



# NCLA Positions on Key 2020 Colorado Ballot Initiatives

## Prop 118, Prop 113, and Ref B

The NCLA Board of Directors, in deliberation and agreement with the boards of Directors of the Fort Collins, Loveland and Greeley Chambers of Commerce, Upstate Colorado and One NoCo Economic Development recommends positions on three key and critical pending ballot questions on the 2020 Ballot. We strongly urge Northern Colorado business leaders, employees and community members to take into account our thoughtful consideration and positions on Proposition 118, Proposition 113 and Referendum B.

<b>Proposition 118 – Paid Family and Medical Leave Program</b>	<b>VOTE NO</b>
<b>Proposition 113 – National Popular Vote</b>	<b>VOTE NO</b>
<b>Referendum B – Repeal Gallagher Amendment</b>	<b>VOTE YES</b>

The NCLA encourages review of the [2020 State Ballot Information Booklet](#), also known as the “Blue Book”, for proponent and opponent positions on each of the state ballot initiatives. Below are the reasons for the NCLA positions on three of ballot questions before voters this year.

### PROPOSITION 118 - PAID FAMILY AND MEDICAL LEAVE PROGRAM

The NCLA supports a reasonable family and medical leave program but strongly opposes Proposition 118. It simply goes too far. It demands a backdoor 25% increase in the income tax for individuals and corporations which will be devastating to families and small businesses, at a time when they can least afford it, to fund a new \$1.3 billion, 200-person state agency that [isn't guaranteed to deliver upon its promises](#).

#### WHAT PROPOSITION 118 DOES

- Creates a state-run family and medical leave insurance program based on a Universal Social Insurance model.
- To fund the \$1.3 billion program, the measure requires employers and employees to each pay a 0.9% payroll premium, or fee, deducted directly from employee wages – like a FICA tax.
  - An employee making \$75,000 per year would pay a premium or fee of \$675. That premium could grow to \$900.

**NCLA POSITION: OPPOSE / VOTE NO**

#### **RATIONALE:**

- The new premium/fee represents a 25% increase in income tax that will be devastating to both individuals and small businesses.
  - See an [Economic Analysis Here](#)
- [Several studies](#) question the solvency of this new program.
  - If the program becomes insolvent, state lawmakers will be forced to fund the program from general fund dollars and that equates to cuts in education, transportation and other state needs.
- The additional costs and risks due to compliance and the expansive terms of the law will disrupt benefits, wages and job opportunities in unpredictable ways.
- Employers could be forced to lower wages, other benefits, or staffing to address excess costs as they become more evident.
- Rising use rates, and the resulting increase in absenteeism, would be hard on all businesses but particularly on small businesses
- PFML requires all firms to reinstate the employee at their previous job level or equivalent leaving employers few options to address staffing needs while the employee is on leave.
- The Colorado General Assembly has consistently rejected similar approaches to paid leave in five recent legislative sessions.
- Finally, now is the wrong time to be placing additional burdens upon business

#### **PROPOSITION 113 – NATIONAL POPULAR VOTE**

Colorado's relevance on the national political scene has long benefitted Colorado in the form of federal funding for roads, conservation and outdoor projects, water projects, health care, and education. An undermining of the country's foundational Electoral College by requiring Colorado to direct its Electoral College votes to the popular vote winner isn't good for Colorado. The National Popular Vote makes Colorado not only irrelevant but disenfranchised and those that promote the NPV don't have Colorado's best interests at heart.

#### **WHAT PROPOSITION 113 DOES**

Authorizes the allocation of Colorado's nine Electoral College Electors to vote for the Presidential Candidate that wins the national popular vote regardless of the outcome of the Colorado's votes.

**NCLA POSITION:            OPPOSE / VOTE NO**

#### **RATIONALE:**

- National Popular Vote eliminates Colorado's relevancy in Presidential Elections and assures Presidential candidates overlook our needs and interests.
- NPV gives all power to large, population-rich city/states. NPV disenfranchises Coloradans by focusing all attention on the major urban centers along the coasts
- Reduced relevancy will ultimately reduce Colorado's position for federal funding of roads, health care and the environment.
- Colorado wins under the Electoral College and loses under the National Popular Vote (NPV). If Coloradans don't protect their unique interests, who will?

#### **REFERENDUM B – REPEAL THE GALLAGHER AMENDMENT**

The NCLA supports the bi-partisan legislative referendum to repeal the Gallagher Amendment. Gallagher has served as an inequitable and inflexible property tax burden on businesses of all types and sizes. Without repeal, all of Colorado's businesses will pay a property tax rate nearly 5 times higher next year than the property tax rate paid by residential property owners. This increase in taxes threaten our business' bottom line and the retention of employees while collectively [impeding Colorado's economic recovery](#) and squeezing vital public services—including funding for schools, police and fire services.

## **WHAT REFERENDUM B DOES**

- Eliminates Long-Standing 55%/45% Commercial to Residential Property Tax Ratio
- Freezes current residential assessment rate at 7.15%

## **NCLA POSITION:            SUPPORT / VOTE YES**

### **RATIONALE:**

- NCLA has been opposed to the Gallagher Amendment since 1992 when inequity between commercial and residential rates were growing;
- Stops bleeding for special districts and the necessary general fund backfill of school districts creating additional burden upon taxpayers and reductions in services
- Provides opportunity for reduction of current 29% commercial property tax assessment rate and growing burden upon commercial sector
- Puts into legislature's hands the determination of property tax rates from passage forward
- Without repeal of the Gallagher Amendment, the current economic climate will require a reduction in the residential assessment rate creating a five-times burden upon the commercial sector at a time when business can least afford additional taxes and fixed costs
  - [See economic analysis of the Gallagher Amendment](#)