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Fiscal Note

Drafting Number: LLS 21-0849 Date: April 27, 2021
Prime Sponsors: Rep. Baisley; Amabile Bill Status: House Business
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Bill Topic: REPORT REVENUES FROM SPORTS BETTING ACTIVITY

Summary of Fiscal Impact:
[] State Revenue [] TABOR Refund
[X] State Expenditure [X] Local Government
[] State Transfer [] Statutory Public Entity

The bill requires that the Division of Gaming report certain sports betting information on a monthly basis and sets procedures for assessors if that information is used in the calculation of actual property values. The bill increases state and local government workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

Effective January 1, 2022, the bill requires the Division of Gaming in the Department of Revenue to report the following information on a monthly basis:

- net sports betting proceeds, aggregated for each gaming city (Black Hawk, Cripple Creek, and Central City) based on the physical location of the master licensee's casino;
proceeds derived from on-site and internet sports betting; and
tax collections and the amount bet during the reporting period.

If there are fewer than three sports betting licensees in any of the gaming cities, the data for that city must be aggregated with the city with the next lowest number of licensees.

The bill specifies that if the Gilpin or Teller county assessors use the aggregated information to establish actual value of a casino or its sports betting operations and it results in an increase in value of the property, the assessor must:

- present the estimate of the increase in valuation before March 1 of each revaluation year;
consider any information that the taxpayer chooses to disclose to the assessor by March 15 of the revaluation year; and

- treat any disclosed information as proprietary and confidential throughout the property assessment process and any subsequent appeals or court proceedings.

State Expenditures

The bill increases workload for the Division of Gaming in the Department of Revenue to modify monthly reports on sports betting to align with the bill's requirements and for the Division of Property Taxation in the Department of Local Affairs to update forms, manuals, and training materials. No change in appropriations is required.

School finance. To the extent that the bill increases actual property values and property tax revenue to school districts, the local share of total program funding for school finance will increase and the state aid requirement will decrease. Any decrease in state aid is expected to be minimal.

Local Government

The bill may modify procedures for county assessors in Teller and Gilpin counties; any change is expected to be minimal. Should the aggregate information result in higher property values, the bill will increase property tax revenue to local governments in Teller and Gilpin counties.

Effective Date

The bill takes effect January 1, 2022, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	County Assessors	Information Technology
Municipalities	Property Tax Division	Revenue