

CHAPTER 390

GOVERNMENT - STATE

SENATE BILL 00-084

BY SENATORS Chlouber, Epps, Hernandez, Nichol, and Tanner;
also REPRESENTATIVES Spence, Alexander, Coleman, Hoppe, Larson, Lawrence, Miller, and Young.

AN ACT

CONCERNING AN AUTHORIZATION OF MULTISTATE LOTTERY GAMES, AND, IN CONNECTION THEREWITH, TRANSFERRING A PORTION OF THE NET PROCEEDS FROM ALL LOTTERY PROGRAMS, INCLUDING MULTI-STATE LOTTERY GAMES, FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND AS A CONTINGENCY RESERVE FOR SUPPLEMENTAL ASSISTANCE TO SCHOOL DISTRICTS FOR CAPITAL EXPENDITURES TO ADDRESS IMMEDIATE HEALTH AND SAFETY CONCERNS WITHIN EXISTING SCHOOL FACILITIES EXEMPT FROM ANY RESTRICTION ON SPENDING, REVENUES, OR APPROPRIATIONS, INCLUDING, WITHOUT LIMITATION, THE RESTRICTIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, AND MAKING AN APPROPRIATION.

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

SECTION 1. 24-35-201 (5), Colorado Revised Statutes, is amended, and the said 24-35-201 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

24-35-201. Definitions. As used in this part 2, unless the context otherwise requires:

(5) "Lottery" means any ~~lottery~~ AND ALL LOTTERIES created and operated pursuant to this part 2, including, without limitation, the game commonly known as lotto, in which prizes are awarded on the basis of designated numbers conforming to numbers selected at random, electronically or otherwise, by or at the direction of the commission, AND ANY MULTISTATE LOTTERY OR GAME THAT IS AUTHORIZED BY A MULTISTATE AGREEMENT TO WHICH THE COMMISSION IS PARTY. ALL REFERENCES IN THIS ARTICLE TO "THE LOTTERY" SHALL BE CONSTRUED TO INCLUDE ANY OR ALL LOTTERIES WITHIN THE MEANING OF THIS SUBSECTION (5).

(6) "MULTISTATE AGREEMENT" MEANS AN AGREEMENT ENTERED INTO BY THE COMMISSION AND AT LEAST ONE OTHER STATE'S LOTTERY AUTHORITY THAT AUTHORIZES THE COMMISSION TO ALLOW COLORADO RESIDENTS TO PARTICIPATE IN

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

ONE OR MORE MULTISTATE LOTTERIES PURSUANT TO RULES PROMULGATED BY THE COMMISSION.

SECTION 2. 24-35-203, Colorado Revised Statutes, is amended to read:

24-35-203. Function of division. The function of the division is to establish, operate, and supervise the lottery authorized by section 2 of article XVIII of the state constitution, as approved by the electors. ~~at the 1980 general election.~~

SECTION 3. 24-35-204 (3) (a) and (3) (i), Colorado Revised Statutes, are amended to read:

24-35-204. Director - qualifications - powers and duties. (3) The director, as administrative head of the division, shall direct and supervise all its administrative and technical activities. In addition to the duties imposed upon the director elsewhere in this part 2, it shall be the director's duty:

(a) To supervise and administer the operation of the lottery in accordance with the provisions of this part 2 and the rules ~~and regulations~~ of the commission, TO PERFORM ALL DUTIES AND OBLIGATIONS PURSUANT TO AND ADMINISTER ANY MULTISTATE AGREEMENTS, AND TO PROVIDE FOR ALL EXPENSES INCURRED IN CONNECTION WITH ANY SUCH MULTISTATE AGREEMENTS UNLESS SUCH EXPENSES ARE OTHERWISE PROVIDED FOR IN SUCH MULTISTATE AGREEMENTS;

(i) With the concurrence of the commission or pursuant to commission requirements and procedures, to enter into contracts for materials, equipment, and supplies to be used in the operation of the lottery, for the design and installation of games or lotteries, and for promotion of the lottery. No contract shall be legal or enforceable that provides for the management of the lottery or for the entire operation of its games by any private person, firm, or corporation, because management of the lottery and control over the operation of its games shall remain with the state; EXCEPT THAT MANAGEMENT OF AND CONTROL OVER THE OPERATION OF A MULTISTATE LOTTERY SHALL BE DETERMINED BY THE TERMS OF A MULTISTATE AGREEMENT. Except for advertising and promotional contracts, when a contract OTHER THAN A MULTISTATE AGREEMENT is awarded, a performance bond satisfactory to the commission, executed by a surety company authorized to do business in this state or otherwise secured in a manner satisfactory to the state, in an amount set annually by the commission shall be delivered to the state and shall become binding on the parties upon execution of the contract.

SECTION 4. 24-35-208 (1) (a), Colorado Revised Statutes, is amended, and the said 24-35-208 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

24-35-208. Commission - powers and duties. (1) In addition to any other powers and duties set forth in this part 2, the commission shall have the following powers and duties:

(a) To promulgate rules ~~and regulations~~ governing the establishment and operation of ~~a state~~ THE lottery as it deems necessary to carry out the purposes of this part 2. The director shall prepare and submit to the commission written recommendations

concerning proposed rules ~~and regulations~~ for this purpose.

(i) TO INVESTIGATE, NEGOTIATE, ENTER INTO, REVISE FROM TIME TO TIME, AND PARTICIPATE IN MULTISTATE AGREEMENTS AND TO OPERATE, SUPERVISE, ADVERTISE, AND REGULATE MULTISTATE LOTTERIES. THE DIRECTOR SHALL ACT AS THE COMMISSION'S AGENT IN SUCH INVESTIGATIONS AND NEGOTIATIONS IF THE COMMISSION SO DIRECTS.

SECTION 5. 22-54-117, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

22-54-117. Contingency reserve. (1.6) FOR EACH QUARTER INCLUDING AND AFTER THE FIRST QUARTER OF THE STATE'S FISCAL YEAR 2001-2002, ALL MONEYS THAT WOULD OTHERWISE BE TRANSFERRED TO THE GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III) OF ARTICLE XXVII OF THE STATE CONSTITUTION SHALL BE TRANSFERRED TO THE STATE PUBLIC SCHOOL FUND AS A CONTINGENCY RESERVE EXEMPT FROM ANY RESTRICTION ON SPENDING, REVENUES, OR APPROPRIATIONS, INCLUDING, WITHOUT LIMITATION, THE RESTRICTIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION. THE STATE BOARD IS AUTHORIZED TO APPROVE AND ORDER PAYMENTS FROM THE MONEYS TRANSFERRED PURSUANT TO THIS SUBSECTION ONLY FOR SUPPLEMENTAL ASSISTANCE TO DISTRICTS FOR CAPITAL EXPENDITURES TO ADDRESS IMMEDIATE SAFETY HAZARDS OR HEALTH CONCERNS WITHIN EXISTING SCHOOL FACILITIES.

SECTION 6. 24-77-102 (17) (a) and (17) (b) (IX), Colorado Revised Statutes, are amended to read:

24-77-102. Definitions. As used in this article, unless the context otherwise requires:

(17) (a) "State fiscal year spending" means all state expenditures and reserve increases occurring during any given fiscal year as established by section 24-30-204, including, but not limited to, state expenditures or reserve increases from:

(I) Moneys received by the state from enterprises; AND

(II) Cash funds of state institutions of higher education, as defined in section 23-1-103.5, C.R.S.

(III) ~~Net lottery proceeds distributed to the capital construction fund for payment of debt service on the obligations described in section 3 (1) (c) of article XXVII of the state constitution for the period through the fourth quarter of the state's fiscal year 1997-1998; and~~

(IV) ~~Net lottery proceeds allocated to the general fund pursuant to section 3 (1) (b) (III) of article XXVII of the state constitution for the period beginning with the first quarter of the state's fiscal year 1998-1999.~~

(b) "State fiscal year spending" does not include reserve transfers or expenditures or any state expenditures or reserve increases:

(IX) From net proceeds from state-supervised lottery games, as defined in section 3 (1) of article XXVII of the state constitution. ~~except that those portions of such proceeds which are specified in subparagraphs (II) and (IV) of paragraph (a) of this subsection (17) are included in state fiscal year spending.~~

SECTION 7. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the lottery fund, created in section 24-35-210, Colorado Revised Statutes, not otherwise appropriated, to the department of revenue, for the fiscal year beginning July 1, 2000, the sum of four hundred thousand dollars (\$400,000), or so much thereof as may be necessary, for the implementation of this act. In accordance with the provisions of section 24-77-102 (3), Colorado Revised Statutes, these moneys shall be designated as cash funds exempt.

SECTION 8. Refer to people under referendum. This act shall be submitted to a vote of the registered electors of the state of Colorado at the next biennial regular general election, for their approval or rejection, under the provisions of the referendum as provided for in section 1 of article V of the state constitution, and in article 40 of title 1, Colorado Revised Statutes. Each elector voting at said election and desirous of voting for or against said act shall cast a vote as provided by law either "Yes" or "No" on the proposition: "SHALL THE COLORADO LOTTERY COMMISSION BE AUTHORIZED TO ENTER INTO MULTISTATE AGREEMENTS ALLOWING COLORADO RESIDENTS TO PLAY MULTISTATE LOTTERY GAMES, AND, IN CONNECTION THEREWITH, TRANSFERRING A PORTION OF THE NET PROCEEDS FROM ALL LOTTERY PROGRAMS, INCLUDING MULTI-STATE LOTTERY GAMES, FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND AS A CONTINGENCY RESERVE FOR SUPPLEMENTAL ASSISTANCE TO SCHOOL DISTRICTS FOR CAPITAL EXPENDITURES TO ADDRESS IMMEDIATE HEALTH AND SAFETY CONCERNS WITHIN EXISTING SCHOOL FACILITIES EXEMPT FROM ANY RESTRICTION ON SPENDING, REVENUES, OR APPROPRIATIONS, INCLUDING, WITHOUT LIMITATION, THE RESTRICTIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION?" The votes cast for the adoption or rejection of said act shall be canvassed and the result determined in the manner provided by law for the canvassing of votes for representatives in Congress.

Editor's Note: This act contains a Referendum Clause. See section 8.