

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0496.01 Esther van Mourik x4215

HOUSE BILL 21-1132

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A BILL FOR AN ACT

101 **CONCERNING AUTHORIZED DISTRIBUTIONS FROM THE LOCAL**
102 **GOVERNMENT LIMITED GAMING IMPACT FUND.**

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>.)

The bill clarifies the authorized distributions from the local government limited gaming impact fund by:

- Specifying that "documented gaming impacts" should be for negative impacts and defining that phrase;
- Requiring grant awards to be prioritized for eligible local governmental entities that have lower property values

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.

- compared to all eligible local governmental entities;
- Defining "property values" as the sum of the actual value of all property, including the actual value of all tax-exempt property, as of December 31 of the prior year;
- Requiring documented negative gaming impacts to be explicitly identifiable;
- Defining "negative impacts"; and
- Allowing grants from the gambling addiction account to be used to provide gambling addiction treatment training to staff at nonprofit community mental health centers or clinics; this is in addition to the current authorized use for gambling addiction counseling services to Colorado residents.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-30-1301, **amend**
 3 (1), (2)(a), and (2)(b)(I); **repeal** (2)(c) and (3); and **add** (5) as follows:

4 **44-30-1301. Local government limited gaming impact fund -**
 5 **rules - report - legislative declaration - definitions - repeal.**

6 (1) (a) There is hereby created in the state treasury the local government
 7 limited gaming impact fund, referred to in this part 13 as the "fund"; and
 8 within the fund, there is created the limited gaming impact account and
 9 the gambling addiction account. The fund consists of money transferred
 10 to the fund pursuant to section 44-30-701 (2)(a)(III) and money
 11 appropriated to the fund by the general assembly. Of the money in the
 12 fund, ninety-eight percent shall be allocated to the limited gaming impact
 13 account and two percent shall be allocated to the gambling addiction
 14 account. Money in the limited gaming impact account shall be used to
 15 provide financial assistance to eligible local government entities for
 16 documented NEGATIVE gaming impacts and to award grants for the
 17 provision of gambling addiction counseling, including prevention and
 18 education, to Colorado residents.

1 (b) ~~For the purposes of AS USED IN this part 13, UNLESS THE~~
2 CONTEXT OTHERWISE REQUIRES:

3 (I) "Documented NEGATIVE gaming impacts" means the
4 documented expenses, costs, and other NEGATIVE impacts ~~and the~~
5 ~~provision of gambling addiction counseling, including prevention and~~
6 ~~education, to Colorado residents,~~ THAT ARE incurred directly AND ARE
7 EXPLICITLY IDENTIFIABLE as a result of limited gaming permitted in the
8 counties of Gilpin and Teller and on Indian lands. "DOCUMENTED
9 NEGATIVE GAMING IMPACTS" INCLUDES THE PROVISION OF GAMBLING
10 ADDICTION COUNSELING, INCLUDING PREVENTION AND EDUCATION, TO
11 COLORADO RESIDENTS.

12 (II) "ELIGIBLE LOCAL GOVERNMENTAL ENTITY" MEANS THE
13 FOLLOWING LOCAL GOVERNMENTAL ENTITIES:

14 (A) THE COUNTIES OF BOULDER, CLEAR CREEK, GRAND,
15 JEFFERSON, EL PASO, FREMONT, PARK, DOUGLAS, GILPIN, TELLER, LA
16 PLATA, MONTEZUMA, AND ARCHULETA;

17 (B) ANY MUNICIPALITY LOCATED WITHIN THE BOUNDARIES OF ANY
18 COUNTY SET FORTH IN SUBSECTION (1)(b)(II)(A) OF THIS SECTION, EXCEPT
19 THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, AND THE CITY OF
20 CRIPPLE CREEK, AND EXCEPT THAT NEITHER THE CITY OF WOODLAND
21 PARK NOR THE CITY OF VICTOR ARE ELIGIBLE LOCAL GOVERNMENTAL
22 ENTITIES PRIOR TO JULY 1, 2002; AND

23 (C) ANY SPECIAL DISTRICT PROVIDING EMERGENCY SERVICES
24 WITHIN THE BOUNDARIES OF ANY COUNTY SET FORTH IN SUBSECTION
25 (1)(b)(II)(A) OF THIS SECTION.

26 (III) "FUND" MEANS THE LOCAL GOVERNMENT LIMITED GAMING
27 IMPACT FUND CREATED IN THIS SECTION.

1 (IV) "NEGATIVE IMPACTS" MEANS IMPACTS THAT HARM, DAMAGE,
2 HURT, INTERFERE, OR UNDERMINE THE ELIGIBLE LOCAL GOVERNMENTAL
3 ENTITY, AND INCLUDE, BUT ARE NOT LIMITED TO:

4

5 (A) INCREASED INFRASTRUCTURE COSTS TO SERVICE THE LICENSED
6 GAMING ESTABLISHMENT; FOR EXAMPLE, ROAD REPAIR AND UTILITIES;

7 (B) INCREASED SERVICE COSTS TO SERVICE THE LICENSED GAMING
8 ESTABLISHMENT; FOR EXAMPLE, POLICE SERVICES, FIRE SERVICES, AND
9 PUBLIC TRANSPORTATION;

10 (C) DECREASED NUMBER OF NEW BUSINESSES AND REVENUE IN
11 BUSINESSES CANNIBALIZED BY GAMING AT A LICENSED GAMING
12 ESTABLISHMENT; FOR EXAMPLE, CHARITABLE GAMING THROUGH BINGO OR
13 SCRATCH TICKETS, HORSE RACING AND ASSOCIATED HORSE BREEDING AND
14 TRAINING, AND A WIDE RANGE OF OTHER POSSIBLE ENTERTAINMENT
15 INDUSTRIES;

16 (D) DECREASED PROPERTY VALUES IN AREAS PROXIMATE TO A
17 LICENSED GAMING ESTABLISHMENT;

18 (E) INCREASED RATES OF GAMBLING ADDICTION, INCREASED
19 INDICES ASSOCIATED WITH GAMBLING ADDICTION, AND INCREASED COSTS
20 OF ADDRESSING THE FOLLOWING ISSUES: INCREASED RATES OF PERSONAL
21 BANKRUPTCY; INCREASED RATES OF DIVORCE, SEPARATION, AND
22 RESTRAINING ORDERS; INCREASED RATES OF CHILD NEGLECT AND ABUSE;
23 INCREASED RATES OF MENTAL HEALTH PROBLEMS, SELF-HARM, AND
24 SUICIDE; INCREASED RATES OF CRIME DUE TO GAMBLING ADDICTION;
25 DECREASED WORK PRODUCTIVITY; INCREASED TREATMENT AND
26 PREVENTION COSTS TO TREAT PROBLEM GAMBLING; AND INCREASED
27 PREVENTION COSTS TO PREVENT PROBLEM GAMBLING;

1 (F) INCREASED RATES OF CRIME, POLICING, INCARCERATION, AND
2 PROBATION SERVICES FACILITATED BY THE PRESENCE OF A LICENSED
3 GAMING ESTABLISHMENT, INCLUDING ADDITIONAL ALCOHOL-RELATED
4 CRIME, MONEY LAUNDERING, PASSING COUNTERFEIT, AND ATTRACTING
5 CLIENTELE WITH ANTISOCIAL TENDENCIES;

6 (G) DECREASED EMPLOYMENT IN INDUSTRIES CANNIBALIZED BY
7 A LICENSED GAMING ESTABLISHMENT;

8 (H) INCREASED TRAFFIC AND TRAFFIC ACCIDENTS;

9 (I) INCREASED NOISE; AND

10 (J) INCREASED SOCIOECONOMIC INEQUALITY, AS GAMBLING TENDS
11 TO BE REGRESSIVE.

12 (V) "PROPERTY VALUES" MEANS THE SUM OF THE ACTUAL VALUE
13 OF ALL PROPERTY, INCLUDING THE ACTUAL VALUE OF ALL TAX-EXEMPT
14 PROPERTY, AS OF DECEMBER 31 OF THE PRIOR YEAR.

15 (2) (a) (I) After considering the recommendations of the local
16 government limited gaming impact advisory committee created in section
17 44-30-1302, the money from the limited gaming impact account shall be
18 distributed at the authority of the executive director of the department of
19 local affairs to eligible local governmental entities upon their application
20 for grants to finance planning, construction, and maintenance of public
21 facilities and the provision of public services related to the documented
22 NEGATIVE gaming impacts; EXCEPT THAT THE GRANTS MUST BE
23 PRIORITIZED:

24 (A) FOR ELIGIBLE LOCAL GOVERNMENTAL ENTITIES THAT ARE
25 COUNTIES WITH LOWER PROPERTY VALUES COMPARED TO THE PROPERTY
26 VALUES OF ALL COUNTIES THAT ARE ELIGIBLE LOCAL GOVERNMENTAL
27 ENTITIES; OR PRIORITIZED FOR ELIGIBLE LOCAL GOVERNMENTAL ENTITIES

1 LOCATED IN COUNTIES WITH LOWER PROPERTY VALUES COMPARED TO THE
2 PROPERTY VALUES OF ALL COUNTIES THAT ARE ELIGIBLE LOCAL
3 GOVERNMENTAL ENTITIES. IF AN ELIGIBLE LOCAL GOVERNMENTAL ENTITY
4 HAS A JURISDICTIONAL BOUNDARY THAT INCLUDES MORE THAN ONE
5 COUNTY, THEN THE PRIORITIZATION FOR THAT ELIGIBLE LOCAL
6 GOVERNMENTAL ENTITY IS ESTABLISHED BASED ON THE COUNTY IN WHICH
7 THE ELIGIBLE LOCAL GOVERNMENTAL ENTITY'S ADMINISTRATIVE OFFICES
8 ARE LOCATED; AND

9 (B) BASED ON A METHODOLOGICAL APPROACH THAT
10 INCORPORATES A WEIGHTED DECISION MATRIX WHICH INCLUDES
11 COMMUNITY AND IMPACT SCORING.

12 (II) At the end of any fiscal year, all unexpended and
13 unencumbered money in the limited gaming impact account shall remain
14 available for expenditure in any subsequent fiscal year without further
15 appropriation by the general assembly.

16 (b) (I) For the 2008-09 fiscal year and each fiscal year thereafter,
17 the executive director of the department of human services shall use the
18 money in the gambling addiction account to award grants for the purpose
19 of providing gambling addiction counseling services to Colorado
20 residents AND TO PROVIDE GAMBLING ADDICTION TREATMENT TRAINING
21 TO STAFF AT NONPROFIT COMMUNITY MENTAL HEALTH CENTERS OR
22 CLINICS AS DEFINED IN SECTION 27-66-101. The department of human
23 services may use a portion of the money in the gambling addiction
24 account, not to exceed ten percent in the 2008-09 fiscal year and five
25 percent in each fiscal year thereafter, to cover the department's direct and
26 indirect costs associated with administering the grant program authorized
27 in this subsection (2)(b). The executive director of the department of

1 human services shall award grants to state or local public or private
2 entities or programs that provide gambling addiction counseling services
3 and that have or are seeking nationally accredited gambling addiction
4 counselors. The executive director of the department of human services
5 shall award ten percent of the money in the gambling addiction account
6 in grants to addiction counselors who are actively pursuing national
7 accreditation as gambling addiction counselors. In order to qualify for an
8 accreditation grant, an addiction counselor applicant must provide
9 sufficient proof that he or she has completed at least half of the
10 counseling hours required for national accreditation. The executive
11 director of the department of human services shall adopt rules
12 establishing the procedure for applying for a grant from the gambling
13 addiction account, the criteria for awarding grants and prioritizing
14 applications, and any other provision necessary for the administration of
15 the grant applications and awards. Neither the entity, program, or
16 gambling addiction counselor providing the gambling addiction
17 counseling services nor the recipients of the counseling services need to
18 be located within the jurisdiction of an eligible local governmental entity
19 in order to receive a grant or counseling services. At the end of a fiscal
20 year, all unexpended and unencumbered money in the gambling addiction
21 account remains in the account and does not revert to the general fund or
22 any other fund or account.

23 (c) ~~For the purposes of this part 13, the term "eligible local~~
24 ~~governmental entity" means the following local governmental entities:~~

25 ~~(1) The counties of Boulder, Clear Creek, Grand, Jefferson, El~~
26 ~~Paso, Fremont, Park, Douglas, Gilpin, Teller, La Plata, Montezuma, and~~
27 ~~Archuleta;~~

1 ~~(H) Any municipality located within the boundaries of any county~~
2 ~~set forth in subsection (2)(c)(I) of this section, except the City of Central,~~
3 ~~the City of Black Hawk, and the City of Cripple Creek; and~~

4 ~~(HH) Any special district providing emergency services within the~~
5 ~~boundaries of any county set forth in subsection (2)(c)(I) of this section.~~

6 ~~(3) Notwithstanding the provisions of subsection (2)(c)(H) of this~~
7 ~~section, neither the City of Woodland Park nor the City of Victor shall be~~
8 ~~eligible local governmental entities prior to July 1, 2002.~~

9 (5) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

10 (a) GRANTS TO ELIGIBLE LOCAL GOVERNMENTAL ENTITIES FROM
11 THE LOCAL GOVERNMENT LIMITED GAMING IMPACT FUND PROVIDE VERY
12 VALUABLE MONEY TO THOSE COMMUNITIES, PARTICULARLY IN TIMES OF
13 ECONOMIC DISTRESS;

14 (b) THE GRANTS SHOULD ONLY BE AWARDED FOR EXPLICITLY
15 IDENTIFIABLE AND WELL-DOCUMENTED NEGATIVE IMPACTS RESULTING
16 FROM LIMITED GAMING PERMITTED IN THE COUNTIES OF GILPIN AND
17 TELLER AND ON INDIAN LANDS;

18 (c) NEGATIVE IMPACTS ARE THOSE IMPACTS THAT HARM, DAMAGE,
19 HURT, INTERFERE, OR UNDERMINE THE ELIGIBLE LOCAL GOVERNMENTAL
20 ENTITY; AND

21 (d) THE GRANT AWARDS SHOULD BE DISTRIBUTED BASED ON THE
22 RELATIVE NEED OF THE COUNTY OR TOWN, AS EVIDENCED BY THE
23 PRIORITIZATION REQUIREMENTS SET FORTH IN SUBSECTION (2)(a)(I) OF
24 THIS SECTION.

25 **SECTION 2.** In Colorado Revised Statutes, 44-30-1302, **amend**
26 **(4)** as follows:

27 **44-30-1302. Local government limited gaming impact advisory**

1 **committee - creation - duties.** (4) The committee shall have the
2 following duties:

3 (a) To establish a standardized methodology and criteria for
4 documenting, measuring, assessing, IDENTIFYING, and reporting the
5 documented NEGATIVE gaming impacts upon eligible local governmental
6 entities;

7 (b) To review the documented NEGATIVE gaming impacts upon
8 eligible local governmental entities on a continuing basis;

9 (c) TO ASCERTAIN THE PROPERTY VALUES FOR EACH COUNTY THAT
10 IS AN ELIGIBLE LOCAL GOVERNMENTAL ENTITY AND COMPARE THAT TO
11 THE PROPERTY VALUES FOR ALL COUNTIES THAT ARE ELIGIBLE LOCAL
12 GOVERNMENTAL ENTITIES.

13 (d) To review grant applications from eligible local
14 governmental entities, individually or in cooperation with other eligible
15 local governmental entities, based upon the needs of the entities, and the
16 documented NEGATIVE gaming impacts on the entities, AND THE
17 PRIORITIZATION REQUIREMENTS SET FORTH IN SECTION 44-30-1301
18 (2)(a)(I); AND

19 (e) To make funding recommendations on a continuing basis
20 to be considered by the executive director of the department of local
21 affairs in making funding decisions for grant applications submitted by
22 eligible local governmental entities pursuant to section 44-30-1301 (2)(a).

23 **SECTION 3.** In Colorado Revised Statutes, 24-48.5-314, **amend**
24 (5)(b) as follows:

25 **24-48.5-314. Creative districts - creation - certification -**
26 **powers of coordinator and division - legislative declaration -**
27 **definitions.** (5) (b) In addition to any powers explicitly granted to the

1 division under this section, the division shall have any additional powers
2 that are necessary to carry out the purposes of this section. Where
3 authorized by law, the powers may include offering incentives to
4 state-certified creative districts to encourage business development,
5 including, but not limited to, incentives in the form of need-based funding
6 for infrastructure development in state-certified creative districts,
7 exploring new incentives that are directly related to creative enterprises,
8 facilitating local access to state economic development assistance,
9 enhancing the visibility of state-certified creative districts, providing
10 state-certified creative districts with technical assistance and planning aid,
11 ensuring broad and equitable program benefits, and fostering a supportive
12 climate for the arts and culture within the state; except that,
13 notwithstanding any other provision of this section, a creative district
14 created pursuant to this section shall not be eligible to receive any form
15 of financial incentive that is derived from money allocated to the local
16 government limited gaming impact fund created in section 44-30-1301
17 (1), without the consent of the applicable eligible local governmental
18 entity or entities, as defined in ~~section 44-30-1301 (2)(c)~~ SECTION
19 44-30-1301 (1)(b)(II), inside the territorial boundaries of which the
20 creative district is located.

21 **SECTION 4. Applicability.** This act applies to grants awarded
22 from the local government limited gaming impact fund on or after the
23 applicable effective date of this act.

24 **SECTION 5. Safety clause.** The general assembly hereby finds,
25 determines, and declares that this act is necessary for the immediate
26 preservation of the public peace, health, or safety.