



**Colorado
Legislative
Council
Staff**

SB16-073

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0466
Prime Sponsor(s): Sen. Grantham
 Rep. Lawrence

Date: February 1, 2016
Bill Status: Senate Finance
Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: STATE AUDITOR AUTHORITY TO AUDIT STATE HISTORICAL FUND DISTRIBUTIONS

| Fiscal Impact Summary | FY 2016-2017 | FY 2017-2018 |
|--|--------------------|--------------|
| State Revenue | | |
| State Expenditures | Workload increase. | |
| Appropriation Required: None. | | |
| Future Year Impacts: Ongoing workload increase. | | |

Summary of Legislation

This bill requires the State Auditor to conduct postaudits and performance audits of the limited gaming funds that are transferred to the State Historical Fund for the preservation and restoration of the gaming cities of Central, Black Hawk, and Cripple Creek. The audits must include:

- how the cities are spending the distributions and whether the funds are being used for preservation and restoration; and
- whether the cities have adopted standards for the distribution of grants, as defined in current law.

The State Auditor must conduct these audits every five years, beginning no later than September 1, 2017, and has the authority to conduct audits more frequently, as determined by the State Auditor or Legislative Audit Committee. The bill's requirements are in addition to the State Auditor's current duty to examine annual audits submitted by each local government.

Background

Limited gaming is permitted in three communities in Colorado - Central, Black Hawk, and Cripple Creek. After administrative expenses, 50 percent of limited gaming revenue is considered the state share, 10 percent goes to these three gaming cities, 12 percent to the gaming counties, and 28 percent to the State Historical Fund. Of the 28 percent that goes to the State Historical Fund, 20 percent goes to the three gaming cities for preservation and restoration in a one time annual transfer. In FY 2014-15, \$4.9 million was transferred to the gaming cities from the State Historical Fund.

State Expenditures

Beginning in FY 2016-17, the bill increases the workload for the Office of State Auditor (OSA) by requiring audits of the State Historical Fund monies dedicated for historical preservation of gaming cities. This increase can be absorbed within OSA's existing workload and does not require additional appropriations.

Local Government Increase

To the extent that OSA requires cooperation from the three gaming cities in order to conduct the audits of gaming revenues used for historic preservation, there will be an increase in workload for those municipalities.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Municipalities
Higher Education

Secretary of State

State Auditor