees. Decisions on local collective bargaining belong in the local communities, many of which have already voted against unionized city workers. Unionization has a history of leading to higher payroll costs which in the case of public employees means higher taxes.

SB-208 Augmentation of the General Fund By Raiding Every Available Cash Fund

This bill robs from 37 cash funds and transfers the dollars to the general fund to enable government growth and wealth redistribution. PASSED. Senate 22/12/1, House 37/28. (Sen. Tapis/Rep. Pommer) Governor SIGNED. **CUT votes NO.** This is your Legislature at work, robbing Peter to pay Paul. A total of \$223 MILLION, 714 THOUSAND, 837 DOLLARS plus the ENTIRE BALANCE amounts in some funds!!! What a travesty! THROW THE BUMS OUT!

SB-228 Revokes Arveschoug-Bird 6% Spending Limit

This bill illegally removes the 6% spending limit imposed by Arveschoug-Bird and puts general fund spending on auto-pilot to grow ad infinitum funding more and more entitlement programs. PASSED. Senate 21/14, House 35/29/1. (Sen. Morse/Rep. Marostica) Governor SIGNED. **CUT votes NO.** This is a violation of the spirit of TABOR and the will of Colorado citizens who repeatedly support spending limits. What part of "It's the Spending, Stupid!" does the Legislature and the Governor not understand? Removing the spending limit will encourage Colorado to go the way of California and spend itself into bankruptcy.

SB-259 Annual State Budget (Long Bill).

Total of \$19.2 Billion; of which \$7.6 Billion is General Funds. PASSED. Senate 22/12/1, House 51/13/1 (Sen. Keller, Rep. Pommer) Governor SIGNED. **CUT votes NO.** In the midst of a severe recession, this legislature acted as if government is the only institution that could not be pared. A "hiring freeze" still adds hundreds of workers. By calling revenue increases "fees," new taxes are used to close budget shortfalls without a TABOR vote of the people. Instead of careful conservation of funds, the legislature steals from one fiscal year to pay for another, with the unsupported hope that revenues will come in more strongly. This is all very bad stewardship of taxes.

SB-275 Eliminate State Sales Tax Vendor Fee

This bill eliminates, for a two year period, the ability of a vendor to retain expenses incurred in his collection and remittance of tax revenues to the state, and makes a \$185,432 appropriation therewith. (Senate 22/13, House 38/27), (Sen. Tapia, Rep. Ferrandino). Governor

SIGNED. **CUT votes NO.** Despite our nation's almost 400-year history of abhorrence of Indentured Servitude for both practical and moral reasons, the legislature has decided to impress retailers into being unpaid tax collectors and deny them easier redress by declaring this act to be an emergency measure.

SB-276 Deny Senior Property Tax Exemption in 2009

This bill lowers the 50% tax exemption on the first \$200,000 of the value of the residential property for qualified seniors down to zero for the year 2009. Qualified seniors are persons aged 65 or older who have lived in their owner-occupied residence for 10 years or more. This exemption, commonly known as the homestead exemption was passed by the voters as Referendum A in the 2000 general election. In 2006, this homestead exemption was extended to disabled veterans who have 100% disability. PASSED. Senate 20/14/1, House 33/32 (Sen. White/Rep. Pommer) Governor SIGNED. **CUT votes NO.** The state legislature used the "fiscal emergency" provision of the voter approved referendum to wipe out the exemption for this year. The original Senate version denied the exemption for both 2009 and 2010 and denied the homestead exemption for both seniors and disabled veterans. The

Key Bill Summaries continued on page 5

**How
did the
Governor
Rate?**

9%



Governor Bill Ritter

Governor Ritter's 9% rating is up from 8% last year. The Colorado Supreme Court came through for the Governor and ruled in favor of his illegal property tax increase demonstrating to Colorado taxpayers that activist, partisan justices assure no justice for Colorado citizens. The Governor signed all bills raiding cash funds, eliminating spending limits, and increasing taxes, by way of fees, without allowing citizens their constitutional right to vote on tax increases.

2009 Taxpayer Champions



**Senate Champion
Dave Schultheis**

"The best government is lean government. We keep it lean by not feeding it with our tax dollars."



**Senate Champion
Bill Cadman**

"I appreciate CUT's recognition of elected officials who are fighting back against the tsunami of tax and fee increases pushed by TAX-US RITTER and the TAX-I-CRATS. I am honored again for CUT's recognition of my efforts to protect the pocket books of Colorado taxpayers."



**House Champion
Kent Lambert**

"We may be entering one of the most disastrous depressions in history, largely driven by liberal economics and politics. That may be accompanied by a terrifying loss of personal liberty in America. I simply try to vote to restore economic sanity, and for the rights of citizens to choose their own family priorities, rather than an agenda dictated by the same community organizers in Washington and Denver that caused this catastrophe in the first place."

2009 Taxpayer Guardians



**Senate Guardian
Kevin Lundberg**

"The best way to protect our liberties is to simply hold the line on more government spending and revenue. It is a straight-forward, and potent principle that I factor into every vote I cast."



**House Guardian
Cory Gardner**

"Spending, taxes disguised as fees, and reckless fiscal policies are out of control from Washington to Denver. As a fiscal conservative, I will continue to stand up and fight against the tax and spend, big government majority. It is an honor to receive the Taxpayer Guardian award, a recognition of my efforts to protect Colorado's working families and uphold meaningful limits on government spending."



**House Guardian
Jerry Sonnenberg**

"When times are tough, you and I have to tighten our belt and prioritize our spending. Government should be no different but instead they have their hand out for more when we have less to give."

House amended the bill to be in effect only for 2009 and not to deny the exemption to disabled veterans. As a result of this bill, the state legislature returned \$90.4 million to the state general fund for its other programs. The state legislature thus deliberately denied a tax benefit passed by the voters to one of the state's more vulnerable populations instead of seeking to balance the budget by curbing growth of programs. Furthermore, the legislature's yo-yo actions over the last 8 years of sometimes allowing and sometimes denying the exemption make it exceedingly difficult for fixed-income seniors to plan and demonstrate legislative contempt for voter passed initiatives.

SB-277 General Fund Reserve Reduction.

Cuts by half the percentage of funds put aside for budget contingencies. PASSED. Senate 27/8, House 62/3 (Sen. Tapia, Rep. Marostica) Governor SIGNED. **CUT votes NO.** The long-accepted margin of safety for the budget has been 4.0% in order to adjust for missed forecasts and other unexpected but necessary adjustments. This legislation very unwisely takes our State too close to the edge. It is done in order to spend \$149 Million more than the government should. It is financial folly; far too risky to the citizens and taxpayers. Let's hope that the legislature's bet is successful, else look for a big fiscal mess and emergency in late spring 2010.

SB-281 Pinnacol Assurance Interim Committee

This bill creates a 10 member interim committee to study, make recommendations and report its findings on the operations of Pinnacol, workers compensation premiums, worker safety, and compensation for injured workers. This bill is a watered-down version of the prior bill that would have the State take over full operation and control of Pinnacol, now operated as a private-sector insurance company with a statutory obligation to be the insurer of last resort for companies seeking worker compensation insurance. This bill now has become a study committee with audit powers and subpoena powers to evaluate Pinnacol pricing, reserve levels of funds accumulated to pay worker injury claims, dividend policy, and the relationship of Pinnacol to the State as a "political subdivision" of the State. The impetus for the bill came from a desire of the State to confiscate \$ 500 million from the reserves paid in by Colorado private businesses in order to supplement the State budget with additional revenues. Although the committee is charged with oversight through the State Auditor with conducting of operational and "performance" audits, the blueprint of what the goal is, State

Key Bill Summaries continued on page 8

takeover of Pinnacol, is already evident in the prior bill that was amended due to strident opposition from business groups. CUT believes that Pinnacol should remain as a private sector insurance operation subject to normal regulation of insurance companies. PASSED. Senate 18/15, House 33/30/2 (Sen. Shaffer, Rep. Weissman) Governor SIGNED. **CUT votes NO.** The committee in its membership lacks adequate public participation and private sector input to permit a balanced review of Pinnacol operations and policies. There may be a need for Pinnacol to adjust its reserve levels to provide for lower premiums to businesses struggling to survive in these difficult economic times however, this can be accomplished without another governmental committee.

SB-282 Merge Denver Public Schools Retirement Program into PERA

The bill takes the retirement program for Denver Public School employees and merges it into the retirement program for Colorado state government employees. PASSED. Senate 24/9/2, House 51/14 (Sens. Sandoval & Spence, Rep. Kerr, A.) Governor SIGNED. **CUT votes NO.** Both retirement programs are actuarially unsound, because they are based on "defined benefits" which far exceed the contributions made by the employee (even accounting for compound investment growth), and which the current employee base cannot sustain. The merger fails to seriously address the long-term problems or the long-term solution—which is shifting the retirement programs into a system based on contributions by an employee to his personal account, the same kind of system currently used by most private employers.

SB-291 School Finance for Districts that Reinstate TABOR

In the event of a repeal of the waiver of the TABOR requirement to return excess school district revenues to its taxpayers, this bill reduces the state share of the district's budget to that which the state would have to contribute if the TABOR waiver was in effect. Senate 21/14, House 37/28, (Sen. Bacon, Rep. Middleton). Governor SIGNED. **CUT votes NO.** This bill inflicts financial punishment on any district, its taxpayers, and its students, should they attempt to escape the escalating effects of the 2007 Mil Levy Freeze legislation. Vengeance should be the Lord's, not the State's.

SJR-035 Declare Fiscal Emergency to Raid Tobacco Tax.

In 2004, the voters of Colorado approved a huge increase in tobacco taxes. The constitutional amendment (Article X, section 21) imposing the taxes specified how particular

shares of the revenue were supposed to be used: to expand state-provided insurance coverage of children and pregnant women, to expand comprehensive primary care, for educational programs against tobacco use, and for prevention, detection, and early treatment of cancer and heart disease. The amendment included an opt-out provision, which allows the money to be used for any health-related purpose, if a fiscal emergency is declared. The joint resolution declared such an emergency. PASSED. Senate 30/5, House 50/13/2 (Sen. White, Rep. Marostica). Governor SIGNED. **CUT votes NO.** The current "fiscal emergency" is caused by the rapid and irresponsible increase in state spending that has taken place in recent years. A better approach would have been to roll back the spending increases of the recent past, so that the tax revenue which voters had approved for particular purposes could be used for those purposes.

HB-1001 Bailout Tax Credit for a Few Companies.

Allows up to a 50% credit towards estimated taxes for new employees if more than 20 are hired, or five new employees in rural areas, or for saving one job. Companies must prove that they would otherwise have located in another state, must pay above-average wages and have restricted ownership; they are urged to be from "key economic sectors." Provides new powers to an unelected Commission and gives the economic development agency (!) unlimited access to audit the applicant firm. PASSED. House 52/13, Senate 33/2 (Rep. Rice, Sen. Heath) Governor SIGNED. **CUT votes NO.** The urge to "do something" politically becomes ridiculous when unintelligently carried out. This idea must have been designed by a New Deal bureaucrat goofed on LSD. Can you imagine ordering a start-up shop to write a report on "the cost structure" of its industry in a "competing state"? Entrepreneurs must supplicate themselves to an authoritarian Commission which has discretionary power to determine the validity of the endeavor, its benefit to society and whether the maximum credit is permitted. So much for Rule of Law. How about instead reducing regulation and lowering the tax burden on all businesses? How about government NOT picking the winners and losers and instead endorsing greater liberty and the free market?

HB-1034 Authorizing a Regional Transportation Authority to Impose Property Tax

Local governments may jointly form a Regional Transportation Authority (RTA) to finance, construct, operate, and maintain a shared transportation system. RTAs have been authorized to issue voter-approved bonds, repaid through various means such as sales tax

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

or motor vehicle registration fees. This bill allows RTAs to impose property tax, as well. Moreover, although the imposition of new taxes still requires local voter approval, RTAs no longer must first obtain legislative approval for adding the tax issue to the ballot. PASSED. House 52/11/2, Senate 23/11/2. (Rep. Liston / Sen. Gibbs) Governor SIGNED. **CUT votes NO.** While removing state-level control over a local matter might

Key Bill Summaries continued on page 9

How This 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 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.

seem wise, in this instance the legislature had acted as a buffer, preventing a more populous area from dominating the tax vote. Furthermore, as originally formulated, RTAs' taxing authority did not extend to imposing property tax. Property tax unduly burdens small local businesses, without compensating benefit.

HB-1057 Parental Involvement in K-12 Education

This bill gives parents or guardians the right to take no more than 6 hours per month from work to attend school activities, stating that this participation by parents/guardians will improve the successes of school children. PASSED. House 35/30, Senate 21/13/1. (Rep. A. Kerr, Sen. Bacon) Governor SIGNED. **CUT votes NO!** Parents' attendance at school will not necessarily increase student grades. This bill could place a real burden on the employer during the economic crisis. Another nannystate issue. Only saving grace is the bill is repealed September 1, 2015.

HB-1105 CO Innovation Investment Tax Credit

Allows certain investors to receive an income tax credit for investments made during tax year 2010 in businesses involved in the research and development or manufacturing of new technologies, products, or processes. The bill creates the Colorado Innovation Investment Tax Credit Cash Fund. The extension of the credit is conditional on the deposit of \$832,055 into the Colorado Innovation Investment Tax Credit Cash Fund by the Colorado Office of Economic Development. In addition, any other gifts, grants, and donations deposited into this fund are authorized to be used to defray the costs of the tax credit. PASSED. House 52/12/1, Senate 33/2 (Rep. Kefalas, Sen. Scheffel). Governor SIGNED. **CUT votes NO.** The "credit" is only 15% of the investment up to \$20,000. Essentially, this is a Credit in name only and does little to further innovation or encourage an investment. This is simply a way to allow legislators to claim credit for supporting a bill with a nice sounding name and little other merit.

HB-1149 Solar Home Prewire.

Every homebuilder must offer every buyer the option to wire the house for solar and must provide the buyer with a list of businesses that install alternative energy systems. The installer must be on a pre-approved list supplied by the Governor's Office. PASSED. House 57/6/2, Senate 24/9/2(Rep. Merrifield, Sen. M. Carroll) Governor SIGNED. **CUT votes NO.** Every good idea must now have the force of law? If it is good, the government now thinks entrepreneurs are too stupid to offer it without a government mandate? If it's

not a good idea in some circumstance, then the homebuilder must still offer it. And we used to laugh at the French, who have a system where "nothing is legal unless it's mandatory." Let's welcome Colorado to the French way of doing business.

HB-1170 Unemployment Insurance Benefits for Locked-Out Employees

The bill allows an employee who is subject to an employer-initiated lockout to receive unemployment benefits under certain circumstances. Unemployment benefits would be provided to union represented workers, who are not a member of a multi-employer bargaining unit, and are locked-out of employment, due to a strike or labor dispute. PASSED House 37/27/1, Senate 21/14, (Rep. Casso/Sen.Tochtrop) Governor VETOED. **CUT votes NO.** Unemployment insurance was never intended to provide compensation to employees during a strike or lock-out. Given the current economic conditions, we should not be placing additional burdens on our Unemployment Insurance program. Providing unemployment insurance during a strike would inject a disincentive to resolving contested issues and would skew the bargaining process between labor and management. As noted by the Colorado Legislative Council Staff Fiscal Note "Labor-management disputes rarely escalate to the level of an employer locking out employees. Since 1996, Colorado

workers have not experienced a lockout by any employer."

HB-1213 – Creates Affordable Housing Grants and Loans in the State Treasury.

This bill creates a home mortgage business within the State Treasury which provides loans to borrowers then takes it away! PASSED House 44/19/2, Senate 33/2. (Rep. Gagliardi, Sen. Schwartz). Governor SIGNED. **CUT votes NO.** If borrowers have to replace the monies within 180 days, why not go to a regular mortgage lender in the first place? After all the errors with Fannie Mae and Freddie Mac, one would surmise that the state would not want to be in the mortgage business.

HB-1219 Interest Paid to Taxpayers on Certain Tax Overpayments

As noted by the Colorado Legislative Council Staff Fiscal Note: "This bill reduces the interest the Colorado Department of Revenue will pay on overpayments associated with corporate tax returns. The bill prohibits the payment of interest on overpayments of corporate income taxes that are not made to satisfy a bona fide estimate of tax liability. The bill conforms the calculation of interest on overpayments for corporate taxpayers with the calculation for individual income taxpayers." "Current law allows corporations and individuals up to four years to file their income tax

Key Bill Summaries continued on page 10

Help CUT Waste, Fraud, and Abuse of Your Tax Dollars:

Since 1976 CUT's awareness efforts have saved Colorado taxpayers hundreds of millions of dollars. Yet we have much to do. Please help by supporting CUT today. CUT is saving you money by reducing your taxes.

- Yes, I want to support CUT. \$20 Annual Dues/6 years \$100
- 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.

Make checks payable to CUT, Mail to P. O. Box 24594, Denver, CO 80224)

Name(s)_____

Address_____ Zip_____

Phone(s)_____ (h)_____ (w)_____ (f)

Email_____



How Congress Voted*

Senate Results

Allard, W	A	79%
Salazar, K	F	5%
State Average 41%		

House Results

DeGette, D	F	7%
Lamborn, D	A	90%
Musgrave, M	B	70%
Perlmutter, E	F	7%
Salazar, J	F	14%
Tancredo, T	B+	77%
Udall, M	F	17%
State Average 39%		

*Source: National Taxpayers Union, 110th Congress 2nd Session 2008

returns for a particular tax year. There are several reasons why a taxpayer may take up to four years to file. Some circumstances include ongoing audits, extension filings, and amended returns. If the taxpayer is due a refund, the state must pay interest at the rate of the prime rate plus 3 percent on the refund from the due date of the return. Because the account is sometimes open for several years, the amount of interest due can be substantial. In FY 2007-08, about \$1.8 million in interest was paid on refunds of overpayments associated with corporate returns. An additional \$0.7 million in interest was paid on corporate returns that had adjustments made by the Department of Revenue." PASSED. House 39/23/3, Senate 32/3, (Rep. Judd, Sen. Sandoval) Governor SIGNED. **CUT votes NO.** This bill continues the legislators' effort to squeeze additional revenue from all quarters of our state economy. It is obvious that the original legislation to pay interest on overpayments was an appropriate action for the state government to take.

HB-1288 The Transparency Act.

The taxpayers will be able to access details of state revenues and expenditures via the

Internet, and can hold the state accountable. PASSED. House 61/4, Senate35/0. (Rep. Nikkel, Sen. Kopp). Governor SIGNED. **CUT votes YES.** Long over due!! It is our money, we have a right to know how it is being used or abused.

HB-1293 Medicaid Hospital Provider Fee

In order to raise matching revenue for Medicaid programs and other treatment shortfalls, this bill inflicts a hidden charge on every inpatient and outpatient hospital visit, some rural hospitals excepted, creates a 13 member oversight advisory board, creates a dedicated cash fund for the proceeds, and makes several appropriations therefor. PASSED. (House 40/23/2,Senate 22/11/2), (Rep. Riesberg, Sen. Keller). Governor SIGNED. **CUT votes NO.** In what might be the lowest blow of the session, the legislature has levied a charge on the deranged, the injured, the sick, the suffering, the infirm, and mothers in labor, to name but a few of those who stumble or are carried through a hospital door. Further, perhaps to shift the blame for the ensuing higher charges, the hospital is forbidden to publish this added cost as a line item in the patient's bill. If truly necessary, this burden should be spread across the taxpayers of the entire state.

HB-1312 The Renewable Energy and Energy Efficiency for Schools Loan Program

As noted by the Colorado Legislative Council Staff Fiscal Note: "HB09-1312 creates the Renewable Energy and Energy Efficiency for Schools Loan Program in the Governor's Energy Office. The program provides school districts with loans for wind, solar, or other renewable energy projects. To apply for a loan, a school district must receive approval from its school district board of education and must have a team dedicated to the renewable energy project. " The Governor's Energy Office recommends which loans to award and the amount of the loan to the state Treasurer. The state Treasurer approves the loan, provides loan moneys from the (existing) Public School Fund, and specifies the loan terms and conditions. PASSED House 43/21/1, Senate 23/12, (Rep. Kerr A/Sens. Schwartz; Romer) Governor SIGNED. **CUT votes NO.** The bill creates a new cash fund, the Renewable Energy and Energy Efficiency for Schools Loan Program Administration Fund and allows the Governor's office to seek gifts, grants, and donations for this fund.

The bill provides for a loan program to school districts that is anticipated to make \$2.0 million available annually. Yet another cash fund has been created for "green" projects, diverting up to \$2 million dollars of existing school financing for "loans" to school districts. This is another example of government coercing internal entities to conform to certain behav-

iors. If these types of projects make economic sense, the local school districts should pursue their own bond initiatives.

HB-1342 Eliminate Cigarette Sales Tax Exemption

This bill temporarily eliminates the state sales and use tax exemption on the sale of cigarettes for fiscal years 2009-10 and 2010-11. The bill maintains the exemption for counties, statutory municipalities, and special districts. Cigarettes have been exempt from the state sales and use tax since 1959. The state levies an excise tax on cigarettes of 84 cents a pack; the federal government levies an excise tax of \$1.01 per pack. PASSED. House 38/27, Senate 23/12(Rep.Benefield, Sen. Boyd). Governor SIGNED. **CUT votes NO.** This application of regular sales tax in addition to the State and Federal excise tax will simply reduce the revenue to localities by reduced consumption. This furthers the perverse incentive of the State to maintain cigarette sales as a base revenue source by adding an estimated \$31,000,000 to the state coffers through a regressive tax on nicotine addicts. Smoke 'em if you can afford 'em... for the children.



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CANDIDATE/LEGISLATOR PLEDGE

I _____, candidate/Legislator for _____
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 the higher priorities, and not fund spending with new net 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 private property rights from "takings" by government or by regulation.
- Payroll Deductions** to oppose unauthorized 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: _____

COLORADO UNION OF TAXPAYERS REWARDS OUR STATE LEGISLATORS

You are invited to Breakfast to honor The Outstanding Legislators of 2009



Mike Coffman

Red Lion Hotel
3200 S. Parker Rd., Aurora, CO
Saturday, October 3, 2009
Time: Registration: 8:00 A.M., Breakfast: 9:00 A.M.,
Cost: \$20 per person
Guest Speaker:
Congressman Mike Coffman
RSVP: 303-759-9936; 303-747-2159

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2009 Cut Ratings

from the Colorado Union of Taxpayers

Help CUT Grow!

CUT has published ratings of the Colorado Legislature since 1977-33 years of ratings! Join us and help make a difference. A complimentary copy of the CUT Rating can be obtained by mailing a self-addressed, stamped envelope to the CUT address below. Send us the names and addresses of up to five other individuals whom you believe would like to receive CUT ratings. We'll do the rest.

President's Insights

From CUT
President
Marty Neilson



Fellow Taxpayers,

The 2009 Ratings are a testament to the dangers lurking at the Capitol in Denver. Now, more than ever, your liberty, security, and pocketbook are under attack. With the complicit Colorado Supreme Court in hand, the Legislature is attempting every way to dismantle TABOR, removing any and all tax and spend controls. Raiding 17 cash funds while enacting statutes setting up even more cash funds to raid later demonstrates their disdain for our Colorado constitution and the will of the Colorado citizens. Raising fees (taxes in disguise), bypassing the mandatory vote of the people, and smugly believing the citizens will not notice. We must be ever more vigilant in our support of TABOR. Communicate with family, friends, and neighbors about the saving grace of TABOR. Make sure they realize, were it not for the tax

and spend controls of TABOR, the legislature would spend Colorado into bankruptcy and go the way of California. Call your senator and representative to tell them of your continued support of TABOR.

Please prepare for the 2010 election cycle. We must make changes in Colorado's leadership starting with Governor. Taxorado Ritter who scored a meager 9% must be retired! Treasurer Kennedy who gave us Amendment 23 putting school spending on auto pilot regardless of outcome and the state of the economy should be held accountable for the budget woes her amendment created and be retired! We must take back the Secretary of State office. Secure and honest elections are under attack with the help of ACORN working right here in our State. Attorney General Suthers, a friend of taxpayers, must be re-elected. Electing more friends of the taxpayer to the House of Representatives or Senate or both, is the only way to help ensure taxpayer protection from the tax and spend member-majority reigning in Denver now. Pick your candidates and prepare to contribute, work, and support them in 2010.

Please take note of our Call to Action on page 1. There are three initiatives underway which need your help to get on the 2010 ballot. For more information: info@cotaxreform.com.

These initiatives will help repair damage inflicted by the State Supreme Court, the Governor, and the Legislature. Please help with these petitions!

I am honored to be a member of the Long-term Fiscal Stability Commission. This is a 16-member commission consisting of legislators and private citizens charged with tackling the long-term fiscal stability of our State. We have had four meetings to date and will be meeting through November. I encourage you to come to the Capitol and observe this process. You may find the information on the state website. Unfortunately, fiscal conservatives are woefully out-numbered on the Commission and in the four meetings thus far, spending less is not winning favor. Steady-stream of revenue is the mantra. There will be a Commission Report later in November.

Thank you for your continued support of the Colorado Union of Taxpayers. CUT is committed to its mission to educate the public as to the dangers of excessive taxation, regulation, and government spending; thereby encouraging the reduction of regulations, taxes, and government spending. Please JOIN the fight!

Marty Neilson