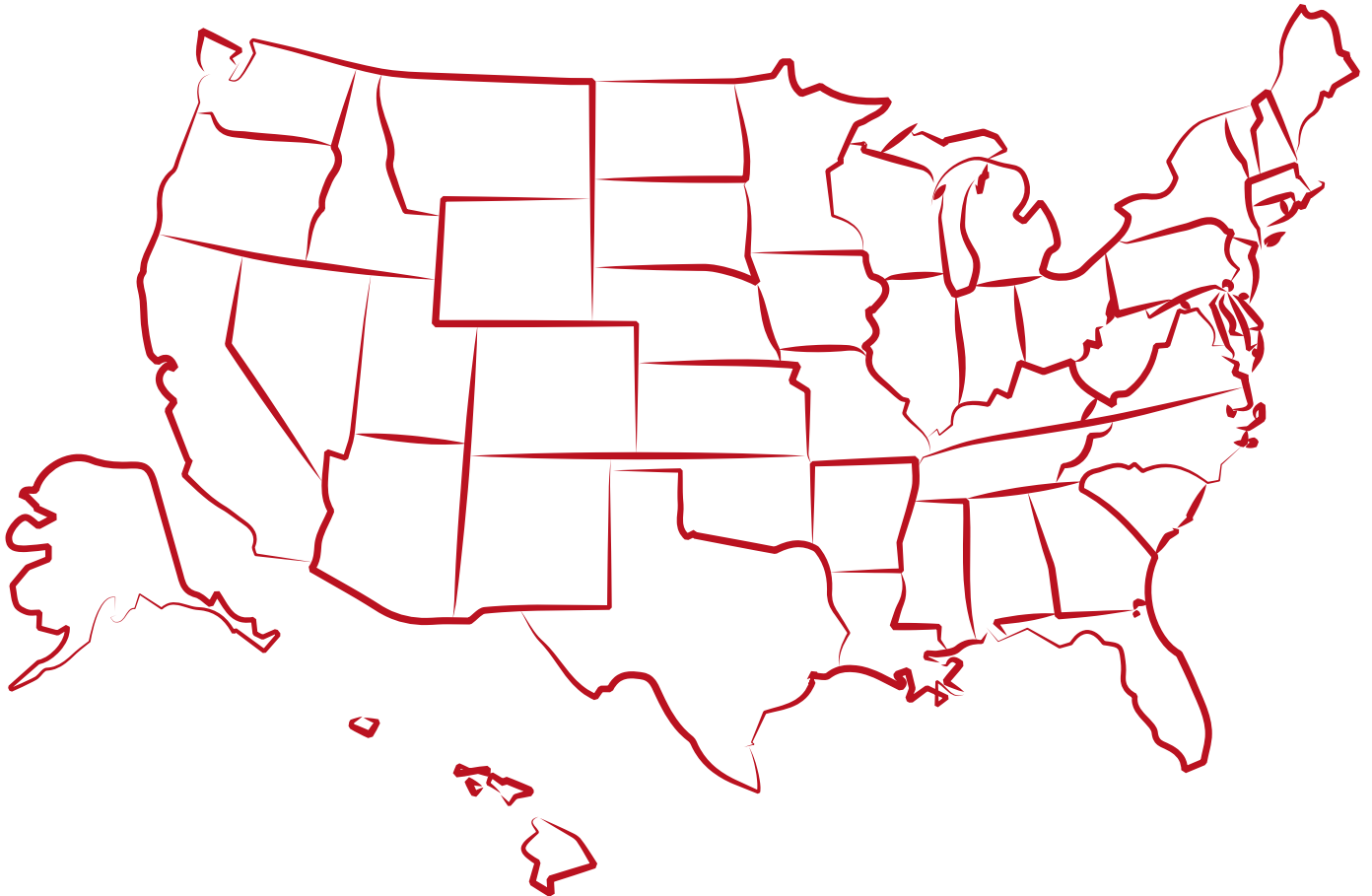


NATIONAL TAXPAYERS UNION

Ballot Guide 2023



This guide is for informational purposes only; it is not intended to provide endorsements or recommendations to voters.

The Taxpayer's Perspective

A Publication by the National Taxpayers Union

On Tuesday November 7th, taxpayers across the country will head to the polls to vote for local and state representation. The outcome of these elections will certainly have an impact on taxpayers' dollars utilized at all levels of government. However, taxpayers should also be aware that this election cycle there are other opportunities for them to directly weigh in on a wide range of fiscal ballot measures that will have serious implications for their state and local communities.

It is true that most ballot measures do not carry the same weight in media coverage as your local elected official's, but they can and will have a more immediate and direct impact on your daily life and pocketbook.

We here at National Taxpayers Union researched statewide and local ballot measures that we believe voters need to know about and we designed this year's ballot guide to have as much utility as possible. This is by no means an exhaustive list, and we recommend that taxpayers check with their local election authorities for more information on these and other measures that may be on your ballot this November.

Finally NTU would like to thank Ballotpedia for their efforts in identifying and tracking ballot measures, many of which appear in our analysis.

-NTU

COLORADO

TAX INCREASE

Proposition HH: Colorado Property Tax Reduction and Revenue Cap Creation.

Proposition HH asks voters to approve changes to state property taxes and provides funds to local governments referenced in the proposition as “counties, water districts, fire districts, ambulance and hospital districts, and other local governments and school districts.” This additional funding would be provided by establishing a new cap on state revenue or a “Proposition HH Cap,” which would allow the state to retain excess revenue and distribute or backfill funds to local governments to compensate those governments for reduced property tax revenues.

Taxpayer Impact: In 1992, Colorado voters passed the Taxpayer Bill of Rights (TABOR), which requires voter approval for state and local tax increases. In addition, TABOR requires voter approval for the state and local governments to spend money in excess of the TABOR limit, defined as revenue that grows faster than the inflation and population growth rate. Under TABOR, these surplus funds must be returned to Colorado taxpayers.

Proposition HH would establish a new cap allowing the state to take revenue that would be returned to taxpayers under TABOR and instead distribute it to local governments to compensate or backfill revenue lost through the newly established local property tax limits.

Duration: Permanent

TAX INCREASE

Proposition II: Tobacco and Nicotine Product Tax Revenue. This amendment would allow the state to keep “excess” tax revenue derived from increased taxes on cigarettes, tobacco, and nicotine products that exceed official projections. The measure would also require that the state spend this revenue on preschool programs.

Taxpayer Impact: The Colorado Taxpayer Bill of Rights (TABOR) generally limits the amount of revenue governments in the state can retain and spend. Proposition II would redirect excess tax revenue raised on tobacco and nicotine products to the state instead of distributing it to taxpayers.

The Colorado Legislative Council estimates that for the first two fiscal years 2022-24, \$135 million would be allocated to the State Affordable Housing Fund and \$270 million would be transferred from the state general fund. This means the program would take at least \$405 million that might otherwise be returned to the taxpayers.

Duration: Permanent

TEXAS

Proposition 10: Tax Exemption on Medical Equipment and Inventory. This amendment would authorize the state legislature to provide for an ad valorem or property tax exemption on equipment and inventory manufactured by medical or biomedical companies. This would include devices, therapeutics, pharmaceuticals, personal protective equipment, tools, implants, instruments, and apparatuses.

Taxpayer Impact: Proposition 10 would reduce taxes on medical devices and is intended to attract more medical device manufacturers to Texas. However, the tax exemption could shift the tax burden for school, city, county, and college taxes to other taxpayers.

Duration: Permanent

Proposition 3: Prohibit Taxes on Wealth or Net Worth. Proposition 3 would amend the Texas State Constitution to prohibit the state legislature from imposing a wealth or net worth tax on the difference between the assets and liabilities of an individual or family.

Taxpayer Impact: If enacted, Proposition 3 would provide constitutional protections to Texans by prohibiting the state legislature from establishing wealth taxes. This important protection would prevent Texans' assets, like their homes, savings accounts, and brokerage accounts, from being taxed.

Duration: Permanent

TAX DECREASE

Proposition 4: Property Tax Changes and State Education Funding. Proposition 4 seeks to elevate the homestead tax exemption from \$40,000 to \$100,000 and empower the state legislature to cap the yearly appraisal growth of non-homestead real estate. It would also broaden eligibility, allowing more property owners to qualify for the exemption, and excludes allocations aimed at enhancing state education funding from the state's budgetary limits. Finally, it would grant that state legislature the authority to establish four-year terms for members of appraisal entity government bodies in counties with populations of 75,000 or more.

Taxpayer Impact: Proposition 4, which would dedicate a portion of the state surplus to increase the ad valorem homestead or property tax exemption from \$40,000 to \$100,000, could save property owners hundreds of dollars on their property tax bills. In addition, the proposition empowers the state legislature to cap the yearly appraisal growth of non-homestead real estate. This could provide property tax savings to small business owners.

Duration: Permanent

WASHINGTON LOCAL

BELLINGHAM

Bellingham Initiative 1. Proposed Initiative No. 1 would establish a minimum wage in Bellingham that would be \$1 more than the state minimum wage, effective May 1, 2024. The city minimum wage would increase to \$2 above the state wage in 2025.

Taxpayer Impact:

Financial Strain on Employees and Businesses: This initiative would increase costs on businesses, likely leading to job losses. This would create a noncompetitive job market in Bellingham.

Business Closure and Relocation: Some businesses may relocate out of Bellingham to more affordable locations or be forced to shut down.

Shift in the Tax Burden: If Initiative 1 succeeds in pushing business out of Bellingham, this will shift the tax burden and place more financial responsibility on residents.

Duration: Permanent

Bellingham Initiative 2. Initiative 2 is a rent control measure that would impose a penalty on landlords who raise rent above a threshold of 8 percent annually.

Taxpayer Impact: Initiative 2 would raise housing costs and limit the availability and supply of housing, especially affordable housing, and would likely reduce the value of rental properties, passing along the property tax burden to other residents and businesses in Bellingham.

Duration: Permanent

SEATTLE

TAX INCREASE

Measure 1. Measure 1 would extend Seattle’s housing levy through 2031, extending the assessed rate of \$0.45 for every \$100 of assessed value and up to a maximum of \$3.60 per \$1000. Seniors, veterans, and others with disabilities would be excluded. The levy would “fund housing for low-income seniors, families, people with disabilities, and people experiencing homelessness.”

Taxpayer Impact: Measure 1 would extend Seattle’s housing levy, raising the cost of homeownership for taxpayers.

Duration: 2024-2031

TACOMA

Tacoma Initiative 2023-01. Citizens' Initiative 2023-01 would establish rental requirements, cap rent increases, establish penalties for landlords, and establish rental rights for tenants. Initiative 2023-01 includes the following measures:

1. **Late Fees:** Caps late rent fees at a maximum of \$10 per occurrence.
2. **Deposit fees:** Limits pet deposit fees to 25 percent of one month's rent.
3. **Notification:** Requires notification of rent increases 180 days prior to a rent increase. The City of Tacoma would manage the notification process with penalties for non-compliance.
4. **Evictions:** Makes an eviction of a student, school worker, teacher, or parent of a student illegal during the school year. It also makes eviction illegal for anyone between November 1 and April 1.
5. **Rent Increases:** Property owners must pay two months' rent in moving costs if the rent increase is more than 5 percent and up to 3 months' rent if the increase is over 10 percent.
6. **Penalties:** Creates non-compliance penalties that can total up to 5 times the monthly rent should a property owner violate any provision of the Initiative.

Taxpayer Impact: Citizens' Initiative 2023-01 would raise housing costs and limit the availability and supply of housing, especially affordable housing, and would likely reduce the value of rental properties, passing along the property tax burden to other residents and businesses in Tacoma.

Duration: Permanent



Since 1969, National Taxpayers Union (NTU), has been the "Voice of America's Taxpayers." The nation's oldest taxpayer advocacy organization, NTU fights for lower taxes, smaller budgets, and economic freedom at all levels of government. As taxpayers' lobbyists, we work to ensure that all Americans are able to pursue their dreams without the heavy hand of government holding them back.

NTU is a nonpartisan 501(c)(4) nonprofit, advocating on behalf of taxpayers, not political parties.

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