

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0960.01 Ed DeCecco x4216

SENATE BILL 22-216

SENATE SPONSORSHIP

Hansen and Zenzinger, Rankin

HOUSE SPONSORSHIP

Herod and McCluskie,

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 CONCERNING THE REALLOCATION OF THE LIMITED GAMING TAX
102 REVENUES FOR FISCAL YEARS FOLLOWING A SIGNIFICANT
103 DECREASE IN THE REVENUES, AND, IN CONNECTION THEREWITH,
104 MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. Section 1 of the bill creates the state historical society strategic initiatives fund, which is to be used by the state historical society for programs and activities that strengthen the state

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

historical society's financial position and expand its impact on the people of the state. **Section 2** requires the state treasurer to transfer \$3 million of the state share of the limited gaming tax revenues to the state historical society strategic initiatives fund.

Section 2 also resets the base portion of the state share of the limited gaming tax revenues deposited in the local government limited gaming impact fund for the fiscal year 2021-22 to clarify the amount after a 2-year hiatus of this allocation.

Section 3 modifies the manner in which limited gaming tax revenues are allocated between the limited gaming fund and the extended limited gaming fund (*i.e.*, the portion of limited gaming tax revenues derived from increased hours of operation, expanded wagering, and additional games of chance) in order to more equitably address recovery in the years immediately following a significant decrease in the revenue. Specifically, the bill:

- Adjusts the allocation for the state fiscal year 2021-22 to accommodate the significant unanticipated post-pandemic increase in the limited gaming tax revenues; and
- Establishes a mechanism to temporarily modify the allocation in years following a significant decrease in the limited gaming tax revenues.

Section 4 appropriates money to the department of higher education for use by history Colorado.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-80-215 as
3 follows:

4 **24-80-215. State historical society strategic initiatives fund -**
5 **creation - repeal.** (1) THE STATE HISTORICAL SOCIETY STRATEGIC
6 INITIATIVES FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND
7 CONSISTS OF MONEY TRANSFERRED TO THE FUND FROM THE LIMITED
8 GAMING FUND PURSUANT TO SECTION 44-30-701 (2)(a)(V.5)(A). THE
9 STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
10 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE
11 FUND.

12 (2) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL

1 ASSEMBLY, THE STATE HISTORICAL SOCIETY MAY EXPEND MONEY FROM
2 THE FUND FOR PROGRAMS AND ACTIVITIES THAT STRENGTHEN THE
3 SOCIETY'S FINANCIAL POSITION AND EXPAND ITS IMPACT ON THE PEOPLE
4 OF THE STATE.

5 (3) (a) ON JUNE 30, 2027, THE STATE TREASURER SHALL TRANSFER
6 ANY UNEXPENDED MONEY IN THE FUND TO THE GENERAL FUND.

7 (b) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

8 **SECTION 2.** In Colorado Revised Statutes, 44-30-701, **amend**
9 (2)(a)(III)(A); and **add** (2)(a)(V.5) as follows:

10 **44-30-701. Limited gaming fund - created - repeal.**

11 (2) (a) Except as provided in subsection (2)(b) or (2)(c) of this section,
12 at the end of the 2012-13 state fiscal year and at the end of each state
13 fiscal year thereafter, the state treasurer shall transfer the state share as
14 follows:

15 (III) (A) At the end of the ~~2017-18 state~~ 2021-22 STATE fiscal year
16 and each state fiscal year thereafter, five million SIX HUNDRED
17 EIGHTY-NINE THOUSAND NINE HUNDRED THIRTY-EIGHT dollars, as
18 annually increased by an amount equal to the percentage increase in the
19 state share as described in subsection (1)(d)(I) of this section from the
20 previous fiscal year to the local government limited gaming impact fund
21 created in section 44-30-1301, plus an amount equal to the projected
22 direct and indirect costs to administer the local government limited
23 gaming impact grant program set forth in section 44-30-1301 (2)(a) for
24 the upcoming fiscal year; except that such transfer shall be made at the
25 beginning of the state fiscal year, and any unspent money from such
26 transfer reverts to the local government limited gaming impact fund.

27 (V.5) (A) FOR THE STATE FISCAL YEAR 2021-22, THREE MILLION

1 DOLLARS TO THE STATE HISTORICAL SOCIETY STRATEGIC INITIATIVES FUND
2 CREATED IN SECTION 24-80-215.

3 (B) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

4 **SECTION 3.** In Colorado Revised Statutes, 44-30-702, **amend**
5 (7)(a)(III)(B), (7)(a)(IV), and (7)(b); and **add** (7)(a)(V), (7)(a)(VI),
6 (7)(a)(VII), (7)(a)(VIII), (7)(a.5), (7)(c), (7)(d), and (7)(e) as follows:

7 **44-30-702. Revenues attributable to local revisions to gaming**
8 **limits - extended limited gaming fund - identification - separate**
9 **administration - distribution - legislative declaration - definitions.**

10 (7) **Reduction in revenues - operation of hold-harmless provisions -**
11 **continuity of funding - recovery.** (a) **Legislative declaration.** The
12 general assembly finds, determines, and declares that:

13 (III) Pursuant to that authority, it is reasonable for the general
14 assembly to address the effects of the global pandemic and economic
15 recession of 2020 in a way that:

16 (B) Equitably allocates the limited gaming tax revenues in fiscal
17 years immediately following this severe funding decline among all
18 recipients; ~~and~~

19 (IV) The allocation provisions of section 9 (7) of article XVIII of
20 the state constitution ~~do not~~ DID NOT contemplate the unprecedented
21 significant decline in limited gaming revenues caused by the global
22 pandemic, and, IN 2020, the general assembly ~~desires~~ DESIRED to address
23 the original implementing statutory formula for the allocation of gaming
24 revenues, consistent with the state constitution in a manner that ~~modifies~~
25 MODIFIED the statutory annual adjustment provisions to retain the
26 constitutional allocation, thus reflecting the proportionate allocation to the
27 beneficiaries of limited gaming tax revenues;

1 (V) THIS REALLOCATION, HOWEVER, DID NOT ANTICIPATE THE
2 RAPIDITY AND EXTENT OF THE GROWTH OF THE LIMITED GAMING
3 REVENUES POST-PANDEMIC, WHICH WAS DUE IN PART TO THE VOTERS
4 APPROVAL IN 2020 OF THE MODIFICATIONS TO SECTION 9 (7) OF ARTICLE
5 XVIII OF THE STATE CONSTITUTION IN THE INITIATIVE COMMONLY
6 REFERRED TO AS "AMENDMENT 77", WHICH PERMITTED THE GAMING
7 TOWNS TO INCREASE OR REMOVE BET LIMITS AND APPROVE NEW CASINO
8 GAMES WITH LOCAL VOTER APPROVAL;

9 (VI) THEREFORE, IT IS NECESSARY TO ADJUST THE ALLOCATION
10 FOR THE STATE FISCAL YEAR 2021-22 AS SET FORTH IN SUBSECTION (7)(c)
11 OF THIS SECTION TO ACHIEVE THE PURPOSES SET FORTH IN SUBSECTION
12 (7)(a)(III) OF THIS SECTION;

13 (VII) FURTHER, THE GLOBAL PANDEMIC AND ECONOMIC
14 RECESSION OF 2020 DEMONSTRATED THAT THE EXISTING METHODOLOGY
15 FOR DETERMINING THE LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO
16 EXTENDED LIMITED GAMING IS SUSCEPTIBLE TO DISTORTION WHEN THERE
17 IS A SIGNIFICANT DECLINE IN THE LIMITED GAMING TAX REVENUES AND IN
18 THE FISCAL YEARS THEREAFTER WHEN THE REVENUES ARE RESTORED;

19 (VIII) TO EQUITABLY ALLOCATE LIMITED GAMING TAX REVENUES
20 IN FISCAL YEARS FOLLOWING A SIGNIFICANT DECLINE AND TO AVOID
21 LONG-TERM ECONOMIC DAMAGE TO ANY OF THE BENEFICIARIES OF THOSE
22 REVENUES, IT IS NECESSARY FOR THE GENERAL ASSEMBLY TO ENACT
23 LEGISLATION THAT WILL FACILITATE THE OPERATION OF SECTION 9 (7) OF
24 ARTICLE XVIII OF THE STATE CONSTITUTION.

25 (a.5) AS USED IN THIS SUBSECTION (7), UNLESS THE CONTEXT
26 OTHERWISE REQUIRES:

27 (I) "EXTENDED LIMITED GAMING FUND RECIPIENTS" MEANS THE

1 RECIPIENTS OF LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO
2 EXTENDED LIMITED GAMING UNDER SECTION 9 (7) OF ARTICLE XVIII OF
3 THE STATE CONSTITUTION.

4 (II) "FISCAL YEAR WITH A SIGNIFICANT DECREASE IN TOTAL
5 LIMITED GAMING TAX REVENUE" MEANS:

6 (A) A FISCAL YEAR IN WHICH THE TOTAL LIMITED GAMING TAX
7 REVENUE COLLECTIONS HAVE DECLINED BY FIVE PERCENT OR MORE FROM
8 THE IMMEDIATELY PRECEDING FISCAL YEAR; OR

9 (B) IF SUBSECTION (7)(a.5)(II)(A) OF THIS SECTION DOES NOT
10 APPLY, THE SECOND OF TWO CONSECUTIVE FISCAL YEARS WITH A
11 CUMULATIVE DECLINE OF TOTAL LIMITED GAMING TAX REVENUE
12 COLLECTIONS THAT IS SIX PERCENT OR MORE FROM THE FISCAL YEAR
13 IMMEDIATELY PRECEDING THE FIRST OF THE TWO CONSECUTIVE FISCAL
14 YEARS.

15 (III) "LIMITED GAMING FUND RECIPIENTS" MEANS THE RECIPIENTS
16 LISTED IN SECTION 9 (5)(b)(II) OF ARTICLE XVIII OF THE STATE
17 CONSTITUTION.

18 (IV) "RECENT TOTAL LIMITED GAMING TAX REVENUES PEAK"
19 MEANS TOTAL LIMITED GAMING TAX REVENUE COLLECTIONS FOR THE
20 FISCAL YEAR THAT IS:

21 (A) PRIOR TO THE FISCAL YEAR WITH A SIGNIFICANT DECREASE IN
22 TOTAL LIMITED GAMING TAX REVENUES; AND

23 (B) THE LAST FISCAL YEAR IN WHICH TOTAL LIMITED GAMING TAX
24 REVENUE COLLECTIONS INCREASED FROM THE IMMEDIATELY PRECEDING
25 FISCAL YEAR.

26 (b) (I) ~~Notwithstanding any provision of subsection (3)(b) or~~
27 ~~(4)(d) of this section to the contrary, beginning in~~ FOR state fiscal year

1 2020-21, and continuing through each subsequent fiscal year until the
2 fiscal year immediately following the fiscal year in which total limited
3 gaming tax revenue collections have again equaled or exceeded the
4 amount of total limited gaming tax revenues collected in state fiscal year
5 2018-19, any annual THE growth or decline in total net gaming tax
6 distributions shall be IS allocated between the limited gaming fund
7 recipients listed in section 9 (5)(b)(II) of article XVIII of the state
8 constitution and the recipients of limited gaming tax revenues attributable
9 to extended limited gaming under section 9 (7) of article XVIII of the
10 state constitution FUND RECIPIENTS based on the relative percentages in
11 which each group of recipients shared in the decrease in total net gaming
12 tax distributions from state fiscal year 2018-19 to state fiscal year
13 2019-20. The commission may make any adjustments necessary to ensure
14 that the final distributions to all recipients comply with constitutional
15 requirements while achieving the intent of this subsection (7). So long as
16 this subsection (7) remains in effect, the annual adjustments required
17 under subsections (3)(b) and (4)(d) of this section are temporarily
18 superseded by the specific allocations to implement the constitutional
19 annual adjustment made pursuant to this subsection (7).

20 (II) As used in this subsection (7)(b), "limited gaming tax
21 revenues attributable to extended limited gaming" means that portion of
22 total limited gaming tax revenues allocated pursuant to subsection
23 (7)(b)(I) of this section to recipients of revenues derived from extended
24 limited gaming under section 9 (7) of article XVIII of the state
25 constitution.

26 (c) (I) FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX
27 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING, THE ADJUSTED

1 BASE FOR STATE FISCAL YEAR 2021-22 IS EQUAL TO ONE HUNDRED
2 THIRTEEN MILLION NINE HUNDRED SEVENTY-THREE THOUSAND TWELVE
3 DOLLARS, WHICH IS EQUAL TO THE ADJUSTED BASE FOR STATE FISCAL
4 YEAR 2018-19 INCREASED BY TWO AND ONE-HALF PERCENT, WITH THAT
5 SUM INCREASED BY THREE PERCENT, WITH THAT SUM INCREASED BY
6 THREE PERCENT. ALL LIMITED GAMING TAX REVENUES FOR STATE FISCAL
7 YEAR 2021-22 IN EXCESS OF THIS ADJUSTED BASE ARE LIMITED GAMING
8 TAX REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING FOR STATE
9 FISCAL YEAR 2021-22.

10 (II) THE ADJUSTED BASE THAT IS ESTABLISHED IN SUBSECTION
11 (7)(c)(I) OF THIS SECTION CONSTITUTES THE ADJUSTED BASE THAT IS USED
12 IN THE CALCULATION SET FORTH IN SUBSECTION (4)(d) OF THIS SECTION
13 FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX REVENUES
14 ATTRIBUTABLE TO EXTENDED LIMITED GAMING FOR STATE FISCAL YEAR
15 2022-23, AND FUTURE CALCULATIONS UNDER SUBSECTION (4)(d) OF THIS
16 SECTION ARE DERIVED FROM THIS INITIAL AMOUNT AS SUBSEQUENTLY
17 ADJUSTED.

18 (d) IF THERE IS A FISCAL YEAR WITH A SIGNIFICANT DECREASE IN
19 TOTAL LIMITED GAMING TAX REVENUES, THEN:

20 (I) BEGINNING WITH THE NEXT FISCAL YEAR AND CONTINUING FOR
21 EACH CONSECUTIVE FISCAL YEAR THEREAFTER WITH TOTAL LIMITED
22 GAMING TAX REVENUES THAT ARE LESS THAN OR EQUAL TO THE RECENT
23 TOTAL LIMITED GAMING TAX REVENUES PEAK, THE ANNUAL GROWTH OR
24 DECLINE IN TOTAL GAMING TAX DISTRIBUTIONS IS ALLOCATED BETWEEN
25 THE LIMITED GAMING FUND RECIPIENTS AND THE EXTENDED LIMITED
26 GAMING FUND RECIPIENTS BASED ON THE RELATIVE PERCENTAGES IN
27 WHICH EACH GROUP OF RECIPIENTS SHARED IN THE DECREASE IN TOTAL

1 NET GAMING TAX DISTRIBUTIONS FROM THE FISCAL YEAR WITH THE
2 RECENT TOTAL LIMITED GAMING TAX REVENUES PEAK TO THE FISCAL YEAR
3 WITH A SIGNIFICANT DECREASE IN TOTAL LIMITED GAMING REVENUE.

4 (II) (A) FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX
5 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING, FOR THE NEXT
6 FISCAL YEAR IN WHICH TOTAL LIMITED GAMING REVENUES EXCEED THE
7 RECENT TOTAL LIMITED GAMING TAX REVENUES PEAK, THE ADJUSTED
8 BASE FOR THE FISCAL YEAR IS EQUAL TO THE RECENT TOTAL LIMITED
9 GAMING TAX REVENUES PEAK INCREASED BY THREE PERCENT OR THE
10 ACTUAL PERCENTAGE INCREASE OF TOTAL LIMITED GAMING REVENUES
11 FOR THE FISCAL YEAR ABOVE THE RECENT TOTAL LIMITED GAMING
12 REVENUES PEAK, WHICHEVER PERCENTAGE IS LESS. FOR THIS NEXT FISCAL
13 YEAR, ALL LIMITED GAMING TAX REVENUES IN EXCESS OF THIS ADJUSTED
14 BASE ARE LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO EXTENDED
15 LIMITED GAMING FOR THE FISCAL YEAR.

16 (B) THE ADJUSTED BASE THAT IS ESTABLISHED IN SUBSECTION
17 (7)(d)(II)(A) OF THIS SECTION CONSTITUTES THE ADJUSTED BASE THAT IS
18 USED IN THE CALCULATION SET FORTH IN SUBSECTION (4)(d) OF THIS
19 SECTION FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX
20 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING FOR THE FISCAL
21 YEAR IMMEDIATELY FOLLOWING THE FISCAL YEAR SET FORTH IN
22 SUBSECTION (7)(d)(II)(A) OF THIS SECTION, AND FUTURE CALCULATIONS
23 UNDER SUBSECTION (4)(d) OF THIS SECTION ARE DERIVED FROM THIS
24 INITIAL AMOUNT AS SUBSEQUENTLY ADJUSTED.

25 (e) THE COMMISSION MAY MAKE ANY ADJUSTMENTS TO THE
26 ALLOCATIONS SET FORTH IN THIS SUBSECTION (7) NECESSARY TO ENSURE
27 THAT THE FINAL DISTRIBUTIONS TO ALL RECIPIENTS COMPLY WITH

1 CONSTITUTIONAL REQUIREMENTS WHILE ACHIEVING THE INTENT OF THIS
2 SUBSECTION (7). SO LONG AS THIS SUBSECTION (7) REMAINS IN EFFECT,
3 THE ANNUAL ADJUSTMENTS REQUIRED UNDER SUBSECTIONS (3)(b) AND
4 (4)(d) OF THIS SECTION ARE TEMPORARILY SUPERSEDED BY THE SPECIFIC
5 ALLOCATIONS TO IMPLEMENT THE CONSTITUTIONAL ANNUAL ADJUSTMENT
6 MADE PURSUANT TO THIS SUBSECTION (7).

7 **SECTION 4. Appropriation.** (1) For the 2022-23 state fiscal
8 year, \$1,500,000 is appropriated to the department of higher education for
9 use by history Colorado. This appropriation is from the state historical
10 society strategic initiatives fund created in section 24-80-215, C.R.S. To
11 implement this act, the state historical society may use this appropriation
12 for programs and activities that strengthen the history Colorado's financial
13 position and expand its impact on the people of the state.

14 (2) For the 2022-23 state fiscal year, \$800,000 is appropriated to
15 the department of higher education for use by history Colorado. This
16 appropriation is from the museum and preservation operations account of
17 the state historical fund created in section 44-30-1201 (5)(c)(I)(B), C.R.S.
18 To implement this act, history Colorado may use this appropriation as
19 follows:

- 20 (a) \$150,000 for central administration;
- 21 (b) \$160,000 for collections and curatorial services;
- 22 (c) \$70,000 for the history Colorado center;
- 23 (d) \$345,000 for statewide programming; and
- 24 (e) \$75,000 for the office of archaeology and historic
25 preservation.

26 **SECTION 5. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.