



## Fiscal Note

### Legislative Council Staff

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## HB 25-1215: REDISTRIBUTION OF LOTTERY FUND

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**Prime Sponsors:**

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Sen. Bridges; Kirkmeyer

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### Summary Information

**Overview.** The bill adjusts the distribution of money in the state lottery fund beginning in FY 2024-25, and also requires one-time transfers from various cash funds to the newly created Outdoor Recreation Cash Fund.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- State Transfers
- School Districts

**Appropriations.** For FY 2024-25, the bill requires and includes an appropriation of \$723,488 to the Outdoor Recreation Industry Office.

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**Table 1**  
**State Fiscal Impacts**

Type of Impact	Current Year FY 2024-25	Out Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$723,488	\$0
Transferred Funds	\$723,488	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

**Summary of Legislation**

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**Redistribution of Lottery Funds**

Beginning in the current FY 2024-25, the bill adjusts the distribution of any state lottery proceeds that exceed the cap on Great Outdoors Colorado (GOCO) funding. The actual distribution is dependent whether lottery proceeds are \$20 million or less over the GOCO cap or greater than \$20 million over the GOCO cap. These scenarios as shown in Table 2 below.

**Table 2**  
**Changes to Distribution of Lottery Proceeds**

<b>Fund</b>	<b>Current Law</b>	<b>HB 25-1215</b> <i>\$20 million or less available</i>	<b>HB 25-1215</b> <i>More than \$20 million available</i>
Outdoor Equity Cash Fund	First \$3.0 million	First \$4.0 million + 10% of remaining funds	First \$4.0 million + 10% of remaining funds
Public School Capital Construction Cash Fund	Next \$3.0 million + 50% of remaining funds	Next \$3.0 million + 50% of remaining funds	Next \$3.0 million + 50% of remaining funds
Outdoor Recreation Economic Development Cash Fund	N/A	Next \$750,000	Next \$750,000
Wildlife Cash Fund	25% of remaining funds	20% of remaining funds	15% of remaining funds
Parks and Outdoor Recreation Cash Fund	25% of remaining funds	20% of remaining funds	15% of remaining funds
Strategic Outdoor Recreation Management Cash Fund	N/A	N/A	5% of remaining funds

**Outdoor Recreation Cash Funds**

On June 30, 2025, the bill transfers a total of \$723,488 from various cash funds to the Outdoor Recreation Economic Development Cash Fund, which is created by the bill, as shown in Table 3C. The cash fund must be used by the Outdoor Recreation Industry Office in the Office of Economic Development and International Trade (OEDIT) to advance the purposes of the office. If this money is not expended prior to July 1, 2026, it is further appropriated to the office for fiscal years 2026-27 and 2027-28 for the same purpose. The bill allows the office to accept gifts, grants, and donations for the cash fund.

The bill also creates the Strategic Outdoor Recreation Management and Infrastructure Cash Fund in the Division of Parks and Wildlife for the purposes of advancing outdoor recreation infrastructure and management, increasing equity and accessibility to the outdoors, and performing conservation analysis and planning. The bill allows the division to accept gifts, grants, and donations to the cash fund.

## Background

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### Public School Capital Construction Assistance Fund

The PSCCAF supports the Building Excellent Schools Today (BEST) school capital construction program, including lease purchase payments, charter school capital construction assistance, cash grants to school districts, and program administration.

### Great Outdoors Colorado

Fifty percent of net lottery proceeds fund GOCO, with an annual cap on how much revenue GOCO can receive. According to the Department of Revenue, this cap is or is projected to be \$81.8 million for FY 2023-24, \$86.0 million for FY 2024-25, and \$88.0 million for FY 2025-26.

## State Transfers and Diversions

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### Redistribution of Lottery Funds

The bill's impacts on adjustments to lottery distributions will vary, based on the total amount of lottery proceeds. In years when lottery proceeds do not exceed the GOCO cap, the bill does not change the distribution of lottery funds. For the current FY 2024-25, lottery proceeds are not expected to exceed the GOCO cap.

In years when lottery proceeds exceed the GOCO cap, the bill may increase distributions from the lottery fund to the Outdoor Equity Fund, the Outdoor Recreation Economic Development Cash Fund, and potentially the Strategic Outdoor Recreation Management and Infrastructure Cash Fund. Consequently, it may reduce distributions to the Wildlife Cash Fund, the Parks and Outdoor Recreation Cash Fund, and the PSCCAF. For informational purposes only, Table 3A and 3B below show scenarios outlining the two distributions in bill: one scenario showing the distribution if the lottery proceeds are \$20 million or less over the GOCO cap, and one scenario showing the distribution if lottery proceeds are greater than \$20 million over the GOCO cap.

At this time, it is unknown if, or by how much, lottery proceeds will exceed the GOGO cap. These scenarios are provided for illustrative purposes only to show the distribution if proceeds are over the cap.

**Table 3A**  
**Hypothetical Distribution of \$20 million in Lottery Proceeds Over GOCO Cap**

<b>Cash Fund</b>	<b>Current Law</b>	<b>HB 25-1215</b>	<b>Difference</b>
Outdoor Equity Fund	\$3,000,000	\$5,225,000	\$2,225,000
Public School Capital Construction Cash Fund (BEST)	\$10,000,000	\$9,125,000	-\$875,000
Outdoor Recreation Economic Development Fund	\$0	\$750,000	\$750,000
Parks and Outdoor Recreation Cash Fund	\$3,500,000	\$2,450,000	-\$1,050,000
Wildlife Cash Fund	\$3,500,000	\$2,450,000	-\$1,050,000
Strategic Outdoor Recreation Management Fund	\$0	\$0	\$0
<b>Revenue Over Cap</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$0</b>

**Table 3B**  
**Hypothetical Distribution of \$25 million in Lottery Proceeds Over GOCO Cap**

<b>Cash Fund</b>	<b>Current Law</b>	<b>HB 25-1215</b>	<b>Difference</b>
Outdoor Equity Fund	\$3,000,000	\$5,725,000	\$2,735,000
Public School Capital Construction Cash Fund (BEST)	\$12,500,000	\$11,625,000	-\$875,000
Outdoor Recreation Economic Development Fund	\$0	\$1,612,500	\$1,612,500
Parks and Outdoor Recreation Cash Fund	\$4,750,000	\$2,587,500	-\$2,162,500
Wildlife Cash Fund	\$4,750,000	\$2,587,500	-\$2,162,500
Strategic Outdoor Recreation Management Fund	\$0	\$862,500	\$862,500
<b>Revenue over Cap</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>	<b>\$0</b>

**Transfers to Outdoor Recreation Fund**

In FY 2024-25 only, the bill transfers \$723,488 from various cash funds to the newly created Outdoor Recreation Economic Development Cash Fund in the Outdoor Recreation Industry Office as outlined in Table 3C.

**Table 3C  
One-Time State Transfers**

<b>Source Fund</b>	<b>FY 2024-25</b>
Damage Prevention Fund	\$176,830
Dispute Resolution Fund	\$83,839
YOS Surcharge Fund	\$6,784
Professional Development Center Cash Fund	\$118,741
Immunization Fund	\$21,278
Family Support Services Fund	\$83,354
Department of Military and Veterans Affairs Fund	\$5,348
Publications Fund	\$9,648
Tax Lien Certification Fund	\$85,901
Wholesale and Distributing Subcontractor License Fund	\$4,413
Moving Outreach Fund	\$5,963
Disabled Parking Education and Enforcement	\$121,389
<b>Total Current Year Transfer</b>	<b>\$723,488</b>

## State Revenue

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The bill potentially increases state revenue to the Outdoor Recreation Economic Development Cash Fund and the Strategic Outdoor Recreation Management and Infrastructure Cash Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

## State Expenditures

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### Outdoor Recreation Industry Office

The bill increases funds available to spend in the Outdoor Recreation Economic Development Cash Fund in the Outdoor Recreation Industry Office by \$723,488 in FY 2025-26. Any of these funds not spent by July 1, 2026, may be spent through FY 2027-28. In years when lottery proceeds surpass the GOCO cap, the bill may further increase money available to spend in the Outdoor Recreation Economic Development Cash Fund.

## Department of Natural Resources

In years when lottery proceeds surpass the GOCO cap, the bill may reduce funds available to spend in the Wildlife Cash Fund and the Parks and Outdoor Recreation Cash Fund, decreasing money available for certain Colorado Parks and Wildlife programs. Meanwhile, the bill may increase money available for certain outdoor education and equity initiatives in the Outdoor Equity Fund and certain outdoor recreation infrastructure projects in the Strategic Outdoor Recreation Management and Infrastructure Cash Fund.

## Department of Education

In years when the lottery proceeds surpass the GOCO cap, the bill may decrease money available in the PSCCAF, to be spent on school capital construction needs.

## School District

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In certain years, the bill decreases money in the PSCCAF, which may decrease funding to certain school districts that receive BEST grants.

## Effective Date

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

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For FY 2025-26, the bill includes an appropriation of \$723,488 from the Outdoor Recreation Economic Development Cash Fund to the Outdoor Recreation Industry Office. Any of these funds not expended prior to July 1, 2026, are further appropriated to the office for FY 2026-27 and FY 2027-28.

## State and Local Government Contacts

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Education  
Higher Education

Natural Resources  
Revenue

Treasury

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).