



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 21-0916 **Date:** April 12, 2021
Prime Sponsors: Rep. Roberts; Soper **Bill Status:** House Business
 Sen. Rodriguez; Hisey **Fiscal Analyst:** Josh Abram | 303-866-3561
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Bill Topic: MEETING & EVENTS INCENTIVE PROGRAM

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill creates a meetings and events incentives program in the Colorado Tourism Office. The bill increases state expenditures in FY 2021-22 and FY 2022-23 only.

Appropriation Summary: No appropriation is required. Funds are continuously appropriated.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 21-1263

		Current Year FY 2020-21	Budget Year FY 2021-22	Out Year FY 2022-23
Revenue			-	-
Expenditures	Cash Funds	-	\$5,000,000	\$5,000,000
	Total Expenditures	-	\$5,000,000	\$5,000,000
	Total FTE	-	1.0 FTE	1.0 FTE
Transfers	General Fund	(\$10,000,000)	-	-
	Cash Funds	\$10,000,000	-	-
	Net Transfer	\$0	-	-
TABOR Refund			-	-

Summary of Legislation

The bill creates the Colorado Meeting and Events Incentive Program in the Colorado Tourism Office to provide support for personal events, such as weddings or family reunions, and for events such as meetings, conferences, or festivals. Eligible personal events must occur between July 1, 2021, and December 31, 2021; other eligible events must occur between July 1, 2021, and December 31, 2022. To be eligible, events must generate at least 25 paid overnight stays in a hotel or vacation rental, demonstrate significant economic benefit to a host community, and meet any additional criteria established by the tourism office.

The program may provide rebates of up to 10 percent of the hard costs of an eligible event, and up to 25 percent for COVID-19 related costs to comply with public health orders, and direct support for events affecting multiple counties with potential to generate significant economic impact. The bill creates the Colorado Meeting and Events Incentive Program Fund in the State Treasury and transfers \$10.0 million to the fund from the General Fund. Money in the fund is continuously appropriated to the tourism office. The office may spend a portion of the money to contract with a third party administrator, and to pay for the direct and indirect costs of implementing the program.

No later than July 1, 2022, and again by July 1, 2023, the office must report the expenditure of money to the Governor and to the General Assembly. The bill is repealed July 1, 2024.

State Transfers

On the bill's effective date, assumed to occur in the current FY 2020-21, the bill transfers \$10.0 million from the General Fund to the Colorado Meeting and Events Incentive Program Fund.

State Expenditures

The bill increases state expenditures by \$5.0 million in both FY 2021-22 and FY 2022-23 in the Colorado Tourism Office in the Governor's Office. New expenditures are shown in Table 2 and described below. The fiscal note assumes the funding will be equally split between the two years.

Table 2
Expenditures Under HB 21-1263

Cost Components	FY 2021-22	FY 2022-23
Colorado Tourism Office		
Personal Services	\$71,783	\$71,783
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	-
Insurance, Disability, and Retirement	\$16,495	\$16,495
Third-party Administration	\$250,000	\$250,000
Rebates and Direct Support	\$4,654,172	\$4,660,372
Total	\$5,000,000	\$5,000,000
Total FTE	1.0 FTE	1.0 FTE

It is estimated that the Colorado Tourism Office will have administrative expenses of about 6.5 percent of total funds spent each year, or around \$325,000 and 1.0 FTE in both fiscal years, leaving about \$4.6 million available to award in rebates and direct assistance for events. The office will contract with a third-party administrator to manage promotion of the incentives, monitor and review recipient expenditures, and make direct payments. The tourism office will also retain temporary 1.0 FTE to adopt program rules, manage the RFP process, oversee the contract administrator, and prepare annual reports.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Governor