

## Aquila Insights: Colorado 2022 Bond Measure Election Results

Preliminary results from the November 2022 Colorado general election were a mixed bag for the State. Voters approved multiple statewide ballot measures, including:

- **Proposition FF** – to provide healthy meals for public school students
- **Proposition 121** – to reduce the state income tax rate to **4.40%** from **4.55%**
- **Proposition 123** – for affordable housing programs

Although results have yet to be certified and are therefore deemed preliminary, nearly \$1.0 billion of general obligation bonds were approved by Colorado voters. While this election was considered a success for local governments, when compared with the November 2021 election, which approved \$1.2 billion of issuance, this election fell a bit short. By election measure, approximately 80% of issues were approved, which represents 64% of the total requested par amount (see below).

### Municipal Bond Election Summary

	Pass	%	Fail	%
<b>Par Amount</b>	\$ 956,150,000	64%	\$ 546,000,000	36%
<b>Bond Measures</b>	16	80%	4	20%

Source: Kirkpatrick Pettis Capital Management and Colorado Secretary of State

### Key Bond Measures

There were more than 150 municipal ballot measures voted upon in Colorado. Ballot measures covered a wide range of purposes, including: housing, broadband, bond proposals for public improvements, governance, homelessness, marijuana, tax increases, property tax rate adjustments, election changes, and charter amendments. Two property tax mill levy increases passed, and two mill levy increases failed by voters, in addition to \$131.9 million of city bond issues.

Colorado voters were faced with \$1.4 billion of school bond issues in 15 school district elections, compared to the \$1.5 billion school districts requested from voters in 2021. School district bond issues on the ballot ranged from \$5.9 million to \$450 million. Voters approved 11 of the 15 school district bond issues for \$824.2 million that will fund new schools and capital improvements. In addition, voters also approved \$36.7 million in school district mill levy overrides. Historically, Colorado voters have shown a willingness to approve the majority of local bond measures, the success of school bond issues this year were lower than in most past years.

### City Bond Issues

Issuer	County	Par Amount	Purpose	Pass/Fail
City of Boulder	Boulder	\$ 52,900,000	Climate tax	Pass
City of Fort Lupton	Weld	\$ 10,000,000	Recreation center	Pass
City of Longmont	Boulder/Weld	\$ 20,000,000	Storm drainage system	Pass
City of Sterling	Logan	\$ 29,000,000	Wastewater system	Pass
Town of Dillon	Summit	\$ 20,000,000	Work force housing	Pass

Source: Kirkpatrick Pettis Capital Management and Colorado Municipal League

# COLORADO 2022 LOCAL BOND MEASURE ELECTION RESULTS

## 2022 School Bond Issues

Issue	County	Par Amount	Purpose	Pass/Fail
Boulder Valley School District RE-2	Boulder	\$ 350,000,000	Capital improvements	Pass
Bennett School District No. 29J	Adams/Arapahoe	\$ 50,000,000	1 new school and capital improvements	Fail
Calhan School District RJ1	Delta	\$ 7,500,000	Capital improvements	Pass
Delta County Joint School District No. 5	Delta	\$ 27,700,000	Capital improvements	Pass
Dolores County School District RE-2J4	Dolores	\$ 10,000,000	Capital improvements	Pass
Douglas County School District	Douglas	\$ 450,000,000	3 new schools and capital improvements	Fail
Ebert County School District C-2	Elbert	\$ 10,600,000	1 new school	Fail
Fremont School District RE-2	Dolores	\$ 25,000,000	Capital improvements	Pass
Gunnison Watershed School District	Gunnison/Saguache	\$ 95,000,000	Capital improvements	Pass
Hanover School District No. 28	El Paso	\$ 13,800,000	Capital improvements	Pass
McClave School District RE-2	Bent	\$ 5,900,000	1 new school and capital improvements	Pass
Peetz Plateau School District RE-5	LoganMesa	\$ 11,850,000	Capital improvements	Pass
Platte Canyon School District RE-1	Park	\$ 36,400,000	3 new schools and capital improvements	Fail
Weld County School District RE-4	Weld	\$ 271,000,000	1 new school	Pass
Weldon Valley School District RE-20J	Morgan/Weld	\$ 6,500,000	Capital improvements	Pass

Source: Kirkpatrick Pettis Capital Management, Colorado Secretary of State and Colorado School Finance Project

## Potential Increase in Supply

Overall, voters continue to demonstrate a willingness to approve local bond measures, which provide new schools and other capital improvements throughout the State. Upon final approval, this election should provide a much-needed source of additional supply to the municipal bond market.

The information is general in nature and is not intended to provide investment, accounting, tax or legal advice. It is not intended to represent a recommendation or solicitation related to any particular investment, security or industry sector. The opinions shared are those of the author and do not necessarily reflect those of the Investment Adviser of the Fund.

Mutual fund investing involves risk; loss of principal is possible. Investments in bonds may decline in value due to rising interest rates, a real or perceived decline in credit quality of the issuer, borrower, counterparty, or collateral, adverse tax or legislative changes, court decisions, market or economic conditions. State-specific fund performance could be more volatile than that of funds with greater geographic diversification.

*Before investing in the Fund, carefully read about and consider the investment objectives, risks, charges, expenses and other information found in the Fund prospectus. The prospectus is available from your financial professional, and when you call 800-437-1020 or visit [www.aquilafunds.com](http://www.aquilafunds.com).*