Proposition 137: Direct Sporting Goods Sales Tax Revenue for Conservation

Placed on the ballot by citizen initiative • Passes with a majority vote

Proposition 137 proposes amending the Colorado statutes to:

- direct a portion of existing sales tax revenues from purchases and rentals of sporting goods to be used for certain conservation, wildfire risk mitigation, and outdoor recreation programs; and
- exempt that money from the state's constitutional revenue limit, reducing the amount of money collected above the limit that is returned to taxpayers.

What Your Vote Means

YES

A "yes" vote on Proposition 137 directs existing sales tax revenue collected from sales of sporting goods to be spent on certain conservation, wildfire risk mitigation, and outdoor recreation programs, and exempts it from state revenue limitations.

NO

A "no" vote on Proposition 137 keeps the sales tax revenue collected from sporting goods in the state's general budget and subject to the state's revenue limit, with the revenue either spent on priorities decided annually by the legislature or refunded to taxpayers when required.

Summary and Analysis of Proposition 137

What does Proposition 137 do?

The measure requires that state sales tax revenue collected from purchases and rentals of sporting goods be spent on certain programs. These include:

- conservation programs that support parks, open spaces, and wildlife;
- wildfire risk management and mitigation, forest management and restoration, and a fund for damages that may arise from prescribed fires;
- watershed restoration projects;
- outdoor education and recreation programs; and
- outdoor access and equity improvements, which could include programs that give opportunities to underserved youth and families.

The measure applies to most sporting goods categories and does not change the price of sporting goods or the amount of tax collected. Sporting goods include bicycles, golf equipment,

hunting and fishing equipment, camping equipment, boats, recreational vehicles, and campers. It also includes rental services for recreational, sports, and fitness equipment.

The measure exempts this portion of state sales tax revenue from the state's constitutional revenue limit, known as the Taxpayer's Bill of Rights (TABOR) limit. The amount directed to these efforts will be calculated by Legislative Council Staff, the nonpartisan research agency of the General Assembly. For state budget year 2027-28, this is currently estimated to be $175 million.

Will this measure apply to sporting goods revenue in all future years?

In some years, the measure will not direct the full amount of sales tax revenue collected from sporting goods to the identified purposes. This would occur if exempting the revenue from the TABOR limit would reduce two state tax credits available to low- and moderate-income households.

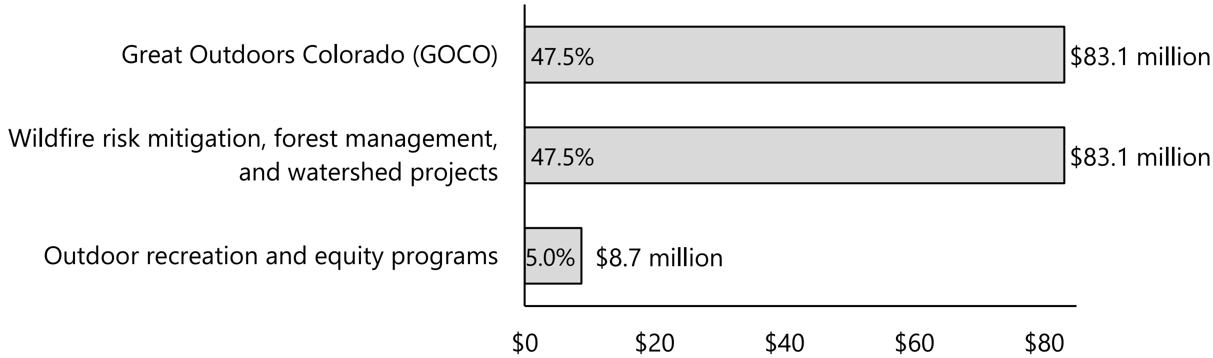
How will the revenue be used?

The measure is estimated to direct about $175 million per year towards the identified conservation purposes, which would be in addition to the approximately $114 million that those efforts currently receive. This amount includes only the specific programs that receive increased funding under the measure and does not include other existing funds for general conservation efforts. The estimated distribution of sales tax revenue directed by the measure is shown in Figure 1 and discussed below.

- **Great Outdoors Colorado (GOCO).** About $83.1 million would be dedicated to GOCO, an organization established in the state constitution that funds parks, trails, and wildlife projects through grants to local governments, the state, and other conservation efforts. GOCO is funded by the state lottery, amounting to about $90 million annually, and currently receives no state funding from taxes.
- **Wildfire risk mitigation, forest management, and watershed restoration projects.** About $73.1 million would be dedicated to these efforts per year. An additional, one-time $10.0 million would be available to pay for damages that may arise from the use of prescribed fires. These wildfire risk mitigation and forest management efforts currently receive about $16.4 million annually from the state, which is largely awarded through grants from state agencies for fuels reduction in forests and other risk mitigation projects near developed areas. Watershed restoration projects and water projects reducing risk of post-wildfire floods currently receive about $5 million annually from the state.
- **Outdoor recreation, economic development, and equity programs.** The remaining revenue, about $8.7 million, would be dedicated to outdoor recreation and equity programs funded through the Colorado Office of Economic Development and International Trade and Colorado Parks and Wildlife. These programs currently receive about $800,000 from the state annually. The funding is used to support outdoor industry business advancement and outdoor recreation planning for rural communities, and to provide grants to organizations and projects improving access and representation for youth and their families in the Colorado outdoors.

More information is included in the Fiscal Impact section below.

Figure 1
Sales Tax Revenue Distribution under Proposition 137 for State Budget Year 2027-28
Millions of Dollars



How does the measure affect TABOR refunds?

TABOR limits state government revenue available for spending to an amount adjusted annually for inflation and population growth. Revenue collected over the limit must be refunded to taxpayers unless voters approve a measure to allow the government to keep and spend it. Under this measure, the dedicated sales tax revenue would be exempt from the TABOR limit. In years where state revenue exceeds the limit, the measure reduces TABOR refunds by the amount of sporting goods sales tax revenue the state is allowed to keep. In years where state revenue is below the TABOR limit, the measure does not impact TABOR refunds, but it may reduce the amount of money available for other general budget priorities.

For more information, see the Legislative Council Staff memorandum titled "A Brief Overview of the TABOR Revenue Limit."[1]

Arguments For Proposition 137

1) Without increasing tax rates or changing the cost of sporting goods, the measure directs needed money to recreation access, protects land from development, mitigates wildfire risk, and safeguards watersheds. Competing priorities squeeze the state budget, federal support is unreliable, and the state has not kept up with necessary investments to improve the environment and outdoor economy for residents and visitors. The measure funds trusted programs like GOCO, which has supported conservation projects statewide for over 30 years.

2) Colorado's outdoor spaces are under strain with more visitors, ongoing drought, and more frequent and devastating wildfires. These pressures threaten communities, water resources, and recreational spaces. This measure provides a user-based model for supporting the outdoors, protecting our communities from wildfire, and restoring watersheds. Residents and visitors who rent or buy sporting goods often use them in outdoor-related activities, making them natural stakeholders in protecting Colorado's lands, water, and wildlife. Linking

[1] Online at: leg.colorado.gov/bluebook

spending to conservation ensures that those who benefit most from the outdoors help sustain it.

Arguments Against Proposition 137

1) This measure is a tax increase in disguise because it reduces or eliminates future TABOR refunds. Keeping state revenue subject to the current constitutional limit is a critical taxpayer protection that is continuously being undermined. Allowing the state to keep even more taxpayer money has the same effect as taxpayers paying higher taxes. Every dollar retained under this measure is a dollar less in either tax refunds or spending on other critical state priorities like health care and education.
2) This measure directs more money to organizations and government entities with specific interests and limited accountability to the legislature or voters. As many of these programs already have dedicated, reliable funding sources, siphoning additional state dollars to these programs reduces the ability of the state to respond to changing conservation needs as best practices evolve. State legislators already have the power to spend money to meet these needs and should have the flexibility to balance their budget priorities without being constrained by this measure.

Information about the organizations supporting and opposing this measure is available on the Colorado Secretary of State's website:

www.coloradosos.gov/pubs/elections/Initiatives/ballot/contacts/2026.html

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Fiscal Impact of Proposition 137

The measure transfers an estimated $175.0 million in the 2027-28 budget year, and increasing amounts in later years, from the state General Fund to pay for various programs related to forest restoration, wildfire mitigation, conservation, and outdoor recreation. It reduces TABOR refunds in years when revenue exceeds the TABOR limit.

State Revenue

The measure transfers an estimated $175.0 million in the 2027-28 budget year and $180.2 million in 2028-29 and future budget years for use on specified programs. This money would otherwise be available for the general state budget or refunded to taxpayers. The transferred revenue is divided between programs within GOCO (47.5 percent), Colorado State Forest Service and the Department of Natural Resources (47.5 percent), Colorado Parks and Wildlife (2.5 percent), and the Office of Economic Development and International Trade (2.5 percent).

The amount transferred may be reduced in years where the transfer would result in the reduction of certain income tax credits for families.

State Spending

The measure increases state spending by up to an estimated $175.0 million in budget year 2027-28 and $180.2 million in budget year 2028-29, and by increasing amounts in future years assuming sporting goods sales growth. Some funds may not necessarily be spent in the year they were received. Potential spending under the measure is shown in Table 1.

Table 1
Potential Change in State Spending Under Proposition 137

Use	Budget Year 2027-28	Future Year 2028-29
Great Outdoors Colorado	up to $83.1 million	up to $85.6 million
Colorado State Forest Service	up to $36.5 million	up to $42.8 million
Department of Natural Resources	up to $36.6 million	up to $42.8 million
Department of Public Safety	$10.0 million	$0
Colorado Parks and Wildlife	up to $4.4 million	up to $4.5 million
Office of Economic Development & International Trade	up to $4.4 million	up to $4.5 million
Total Spending	**up to $175.0 million**	**up to $180.2 million**

In years where state revenue collections are below the TABOR limit, the measure will reduce state money available for other uses (the three largest of which are health care, education, and human services); however, the exact effect of the measure on other programs will depend on budgeting decisions by the state legislature. In years where state revenue collections are above the TABOR limit, the measure has no impact on other state spending, but has impacts to taxpayers as described below.

Taxpayer Impacts

The measure will decrease the amount refunded to taxpayers in years when state revenue is over the TABOR limit. Based on forecasts from June 2026, the measure is expected to decrease refunds by $175.0 million in tax year 2027. Refunds in tax year 2028 are outside the forecast window. The impact on taxpayers depend on how this money would be refunded. The measure is expected to eliminate six-tier sales tax TABOR refunds in at least the 2027-28 budget year, by between $26 and $83 per single filer and between $52 and $166 per joint filer, with the actual amount dependent on income level.

Interactions with Other Measures

Proposition NN allows the state to keep and spend revenue that would otherwise be refunded to taxpayers under TABOR, up to a newly established limit. Because Proposition 137 reduces revenue subject to the constitutional revenue limit, Proposition 137 will reduce the amount of money the state actually keeps and spends under Proposition NN, if both measures pass.

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What Your Vote Means

YES

A "yes" vote on Initiative 308 requires that existing sales tax revenue collected from sales of sporting goods be spent on certain conservation, wildfire risk mitigation, and outdoor recreation programs, and exempt it from state revenue limitations.

NO

A "no" vote on Initiative 308 keeps the sales tax revenue collected from sporting goods in the state's general budget and subject to the state's revenue limit, with the revenue either spent on priorities decided annually by the legislature or refunded to taxpayers when required.

Summary and Analysis of Initiative 308

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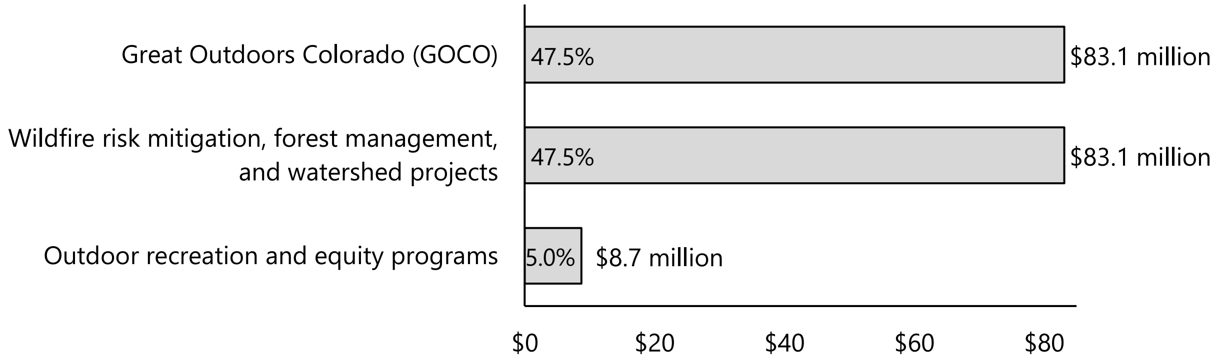

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More information about the TABOR limit and refunds can be found in this Legislative Council Staff memorandum.

Arguments For Initiative 308

1) Colorado's outdoor spaces are under strain with more visitors, ongoing drought, and more frequent and devastating wildfires. These pressures threaten communities, water resources, and recreational spaces. Competing priorities squeeze the state budget, federal support is unreliable, and the state has not kept up with necessary investments to improve the environment and economy for residents and visitors. Without increasing tax rates or changing the cost of sporting goods, the measure directs needed money to recreation access, protects land from development, mitigates wildfire risk, and safeguards watersheds. The money goes to trusted programs like GOCO, which has worked statewide for over 30 years.

2) This measure provides a user-based model for supporting the outdoors, protecting our communities from wildfire, and restoring watersheds. Residents and visitors who rent or buy sporting goods often use them in outdoor-related activities, making them natural stakeholders in protecting Colorado's lands, water, and wildlife. Linking spending to conservation ensures that those who benefit most from the outdoors help sustain it.

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Fiscal Impact of Initiative 308

The measure increases state government spending by transferring money from the state General Fund to pay for various programs related to forest restoration, wildfire mitigation, conservation, and outdoor recreation. It reduces the amount of money returned to taxpayers by exempting sporting goods sales tax revenue from the TABOR limit.

State Revenue

The measure transfers an estimated $175.0 million in the 2027-28 budget year and $180.2 million in 2028-29 and future budget years for use on specified programs. This money would otherwise be available for the general state budget or refunded to taxpayers. The transferred revenue is divided between programs within GOCO (47.5 percent), Colorado State Forest Service and the Department of Natural Resources (47.5 percent), Colorado Parks and Wildlife (2.5 percent), and the Office of Economic Development and International Trade (2.5 percent).

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Last Draft Comments from Interested Parties

Proposition 137

Direct Sporting Goods Sales Tax Revenue for Conservation

Scott Hatfield, representing himself:

Please accept the attached Comments on Draft 3 of the Analysis of Initiative 308.

Mr. Hatfield also submitted Attachment A.

Natalie Menten, representing the TABOR Foundation/TABOR Committee:

Hello,

My comments concerning the 3rd draft of Initiative #308 are attached.

Thanks,
Natalie Menten

Ms. Menten also submitted Attachment B.

Devin Saunders, representing Coloradans for Responsible Wildlife Management:

Good afternoon,

Please see the attached requested revisions for Initiative 308 Draft 3: Direct Sporting Goods Sales Tax Revenue for Conservation.

These comments are submitted on behalf of the organization Coloradans for Responsible Wildlife Management.

Thank you for your attention to this matter, we sincerely appreciate it.

Devin Saunders
Government Affairs Manager

Mr. Saunders also submitted Attachment C.

Josh Schlossberg, representing Eco-Integrity Alliance:

Dear Legislative Council Staff,

Many of us are very concerned that, three drafts later, there is NO mention of not simply how all that is proposed in the measure as "fire prevention" has been debunked by the consensus of science--there is NO science showing logging can "prevent wildfire"--but there is not even a mention of the major conflicts in the science on the larger topic itself, which is crucial to a "con" argument, much less any education of the public (especially, after the State of Colorado itself through DNR has been promoting disinformation on this issue for years).

We intend to be talking to our legislators and Gov. Polis' office about what appears to me, at this point, to be intentional omissions that are subverting the democratic process here in Colorado.

This, following the state's approval of 3 topics for one ballot measure in violation of the Single Subject Rule (recreation, conservation, and "wildfire mitigation"), suggests to me that the democratic process is not being properly followed on this issue in Colorado, and we are consulting with attorneys for how to rectify this.

Thanks,
Josh Schlossberg
Eco-Integrity Alliance

Tarn Udall, representing Western Resource Advocates

Dear all:

Thank you for your work on the draft analysis for Initiative 308. Please find attached my comments on the third draft. I appreciate the opportunity to provide input.

Tarn

Ms. Udall also submitted Attachment D.

Initiative 308 removes $175 million from the general fund and legislatively directed priorities to 'conservation, forest restoration, water projects, and wildfire risk reduction. ' These terms are undefined and leave the door open to large scale industrial exploitation including Roadless Areas and the backcountry while sounding benign . Home hardening and defensible space are ignored and still underfunded as the most proven way to protect homes and other infrastructure. The Initiative also mixes multiple subjects such as home protection, recreation, wildlife policy, water policy, an unconventional definition of conservation, fire prevention, science on fuels reduction and fire, and commercial logging interests into a single Initiative and should be rejected.

The language raises questions about what logging would occur. What will be the role of clear cutting that is commonly used as a preferred fuels reduction technique? Of special concern is the ongoing trends to allow cutting in Inventoried Roadless Areas, old growth forests, and habitats of threatened or endangered species. What type of pre-cut surveys would be conducted for all species of special concern (SOSC), water, habitat for SOSC, watersheds, other wildlife concerns, or soil amongst others. What regulations would be in effect? Would there be limitations on the size and scope of projects? What stipulations are placed on new and existing temporary or permanent roads? Will logging projects be the same in subalpine or upper montane forests that have much longer fire cycles? What will be the role of public participation, specific project comment solicitation, and methods to challenge decisions?

The direction of fuels reduction and fire science is generally ignored and paved over with extractive interests. Although often forced or buried deeply in documents, acknowledgement of the science direction is generally given by USFS, CSFS, or County Open Space. However, such acknowledgement does not guide decision making. There is an abundance of research showing that fuels reduction has no effect on high severity fire, https://esajournals.onlinelibrary.wiley.com/doi/10.1002/ecs2.1492 . Climate conditions and extreme fire weather drive high severity fires. Protected areas have not been shown to burn more. Fire burning under low to moderate fire weather conditions can be affected by fuels reduction work. However, these fire events are much more easily managed and contained. Often, low and moderate severity fires can be beneficial ecologically and for fuel load risks. All to often, fuels reduction projects are done far away from structures. Attempting to treat all landscapes is not viable. Efforts to protect communities need to be limited to the WUI, especially not in Roadless Areas, old growth, and critical habitat in the backcountry.

Professor Emeritus Tom Veblen contributes to these comments the following statement as being supported by most of the literature. "Evaluations of fuel treatments generally show that mechanical thinning alone has the least likelihood of reducing fire severity, broadcast burning increases the probability of reducing fire severity, and under extreme fire weather (high wind speeds, low relative humidity) treatment effectiveness sharply declines to near zero. Furthermore, the probability of treatment effectiveness is higher in low elevation dry pine forests but is much less effective, if at all, in higher elevation forests characterized by naturally high-severity fires. None of the abundant studies on treatment effects on burn severity demonstrates a conclusive impact of fuel treatments distant from communities on home survival.”

Widely recognized as authoritative research has been done by USFS researcher Jack Cohen showing that a flame front cannot ignite a flammable surface from more than 100 feet away, https://research.fs.usda.gov/search?content=jack+cohen . This is why the various fire ready building Certifications only cover 100 feet around a building. Most buildings ignited by wildfire are done so by embers. Home hardening and defensible space are the proven way to protect lives, homes, and communities, not the preferred backcountry fuels reduction logging favoring clear cuts.

Additional concerns include the framing of the fiscal impact as a Tabor issue. 308 is much more of a general fund issue. It will remove $175 million from legislatively directed priorities such as education and health care. Many people will be directly harmed by these large scale rescissions of basic services. This has the potential to cause serious blow back. For example, Initiative 175 on prioritizing road funding over other legislative priorities such as K-12 Schools, hospitals, Medicaid, and colleges for $700 million compared to $175 Million for Initiative 308 has compelled pre-emptive legislation HB26-1430 to be passed to help preserve crucial legislative priorities.

Thank you for your consideration,

Scott Hatfield

Additional citations recommended for these comments by Professor Emeritus Tom Veblen:

Schultz, Colorado State University, https://theconversation.com/boosting-timber-harvesting-in-national-forests-while-cutting-public-oversight-wont-fix-americas-wildfire-problem-264097

Vorster et al, "Metrics and Considerations for evaluating how forest treatments alter wildfire behavior and effects" Journal of Forestry, Volume 122, Issue 1, January 2024, Pages 13-30 https://academic.oup.com/jof/article/122/1/13/7242626

Lindenmayer et al, "Ecological trade-offs of mechanical thinning in temperate forests", Biological Conservation, Volume 316, April 2026 https://www.sciencedirect.com/science/article/pii/S000632072600056X

Hello,
I'm requesting changes reflected on page one in the two red text boxes.
Thanks to the drafting team for prior incorporated edits.

Natalie Menten

Attachment B

3rd Draft

Initiative 308: Direct Sporting Goods Sales Tax Revenue for Conservation

Initiative 308: Retain TABOR Refunds and Direct Sporting Goods Sales Tax Revenue for Conservation

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- exempt that money from the state's constitutional revenue limit, reducing the amount of money collected above the limit that is returned to taxpayers.

Please edit lines 5-6 to read:
...exempt that money from the state's constitutional revenue limit, **known as the Taxpayer's Bill of Rights (TABOR)**, reducing the amount of money collected above the limit that is **refunded** to taxpayers.

What Your Vote Means

YES

A "yes" vote on Initiative 308 requires that existing sales tax revenue collected from sales of sporting goods be spent on certain conservation, wildfire risk mitigation, and outdoor recreation programs, and exempt it from state revenue limitations.

NO

A "no" vote on Initiative 308 keeps the sales tax revenue collected from sporting goods in the state's general budget and subject to the state's revenue limit, with the revenue either spent on priorities decided annually by the legislature or refunded to taxpayers when required.

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What does Initiative 308 do?

The measure requires that state sales tax revenue collected from purchases and rentals of sporting goods be spent on certain programs. These include:

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- outdoor access and equity improvements, which could include programs that give opportunities to underserved youth and families. where was the "equity"

The measure applies to most sporting goods categories and does not change the price of sporting goods or the amount of tax collected. Sporting goods include bicycles, golf equipment,

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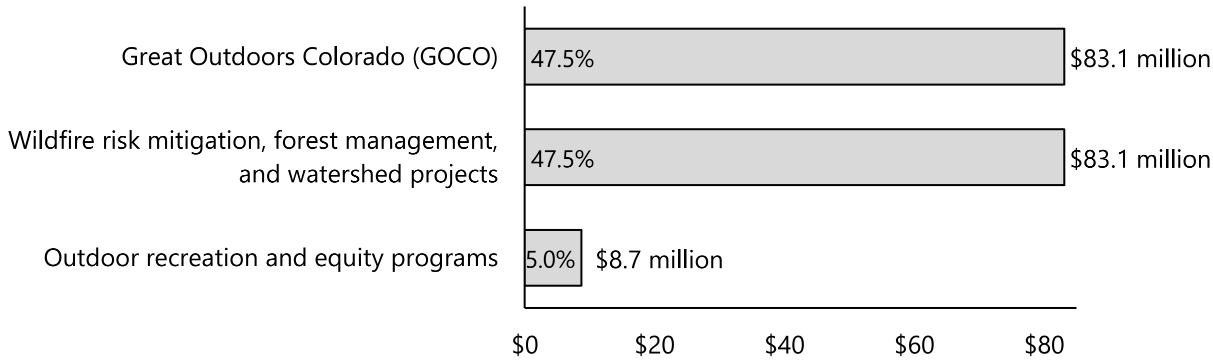

How does the measure affect TABOR refunds?

TABOR limits state government revenue available for spending to an amount adjusted annually for inflation and population growth. Revenue collected over the limit must be refunded to taxpayers unless voters approve a measure to allow the government to keep and spend it. Under this measure, the dedicated sales tax revenue would be exempt from the TABOR limit. In years where state revenue exceeds the limit, the measure reduces TABOR refunds by the amount of sporting goods sales tax revenue the state is allowed to keep. In years where state revenue is below the TABOR limit, the measure does not impact TABOR refunds, but it may reduce the amount of money available for other general budget priorities.

More information about the TABOR limit and refunds can be found in this Legislative Council Staff memorandum.

Arguments For Initiative 308

1) Colorado's outdoor spaces are under strain with more visitors, ongoing drought, and more frequent and devastating wildfires. These pressures threaten communities, water resources, and recreational spaces. Competing priorities squeeze the state budget, federal support is unreliable, and the state has not kept up with necessary investments to improve the environment and economy for residents and visitors. Without increasing tax rates or changing the cost of sporting goods, the measure directs needed money to recreation access, protects land from development, mitigates wildfire risk, and safeguards watersheds. The money goes to trusted programs like GOCO, which has worked statewide for over 30 years.

2) This measure provides a user-based model for supporting the outdoors, protecting our communities from wildfire, and restoring watersheds. Residents and visitors who rent or buy sporting goods often use them in outdoor-related activities, making them natural stakeholders in protecting Colorado's lands, water, and wildlife. Linking spending to conservation ensures that those who benefit most from the outdoors help sustain it.

Arguments Against Initiative 308

1) This measure is a tax increase in disguise that will reduce or eliminate future TABOR refunds. Keeping state revenue subject to the current constitutional limit is a critical taxpayer protection that is continuously being undermined. Allowing the state to keep even more taxpayer money has the same effect as taxpayers paying higher taxes. Every dollar retained under this measure is a dollar less in either tax refunds or spending on other critical state priorities like health care and education.

2) This measure directs more money to organizations and government entities with specific interests and little accountability to the legislature or voters. As many of these programs already have dedicated, reliable funding sources, siphoning additional state dollars to these programs reduces the ability of the state to respond to changing conservation needs as best practices evolve. State legislators already have the power to spend money to meet these needs and should have the flexibility to balance their budget priorities without being constrained by this measure.

Information about the organizations supporting and opposing this measure is available on the Colorado Secretary of State's website:

www.coloradosos.gov/pubs/elections/Initiatives/ballot/contacts/2026.html

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Fiscal Impact of Initiative 308

The measure increases state government spending by transferring money from the state General Fund to pay for various programs related to forest restoration, wildfire mitigation, conservation, and outdoor recreation. It reduces the amount of money returned to taxpayers by exempting sporting goods sales tax revenue from the TABOR limit.

State Revenue

The measure transfers an estimated $175.0 million in the 2027-28 budget year and $180.2 million in 2028-29 and future budget years for use on specified programs. This money would otherwise be available for the general state budget or refunded to taxpayers. The transferred revenue is divided between programs within GOCO (47.5 percent), Colorado State Forest Service and the Department of Natural Resources (47.5 percent), Colorado Parks and Wildlife (2.5 percent), and the Office of Economic Development and International Trade (2.5 percent).

The amount transferred may be reduced in years where the transfer would result in the reduction of certain income tax credits for families.

State Spending

The measure increases state spending by up to an estimated $175.0 million in budget year 2027-28 and $180.2 million in budget year 2028-29, and by increasing amounts in future years assuming sporting goods sales growth. Some funds may not necessarily be spent in the year they were received. Potential spending under the measure is shown in Table 1.

Table 1
Potential Change in State Spending Under Initiative 308

Use	Budget Year 2027-28	Future Year 2028-29
Great Outdoors Colorado	up to $83.1 million	up to $85.6 million
Colorado State Forest Service	up to $36.5 million	up to $42.8 million
Department of Natural Resources	up to $36.6 million	up to $42.8 million
Department of Public Safety	$10.0 million	$0
Colorado Parks and Wildlife	up to $4.4 million	up to $4.5 million
Office of Economic Development & International Trade	up to $4.4 million	up to $4.5 million
Total Spending	**up to $175.0 million**	**up to $180.2 million**

In years where state revenue collections are below the TABOR limit, the measure will reduce state money available for other uses (the three largest of which are health care, education, and human services); however, the exact effect of the measure on other programs will depend on budgeting decisions by the state legislature. In years where state revenue collections are above the TABOR limit, the measure has no impact on other state spending, but has impacts to taxpayers as described below.

Taxpayer Impacts

The measure will decrease the amount refunded to taxpayers in years when state revenue is over the TABOR limit. Based on forecasts from June 2026, the measure is expected to decrease refunds by $175.0 million in tax year 2027. Refunds in tax year 2028 are outside the forecast window. The impact on taxpayers depend on how this money would be refunded. The measure is expected to eliminate six-tier sales tax TABOR refunds in at least the 2027-28 budget year, by between $26 and $83 per single filer and between $52 and $166 per joint filer, with the actual amount dependent on income level.

Interactions with Other Measures

Proposition NN allows the state to keep and spend revenue that would otherwise be refunded to taxpayers under TABOR, up to a newly established limit. Because Initiative 308 reduces revenue subject to the constitutional revenue limit, Initiative 308 will reduce the amount of money the state actually keeps and spends under Proposition NN, if both measures pass.

Requested Revisions: Initiative 308 Draft 3: Direct Sporting Goods Sales Tax Revenue for Conservation

August 18, 2026

Page # and Line #	Original Text	Revised Text/Issue Stated	Justification
Page 1, Line 9	A "yes" vote on Initiative 308 ~~**requires**~~ that existing sales tax revenue…	A "yes" vote on Initiative 308 **directs** existing sales tax revenue…	Removes "requires that," which reads prescriptive.
Page 2, lines 25-27	~~About $73.1 million would be dedicated to these efforts per year. An additional, one-time $10.0 million would be available to pay damage claims as a way to encourage prescribed burns.~~	**Approximately $73.1M annually would support wildfire mitigation, forest management, and watershed restoration, with a one-time $10M allocation for prescribed burn damage claims.**	Consolidates into one sentence, improves flow.
Page 4, line 2	~~This measure is a tax increase in disguise that will reduce or eliminate future TABOR refunds…~~	**The measure reduces TABOR refunds, functioning like a tax increase by allowing the state to retain more revenue."**	Keeps opposition framing while softening potentially inflammatory rhetoric.
Page 4, lines 19-21	The measure ~~increases state government spending by transferring money from the state General Fund to pay for various programs~~ related to forest restoration, wildfire mitigation, conservation, and outdoor recreation. ~~It reduces the amount of money returned to taxpayers by exempting sporting goods sales tax revenue from the TABOR limit.~~	The measure **transfers an estimated $175M in FY 2027-28 from the General Fund to specified programs** related to forest restoration, wildfire mitigation, conservation, and outdoor recreation, **reducing TABOR refunds in years when revenue exceeds the limit.**	Adds detail and avoids vague "increases spending" language.
Page 5, lines 21-23	~~Because Initiative 308 reduces 21 revenue subject to the~~	**If both Initiative 308 and Proposition NN pass, Initiative 308's exemption reduces the amount**	Clarifies relationship between 308 &

	~~constitutional revenue limit, Initiative 308 will reduce the amount of 22 money the state actually keeps and spends under Proposition NN, if both measures pass.~~	**of revenue available under Proposition NN's limit.**	Prop NN, avoids technical jargon

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Initiative 308: Direct Sporting Goods Sales Tax Revenue for Conservation

Placed on the ballot by citizen initiative • Passes with a majority vote

Initiative 308 proposes amending the Colorado statutes to:

- direct revenue equal to a portion of existing sales tax revenues from purchases and rentals of sporting goods to be used for certain conservation, wildfire risk mitigation, and outdoor recreation programs; and
- exempt that amount of money from the state's constitutional revenue limit, reducing the amount of money collected above the limit that is returned to taxpayers.

> **Commented [1]:** This edit is to recommended to improve the analysis' accuracy regarding how the measure works:
>
> -It is debrucing an amount of money (referred to in the measure as "exempt revenue 'known as wildfire and conservation revenue'") that is equal to a portion of the existing sales tax revenue on sporting goods and equipment.
> -The measure is not a strict dedication of actual sales tax dollars like in some other measures (e.g. Initiative 175).
> -The amount of exempt wildfire and conservation revenue is determined through a calculation made by Legislative Council--it is not tied to actual sales tax receipts.
> -We'd recommend corresponding edits throughout the document, including to refer to the revenue amount as "the amount of exempt revenue for wildfire and conservation" and/or being clear that the amount of revenue in question is "an amount equal to a portion of existing sales tax revenues . . ."

What Your Vote Means

YES

A "yes" vote on Initiative 308 requires that revenue equal to existing sales tax revenue collected from sales of sporting goods be spent on certain conservation, wildfire risk mitigation, and outdoor recreation programs, and exempt it from state revenue limitations.

NO

A "no" vote on Initiative 308 keeps the sales tax revenue collected from sporting goods in the state's general budget and subject to the state's revenue limit, with the revenue either spent on priorities decided annually by the legislature or refunded to taxpayers when required.

Summary and Analysis of Initiative 308

What does Initiative 308 do?

The measure requires that an amount equal to state sales tax revenue collected from purchases and rentals of sporting goods be spent on certain programs. These include:

- conservation programs that support parks, open spaces, and wildlife;
- wildfire risk management and mitigation, forest management and restoration, and a fund for damages that may arise ~~to pay claims arising~~ from prescribed fires~~ damages~~;
- watershed restoration projects;
- outdoor education and recreation programs; and
- outdoor access and equity improvements, which could include programs that give opportunities to underserved youth and families.

The measure applies to most sporting goods categories and does not change the price of sporting goods or the amount of tax collected. Sporting goods include bicycles, golf equipment,

hunting and fishing equipment, camping equipment, boats, recreational vehicles, and campers. It also includes rental services for recreational, sports, and fitness equipment.

The measure exempts this portion of state sales tax revenue from the state's constitutional revenue limit, known as the Taxpayer's Bill of Rights (TABOR) limit. The amount directed to these efforts will be calculated by Legislative Council Staff, the nonpartisan research agency of the General Assembly. For state budget year 2027-28, this is currently estimated to be $175 million.

Will this measure apply to sporting goods revenue in all future years?

In some years, the measure will not direct the full amount of sales tax revenue collected from sporting goods to the identified purposes. This would occur if exempting the revenue from the TABOR limit would reduce two state tax credits available to low- and moderate-income households.

How will the revenue be used?

The measure is estimated to direct about $175 million per year towards the identified conservation purposes, which would be in addition to the approximately $114 million that those efforts currently receive. This amount includes only the specific programs that receive increased funding under the measure and does not include other existing funds for general conservation efforts. The estimated distribution of sales tax revenue directed by the measure is shown in Figure 1 and discussed below.

- **Great Outdoors Colorado (GOCO).** About $83.1 million would be dedicated to GOCO, an organization established in the state constitution that funds parks, trails, and wildlife projects through grants to local governments, the state, and other conservation efforts. GOCO is funded by the state lottery, amounting to about $90 million annually, and currently receives no state funding from taxes.
- **Wildfire risk mitigation, forest management, and watershed restoration projects.** About $~~73~~83.1 million would be dedicated to these efforts per year. A~~n additional,~~ one-time $10.0 million transfer would be ~~available~~ made in state budget year 2027-28 to ~~pay~~ a fund to pay for damages that may arise from the use of prescribed fires~~damage claims~~ as a way to encourage prescribed burns. These wildfire risk mitigation and forest management efforts currently receive about $16.4 million annually from the state, which is largely awarded through grants from state agencies for fuels reduction in forests and other risk mitigation projects near developed areas. Watershed restoration projects and water projects reducing risk of post-wildfire floods currently receive about $5 million annually from the state.
- **Outdoor recreation economic development and equity programs.** The remaining revenue, about $8.7 million, would be dedicated to outdoor recreation and equity programs funded through the Colorado Office of Economic Development and International Trade and Colorado Parks and Wildlife. These programs currently receive about $800,000 from the state annually. The funding is used to support outdoor industry business advancement and outdoor recreation planning for rural communities, and to provide grants to organizations and projects improving access and representation for youth and their families in the Colorado outdoors.

More information is included in the Fiscal Impact section below.

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Figure 1
Sales Tax Revenue Distribution Under Initiative 308 for State Budget Year 2027-28
Millions of Dollars

Great Outdoors Colorado (GOCO) $83.1 million

Wildfire risk mitigation, forest management, and watershed projects $83.1 million

Outdoor recreation and equity programs

$0 $20 $40 $60 $80

How does the measure affect TABOR refunds?

TABOR limits state government revenue available for spending to an amount adjusted annually for inflation and population growth. Revenue collected over the limit must be refunded to taxpayers unless voters approve a measure to allow the government to keep and spend it. Under this measure, the amount of revenue equal to a portion of sporting goods ~~dedicated~~ sales tax revenue would be exempt from the TABOR limit. In years where state revenue exceeds the limit, the measure reduces TABOR refunds by the amount of exempt wildfire and conservation revenue ~~of sporting goods sales tax revenue~~ the state is allowed to keep. In years where state revenue is below the TABOR limit, the measure does not impact TABOR refunds~~, but it may reduce the amount of money available for other general budget priorities.~~

More information about the TABOR limit and refunds can be found in this Legislative Council Staff memorandum.

Arguments For Initiative 308

1) Without increasing tax rates or changing the cost of sporting goods, the measure directs needed money to safeguard watersheds and water sources, reduce wildfire risk, protect land from development, and support outdoor recreation access.

Colorado's outdoor spaces are under strain with more visitors, ongoing drought, and more frequent and devastating wildfires. These pressures threaten communities, water resources, and recreational spaces like parks. Competing priorities squeeze the state budget, federal support is unreliable, and the state has not kept up with necessary investments to improve and protect the environment and economy for residents and visitors. ~~Without increasing tax rates or changing the cost of sporting goods, the measure directs needed money to recreation access, protects land from development, mitigates wildfire risk, and safeguards watersheds.~~ Th~~e money goes to trusted programs like GOCO, which has worked statewide for over 30 years.~~

2) ~~This measure provides a user-based model for supporting the outdoors, protecting our communities from wildfire, and restoring watersheds. Residents and visitors who rent or buy~~

Commented [2]: The third draft of the ballot analysis for Prop NN provides the below information, which is helpful for voters to understand the distinction between TABOR refunds and tax refunds. We'd recommend including it here too.

"TABOR refunds are often distributed when people file their taxes, but they are different from tax refunds that are owed when people overpay their taxes. Tax refunds are not affected by this measure."

Commented [3]: Recommend deleting this sentence as it does not pertain to impacts on TABOR refunds.

Commented [4]: To balance the argument against, we recommend that this first argument start with the statement that this measure is not a tax increase.

Commented [5]: Again, to balance out the second argument against, we recommend that this argument focus on the accountability measures built into the measure: the funding will go to programs that are either established by the state constitution or statute with specific requirements and criteria, and much of the funding will be received by local governments, which are accountable to voters. We are recommending similar language to what we proposed in version 2.

For the committee's benefit, below is all of the language we have suggested through the Blue Book process regarding the most compelling reasons to vote for this measure.

Commented [5R2]: Submission in response to Blue Book interview:

This measure does not increase taxes or change the cost of sporting goods and equipment. The consumer and retailer experience will remain the same. It requires the state to use the money it collects from the existing sales tax on sporting goods and equipment to safeguard our communities by reducing the risk of wildfires, protect our land from development and conserve our rivers, streams and drinking water sources, and to ensure that our outdoor economy continues to drive Colorado's economy and create jobs.

... [3]

Commented [5R3]: Draft 1 arguments:
With the lack of snowfall this past season and continuing drought conditions through the summer, Colorado is facing a historic threat to our water supply and catastrophic wildfires. The measure will dedicate funding to prevent wildfires and make sure Colorado's families, farms, and ranches have the clean water they need. This measure does no

... [2]

Commented [5R4]: Draft two arguments:

1) The measure does not increase taxes or change the cost of sporting goods and equipment. Colorado is facing 's outdoor spaces are under strain with more visitors and pressures, like recurring drought. Wildfires are becoming more devastating and frequent wildfire, recurring drought threatening communities throug

... [1]

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~~sporting goods often use them in outdoor-related activities, making them natural stakeholders in protecting Colorado's lands, water, and wildlife. Linking spending to conservation ensures that those who benefit most from the outdoors help sustain it~~. The measure increases funding to proven and publicly accountable programs, including Great Outdoors Colorado, which has funded projects to protect land and water, restore wildlife habitat, and create new parks and trails statewide for more than 30 years. These programs are subject to constitutional and legislative oversight and have specific funding objectives and criteria.

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Arguments Against Initiative 308

1) This measure ~~is a tax increase in disguise that~~ will reduce or eliminate future TABOR refunds. Keeping state revenue subject to the current constitutional limit is a critical taxpayer protection that is continuously being undermined. Allowing the state to keep even more taxpayer money has the same effect as taxpayers paying higher taxes. Every dollar retained under this measure is a dollar less in either tax refunds or spending on other critical state priorities like health care and education.

2) This measure directs more money to organizations and government entities with specific interests and little accountability to the legislature or voters. As some ~~many~~ of these programs already have dedicated, reliable funding sources, siphoning additional state dollars to these programs reduces the ability of the state to respond to changing conservation needs as best practices evolve. State legislators already have the power to spend money to meet these needs and should have the flexibility to balance their budget priorities without being constrained by this measure.

Information about the organizations supporting and opposing this measure is available on the Colorado Secretary of State's website:

www.coloradosos.gov/pubs/elections/Initiatives/ballot/contacts/2026.html

Fiscal Impact of Initiative 308

The measure increases state government spending by reducing the amount of money returned to taxpayers by exempting sporting goods sales tax revenue from the TABOR limit ~~by transferring money from the state~~

~~General Fund~~ and using it to pay for various programs related to forest restoration, wildfire mitigation, conservation, and outdoor recreation. ~~It reduces the amount of money returned to taxpayers by exempting sporting goods sales tax revenue from the TABOR limit.~~ It may use the General Fund to pay for the programs if the exempted tax revenue is insufficient.

State Revenue

The measure transfers an estimated $175.0 million in the 2027-28 budget year and $180.2 million in 2028-29 and future budget years for use on specified programs. This money would otherwise be available for the general state budget or refunded to taxpayers. The transferred revenue is divided between programs within GOCO (47.5 percent), Colorado State Forest Service and the Department of Natural Resources (47.5 percent), Colorado Parks and Wildlife (2.5 percent), and the Office of Economic Development and International Trade (2.5 percent).

The amount transferred may be reduced in years where the transfer would result in the reduction of certain income tax credits for families.

State Spending

The measure increases state spending by up to an estimated $175.0 million in budget year 2027-28 and $180.2 million in budget year 2028-29, and by increasing amounts in future years

Commented [6]: Local governments will receive significant funding under this measure and are accountable to voters. And, with the exception of GOCO, all of the programs funded under this measure are or could be subject to oversight by the state legislature. And GOCO operates pursuant to strict constitutional parameters, including an audit requirement.

Commented [TU7]: Not all of these programs have dedicated funding sources and where there is existing state funding, it is insufficient to address urgent conservation and wildfire funding needs.

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assuming sporting goods sales growth. Some funds may not necessarily be spent in the year they were received. Potential spending under the measure is shown in Table 1.

Table 1
Potential Change in State Spending Under Initiative 308

Use	Budget Year 2027-28	Future Year 2028-29
Great Outdoors Colorado	up to $83.1 million	up to $85.6 million
Colorado State Forest Service	up to $36.5 million	up to $42.8 million
Department of Natural Resources	up to $36.6 million	up to $42.8 million
Department of Public Safety	$10.0 million	$0
Colorado Parks and Wildlife	up to $4.4 million	up to $4.5 million
Office of Economic Development & International Trade	up to $4.4 million	up to $4.5 million
Total Spending	**up to $175.0 million**	**up to $180.2 million**

In years where state revenue collections are below the TABOR limit, the measure will reduce state money available for other uses (the three largest of which are health care, education, and human services); however, the exact effect of the measure on other programs will depend on budgeting decisions by the state legislature. In years where state revenue collections are above the TABOR limit, the measure has no impact on other state spending, but has impacts to taxpayers as described below.

Commented [8]: We appreciate this language. It accurately reflects that Initiative 308 is a statutory measure that does not strip the legislature of budgeting authority, and that in years when revenue falls below the TABOR cap, the legislature may decide to reduce the amount of funding for wildfire and conservation.

Taxpayer Impacts

The measure will decrease the amount refunded to taxpayers in years when state revenue is over the TABOR limit. Based on forecasts from June 2026, the measure is expected to decrease refunds by $175.0 million in tax year 2027. Refunds in tax year 2028 are outside the forecast window. The impact on taxpayers depends on how this money would be refunded. The measure is expected to eliminate six-tier sales tax TABOR refunds in at least the 2027-28 budget year, by between $26 and $83 per single filer and between $52 and $166 per joint filer, with the actual amount dependent on income level.

Interactions with Other Measures

Commented [9]: There are numerous ballot measures this year that have fiscal policy impacts, including NN, 308, and 175. Because various permutations are possible, we think in order to avoid voter confusion, there should either be more thorough information about the various measures or no mention of any interaction.

Proposition NN allows the state to keep and spend revenue that would otherwise be refunded to taxpayers under TABOR, up to a newly established limit. Because Initiative 308 reduces revenue subject to the constitutional revenue limit, Initiative 308 will reduce the amount of money the state actually keeps and spends under Proposition NN, if both measures pass.

Page 3: [1] Commented [5R4]	Tarn Udall	8/18/2026 10:26:00 PM

Draft two arguments:

1) The measure does not increase taxes or change the cost of sporting goods and equipment. Colorado is facing 's outdoor spaces are under strain with more visitors and pressures, like recurring drought. Wildfires are becoming more devastating and frequent wildfire, recurring drought threatening communities throughout the state. In the face of threats to open spaces and recent water shortages, and increasing development pressure. The measure directs more revenue to wildfire prevention, conserve water, protect land from development, and support and increases investments to critical state priorities like outdoor recreation, protects land from development, mitigates wildfire risk, and protects clean water without increasing tax rates or changing the cost of sporting goods.
2) The measure increases funding to proven and publicly accountable programs, including Great Outdoors Colorado, which has funded projects to protect land and water, restore wildlife habitat, and create new parks and trails statewide for more than 30 years.The state has not kept pace with needed investments to prevent wildfires, increase land and water conservation, and bolster outdoor recreation opportunities. Not only is state funding insufficient, federal support is also unreliable. Requiring the state to increase funding to these trusted programs will dedicate money to our outdoor spaces protects Colorado's communities, land, water, and wildlife as well as its heritage and outdoor economy and way of life.

Page 3: [2] Commented [5R3]	Tarn Udall	8/18/2026 10:21:00 PM

Draft 1 arguments:
With the lack of snowfall this past season and continuing drought conditions through the summer,
Colorado is facing a historic threat to our water supply and catastrophic wildfires. The measure will
dedicate funding to prevent wildfires and make sure Colorado's families, farms, and ranches have
the clean water they need. This measure does not increase taxes or change the cost of sporting goods and equipment. It requires the state to use the money collected from the existing sales tax
on sporting goods and equipment to safeguard our communities by reducing the risk of wildfires, protecting our land from development, and conserving our rivers, streams and drinking water sources, and ensuring that our outdoor economy continues to drive Colorado's economy and create jobs.

Page 3: [3] Commented [5R2]	Tarn Udall	8/18/2026 10:20:00 PM

Submission in response to Blue Book interview:

This measure does not increase taxes or change the cost of sporting goods and equipment. The consumer and retailer experience will remain the same. It requires the state to use the money it collects from the existing sales tax on sporting goods and equipment to safeguard our communities by reducing the risk of wildfires, protect our land from development and conserve our rivers, streams and drinking water sources, and to ensure that our outdoor economy continues to drive Colorado's economy and create jobs.

This measure will provide resources needed to address the increasing risk of catastrophic wildfires and make sure Colorado's families, farms, and ranches have the clean water they need and are protected from the threat of wildfire.

Colorado’s public lands, rivers and wildlife are a major contributor to our economy. In 2023 alone, Colorado’s outdoor recreation economy generated $36.5 billion, and supported over 400,000 jobs in the state. It’s estimated that nearly one square mile of land is lost every day and that 80% of the state’s land is not protected from development. Voting yes on this measure will protect and conserve our land and water, and ensure that our outdoor economy continues to drive Colorado’s economy and create jobs

Contact List

Proposition 137

Direct Sporting Goods Sales Tax Revenue for Conservation

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Proposition 137

Direct Sporting Goods Sales Tax Revenue for Conservation

Ballot Title: Shall there be a change to the Colorado Revised Statutes creating new law to increase water and land conservation funding without raising taxes, and, in connection therewith, through a voter-approved revenue change, allowing the state to keep and spend a portion of revenue from the state sales tax on sporting goods and equipment to conserve and protect Colorado's water, land, and forests, prevent wildfires, support outdoor recreation training and activities, and reduce revenue spent on these conservation purposes if necessary to preserve funding for certain tax credits?

Text of Measure:

Be it Enacted by the People of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** 24-77-110 as follows:

24-77-110. Declaration of the people of Colorado - retention of exempt sales tax revenue - conserve and protect Colorado's water, land, and forests fund - determination and distribution of wildfire and conservation revenue. (1) THE VOTERS OF THE STATE OF COLORADO FIND AND DECLARE THAT:

(a) WITHOUT RAISING TAXES, MORE CONSERVATION FUNDING IS NEEDED TO REDUCE THE RISK OF WILDFIRE AND CONSERVE AND PROTECT COLORADO'S WATER, LAND, PARKS, AND WILDLIFE;

(b) RECENT WILDFIRES HAVE BEEN THE DEADLIEST AND MOST DESTRUCTIVE ON RECORD, WITH FOUR OF THE STATE'S LARGEST WILDFIRES IN HISTORY OCCURRING IN THE LAST FIVE YEARS, WHICH RESULTED IN THE DESTRUCTION OF 1.5 MILLION ACRES AND MORE THAN 1,900 HOMES AND HUNDREDS OF MILLIONS OF DOLLARS IN DAMAGES AND LOSSES;

(c) COLORADO'S RIVERS, STREAMS, AND LAKES ARE THE LIFEBLOOD OF THE STATE, AND IT IS ESSENTIAL TO PRESERVE WATER QUALITY AND QUANTITY IN RIVERS, STREAMS, AND UNDERGROUND WATER SUPPLIES;

(d) REDUCING THE RISK OF WILDFIRE CAN PROTECT COLORADO'S WATER, COMMUNITIES, LAND, WILDLIFE, AND OUTDOORS WAY OF LIFE;

(e) THE COLORADO STATE FOREST SERVICE AND THE COLORADO DEPARTMENT OF NATURAL RESOURCES WORK IN PARTNERSHIP TO PROTECT COLORADO COMMUNITIES AND WATER BY REDUCING THE RISK OF WILDFIRE;

(f) THE COLORADO STATE FOREST SERVICE DELIVERS SIGNIFICANT BENEFITS TO COLORADO BY ENSURING THE LONG-TERM HEALTH AND VITALITY OF COLORADO'S FORESTS AND WATERSHEDS, INCLUDING THROUGH FUNDING THAT EMPOWERS COMMUNITIES TO REDUCE THE RISK OF WILDFIRE TO PEOPLE, PROPERTY, AND INFRASTRUCTURE; PROMOTES FOREST HEALTH AND FOREST RESTORATION PROJECTS; AND ENCOURAGES THE USE OF WOOD FOR TRADITIONAL FOREST PRODUCTS AND BIOMASS ENERGY;

(g) THE COLORADO DEPARTMENT OF NATURAL RESOURCES AND THE COLORADO WATER CONSERVATION BOARD PROVIDE CRITICAL FUNDING FOR WILDFIRE RISK REDUCTION, INCLUDING BY FUNDING LARGE-SCALE PROJECTS TO REDUCE THE AMOUNT OF POTENTIAL WILDFIRE FUEL; INVESTING IN WORKFORCE DEVELOPMENT WITH HANDS-ON EXPERIENCE AND TRAINING OPPORTUNITIES IN WILDFIRE MITIGATION AND FORESTRY; AND ASSISTING COMMUNITIES IN PLANNING FOR AND LESSENING THE LONG-TERM EFFECTS THAT WILDFIRES HAVE ON COLORADO'S WATER, WETLANDS, COMMUNITIES, AND INFRASTRUCTURE;

(h) DESPITE THESE EXISTING INVESTMENTS, COLORADO'S FORESTS NEED ADDITIONAL FUNDING AND URGENT ATTENTION TO ADDRESS WILDFIRE RISK AND PROTECT WATERSHEDS AND FOREST HEALTH;

(i) COLORADO'S GREAT OUTDOORS, WATER, AND WILDLIFE ARE AMONG THE STATE'S MOST TREASURED RESOURCES, ENHANCING COLORADANS' QUALITY OF LIFE, CONTRIBUTING TO THE STATE'S ECONOMY, PROVIDING DIVERSE OPPORTUNITIES

TO EXPERIENCE NATURE, AND SUPPORTING JOBS IN THE STATE;

(j) DESPITE THE STATE'S RENOWNED BEAUTY AND VAST OPPORTUNITIES FOR YEAR-ROUND OUTDOOR ACTIVITIES, MANY COMMUNITIES IN COLORADO FACE OBSTACLES TO ACCESSING THE OUTDOORS AND THE SIGNIFICANT BENEFITS SPENDING TIME IN NATURE DELIVERS;

(k) COLORADO HAS A LEGACY OF LAND CONSERVATION, INCLUDING THROUGH PARTNERSHIPS WITH PRIVATE LANDOWNERS TO PROTECT WORKING FARMS AND RANCHES AND TO MAINTAIN THE NATURAL AND AGRICULTURAL HERITAGE OF THE STATE, AND ALSO HAS WORLD-CLASS STATE PARKS AND OTHER PUBLIC LANDS, ALL OF WHICH PROVIDE SIGNIFICANT BENEFITS TO COLORADO'S WATERS, WILDLIFE, AND PEOPLE;

(l) COLORADO PARKS AND WILDLIFE WORKS TO ENSURE COLORADO'S OUTDOORS AND WILDLIFE ARE SUSTAINED FOR FUTURE GENERATIONS, INCLUDING TO CONSERVE VULNERABLE WILDLIFE SPECIES AND HABITATS AND TO MAINTAIN A HIGH-QUALITY STATE PARKS SYSTEM;

(m) THE GREAT OUTDOORS COLORADO PROGRAM (GOCO), ESTABLISHED BY A VOTE OF THE PEOPLE OF COLORADO AND ENSHRINED IN ARTICLE XXVII OF THE STATE CONSTITUTION, IS DEDICATED TO THE PRESERVATION, PROTECTION, ENHANCEMENT, AND MANAGEMENT OF THE STATE'S WILDLIFE, PARK, RIVER, TRAIL, AND OPEN SPACE HERITAGE;

(n) GOCO DELIVERS EXCEPTIONAL BENEFITS TO THE STATE BY INVESTING COLORADO LOTTERY REVENUE IN THE STATE'S WILDLIFE RESOURCES AND OUTDOORS THROUGH COLORADO PARKS AND WILDLIFE AND COMPETITIVE GRANTS TO PROTECT UNIQUE NATURAL LANDSCAPES AND TO MATCH LOCAL INVESTMENTS FOR OPEN SPACE, PARKS, AND ENVIRONMENTAL EDUCATION FACILITIES;

(o) CREATED BY EXECUTIVE ORDER B-2020-08 IN 2020, THE COLORADO OUTDOOR REGIONAL PARTNERSHIPS INITIATIVE, WHICH RECEIVES FUNDING FROM GOCO AND COLORADO PARKS AND WILDLIFE, ADVANCES REGIONAL AND STATEWIDE COLLABORATION TO ENSURE THAT COLORADO'S WATER, LAND, AND WILDLIFE THRIVE WHILE ALSO ENHANCING EQUITABLE ACCESS TO QUALITY OUTDOOR EXPERIENCES;

(p) FOLLOWING THE CREATION OF THE REGIONAL PARTNERSHIPS INITIATIVE, THE COLORADO OUTDOORS STRATEGY EMERGED FROM A MULTI-YEAR, COLLABORATIVE EFFORT WITH LOCAL, REGIONAL, AND STATE PARTICIPATION AND SERVES AS A VISION FOR FUTURE INVESTMENTS IN COLORADO'S OUTDOORS WITH THREE NORTH-STAR GOALS: CLIMATE RESILIENT CONSERVATION AND RESTORATION; EXCEPTIONAL AND SUSTAINABLE OUTDOOR RECREATION; AND COORDINATED PLANNING AND FUNDING;

(q) THE OUTDOOR EQUITY GRANT PROGRAM, WITHIN COLORADO PARKS AND WILDLIFE, INCREASES ACCESS AND OPPORTUNITIES FOR YOUTH AND THEIR FAMILIES TO EXPERIENCE COLORADO'S OUTDOORS AND INVESTS, THROUGH GRANTS TO ORGANIZATIONS THAT PROVIDE TRANSFORMATIONAL CONSERVATION, OUTDOOR EDUCATION, AND EXPERIENTIAL LEARNING PROGRAMS, IN THE NEXT GENERATION OF COLORADANS LEARNING ABOUT THE IMPORTANCE OF OUR LAND AND WATER;

(r) THE OUTDOOR RECREATION INDUSTRY OFFICE IN THE OFFICE OF ECONOMIC DEVELOPMENT WORKS TO SUPPORT THE ECONOMIC VALUE OF COLORADO'S OUTDOORS AND TO PROTECT AND CONSERVE OUR WATER, LAND, AIR, AND CLIMATE BY, AMONG OTHER EFFORTS, PROMOTING CONSERVATION, ECONOMIC DEVELOPMENT, EDUCATION, WORKFORCE TRAINING, AND PUBLIC HEALTH AND WELLNESS AND ADDRESSING THE CHRONIC AND SYSTEMIC INEQUITIES THAT PREVENT YOUTH AND COMMUNITIES FROM ENGAGING IN MEANINGFUL EXPERIENCES IN THE OUTDOORS; AND

(s) WITHOUT RAISING TAXES OR CHANGING THE COST OF SPORTING GOODS AND EQUIPMENT, COLORADO VOTERS DIRECT THE INVESTMENT OF MORE CONSERVATION FUNDING BY ALLOWING THE STATE TO RETAIN THE REVENUE GENERATED FROM THE EXISTING STATE SALES TAX ON SPORTING GOODS AND EQUIPMENT AND DIRECTING THAT AMOUNT OF MONEY TO THE COLORADO WILDFIRE PROTECTION AND WATER FUND TO HELP THE COLORADO STATE FOREST SERVICE AND THE COLORADO DEPARTMENT OF NATURAL RESOURCES PROTECT COMMUNITIES AND WATER BY REDUCING THE RISK OF WILDFIRE; TO GOCO TO PRESERVE, PROTECT, ENHANCE, AND MANAGE THE STATE'S WILDLIFE, PARK, RIVER, TRAIL, AND OPEN SPACE HERITAGE; TO THE OUTDOOR EQUITY GRANT PROGRAM TO IMPROVE ACCESS TO THE OUTDOORS FOR YOUTH AND FAMILIES; AND TO THE OUTDOOR RECREATION INDUSTRY OFFICE TO INVEST IN WORKFORCE DEVELOPMENT AND OTHER OPPORTUNITIES TO PARTICIPATE IN AND CONTRIBUTE TO COLORADO'S OUTDOORS ECONOMY.

(2)(a) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, COMMENCING ON JULY 1, 2027, ALL STATE SALES TAX REVENUES COLLECTED FROM CERTAIN SPORTING GOODS AND EQUIPMENT SHALL CONSTITUTE A VOTER-APPROVED REVENUE CHANGE UNDER SECTION 20(7)(d) OF ARTICLE X OF THE STATE CONSTITUTION, AS AN EXCEPTION TO THE LIMITS THAT WOULD OTHERWISE APPLY WITHOUT LIMITING OR AFFECTING THE COLLECTION OR SPENDING OF OTHER REVENUES.

(b) THE REVENUE RESULTING FROM THE VOTER-APPROVED REVENUE CHANGE CREATED BY THIS SECTION SHALL BE EXEMPT REVENUE KNOWN AS "WILDFIRE AND CONSERVATION REVENUE". FOR THE PURPOSES OF THIS SECTION, "EXEMPT REVENUE" MEANS, FOR THE APPLICABLE STATE FISCAL YEAR, REVENUE EXEMPT FROM THE LIMITATION ON STATE FISCAL YEAR SPENDING.

(3) THE CONSERVE AND PROTECT COLORADO'S WATER, LAND, AND FORESTS FUND IS HEREBY CREATED IN THE STATE TREASURY.

(a) THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (3)(c) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(b) ALL INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEY IN THE CONSERVE AND PROTECT COLORADO'S WATER, LAND, AND FORESTS FUND IS CREDITED TO THE FUND AND IS NOT TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

(c) ON JULY 1, 2027 FOR THE 2027-28 STATE FISCAL YEAR, AND ON JULY 1 FOR EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL TRANSFER FROM THE GENERAL FUND TO THE CONSERVE AND PROTECT COLORADO'S WATER, LAND, AND FORESTS FUND AN AMOUNT EQUAL TO THE WILDFIRE AND CONSERVATION REVENUE DETERMINED PURSUANT TO THE CALCULATIONS IN SUBSECTION (4) OF THIS SECTION.

(d) MONEY IN THE CONSERVE AND PROTECT COLORADO'S WATER, LAND, AND FORESTS FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING FUNDING FOR THE FUNDS IN SUBSECTIONS (3)(d)(I), (3)(d)(II), (3)(d)(III), AND (3)(d)(IV) OF THIS SECTION AND BE CREDITED AS FOLLOWS:

(I) FORTY-SEVEN AND FIVE-TENTHS PERCENT TO THE GREAT OUTDOORS COLORADO TRUST FUND CREATED AND ESTABLISHED BY SECTION 2 OF ARTICLE XXVII OF THE STATE CONSTITUTION FOR THE PURPOSES OF SUCH ARTICLE AND TO BE MAINTAINED AND EXPENDED PURSUANT TO SUCH ARTICLE;

(II) FORTY-SEVEN AND FIVE-TENTHS PERCENT TO THE COLORADO WILDFIRE PREVENTION AND WATER FUND CREATED IN SECTION 24-33-119 TO PROTECT COMMUNITIES AND WATER SOURCES FROM WILDFIRE;

(III) TWO AND FIVE-TENTHS PERCENT TO THE OUTDOOR EQUITY FUND CREATED IN SECTION 33-9-206(1)(a); AND

(IV) TWO AND FIVE-TENTHS PERCENT TO THE OUTDOOR RECREATION ECONOMIC DEVELOPMENT CASH FUND CREATED IN SECTION 24-48.5-129(4)(a) FOR THE PURPOSE OF PROVIDING GRANTS IN FURTHERANCE OF THE PURPOSES LISTED IN SECTION 24-48.5-129 (3)(c) AND (3)(d).

(4) THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE GENERATED AND AVAILABLE FOR DISTRIBUTION PURSUANT TO THIS SECTION SHALL BE DETERMINED AS FOLLOWS:

(a) NO LATER THAN MARCH 15, 2027, FOR THE 2027-28 STATE FISCAL YEAR, LEGISLATIVE COUNCIL STAFF SHALL DETERMINE THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE BASED ON THE UNITED STATES CENSUS BUREAU 2022 ECONOMIC CENSUS DATA CONTAINED IN TABLE NUMBER EC2200NAPCSINDPRD AND PURSUANT TO THE FOLLOWING METHODOLOGY:

(I) COLLECT THE COLORADO AND NATIONAL TOTAL SALES, VALUE OF SHIPMENTS, OR REVENUES FROM THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE 44-45 FOR RETAIL TRADE;

(II) COLLECT THE TOTAL SALES, VALUE OF SHIPMENTS, OR REVENUES IN NAICS CODE 44-45 FOR RETAIL TRADE FOR EACH NORTH AMERICAN PRODUCT CLASSIFICATION SYSTEM (NAPCS) PRODUCT IN COLORADO AND THE NATION FOR THE NAPCS SPORTING GOODS AND EQUIPMENT PRODUCTS WITH THE FOLLOWING CODES USED IN THE 2022 ECONOMIC CENSUS TABLE: 5001025000, 5001050000, 5001075000, 5001105000, 5001150000, 5001175000, 5001300000, 5001700000, AND 7001800000;

(III) DIVIDE:

(A) THE TOTAL DOLLAR AMOUNT FOR EACH NAPCS PRODUCT CODE IN COLORADO IN SUBSECTION (4)(a)(II) OF THIS SECTION BY THE TOTAL DOLLAR AMOUNT FOR THE ENTIRE NAICS CODE 44-45 FOR RETAIL TRADE IN COLORADO IN SUBSECTION (4)(a)(I) OF THIS SECTION IN ORDER TO DETERMINE THE PERCENT OF TOTAL RETAIL TRADE SALES THAT ARE SPORTING GOODS AND EQUIPMENT SALES FOR COLORADO; AND

(B) THE TOTAL DOLLAR AMOUNT FOR EACH NAPCS PRODUCT CODE IN THE NATION IN SUBSECTION (4)(a)(II) OF THIS SECTION BY THE TOTAL DOLLAR AMOUNT FOR THE ENTIRE NAICS CODE 44-45 FOR RETAIL TRADE IN THE NATION IN SUBSECTION (4)(a)(I) OF THIS SECTION IN ORDER TO DETERMINE THE PERCENT OF TOTAL RETAIL TRADE SALES THAT ARE SPORTING GOODS AND EQUIPMENT SALES FOR THE NATION;

(IV) MULTIPLY:

(A) EACH COLORADO NAPCS PRODUCT CODE PERCENTAGE IN SUBSECTION (4)(a)(III)(A) OF THIS SECTION BY THE COLORADO DEPARTMENT OF REVENUE GROSS ANNUAL SALES FROM THE MOST RECENTLY AVAILABLE TAX YEAR FOR THE NAICS CODE 44-45 FOR RETAIL TRADE TO DETERMINE THE ESTIMATE OF TAXABLE SPORTING GOODS AND EQUIPMENT SALES IN COLORADO; AND

(B) AS A SUBSTITUTE FOR ANY COLORADO NAPCS PRODUCT CODE IN NAICS CODE 44-45 FOR RETAIL TRADE WITH A DATA NONDISCLOSURE FLAG FOR THE TOTAL SALES, VALUE OF SHIPMENTS, OR REVENUES IN TABLE NUMBER EC2200NAPCSINDPRD, THE NATIONAL NAPCS PRODUCT CODE PERCENTAGE IN PERCENTAGE IN SUBSECTION (4)(a)(III)(B) OF THIS SECTION BY THE COLORADO DEPARTMENT OF REVENUE GROSS ANNUAL SALES FROM THE MOST RECENTLY AVAILABLE TAX YEAR FOR THE NAICS CODE 44-45 FOR RETAIL TRADE; AND

(V) MULTIPLY THE TOTAL TAXABLE SALES FROM SPORTING GOODS AND EQUIPMENT DETERMINED IN SUBSECTION (4)(a)(IV) OF THIS SECTION BY THE STATE SALES TAX RATE TO DETERMINE THE AMOUNT OF WILDLIFE AND CONSERVATION REVENUE.

(b) FOR THE 2027-28 STATE FISCAL YEAR, THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE DETERMINED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION SHALL BE CONSIDERED EXEMPT REVENUE AVAILABLE FOR DISTRIBUTION PURSUANT TO SUBSECTION (3) OF THIS SECTION.

(c) FOR FISCAL YEARS COMMENCING ON AND AFTER JULY 1, 2028, THE QUARTERLY DECEMBER REVENUE FORECAST PREPARED BY LEGISLATIVE COUNCIL STAFF SHALL DETERMINE THE ADJUSTMENT TO THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE GENERATED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION FOR THE UPCOMING FISCAL YEAR. IN DETERMINING THE ADJUSTED ANNUAL AMOUNT, LEGISLATIVE COUNCIL STAFF SHALL CONSIDER, AT A MINIMUM, WHETHER:

(I) DATA USED IN SUBSECTION (4)(a) OF THIS SECTION HAS BEEN UPDATED;

(II) ACTUAL RECEIPTS OF SALES TAX REVENUE FOR THE NAPCS CODES IN SUBSECTION (4)(a) OF THIS SECTION OR SUCCESSOR CODES ARE AVAILABLE; OR

(III) LEGISLATIVE COUNCIL STAFF HAS PREPARED AN ALTERNATIVE RELIABLE ESTIMATE OF STATEWIDE SALES TAX REVENUE RECEIVED FROM THE SPORTING GOODS AND EQUIPMENT REFLECTED IN THE NAPCS CODES IN SUBSECTION (4)(a) OF THIS SECTION OR SUCCESSOR CODES.

(d) FOR FISCAL YEARS COMMENCING ON AND AFTER JULY 1, 2028, THE WILDFIRE AND CONSERVATION REVENUE IS SUBJECT TO REDUCTION IF IT IS DETERMINED THAT EXEMPTION OF THE FULL AMOUNT OF WILDFIRE AND CONSERVATION REVENUE, AS DETERMINED IN SUBSECTION (4)(c) OF THIS SECTION, WOULD CAUSE A REDUCTION IN THE CREDIT AMOUNT AVAILABLE FOR EITHER THE FAMILY AFFORDABILITY TAX CREDIT, PURSUANT TO SECTION 39-22-130(6), OR THE EARNED INCOME TAX CREDIT, PURSUANT TO 39-22-123.5(3.5)(c). SUCH DETERMINATION SHALL BE MADE IN EITHER THE QUARTERLY DECEMBER REVENUE FORECAST PREPARED BY LEGISLATIVE COUNCIL STAFF OR THE QUARTERLY DECEMBER REVENUE FORECAST PREPARED BY THE OFFICE OF STATE PLANNING AND BUDGETING IN THE DECEMBER IMMEDIATELY PRECEDING THE APPLICABLE STATE FISCAL YEAR, AS DETERMINED BY WHICH IMMEDIATELY PRECEDING MARCH FORECAST THE JOINT BUDGET COMMITTEE USED IN THE PREPARATION OF THE STATE BUDGET. IF SUCH A REDUCTION IS NECESSARY, LEGISLATIVE COUNCIL STAFF OR THE OFFICE OF STATE PLANNING AND BUDGETING SHALL CALCULATE THE MAXIMUM AMOUNT OF WILDFIRE AND CONSERVATION REVENUE

THAT CAN BE CONSIDERED EXEMPT REVENUE WITHOUT RESULTING IN A REDUCTION OF THE CREDIT AMOUNT AVAILABLE FOR THE FAMILY AFFORDABILITY TAX CREDIT, PURSUANT TO SECTION 39-22-130(6), OR THE EARNED INCOME TAX CREDIT, PURSUANT TO 39-22-123.5(3.5)(c).

(e) LEGISLATIVE COUNCIL STAFF OR THE OFFICE OF STATE PLANNING AND BUDGETING SHALL SUBMIT TO THE STATE TREASURER THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE THAT SHALL BE TRANSFERRED AND AVAILABLE FOR DISTRIBUTION PURSUANT TO SUBSECTION (3) OF THIS SECTION AS FOLLOWS:

(I) FOR THE 2027-28 STATE FISCAL YEAR, THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE THAT RESULTS FROM THE DETERMINATION MADE IN SUBSECTION (4)(a) OF THIS SECTION; AND

(II) FOR THE 2028-29 STATE FISCAL YEAR AND FOR ALL SUBSEQUENT STATE FISCAL YEARS, THE AMOUNT OF WILDFIRE AND CONSERVATION REVENUE THAT RESULTS FROM THE DETERMINATIONS MADE IN SUBSECTIONS (4)(c) AND (4)(d) OF THIS SECTION.

SECTION 2. In Colorado Revised Statutes, **add** 24-33-119 as follows:

24-33-119. Colorado wildfire prevention and water fund - disposition of money. (1) THE COLORADO WILDFIRE PREVENTION AND WATER FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND PURSUANT TO SECTION 24-77-110 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. ALL MONEY IN THE FUND AT THE END OF EACH FISCAL YEAR REMAINS IN THE FUND AND DOES NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(2) AFTER THE STATE TREASURER TRANSFERS AND CREDITS THE WILDFIRE AND CONSERVATION REVENUE PURSUANT TO SECTION 24-77-110 (3)(c) AND (3)(d), ON JULY 1, 2027, FOR THE 2027-28 STATE FISCAL YEAR, THE STATE TREASURER SHALL TRANSFER MONEY IN THE FUND AS FOLLOWS:

(a) TEN MILLION DOLLARS TO THE PRESCRIBED FIRE CLAIMS CASH FUND CREATED IN SECTION 24-33.5-1240(2)(a);

(b) FIFTY PERCENT OF THE MONEY REMAINING AFTER THE TRANSFER PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION TO THE FOREST RESTORATION AND WILDFIRE RISK MITIGATION GRANT PROGRAM CASH FUND CREATED IN SECTION 23-31-310(8.5) AND THE HEALTHY FORESTS AND VIBRANT COMMUNITIES FUND CREATED IN SECTION 23-31-313(10), WITH THE STATE FORESTER TO DETERMINE THE AMOUNT TO BE TRANSFERRED TO EACH FUND; AND

(c) THE OTHER FIFTY PERCENT OF THE MONEY REMAINING AFTER THE TRANSFER PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION TO THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND CREATED IN SECTION 24-33-117(1) AND THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121 FOR THE PURPOSES SPECIFIED IN SECTION 37-60-121(11)(b)(II), WITH THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES TO DETERMINE THE AMOUNT TO BE TRANSFERRED TO EACH FUND.

(3) AFTER THE STATE TREASURER TRANSFERS AND CREDITS THE WILDFIRE AND CONSERVATION REVENUE PURSUANT TO SECTION 24-77-110 (3)(c) AND (3)(d), ON JULY 1, 2028, FOR THE 2028-29 STATE FISCAL YEAR, AND ON JULY 1 FOR EACH STATE FISCAL YEAR THEREAFTER, THE STATE TREASURER SHALL CREDIT MONEY IN THE FUND AS FOLLOWS:

(a) FIFTY PERCENT OF THE MONEY TO THE FOREST RESTORATION AND WILDFIRE RISK MITIGATION GRANT PROGRAM CASH FUND CREATED IN SECTION 23-31-310(8.5) AND THE HEALTHY FORESTS AND VIBRANT COMMUNITIES FUND CREATED IN SECTION 23-31-313(10), WITH THE STATE FORESTER TO DETERMINE THE AMOUNT TO BE CREDITED TO EACH FUND; AND

(b) FIFTY PERCENT OF THE MONEY TO THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND CREATED IN SECTION 24-33-117(1) AND THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121 FOR THE PURPOSES SPECIFIED IN SECTION 37-60-121(11)(b)(II), WITH THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES TO DETERMINE THE AMOUNT TO BE CREDITED TO EACH FUND.