

## CHAPTER 215

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**REVENUE - ACTIVITIES REGULATION**

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HOUSE BILL 20-1400

BY REPRESENTATIVE(S) Esgar and McCluskie, Ransom;  
also SENATOR(S) Moreno and Zenzinger, Rankin.**AN ACT****CONCERNING THE TEMPORARY REALLOCATION OF LIMITED GAMING TAX REVENUES TO ADDRESS RECOVERY FOLLOWING THE 2020 BUDGET CRISIS.***Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** In Colorado Revised Statutes, 44-30-702, **amend** (3)(b) introductory portion and (4)(d) introductory portion; and **add** (7) as follows:

**44-30-702. Revenues attributable to local revisions to gaming limits - extended limited gaming fund - identification - separate administration - distribution - definitions - legislative declaration.** (3) From the fund, the state treasurer shall pay:

(b) **Second**, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7) OF THIS SECTION, annual adjustments, in connection with distributions to limited gaming fund recipients listed in section 9 (5)(b)(II) of article XVIII of the state constitution, to reflect the lesser of six percent, or the actual percentage, of annual growth in extended limited gaming tax revenues. As used in this subsection (3)(b), "annual adjustment" means an annual payment to limited gaming fund recipients listed in section 9 (5)(b)(II) of article XVIII of the state constitution, calculated as follows:

(4) **Definitions.** As used in this section:

(d) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7) OF THIS SECTION, "limited gaming tax revenues attributable to extended limited gaming" means all limited gaming tax revenue in excess of the amount collected during fiscal year 2008-09, adjusted as follows:

(7) **Reduction in revenues due to force majeure - operation of hold-harmless**

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

**provisions - continuity of funding - recovery. (a) Legislative declaration.** THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT:

(I) SECTION 9(7) OF ARTICLE XVIII OF THE STATE CONSTITUTION, INITIATED AND ENACTED BY THE PEOPLE OF COLORADO IN 2008 AND COMMONLY REFERRED TO AS "AMENDMENT 50", AUTHORIZED THE EXTENSION OF LIMITED GAMING ACTIVITY FOR THE PURPOSE OF HELPING FUND COLORADO'S COMMUNITY COLLEGES, JUNIOR COLLEGES, AND LOCAL DISTRICT COLLEGES THROUGH AN INCREASE IN GAMING TAX REVENUES;

(II) AMENDMENT 50 EXPLICITLY AUTHORIZED THE GENERAL ASSEMBLY TO "ENACT, AS NECESSARY, LEGISLATION THAT WILL FACILITATE THE OPERATION OF THIS [INITIATIVE]";

(III) PURSUANT TO THAT AUTHORITY, IT IS REASONABLE FOR THE GENERAL ASSEMBLY TO ADDRESS THE EFFECTS OF THE GLOBAL PANDEMIC AND ECONOMIC RECESSION OF 2020 IN A WAY THAT:

(A) AVOIDS LONG-TERM ECONOMIC DAMAGE TO ANY OF THE BENEFICIARIES OF LIMITED GAMING TAX REVENUES; AND

(B) EQUITABLY ALLOCATES THE LIMITED GAMING TAX REVENUES IN FISCAL YEARS IMMEDIATELY FOLLOWING THIS SEVERE FUNDING DECLINE AMONG ALL RECIPIENTS; AND

(IV) THE ALLOCATION PROVISIONS OF SECTION 9(7) OF ARTICLE XVIII OF THE STATE CONSTITUTION DO NOT CONTEMPLATE THE UNPRECEDENTED SIGNIFICANT DECLINE IN LIMITED GAMING REVENUES CAUSED BY THE GLOBAL PANDEMIC, AND THE GENERAL ASSEMBLY DESIRES TO ADDRESS THE ORIGINAL IMPLEMENTING STATUTORY FORMULA FOR THE ALLOCATION OF GAMING REVENUES, CONSISTENT WITH THE STATE CONSTITUTION, IN A MANNER THAT MODIFIES THE STATUTORY ANNUAL ADJUSTMENT PROVISIONS TO RETAIN THE CONSTITUTIONAL ALLOCATION, THUS REFLECTING THE PROPORTIONATE ALLOCATION TO THE BENEFICIARIES OF LIMITED GAMING TAX REVENUES.

(b) (I) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (3)(b) OR (4)(d) OF THIS SECTION TO THE CONTRARY, BEGINNING IN STATE FISCAL YEAR 2020-21 AND CONTINUING THROUGH EACH SUBSEQUENT FISCAL YEAR UNTIL THE FISCAL YEAR IMMEDIATELY FOLLOWING THE FISCAL YEAR IN WHICH TOTAL LIMITED GAMING TAX REVENUE COLLECTIONS HAVE AGAIN EQUALED OR EXCEEDED THE AMOUNT OF TOTAL LIMITED GAMING TAX REVENUES COLLECTED IN STATE FISCAL YEAR 2018-19, ANY ANNUAL GROWTH OR DECLINE IN TOTAL NET GAMING TAX DISTRIBUTIONS SHALL BE ALLOCATED BETWEEN THE LIMITED GAMING FUND RECIPIENTS LISTED IN SECTION 9(5)(b)(II) OF ARTICLE XVIII OF THE STATE CONSTITUTION AND THE RECIPIENTS OF LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING UNDER SECTION 9(7) OF ARTICLE XVIII OF THE STATE CONSTITUTION BASED ON THE RELATIVE PERCENTAGES IN WHICH EACH GROUP OF RECIPIENTS SHARED IN THE DECREASE IN TOTAL NET GAMING TAX DISTRIBUTIONS FROM STATE FISCAL YEAR 2018-19 TO STATE FISCAL YEAR 2019-20. THE COMMISSION MAY MAKE ANY ADJUSTMENTS NECESSARY TO ENSURE THAT THE FINAL DISTRIBUTIONS TO ALL RECIPIENTS COMPLY WITH CONSTITUTIONAL REQUIREMENTS WHILE ACHIEVING THE

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

(II) AS USED IN THIS SUBSECTION (7)(b), "LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING" MEANS THAT PORTION OF TOTAL LIMITED GAMING TAX REVENUES ALLOCATED PURSUANT TO SUBSECTION (7)(b)(I) OF THIS SECTION TO RECIPIENTS OF REVENUES DERIVED FROM EXTENDED LIMITED GAMING UNDER SECTION 9 (7) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 30, 2020