



Fiscal Summary

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Measure: Initiative 123 – VOTER APPROVAL OF NEW FEES AND FEE INCREASES

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Fiscal Summary of Initiative 123

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at leg.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State Revenue

The measure requires voter approval of any tax expansion that increases revenue by more than \$100 million over the first five years, and defines a tax expansion as a new tax, a tax incorrectly categorized as a fee, the removal of a tax exemption or subtraction, or a change in tax classification.

The measure has no direct impact on state revenue; however, beginning January 2027, if voters do not approve a qualifying fee, fee increase, or tax expansion, state revenue will decrease relative to current law. The amount of decrease, if any, will depend on future decisions made by voters.

State Expenditures

The measure has no direct impact on state expenditures; however, if voters do not approve a future proposed fee or fee increase, less state revenue will be available to save or spend, and the state's TABOR refund obligation may be reduced in years when the state is over its revenue limit. By requiring a new type of voter approval, the measure also increases election related costs in the Department of State, and in the Legislative Department.

Economic Impacts

The measure has no direct or immediate impact on the state's economy. If voters reject future fee increases or tax expansions, it will decrease public sector revenue and spending and increase the amounts available for private spending or saving.