

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee Members
FROM JBC Staff
DATE April 13, 2022
SUBJECT Potential Legislation

This packet includes bill drafts and related memos for the Committee’s consideration. Each individual item has page numbers but also a packet page number to help navigate the whole document. The page numbers below refer to the packet page number.

POTENTIAL LEGISLATION

Memo re: LLS 22-0960 (Bickel)..... 1

Reallocation Of Limited Gaming Revenues LLS 22-0960 (Bickel)10

Infrastructure Investment & Jobs Act Cash Fund LLS 22-0951 (Bickel)21

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Amanda Bickel, JBC Staff (303-866-4960)
DATE April 13, 2022
SUBJECT LLS 22-0960 - Concerning the reallocation of limited gaming tax revenues for fiscal years following a significant decrease in revenues, and in connection therewith, making an appropriation

JBC STAFF RECOMMENDATION: Staff recommends that the JBC sponsor LLS 22-0960, concerning the reallocation of limited gaming tax revenues for fiscal years following a significant decrease in revenues, as a JBC Bill. This bill corrects unanticipated impacts from the interaction between H.B. 20-1400, gaming revenue trends, and 2020 Amendment 77, which eliminated most limits on limited gaming. It provides a reasonable allocation between original limited gaming recipients (the General Fund and History Colorado) and extended gaming recipients (the Community College System, Colorado Mountain College, Aims Community College, Colorado Mesa University, and Adams State University) for FY 2021-22 and future years, in light of provisions in Amendment 77 that direct tax revenue from higher bets and new games to the extended gaming recipients. It also provides a projected \$23.8 million in additional net General Fund for the General Assembly's use based on the combined impacts in FY 2021-22 and FY 2022-23.

BACKGROUND: Article XVIII, Section 9 of the State Constitution, adopted by the voters in 1990, provided for limited gaming in Central City, Black Hawk, and Cripple Creek, and allocated associated tax revenue to the cities and counties where gaming is authorized (22.0 percent), historic preservation (28.0 percent), and the General Fund or other fund specified by the General Assembly (50.0 percent).

Amendment 50, adopted by the voters in 2008, eliminated limits on betting hours, added craps and roulette as allowed games, and authorized bets up to \$100, subject to approval of voters in the affecting gaming communities. This amendment specified that revenue resulting from these extended gaming provisions would be allocated to public community colleges, junior colleges, and local district colleges (78.0 percent) and the cities and counties where gaming was authorized (22.0 percent). It also specified that the new revenue generated is exempt from the State's TABOR revenue cap. Amendment 77, adopted by the voters in 2020, eliminated all remaining limits on games that could be offered and size of bets, subject to approval by the voters in the affected towns. The allocation of new revenue from these provisions is consistent with the allocation for Amendment 50 and, like revenue from Amendment 50, the revenue is exempt from the State's TABOR revenue cap.

Statutory Allocation - Original versus Extended Gaming Recipients: While the Constitutional amendments 50 and 77 implied that it would be evident what revenue should be assigned to the original recipients of limited gaming revenue versus the recipients of extended gaming revenue, this is not information that casinos or the Gaming Commission have thus far been able to measure; instead, the General Assembly has determined the allocation.

Amendment 50 authorized the General Assembly to enact legislation to facilitate the operation of the extended gaming provisions, and through 2009 legislation, the General Assembly clarified in statute (Section 44-30-702 (3) and (4), C.R.S.) how the division of funds between the original limited gaming recipients and extended gaming recipients would be calculated. The formula adopted in statute

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included capping growth in revenue for the original recipients at 3.0 percent, except when revenue growth exceeds 6.0 percent (when they receive 6.0 percent of the additional revenue).

In 2020, the JBC sponsored H.B. 20-1400, which temporarily modified the statutory provisions that directed the allocation of funds between the original limited gaming recipients and the extended gaming recipients. Casino closures due to the COVID-19 pandemic were anticipated to drive a severe decline in gaming revenues. The existing statutory formula, had it not been modified, would have created a ratchet effect for original recipients, in which revenue for original recipients would have fallen and could not have rebounded due to the 3.0 percent cap on growth for original recipients. To correct this, H.B. 20-1400 suspended statutory provisions that limited annual increases to the original limited gaming recipients to 3.0 percent. Instead, the bill stated that *until the fiscal year immediately following the fiscal year* in which total limited gaming tax revenue collections again equal or exceeded the revenues collected in FY 2018-19, any annual growth or decline in total net gaming tax distributions would be allocated between the limited gaming fund recipients and the extended gaming recipients 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.

INTERACTION BETWEEN CURRENT STATUTE, AMENDMENT 77, AND ACTUAL REVENUE: Gaming revenue declined sharply between FY 2018-19 and FY 2019-20, as had been anticipated. However, it then rebounded much faster than anticipated. In FY 2020-21 it came close to the FY 2018-19 level, and both Legislative Council Staff and the Office of State Planning and Budgeting project that it will substantially exceed the FY 2018-19 level in FY 2021-22. One of the most important reasons for this growth appears to be Amendment 77, adopted in November 2020, which removed limits on bets and games. Based on the provisions adopted in H.B. 20-1400, a disproportionate share of the related growth in revenue will go to the original gaming recipients (the General Fund and History Colorado, as well as gaming cities/counties), although voter intent, reflected in Amendment 77, was that growth in revenue related to removing betting restrictions would go to the extended gaming recipients (community colleges, as well as gaming cities/counties).

MARCH 2022 GAMING REVENUE AND DISTRIBUTIONS - CURRENT LAW (*Dollars in Millions*)

	Actual FY 2018-19	Actual FY 2019-20	Preliminary FY 2020-21	Estimate FY 2021-22	Estimate FY 2022-23	Estimate FY 2023-24
Gaming Taxes						
Pre-Amendment 50 (Subject to TABOR)	104.8	67.4	100.6	138.3	140.0	141.8
Amendment 50 Revenue (TABOR Exempt)	20.2	13.0	19.8	22.6	22.9	23.2
Total Gaming Taxes	125.0	80.3	120.5	161.0	162.9	165.0
Fees and Interest Earnings (Subject to TABOR)						
To Limited Gaming Fund	1.7	1.6	1.1	1.3	1.3	1.4
To State Historical Fund	0.4	0.2	0.1	0.1	0.1	0.1
Total Gaming Revenue	127.1	82.1	121.7	162.4	164.4	166.5
% change	0.0%	-35.4%	48.1%	33.5%	1.2%	1.3%
Total Gaming Revenue Subject to TABOR	106.9	69.1	101.8	139.7	141.5	143.3
Distributions of Gaming Tax Revenue						
Amendment 50 Distributions						
Community Colleges	14.0	11.9	13.8	16.2	16.2	16.4
Gaming Counties and Cities	3.9	3.4	3.9	4.6	4.6	4.6

MARCH 2022 GAMING REVENUE AND DISTRIBUTIONS - CURRENT LAW <i>(Dollars in Millions)</i>						
	Actual FY 2018-19	Actual FY 2019-20	Preliminary FY 2020-21	Estimate FY 2021-22	Estimate FY 2022-23	Estimate FY 2023-24
Amendment 50 Administrative Expenses	2.3	2.3	2.2	2.1	2.0	2.1
Total Amendment 50 Distributions	20.2	17.6	19.8	22.8	22.7	23.1
Pre-Amendment 50 Distributions						
State Historical Fund	26.3	14.3	25.0	35.6	36.1	36.6
Gaming Counties	11.3	6.1	10.7	15.2	15.5	15.7
Gaming Cities	9.4	5.1	8.9	12.7	12.9	13.1
General Fund*	16.4	25.5	44.7	25.0	25.8	26.4
Economic Development Programs*	30.5	-	-	38.1	38.3	38.6
Pre-Amendment 50 Administrative Expenses	10.9	11.8	11.3	11.5	11.6	11.6
Total Pre-Amendment 50 Distributions	104.8	62.7	100.6	138.2	140.2	142.0
Total Gaming Distributions	125.0	80.3	120.5	161.0	162.9	165.1

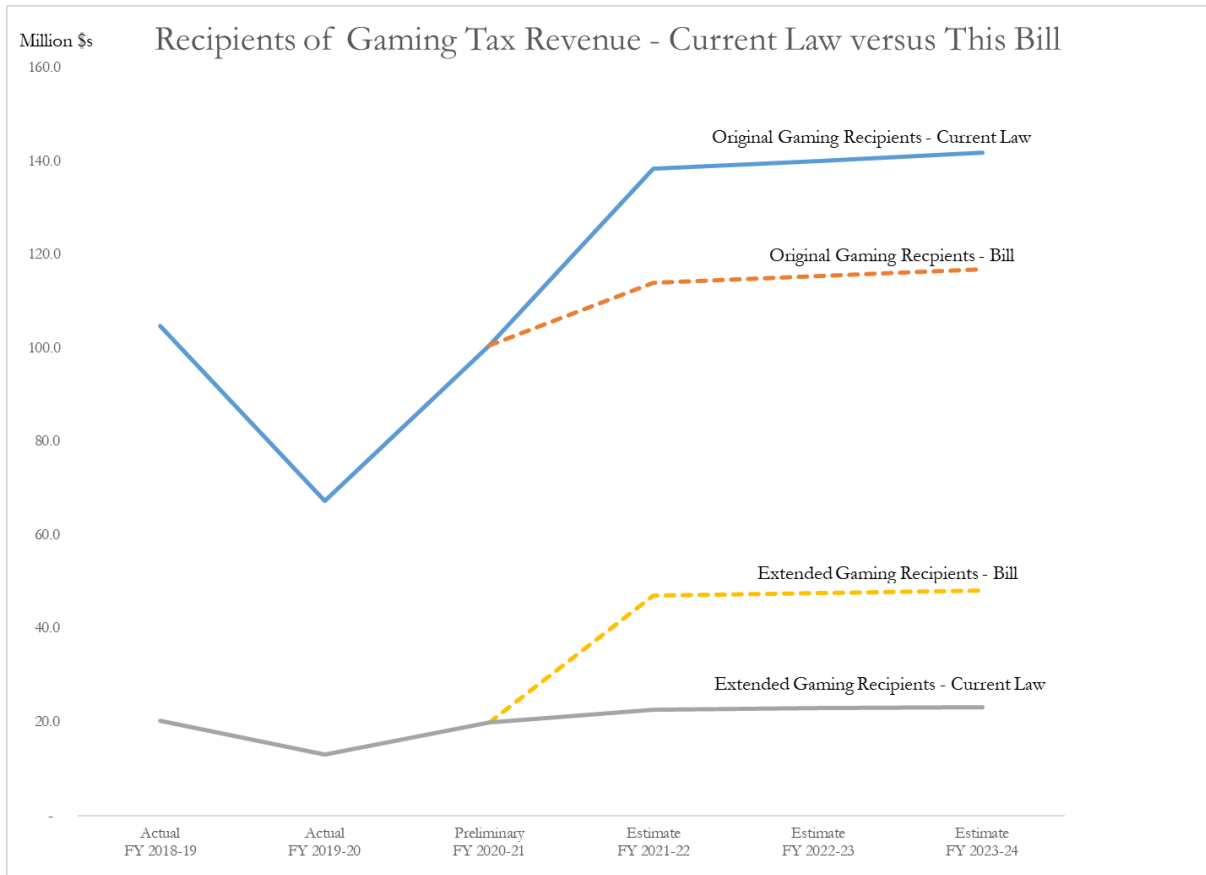
*Economic Development Programs represent a discretionary use of funds that are otherwise allocated to the General Fund.

Source: Legislative Council Staff March 2022 Forecast; See Section 44-30-701 for detail on distributions. Note that allocations for economic development programs are discretionary and may, alternatively, be deposited in the General Fund.

PROPOSED BILL LLS 22-0960: This bill reflects the results of negotiations between the Governor's Office, History Colorado and the Community College System to fairly allocate anticipated gaming revenue for FY 2021-22 and future years, taking into account the impact of Amendment 77 as well as other factors contributing to a post-pandemic rebound in gaming revenue. The provisions of the current draft include the following:

- **For FY 2021-22, the new base for the original recipients of limited gaming revenue will be \$113,973,012, which is based on inflating the FY 2018-19 base of \$104,810,239 for the original recipients by 2.5 percent (for FY 2019-20), 3.0 percent for FY 2020-21, and 3.0 percent for FY 2021-22.**
- **History Colorado will receive a one-time payment of \$3,000,000** which will be deposited into a cash fund for expenditure over several years. The bill includes an appropriation for \$1,500,000 of the amount in the cash fund for FY 2022-23 for programs and activities to strengthen History Colorado's financial position and expand its impact on people of the State.
- **The bill also adds "fair recovery" provisions intended to avoid a ratchet in future years for the original limited gaming recipients in the event gaming revenue again falls sharply.** Specifically, if total gaming revenue falls by 5.0 percent in one year or 6.0 percent over two years, any annual growth or decline in total net gaming tax distributions would be allocated between the limited gaming fund recipients and the extended gaming recipients based on the relative percentages in which each group of recipients shared in the decrease (part of the approach used in H.B. 20-1400). This formula would be used until revenue equals or exceeds the level before the decline (the recent year total revenues peak). In the year total revenue is restored to at or above this peak, revenue to the original recipients would be capped at no more than 3.0 percent above the peak. Subsequent years would then build on this as the new base for the original recipients, using the formula originally established in 2009.

- Finally, the bill also **adds a technical correction to clarify the statutory allocation of funds to the Local Government Limited Gaming Impact Fund.** Current statutory language at Section 44-30-701 (2)(a)(III), C.R.S., requires the \$5,000,000 originally allocated for the program in FY 2017-18 to be "annually increased by an amount equal to the state share" [the 50 percent allocated to the General Fund of money attributed to the original recipients] and also specifies that "if the state share does not increase from the previous fiscal year, then the state treasurer shall transfer an amount equal to the previous fiscal year's transfer." *Legislative Council Staff, OSPB, and the Department of Revenue have all interpreted these provisions differently in forecasting FY 2021-22, given the two year hiatus in any transfer for this program.* **This bill adds a provision to clarify a new base funding amount for FY 2021-22 for the program of \$5,689,938,** which is based on the FY 2018-19 actual allocation of \$5,232,500 increased by the same percentage as the share for the original gaming recipients (2.5 percent for FY 2019-20, 3.0 percent for FY 2020-21, and 3.0 percent for FY 2021-22). Funding for direct and indirect administrative costs is in addition to this amount.



FISCAL IMPACT: The table below summarizes the projected limited gaming distributions, based on JBC Staff's preliminary estimates, if this bill is adopted.

GAMING REVENUE AND DISTRIBUTIONS - PRELIMINARY ESTIMATE IF LLS 22-0960 IS ADOPTED
(Dollars in Millions)

	ACTUAL FY 2018-19	ACTUAL FY 2019-20	PRELIMINARY FY 2020-21	ESTIMATE FY 2021-22	ESTIMATE FY 2022-23	ESTIMATE FY 2023-24
Gaming Taxes						
Pre-Amendment 50 (Subject to TABOR)	104.8	67.4	100.6	114.0	115.4	116.9
Amendment 50 Revenue (TABOR Exempt)	20.2	13.0	19.8	47.0	47.5	48.1
Total Gaming Taxes	125.0	80.3	120.5	161.0	162.9	165.0
Fees and Interest Earnings (Subject to TABOR)						
To Limited Gaming Fund	1.7	1.6	1.1	1.3	1.3	1.4
To State Historical Fund	0.4	0.2	0.1	0.1	0.1	0.1
Total Gaming Revenue	127.1	82.1	121.7	162.4	164.4	166.5
% change	0.0%	-35.4%	48.1%	33.5%	1.2%	1.3%
Total Gaming Revenue Subject to TABOR	106.9	69.1	101.8	115.4	116.9	118.4
Distributions of Gaming Tax Revenue						
Amendment 50 Distributions						
Community Colleges	14.0	11.9	13.8	33.6	34.0	34.5
Gaming Counties and Cities	3.9	3.4	3.9	9.5	9.6	9.7
Amendment 50 Administrative Expenses	2.3	2.3	2.2	4.0	4.0	4.0
Total Amendment 50 Distributions	20.2	17.6	19.8	47.0	47.5	48.1
Pre-Amendment 50 Distributions						
State Historical Fund	26.3	14.3	25.0	29.2	29.6	30.0
Gaming Counties	11.3	6.1	10.7	12.5	12.7	12.9
Gaming Cities	9.4	5.1	8.9	10.4	10.6	10.7
General Fund*	16.4	25.5	44.7	21.2	21.5	21.9
Economic Development Programs*	30.5	-	-	31.0	31.4	31.8
Pre-Amendment 50 Administrative Expenses	10.9	11.8	11.3	9.6	9.6	9.6
Total Pre-Amendment 50 Distributions	104.8	62.7	100.6	114.0	115.4	116.9
Total Gaming Distributions	125.0	80.3	120.5	161.0	162.9	165.1

*Economic Development Programs represent a discretionary use of funds that are otherwise allocated to the General Fund.

Source: Legislative Council Staff March 2022 Forecast, Modified based on JBC Staff calculations

The table below summarizes the key changes between the table reflecting estimated distributions under current law and the distributions anticipated if LLS 22-0960 is adopted.

PRELIMINARY ESTIMATE - DIFFERENCE IN GAMING REVENUE DISTRIBUTIONS WITH LLS 22-0960
AMOUNTS ABOVE/(BELOW) CURRENT LAW
(Dollars in Millions)

	FY 2021-22	FY 2022-23	FY 2023-24
Gaming Taxes			
Pre-Amendment 50 (Subject to TABOR)	(\$24.4)	(\$24.6)	(\$24.9)
Amendment 50 Revenue (TABOR Exempt)	24.4	24.6	24.9
Total Gaming Taxes	\$0.0	\$0.0	\$0.0
Total Gaming Revenue Subject to TABOR	(24.36)	(24.60)	(24.92)
Amendment 50 Distributions			
Community Colleges	17.39	17.79	18.07
Gaming Counties and Cities	4.90	5.02	5.10
Amendment 50 Administrative Expenses	1.89	1.98	1.87

PRELIMINARY ESTIMATE - DIFFERENCE IN GAMING REVENUE DISTRIBUTIONS WITH LLS 22-0960
AMOUNTS ABOVE/(BELOW) CURRENT LAW
(Dollars in Millions)

	FY 2021-22	FY 2022-23	FY 2023-24
Total Amendment 50 Distributions	\$24.2	\$24.8	\$25.0
Pre-Amendment 50 Distributions			
State Historical Fund	(6.3)	(6.5)	(6.6)
Gaming Counties	(2.7)	(2.8)	(2.8)
Gaming Cities	(2.3)	(2.3)	(2.3)
General Fund*	(3.8)	(4.3)	(4.5)
Economic Development Programs*	(7.1)	(6.9)	(6.8)
Pre-Amendment 50 Administrative Expenses	(1.9)	(2.0)	(1.9)
Total Pre-Amendment 50 Distributions	(\$24.2)	(\$24.8)	(\$25.0)

*Economic Development Programs represent a discretionary use of funds that are otherwise allocated to the General Fund.

Source: Legislative Council Staff March 2022 Forecast, Modified based on JBC Staff calculations

GENERAL FUND IMPACT: As shown in the table:

- LLS-22-0960 is expected to reduce revenue attributed to the original recipients by \$24.4 million in FY 2021-22 and increase revenue attributed to the extended gaming recipients by the same amount. Impacts in FY 2022-23 and FY 2023-24 are expected to be similar.
- From a state General Fund perspective, the bill is expected to have two different ongoing impacts on the General Fund which operate in opposite directions.
 - Directing less revenue to the original gaming recipients reduces revenue received by the General Fund, because the General Fund (or such other funds as the General Assembly determines) receives 50 percent of the revenue that goes to the original gaming recipients.
 - However, directing less revenue to the original gaming recipients also reduces TABOR refunds required and thus enables the State to retain more General Fund revenue. This is because revenue to the original recipients is subject to TABOR, while revenue to the extended gaming recipients is not.
 - In addition, the bill has a one-time General Fund impact related to diverting \$3.0 million of the revenue that goes to the General Fund or such other fund as the General Assembly designates to History Colorado for FY 2021-22.

NET IMPACT ON GENERAL FUND			
<i>(Millions of Dollars)</i>			
	FY 2021-22	FY 2022-23	FY 2023-24
Reduce General Fund Revenue*	(\$11.0)	(\$11.2)	(\$11.4)
Increase GF Retained/Reduce TABOR Refund	24.4	24.6	24.9
Net General Fund Impact	\$13.4	\$13.4	\$13.5
One-time Allocation to History Colorado	(3.0)	0	0
Total General Fund Impact	\$10.4	\$13.4	\$13.5

*This impact includes the sum of direct impacts to the General Fund and impacts on Economic Development programs, which are a discretionary use of General Fund.

Please note that, **the net fiscal impact of the bill for FY 2021-22 and FY 2022-23 combined totals \$23.8 million in additional General Fund available for appropriation.** The Joint Budget

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Committee's Budget Package was based on an assumption that this bill would have a net General Fund impact of \$26.8 million between FY 2021-22 and FY 2022-23 (\$3.0 million more than this).

CASH FUNDS APPROPRIATIONS: The bill includes the following cash funds appropriations increases for History Colorado.

- **\$800,000 cash funds from Museum and Preservation Operations Account of the State Historical Fund** to the Department of Higher Education for allocation to History Colorado. **The Long Bill was based on the assumption that revenue to the State Historical Fund from gaming revenue in FY 2021-22 would be approximately \$27.6 million**, which would provide \$11.0 million to the Museum and Preservation Operations Account of the State Historical Fund. This account receives 49.9 percent of the 80 percent of money deposited to the State Historical Fund that may be used for activities other than distributions to gaming communities for historic preservation. Based on this, the Long Bill appropriation of limited cash funds spending authority from this account was set at \$11,000,000: $\$27,555,110 * 80.0\% * 49.9\% = \$11,000,000$. This bill is instead projected to result in **\$29.2 million deposited to the State Historical Fund, which would provide \$11.7 million to the Museum and Preservation Operations Account of the State Historical Fund.** (The specific staff estimate is \$11,667,741, but this figure is subject to adjustment based on both interest earnings and administrative charges from the Division of Gaming.) To ensure History Colorado has sufficient spending authority to allow it to spend the additional revenue provided by this bill, the bill adds \$800,000 cash funds from the Museum and Preservation Operations Account of the State Historical Society, distributed among several line items.
- **\$1,500,000 cash funds from the Historical Society Strategic Initiatives Fund** created in the bill. This fund includes \$3,000,000 deposited to the fund from the share of limited gaming revenue that would otherwise go to the General Fund. History Colorado has provided its initial proposal for use of this \$3,000,000, which is attached. Staff anticipates that the balance of the money would be appropriated either through supplemental action in FY 2022-23 or in FY 2023-24, based on final plan for use of the money and approval by the General Assembly.

OTHER IMPACTS: The bill clarifies the amount of funds required for the Local Government Limited Gaming Impact Fund, resulting in a **change in the forecasted allocation between the General Fund and Economic Development Programs for FY 2021-22.** The Department of Revenue has indicated that it expected to make allocations similar to those shown under the bill even in the absence of new legislation, so the actual fiscal impact of the change is uncertain.



History Colorado

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Summary of Request

History Colorado (HC) is requesting an investment of \$3 million to support initiatives that will result in future revenue generation for the organization and reinforce economic development throughout the state.

Investment Opportunities

History Colorado is a future-oriented organization that is nationally recognized for its innovations in education, exhibitions, and serving communities. Investment in this innovation and service will enable History Colorado to generate more revenue and increase impact across the state.

Statewide educational opportunities

\$1,238,000

Inspired by our strategic plan and successful models, History Colorado aims to expand our history-related educational opportunities that simultaneously increase earned revenue and the number of people we serve.

1. Expansion of Hands-On History (\$500,000)

Hands-On History is a K-8 program that offers fifth-school-day programs in communities with a four-day school week and where History Colorado has a museum. These funds would allow us to scale this program beyond our current footprint to communities (more than 60% of Colorado school districts) with a four-day school week and childcare deserts – especially prevalent in rural Colorado communities.

2. “Free for Kids” admission to all History Colorado museums (\$70,000)

History Colorado would like to permanently provide free admission to all kids, ages 18 and under, at all History Colorado museums across Colorado. In several pilot iterations, we experienced higher museum attendance and revenue. Funds would build capacity to grow into a permanent model.

3. Colorado History classroom curriculum (\$250,000)

History Colorado is piloting an innovative Colorado history learning program at Centennial School District in the San Luis Valley that aligns with state mandates and provides a deep educational experience directly related to the history of the local community. This program has been extremely successful so far, and HC aims to replicate the model throughout the state. Revenues will be derived from subscription fees.

4. Affiliates Program (\$418,000)

Many museums and history organizations throughout the state, and their supporters, often inquire about how we could support history-related programming in their communities. Establishing a History Colorado Affiliate program, modeled on the Smithsonian Affiliates program, will allow HC to provide tools, services, programs and exhibits to these organizations throughout the entire state. Revenues will be derived from membership fees, program registration fees, and exhibit rentals.

Exhibition Investments

\$730,000

History Colorado has the opportunity to reach more people and generate revenue with exhibition investments:

1. Marquee Exhibitions (\$500,000)

Many cultural organizations rely on marquee, or blockbuster, exhibitions to enhance their profile in the community and attract new patrons that may otherwise not visit the institution. These marquee exhibitions are generally costly, and because they also require a significant investment in marketing and advertising,

History Colorado has not been able to pursue these opportunities in the past. New revenue will be generated from special exhibit ticket sales as well as increased overall attendance and memberships.

2. Licensing *What's Your Story?* (\$230,000)

What's Your Story? exhibition helps middle school students connect with the lives of over 100 significant Colorado leaders and changemakers. Other state history museums have expressed interest in licensing the exhibit and customizing it to reflect their local communities. History Colorado will create a version of our signature exhibition, including the custom-built interactive technological components, that can be licensed to those interested in engaging and inspiring their young visitors to serve their communities.

Other Investments

\$1,032,000

1. Section 106 Compliance (\$232,000)

The passage of the Infrastructure Investment and Jobs Act promises significant and necessary investment in Colorado. Federally funded projects are required to undergo a series of environmental and historic preservation reviews, with the latter known as "Section 106," which requires that the State Historic Preservation Officer be consulted when a federal agency funds, licenses or permits an activity that may affect cultural resources. History Colorado manages this process on behalf of the State of Colorado by assisting federal and state agencies in carrying out these responsibilities.

To fulfill our obligations to Section 106 in protecting Colorado's cultural resources and streamline our process to facilitate the fast implementation of this investment, History Colorado needs additional staff (two FTEs over three years) to meet the increased demand, which we anticipate could triple the usual volume. The office has already seen an increased volume of compliance-related work throughout COVID due to the American Rescue Plan Act, as well as other legislation that supports public lands such as the Land and Water Conservation Funds and the Great American Outdoors Act, all of which are subject to Section 106 compliance review.

2. Fundraising (\$500,000)

The Philanthropy team developed a plan, internally referred to as the "Flourish" plan, that aims to build our capability to develop major philanthropic gifts opportunities and invest in our fundraising and membership programs. The expected benefit, beyond increased community engagement, awareness, and visibility, is a higher base of reliable contributed income. This is the most appropriate time to launch this effort, as donors of all levels are ready to engage as the pandemic recedes.

3. Upgrade of A/V in Meeting/Event Rental Spaces (\$300,000)

COVID introduced the need for our programs and rentals business to build the capacity for hybrid meetings and programs. HC does not currently have the equipment needed to deliver hybrid programs or host productive hybrid meetings in most of our conference rooms and meeting spaces. Funds will be utilized to equip these spaces with the appropriate equipment, which will grow our capacity for both educational programs and our rentals business.

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

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4.12.22

DRAFT

LLS NO. 22-0960.01 Ed DeCecco x4216

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Reallocation Of Limited Gaming Revenues"

A BILL FOR AN ACT

101 **CONCERNING THE REALLOCATION OF THE LIMITED GAMING TAX**
102 **REVENUES FOR FISCAL YEARS FOLLOWING A SIGNIFICANT**
103 **DECREASE IN THE REVENUES, AND, IN CONNECTION THEREWITH,**
104 **MAKING AN APPROPRIATION.**

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/>.)

Joint Budget Committee. Section 1 of the bill creates the state historical society strategic initiatives fund, which is to be used by the state historical society for programs and activities that strengthen the state

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

historical society's financial position and expand its impact on the people of the state. **Section 2** requires the state treasurer to transfer \$3 million of the state share of the limited gaming tax revenues to the state historical society strategic initiatives fund.

Section 2 also resets the base portion of the state share of the limited gaming tax revenues deposited in the local government limited gaming impact fund for the fiscal year 2021-22 to clarify the amount after a 2-year hiatus of this allocation.

Section 3 modifies the manner in which limited gaming tax revenues are allocated between the limited gaming fund and the extended limited gaming fund (*i.e.*, the portion of limited gaming tax revenues derived from increased hours of operation, expanded wagering, and additional games of chance) in order to more equitably address recovery in the years immediately following a significant decrease in the revenue. Specifically, the bill:

- Adjusts the allocation for the state fiscal year 2021-22 to accommodate the significant unanticipated post-pandemic increase in the limited gaming tax revenues; and
- Establishes a mechanism to temporarily modify the allocation in years following a significant decrease in the limited gaming tax revenues.

Section 4 appropriates money to the department of higher education for use by history Colorado.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-80-215 as
3 follows:

4 **24-80-215. State historical society strategic initiatives fund -**
5 **creation - repeal.** (1) THE STATE HISTORICAL SOCIETY STRATEGIC
6 INITIATIVES FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND
7 CONSISTS OF MONEY TRANSFERRED TO THE FUND FROM THE LIMITED
8 GAMING FUND PURSUANT TO SECTION 44-30-701 (2)(a)(V.5)(A). THE
9 STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
10 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE
11 FUND.

12 (2) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL

1 ASSEMBLY, THE STATE HISTORICAL SOCIETY MAY EXPEND MONEY FROM
2 THE FUND FOR PROGRAMS AND ACTIVITIES THAT STRENGTHEN THE
3 SOCIETY'S FINANCIAL POSITION AND EXPAND ITS IMPACT ON THE PEOPLE
4 OF THE STATE.

5 (3) (a) ON JUNE 30, 2027, THE STATE TREASURER SHALL TRANSFER
6 ANY UNEXPENDED MONEY IN THE FUND TO THE GENERAL FUND.

7 (b) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

8 **SECTION 2.** In Colorado Revised Statutes, 44-30-701, **amend**
9 (2)(a)(III)(A); and **add** (2)(a)(V.5) as follows:

10 **44-30-701. Limited gaming fund - created - repeal.**

11 (2) (a) Except as provided in subsection (2)(b) or (2)(c) of this section,
12 at the end of the 2012-13 state fiscal year and at the end of each state
13 fiscal year thereafter, the state treasurer shall transfer the state share as
14 follows:

15 (III) (A) At the end of the ~~2017-18 state~~ 2021-22 STATE fiscal year
16 and each state fiscal year thereafter, five million SIX HUNDRED
17 EIGHTY-NINE THOUSAND NINE HUNDRED THIRTY-EIGHT dollars, as
18 annually increased by an amount equal to the percentage increase in the
19 state share as described in subsection (1)(d)(I) of this section from the
20 previous fiscal year to the local government limited gaming impact fund
21 created in section 44-30-1301, plus an amount equal to the projected
22 direct and indirect costs to administer the local government limited
23 gaming impact grant program set forth in section 44-30-1301 (2)(a) for
24 the upcoming fiscal year; except that such transfer shall be made at the
25 beginning of the state fiscal year, and any unspent money from such
26 transfer reverts to the local government limited gaming impact fund.

27 (V.5) (A) FOR THE STATE FISCAL YEAR 2021-22, THREE MILLION

1 DOLLARS TO THE STATE HISTORICAL SOCIETY STRATEGIC INITIATIVES FUND
2 CREATED IN SECTION 24-80-215.

3 (B) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

4 **SECTION 3.** In Colorado Revised Statutes, 44-30-702, **amend**
5 (7)(a)(III)(B), (7)(a)(IV), and (7)(b); and **add** (7)(a)(V), (7)(a)(VI),
6 (7)(a)(VII), (7)(a)(VIII), (7)(a.5), (7)(c), (7)(d), and (7)(e) as follows:

7 **44-30-702. Revenues attributable to local revisions to gaming**
8 **limits - extended limited gaming fund - identification - separate**
9 **administration - distribution - definitions - legislative declaration.**

10 (7) **Reduction in revenues - operation of hold-harmless provisions -**
11 **continuity of funding - recovery.** (a) The general assembly finds,
12 determines, and declares that:

13 (III) Pursuant to that authority, it is reasonable for the general
14 assembly to address the effects of the global pandemic and economic
15 recession of 2020 in a way that:

16 (B) Equitably allocates the limited gaming tax revenues in fiscal
17 years immediately following this severe funding decline among all
18 recipients; ~~and~~

19 (IV) The allocation provisions of section 9 (7) of article XVIII of
20 the state constitution ~~do not~~ DID NOT contemplate the unprecedented
21 significant decline in limited gaming revenues caused by the global
22 pandemic, and, IN 2020, the general assembly ~~desires~~ DESIRED to address
23 the original implementing statutory formula for the allocation of gaming
24 revenues, consistent with the state constitution in a manner that ~~modifies~~
25 MODIFIED the statutory annual adjustment provisions to retain the
26 constitutional allocation, thus reflecting the proportionate allocation to the
27 beneficiaries of limited gaming tax revenues;

1 (V) THIS REALLOCATION, HOWEVER, DID NOT ANTICIPATE THE
2 RAPIDITY AND DEGREE OF THE GROWTH OF THE LIMITED GAMING
3 REVENUES POST-PANDEMIC, WHICH WAS DUE IN PART TO THE VOTERS
4 APPROVAL IN 2020 OF THE MODIFICATIONS TO SECTION 9 (7) OF ARTICLE
5 XVIII OF THE STATE CONSTITUTION IN THE INITIATIVE COMMONLY
6 REFERRED TO AS "AMENDMENT 77", WHICH PERMITTED THE GAMING
7 TOWNS TO INCREASE OR REMOVE BET LIMITS AND APPROVE NEW CASINO
8 GAMES WITH LOCAL VOTER APPROVAL;

9 (VI) THEREFORE, IT IS NECESSARY TO ADJUST THE ALLOCATION
10 FOR THE STATE FISCAL YEAR 2021-22 AS SET FORTH IN SUBSECTION (7)(c)
11 OF THIS SECTION TO ACHIEVE THE PURPOSES SET FORTH IN SUBSECTION
12 (7)(a)(III) OF THIS SECTION;

13 (VII) FURTHER, THE GLOBAL PANDEMIC AND ECONOMIC
14 RECESSION OF 2020 DEMONSTRATED THAT THE EXISTING METHODOLOGY
15 FOR DETERMINING THE LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO
16 EXTENDED LIMITED GAMING IS SUSCEPTIBLE TO DISTORTION WHEN THERE
17 IS A SIGNIFICANT DECLINE IN THE LIMITED GAMING TAX REVENUES AND IN
18 THE FISCAL YEARS THEREAFTER WHEN THE REVENUES ARE RESTORED;

19 (VIII) TO EQUITABLY ALLOCATE LIMITED GAMING TAX REVENUES
20 IN FISCAL YEARS FOLLOWING A SIGNIFICANT DECLINE AND TO AVOID
21 LONG-TERM ECONOMIC DAMAGE TO ANY OF THE BENEFICIARIES OF THOSE
22 REVENUES, IT IS NECESSARY FOR THE GENERAL ASSEMBLY TO ENACT
23 LEGISLATION THAT WILL FACILITATE THE OPERATION OF SECTION 9 (7) OF
24 ARTICLE XVIII OF THE STATE CONSTITUTION.

25 (a.5) AS USED IN THIS SUBSECTION (7), UNLESS THE CONTEXT
26 OTHERWISE REQUIRES:

27 (I) "EXTENDED LIMITED GAMING FUND RECIPIENTS" MEANS THE

1 RECIPIENTS OF LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO
2 EXTENDED LIMITED GAMING UNDER SECTION 9 (7) OF ARTICLE XVIII OF
3 THE STATE CONSTITUTION.

4 (II) "FISCAL YEAR WITH A SIGNIFICANT DECREASE IN TOTAL
5 LIMITED GAMING TAX REVENUE" MEANS:

6 (A) A FISCAL YEAR IN WHICH THE TOTAL LIMITED GAMING TAX
7 REVENUE COLLECTIONS HAVE DECLINED BY FIVE PERCENT OR MORE FROM
8 THE IMMEDIATELY PRECEDING FISCAL YEAR; OR

9 (B) IF SUBSECTION (7)(a.5)(II)(A) OF THIS SECTION DOES NOT
10 APPLY, THE SECOND OF TWO CONSECUTIVE FISCAL YEARS WITH A
11 CUMULATIVE DECLINE OF TOTAL LIMITED GAMING TAX REVENUE
12 COLLECTIONS THAT IS SIX PERCENT OR MORE FROM THE FISCAL YEAR
13 IMMEDIATELY PRECEDING THE FIRST OF THE TWO CONSECUTIVE FISCAL
14 YEARS.

15 (III) "LIMITED GAMING FUND RECIPIENTS" MEANS THE RECIPIENTS
16 LISTED IN SECTION 9 (5)(b)(II) OF ARTICLE XVIII OF THE STATE
17 CONSTITUTION.

18 (IV) "RECENT TOTAL LIMITED GAMING TAX REVENUES PEAK"
19 MEANS TOTAL LIMITED GAMING TAX REVENUE COLLECTIONS FOR THE
20 FISCAL YEAR THAT IS:

21 (A) PRIOR TO THE FISCAL YEAR WITH A SIGNIFICANT DECREASE IN
22 TOTAL LIMITED GAMING TAX REVENUES; AND

23 (B) THE LAST FISCAL YEAR IN WHICH TOTAL LIMITED GAMING TAX
24 REVENUE COLLECTIONS INCREASED FROM THE IMMEDIATELY PRECEDING
25 FISCAL YEAR.

26 (b) (I) ~~Notwithstanding any provision of subsection (3)(b) or~~
27 ~~(4)(d) of this section to the contrary, beginning in~~ FOR state fiscal year

1 2020-21, and continuing through each subsequent fiscal year until the
2 fiscal year immediately following the fiscal year in which total limited
3 gaming tax revenue collections have again equaled or exceeded the
4 amount of total limited gaming tax revenues collected in state fiscal year
5 2018-19, any annual THE growth or decline in total net gaming tax
6 distributions shall be IS allocated between the limited gaming fund
7 recipients listed in section 9 (5)(b)(II) of article XVIII of the state
8 constitution and the recipients of limited gaming tax revenues attributable
9 to extended limited gaming under section 9 (7) of article XVIII of the
10 state constitution FUND RECIPIENTS based on the relative percentages in
11 which each group of recipients shared in the decrease in total net gaming
12 tax distributions from state fiscal year 2018-19 to state fiscal year
13 2019-20. The commission may make any adjustments necessary to ensure
14 that the final distributions to all recipients comply with constitutional
15 requirements while achieving the intent of this subsection (7). So long as
16 this subsection (7) remains in effect, the annual adjustments required
17 under subsections (3)(b) and (4)(d) of this section are temporarily
18 superseded by the specific allocations to implement the constitutional
19 annual adjustment made pursuant to this subsection (7).

20 (II) As used in this subsection (7)(b), "limited gaming tax
21 revenues attributable to extended limited gaming" means that portion of
22 total limited gaming tax revenues allocated pursuant to subsection
23 (7)(b)(I) of this section to recipients of revenues derived from extended
24 limited gaming under section 9 (7) of article XVIII of the state
25 constitution.

26 (c) (I) FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX
27 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING, THE ADJUSTED

1 BASE FOR STATE FISCAL YEAR 2021-22 IS EQUAL TO ONE HUNDRED
2 THIRTEEN MILLION NINE HUNDRED SEVENTY-THREE THOUSAND TWELVE
3 DOLLARS, WHICH IS EQUAL TO THE ADJUSTED BASE FOR STATE FISCAL
4 YEAR 2018-19 INCREASED BY TWO AND ONE-HALF PERCENT, WITH THAT
5 SUM INCREASED BY THREE PERCENT, WITH THAT SUM INCREASED BY
6 THREE PERCENT. ALL LIMITED GAMING TAX REVENUES FOR STATE FISCAL
7 YEAR 2021-22 IN EXCESS OF THIS ADJUSTED BASE ARE LIMITED GAMING
8 TAX REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING FOR STATE
9 FISCAL YEAR 2021-22.

10 (II) THE ADJUSTED BASE THAT IS ESTABLISHED IN SUBSECTION
11 (7)(c)(I) OF THIS SECTION CONSTITUTES THE ADJUSTED BASE THAT IS USED
12 IN THE CALCULATION SET FORTH IN SUBSECTION (4)(d) OF THIS SECTION
13 FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX REVENUES
14 ATTRIBUTABLE TO EXTENDED LIMITED GAMING FOR STATE FISCAL YEAR
15 2022-23, AND FUTURE CALCULATIONS UNDER SUBSECTION (4)(d) OF THIS
16 SECTION ARE DERIVED FROM THIS INITIAL AMOUNT AS SUBSEQUENTLY
17 ADJUSTED.

18 (d) IF THERE IS A FISCAL YEAR WITH A SIGNIFICANT DECREASE IN
19 TOTAL LIMITED GAMING TAX REVENUES, THEN:

20 (I) BEGINNING WITH THE NEXT FISCAL YEAR AND CONTINUING FOR
21 EACH CONSECUTIVE FISCAL YEAR THEREAFTER WITH TOTAL LIMITED
22 GAMING TAX REVENUES THAT ARE LESS THAN OR EQUAL TO THE RECENT
23 TOTAL LIMITED GAMING TAX REVENUES PEAK, THE ANNUAL GROWTH OR
24 DECLINE IN TOTAL GAMING TAX DISTRIBUTIONS IS ALLOCATED BETWEEN
25 THE LIMITED GAMING FUND RECIPIENTS AND THE EXTENDED LIMITED
26 GAMING FUND RECIPIENTS BASED ON THE RELATIVE PERCENTAGES IN
27 WHICH EACH GROUP OF RECIPIENTS SHARED IN THE DECREASE IN TOTAL

1 NET GAMING TAX DISTRIBUTIONS FROM THE FISCAL YEAR WITH THE
2 RECENT TOTAL LIMITED GAMING TAX REVENUES PEAK TO THE FISCAL YEAR
3 WITH A SIGNIFICANT DECREASE IN TOTAL LIMITED GAMING REVENUE.

4 (II) (A) FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX
5 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING, FOR THE NEXT
6 FISCAL YEAR IN WHICH TOTAL LIMITED GAMING REVENUES EXCEED THE
7 RECENT TOTAL LIMITED GAMING TAX REVENUES PEAK, THE ADJUSTED
8 BASE FOR THE FISCAL YEAR IS EQUAL TO THE RECENT TOTAL LIMITED
9 GAMING TAX REVENUES PEAK INCREASED BY THREE PERCENT OR THE
10 ACTUAL PERCENTAGE INCREASE OF TOTAL LIMITED GAMING REVENUES
11 FOR THE FISCAL YEAR ABOVE THE RECENT TOTAL LIMITED GAMING
12 REVENUES PEAK, WHICHEVER PERCENTAGE IS LESS. FOR THIS NEXT FISCAL
13 YEAR, ALL LIMITED GAMING TAX REVENUES IN EXCESS OF THIS ADJUSTED
14 BASE ARE LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO EXTENDED
15 LIMITED GAMING FOR THE FISCAL YEAR.

16 (B) THE ADJUSTED BASE THAT IS ESTABLISHED IN SUBSECTION
17 (7)(d)(II)(A) OF THIS SECTION CONSTITUTES THE ADJUSTED BASE THAT IS
18 USED IN THE CALCULATION SET FORTH IN SUBSECTION (4)(d) OF THIS
19 SECTION FOR PURPOSES OF DETERMINING THE LIMITED GAMING TAX
20 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING FOR THE FISCAL
21 YEAR IMMEDIATELY FOLLOWING THE FISCAL YEAR SET FORTH IN
22 SUBSECTION (7)(d)(II)(A) OF THIS SECTION, AND FUTURE CALCULATIONS
23 UNDER SUBSECTION (4)(d) OF THIS SECTION ARE DERIVED FROM THIS
24 INITIAL AMOUNT AS SUBSEQUENTLY ADJUSTED.

25 (e) THE COMMISSION MAY MAKE ANY ADJUSTMENTS TO THE
26 ALLOCATIONS SET FORTH IN THIS SUBSECTION (7) NECESSARY TO ENSURE
27 THAT THE FINAL DISTRIBUTIONS TO ALL RECIPIENTS COMPLY WITH

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

7 **SECTION 4. Appropriation.** For the 2022-23 state fiscal year,
8 \$1,500,000 is appropriated to the department of higher education for use
9 by history Colorado. This appropriation is from the state historical society
10 strategic initiatives fund created in section 24-80-215, C.R.S. To
11 implement this act, the state historical society may use this appropriation
12 for programs and activities that strengthen the history Colorado's financial
13 position and expand its impact on the people of the state.

14 (2) For the 2022-23 state fiscal year, \$800,000 is appropriated to
15 the department of higher education for use by history Colorado. This
16 appropriation is from the museum and preservation operations account of
17 the state historical fund created in section 44-30-1201 (5)(c)(I)(B), C.R.S.
18 To implement this act, history Colorado may use this appropriation as
19 follows:

- 20 (a) \$150,000 for central administration;
21 (b) \$160,000 for collections and curatorial services;
22 (c) \$70,000 for the history Colorado center;
23 (d) \$345,000 for statewide programming; and
24 (e) \$75,000 for the office of archaeology and historic
25 preservation.

26 **SECTION 5. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
4.12.22

DRAFT

LLS NO. 22-0951.01 Megan McCall x4215

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Infrastructure Investment & Jobs Act Cash Fund"

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE "INFRASTRUCTURE INVESTMENT**
102 **AND JOBS ACT" CASH FUND TO BE USED FOR NONFEDERAL**
103 **MATCH FUNDING REQUIREMENTS FOR INFRASTRUCTURE**
104 **PROJECTS ELIGIBLE TO RECEIVE FEDERAL FUNDING UNDER THE**
105 **FEDERAL "INFRASTRUCTURE INVESTMENT AND JOBS ACT".**

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/>.)

Joint Budget Committee. The bill creates the "Infrastructure Investment and Jobs Act" cash fund (fund) and requires the state treasurer

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

to transfer \$85 million to the fund. The money in the fund is continuously appropriated to departments, subject to approval by the governor to be used as the nonfederal match funding necessary for the state or a local government to be eligible to receive federal approval and federal funds for certain categories of infrastructure projects allowed under the federal "Infrastructure Investment and Jobs Act". The office of the governor (office) must establish a process for receiving, reviewing, and approving applications and awarding and distributing money from the fund and the office, as well as state departments receiving money from the fund, are subject to annual reporting requirements.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-75-232 as
3 follows:

4 **24-75-232. "Infrastructure Investment and Jobs Act" cash**
5 **fund - creation - allowable uses - report - legislative declaration -**
6 **definitions - repeal.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES
7 THAT:

8 (a) THE FEDERAL GOVERNMENT ENACTED WITH BIPARTISAN
9 SUPPORT THE "INFRASTRUCTURE INVESTMENT AND JOBS ACT" WHICH
10 INCLUDES FIVE HUNDRED FIFTY BILLION DOLLARS IN FEDERAL FUNDS FOR
11 NEW INFRASTRUCTURE INVESTMENTS NATIONWIDE;

12 (b) APPROXIMATELY TWO HUNDRED PROGRAMS IDENTIFIED IN THE
13 FEDERAL ACT MAY BE RELEVANT TO COLORADO AND INITIAL ESTIMATES
14 SHOW THE STATE COULD RECEIVE BETWEEN APPROXIMATELY THREE
15 BILLION FOUR HUNDRED MILLION DOLLARS AND SIX BILLION EIGHT
16 HUNDRED MILLION DOLLARS IN NEW FEDERAL FUNDING FOR
17 INFRASTRUCTURE INVESTMENTS, WITH SIGNIFICANT FUNDING SUBJECT TO
18 NONFEDERAL MATCH REQUIREMENTS;

19 (c) WITH THESE AVAILABLE FEDERAL FUNDS, COLORADO HAS THE
20 OPPORTUNITY TO MAKE SIGNIFICANT PROGRESS ON ITS INFRASTRUCTURE

1 GOALS THAT CAN CREATE POSITIVE IMPACTS FOR COLORADANS ACROSS
2 THE STATE;

3 (d) IN ORDER FOR THE STATE TO BE COMPETITIVE FOR THE HIGHEST
4 RANGE OF FUNDING AVAILABLE TO IT UNDER THE FEDERAL ACT, IT IS
5 NECESSARY FOR DEPARTMENTS TO HAVE FUNDS AVAILABLE AS A
6 NONFEDERAL MATCH, ALTHOUGH DUE TO STILL-EVOLVING FEDERAL
7 GUIDANCE THE AMOUNTS NEEDED AND SPECIFIC TYPES OF PROJECTS MAY
8 NOT BE KNOWN IN TIME FOR THIS MONEY TO BE APPROPRIATED IN THE
9 ANNUAL GENERAL APPROPRIATION ACT; AND

10 (e) THE GENERAL ASSEMBLY DESIRES THE MONEY IN THE
11 "INFRASTRUCTURE INVESTMENT AND JOBS ACT" CASH FUND TO BE
12 ALLOCATED AS FOLLOWS; EXCEPT THAT THE ANTICIPATED PERCENTAGES
13 MAY CHANGE DEPENDENT ON NEED AND GUIDANCE DEVELOPED BY THE
14 FEDERAL GOVERNMENT FOR IMPLEMENTATION OF THE FEDERAL ACT:

15 (I) THIRTY-FIVE PERCENT FOR TRANSPORTATION PROGRAMS;

16 (II) TWENTY-FIVE PERCENT FOR WATER, ENVIRONMENTAL, AND
17 RESILIENCY PROGRAMS;

18 (III) TWENTY-FIVE PERCENT FOR POWER, GRID, AND BROADBAND
19 PROGRAMS;

20 (IV) TEN PERCENT FOR LOCAL MATCH SUPPORT; AND

21 (V) FIVE PERCENT FOR GRANT WRITING SUPPORT, ADMINISTRATIVE
22 SUPPORT, AND PROJECT PLANNING.

23 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
24 REQUIRES:

25 (a) "DEPARTMENT" MEANS A PRINCIPAL DEPARTMENT OF THE
26 STATE AS IDENTIFIED IN SECTION 24-1-110 AND THE OFFICE OF THE
27 GOVERNOR, INCLUDING ANY OFFICES CREATED THEREIN.

1 (b) "FUND" MEANS THE "INFRASTRUCTURE INVESTMENT AND JOBS
2 ACT" CASH FUND CREATED IN SUBSECTION (3) OF THIS SECTION.

3 (c) "INFRASTRUCTURE INVESTMENT AND JOBS ACT" OR "FEDERAL
4 ACT" MEANS THE FEDERAL "INFRASTRUCTURE INVESTMENT AND JOBS
5 ACT", PUB.L. 117-58, AS THE ACT MAY BE SUBSEQUENTLY AMENDED.

6 (d) "LOCAL GOVERNMENT" MEANS A COUNTY, A MUNICIPALITY, A
7 CITY AND COUNTY, OR A SPECIAL DISTRICT.

8 (e) "OFFICE" MEANS THE OFFICE OF THE GOVERNOR.

9 (3) THE "INFRASTRUCTURE INVESTMENT AND JOBS ACT" CASH
10 FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS
11 OF MONEY CREDITED TO THE FUND PURSUANT TO SUBSECTION (4) OF THIS
12 SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
13 APPROPRIATE OR TRANSFER TO THE FUND.

14 (4) (a) NO LATER THAN THREE DAYS AFTER THE EFFECTIVE DATE
15 OF THIS SUBSECTION (4)(a), THE STATE TREASURER SHALL TRANSFER
16 EIGHTY-FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

17 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
18 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
19 FUND TO THE FUND.

20 (c) ON JUNE 30, 2028, THE STATE TREASURER SHALL TRANSFER
21 ALL UNEXPENDED MONEY IN THE FUND TO THE GENERAL FUND.

22 (5) (a) SUBJECT TO APPROVAL BY THE GOVERNOR, A DEPARTMENT
23 MAY EXPEND MONEY IN THE FUND AS THE MATCHING NONFEDERAL FUNDS
24 FOR INFRASTRUCTURE PROJECTS PURSUANT TO REQUIREMENTS OF THE
25 "INFRASTRUCTURE INVESTMENT AND JOBS ACT" FOR THE FOLLOWING
26 CATEGORIES:

27 (I) TRANSPORTATION INFRASTRUCTURE PROJECTS AS SET FORTH

1 IN THE FEDERAL ACT;

2 (II) WATER, ENVIRONMENTAL, AND RESILIENCY PROJECTS AS SET
3 FORTH IN THE FEDERAL ACT;

4 (III) POWER, GRID, AND BROADBAND PROJECTS AS SET FORTH IN
5 THE FEDERAL ACT; AND

6 (IV) ANY OTHER INFRASTRUCTURE PROJECT EXPLICITLY FUNDED
7 AND SET FORTH IN THE FEDERAL ACT.

8 (b) IN ADDITION TO THE USES SET FORTH IN SUBSECTION (5)(a) OF
9 THIS SECTION:

10 (I) SUBJECT TO APPROVAL BY THE GOVERNOR, A DEPARTMENT
11 MAY EXPEND MONEY IN THE FUND TO PROVIDE MATCHING NONFEDERAL
12 FUNDS TO A LOCAL GOVERNMENT OR A FEDERALLY RECOGNIZED INDIAN
13 TRIBE FOR MATCH USES DIRECTED UNDER THE FEDERAL ACT; AND

14 (II) THE OFFICE MAY EXPEND MONEY FROM THE FUND TO PROVIDE
15 GRANT WRITING SUPPORT, PROJECT PLANNING SUPPORT, AND FOR
16 ADMINISTRATIVE NEEDS IN PROCESSING APPLICATIONS FOR MONEY FROM
17 THE FUND AND DISBURSING MONEY AWARDED FROM THE FUND IN
18 ACCORDANCE WITH THIS SECTION.

19 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO A
20 DEPARTMENT AND THE OFFICE FOR THE PURPOSES SET FORTH IN THIS
21 SUBSECTION (5).

22 (d) BEFORE A DEPARTMENTAL EXPENDITURE FROM THE FUND, THE
23 OFFICE SHALL DEVELOP A PROCESS FOR DEPARTMENTS TO APPLY TO
24 EXPEND MONEY FROM THE FUND FOR INFRASTRUCTURE PROJECTS THAT
25 REQUIRE NONFEDERAL MATCH FUNDS IN ORDER TO BE ELIGIBLE FOR
26 FEDERAL APPROVAL TO RECEIVE FEDERAL FUNDING FOR THE
27 INFRASTRUCTURE PROJECT UNDER THE "INFRASTRUCTURE INVESTMENT

1 AND JOBS ACT" AND A PROCESS FOR REVIEWING AND APPROVING
2 APPLICATIONS.

3 (6) ANY DEPARTMENT EXPENDING MONEY FROM THE FUND SHALL
4 INCLUDE INFORMATION REGARDING AMOUNTS EXPENDED AND
5 ANTICIPATED TO BE EXPENDED AND INFORMATION ON THE SPECIFIC
6 INFRASTRUCTURE PROJECT OR PROJECTS THE MONEY HAS BEEN OR IS
7 ANTICIPATED TO BE EXPENDED ON IN THE DEPARTMENT'S ANNUAL
8 PRESENTATION TO JOINT COMMITTEES OF REFERENCE PURSUANT TO
9 SECTION 2-7-203.

10 (7) (a) ON OR BEFORE OCTOBER 1, 2022, AND ON OR BEFORE
11 OCTOBER 1 OF EVERY YEAR THEREAFTER, THE OFFICE SHALL SUBMIT A
12 REPORT TO THE JOINT BUDGET COMMITTEE. THE REPORT MUST INCLUDE:

13 (I) INFORMATION, ORGANIZED BY DEPARTMENT AND PRIORITY
14 FUNDING CATEGORY, ON AWARDS THAT HAVE BEEN MADE PENDING
15 FEDERAL APPROVAL INCLUDING THE AMOUNT OF MONEY AWARDED FROM
16 THE FUND, THE FEDERAL FUNDS ANTICIPATED TO BE RECEIVED UPON
17 FEDERAL APPROVAL, AND ANY OTHER FUNDING SOURCES ANTICIPATED;

18 (II) INFORMATION, ORGANIZED BY DEPARTMENT AND PRIORITY
19 FUNDING CATEGORY, ON AWARDS THAT HAVE BEEN MADE AND RECEIVED
20 FEDERAL APPROVAL INCLUDING THE AMOUNT OF MONEY AWARDED FROM
21 THE FUND, THE FEDERAL FUNDS AUTHORIZED, AND ANY OTHER FUNDING
22 SOURCES AUTHORIZED, RECEIVED, OR ANTICIPATED; AND

23 (III) ACTUAL EXPENDITURES BY DEPARTMENT FOR AMOUNTS
24 AWARDED FROM THE FUND.

25 (b) IN ADDITION TO THE INFORMATION REQUIRED PURSUANT TO
26 SUBSECTION (7)(a) OF THIS SECTION, THE OFFICE SHALL INCLUDE IN ITS
27 FIRST REPORT DUE ON OR BEFORE OCTOBER 1, 2022, INFORMATION ON THE

1 PROCESS THAT IT HAS ESTABLISHED FOR RECEIVING AND REVIEWING
2 APPLICATIONS PURSUANT TO SUBSECTION (5)(c) OF THIS SECTION AND ANY
3 RECOMMENDATIONS FOR LEGISLATIVE CHANGES FOR PURPOSES OF
4 IMPLEMENTING THE PROVISIONS OF THIS SECTION.

5 (c) ANY DEPARTMENT APPLYING FOR AN AWARD OF MONEY FROM
6 THE FUND MUST PROVIDE THE OFFICE WITH THE INFORMATION NECESSARY
7 FOR THE REPORT REQUIRED BY THIS SUBSECTION (7) AND COMPLY WITH
8 ANY REQUEST FROM THE OFFICE FOR THE INFORMATION.

9 (8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2028.

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