



Outcome of Ballot Measures in the 2023 General Election

Impact on State Budgets

November 9, 2023

Voters in five states considered 28 ballot measures in this year's general election. This number of measures is typical for an off-year election and is significantly reduced from the 129 measures in 36 states on last year's ballots.

In **Colorado**, voters rejected a measure that would have reduced property taxes, allowed the state to keep additional money that would otherwise be refunded to taxpayers, and would have created a new property tax limit for most local governments. Colorado voters approved another statewide measure allowing the state to keep and spend revenue that has already been collected from the sale of cigarettes, tobacco products, and nicotine products and requiring the state to spend this revenue on preschool programs.

Ohio voters approved a measure to legalize marijuana and enact a 10 percent tax on marijuana sales with revenue going toward administrative costs, addiction treatment programs, municipalities with dispensaries, and a social equity and jobs program.

In **Texas**, voters decided on 14 constitutional amendments already approved by the state legislature and approved amendments creating special funds for energy, water, broadband, and state parks; requiring lawmakers to ask voters for authorization before they could impose any new state taxes on residents based on net worth or wealth; and authorizing the state legislature to make cost-of-living adjustments to certain annuitants of the Teacher Retirement System.

In **Maine**, voters approved a measure that requires voter approval for certain state entities, municipal electric districts, electrification cooperatives, or consumer-owned transmission utilities to incur total outstanding debt that exceeds \$1 billion.

Earlier this year some notable measures were on state ballots and were defeated. This includes a measure in Oklahoma that

would have legalized recreational marijuana and a measure in Ohio that would have required a 60 percent majority to pass constitutional amendments.

Looking Ahead to 2024

With next year being a presidential election, many more measures are planned. For example, in California measures already approved to be on the 2024 ballot include a \$6.4 billion bond measure to overhaul how the state treats mental illness, substance abuse and homelessness, and a measure requiring that all new or increased state taxes currently enacted by two-thirds vote of the legislature also would require a statewide election and majority voter approval.

2023 Ballot Measures by Category

The following are some notable ballot measures considered in the 2023 election affecting state finances.

State Revenues

Colorado Proposition HH - Did Not Pass

This measure would have lowered property taxes owed, allowed the state to keep additional money that would otherwise be refunded to taxpayers, temporarily change how Taxpayer's Bill of Rights (TABOR) refunds are distributed, and create a new property tax limit for most local governments. This measure would have allowed the retained revenue to be spent on education, reimbursements to local governments for some of their reduced property tax revenue, and rental assistance programs.

Colorado Proposition 2 - Passed

This measure allows the state to keep and spend \$23.65 million in tax revenue that has already been collected from the sale of cigarettes, tobacco products, and nicotine products and to

maintain the current tax rates on cigarettes, tobacco products, and nicotine products. The tax revenue will be spent on preschool programs.

Texas Proposition 3 - Passed

This constitutional amendment prohibits the imposition of an individual wealth or net worth tax on individuals or families and requires lawmakers to ask voters for authorization before they could impose any new state taxes on residents that would be based on net worth or wealth.

Marijuana

Ohio Issue Two - Passed

This measure allows persons who are at least 21 years old to use and possess marijuana and enacts a 10 percent tax on marijuana sales with revenue going toward administrative costs, addiction treatment programs, municipalities with dispensaries, and a social equity and jobs program. According to analysis by Ohio State University this measure is estimated to result in additional revenue of \$218 million in the first year.

Bond/Debt Measures

Maine Question One - Passed

This measure requires voter approval for certain state entities, municipal electric districts, electrification cooperatives, or consumer-owned transmission utilities to incur a total outstanding debt that exceeds \$1 billion.

Natural Resources/Energy

Texas Proposition 6 - Passed

This constitutional amendment creates the Texas Water Fund, administered by the Texas Water Development Board, to finance water projects in the state. This resolution creates a new special fund in the state treasury outside of the general revenue fund, endowed with a \$1 billion down payment.

Texas Proposition 7 - Passed

This constitutional amendment creates the Texas Energy Fund, administered by the Public Utilities Commission, and authorizes the state legislature to allocate funds for the modernization of electric generating facilities.

Texas Proposition 8 - Passed

This constitutional amendment creates a broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects.

Texas Proposition 14 - Passed

This constitutional amendment creates the Centennial Parks Conservation Fund, a trust fund for the creation and improvement of state parks.

State Retirement/Education

Texas Proposition 9 - Passed

This constitutional amendment authorizes the state legislature to make cost-of-living adjustments to certain annuitants of the Teacher Retirement System of Texas.

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