

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

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

Prime Sponsors: Sens. Hansen and Zenzinger
Reps. Herod and McCluskie

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Appropriation Items of Note

Appropriation Already Added to Bill, No Amendment in Packet

General Fund/TABOR Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/3/21.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
None.	

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides the following appropriations for FY 2022-23:

- \$1,500,000 cash funds to History Colorado in the Department of Higher Education from the State Historical Society Strategic Initiatives Fund for programs and activities that strengthen History Colorado's financial position.
- \$800,000 cash funds to History Colorado in the Department of Higher Education from the Museum and Preservation Operations Account of the State Historical Fund for increases to various line items.
- \$1,250,000 General Fund to the Department of Revenue for distribution to gaming cities and

counties to offset revenue reductions that may result from the changes to gaming allocations in this bill.

Points to Consider

General Fund Revenue/TABOR Impact

The Joint Budget Committee (JBC) has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The JBC included as part of its FY 2022-23 budget package a net *increase* in available General Fund of \$26.8 million as a result of this bill. The impact of the bill as reengrossed is a net increase in available General Fund estimated at \$22.1 million. This amount includes four components:

1. This bill is estimated to decrease state cash fund revenues subject to TABOR by \$24.4 million in FY 2021-22 and by \$24.6 million in FY 2022-23, which will *increase* the available General Fund in each fiscal year by an equal amount. This bill reduces the TABOR refund made out of the General Fund by \$49.0 million for FY 2022-23 (including both FY 2021-22 and FY 2022-23 impacts).
2. This bill is *also* estimated to decrease transfers to the General Fund by \$11.2 million in FY 2021-22 and by \$11.4 million in FY 2022-23, which will partially offset the impact above. This is because the General Fund (or such other fund as the General Assembly designates) receives 50 percent of the money that is distributed to the original recipients of gaming tax revenue, and the bill decreases the share of the total distributed to the original recipients.
3. For FY 2021-22 only, the bill also decreases transfers to the General Fund by \$3.0 million based on a one-time diversion of \$3.0 million to the newly created Historical Society Strategic Initiatives Fund of money that would otherwise be deposited in the General Fund.
4. For FY 2022-23 only, the bill includes an appropriation of \$1.25 million General Fund to the Department of Revenue for allocation to local governments. This also offsets the overall increase in available General Fund provided by the bill.

The net impact of the bill on available General Fund is projected to be \$13.3 million in FY 2023-24, with similar annual impacts in subsequent years so long as the State remains at its TABOR cap.