



Aquila Insights: 2022 COLORADO BOND ELECTION PREVIEW

On November 8, 2022, Colorado voters will be faced with approximately \$1.3 billion of K-12 municipal issuance in 12 school district elections. In addition, Colorado voters will be deciding on a variety of propositions, including:

- **Proposition 121**, a statewide ballot measure to reduce the state income tax rate
- **Proposition 123**, which seeks to dedicate revenue to affordable housing.

Proposition Overviews

Proposition 121 would reduce the state income tax rate from 4.55% to 4.40%. Its potential passage could reduce state income tax revenue by \$412.6 million in fiscal year 2022-23.

Proposition 123 would set aside up to 0.1% of annual income tax revenue from Colorado's general fund for affordable housing programs. The passage of Proposition 123 could reduce state income tax revenue from the general fund by \$145 million in fiscal year 2022-23, and by \$290 million in fiscal year 2023-24.

Local School District Bond Issues

Unlike at the State level, which has experienced difficulty in passing tax increases, Colorado voters have historically shown a willingness to approve local bond measures. These issues are used to finance new schools and other capital improvements throughout the State. School district bond issues on this year's ballot range in size, from approximately \$5.9 million to as much as \$450 million. Depending on voter sentiment, this election could potentially impact local municipal bond supply and opportunities for investors.

2022 School Bond Issues

Issue	County	Par Amount	Purpose
Boulder Valley School District RE-2	Boulder	\$ 350,000,000	Capital Improvements
Delta County Joint School District No. 5	Delta	\$ 27,700,000	Capital improvements
Douglas County School District	Douglas	\$ 450,000,000	3 new school and capital improvements
Fremont School District RE-2	Dolores	\$ 46,500,000	Capital improvements
Gunnison Watershed School District	Gunnison/Saguache	\$ 95,000,000	Capital improvements
McClave School District RE-2	Bent	\$ 5,900,000	1 new school and capital improvements
Peeetz Plateau School District RE-5	Logan	\$ 11,850,000	Capital improvements
Weld County School District RE4	Weld	\$ 271,000,000	3 new school and capital improvements
Weldon Valley School District RE-20J	Morgan/Weld	\$ 6,500,000	Capital improvements
Dolores County School District RE-2J4	Dolores	\$ 10,000,000	Capital improvements
Hanover School District No. 28	El Paso	\$ 13,800,000	Capital improvements
Platte Canyon School District RE-1	Park	\$ 35,400,000	Capital improvements

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

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