

**Concerning the Repeal of a Requirement that the State Auditor Conduct Audits of the Portion of the Limited Gaming Fund that is Transferred to the State Historical Fund for the Preservation of Certain Gaming Cities**

---

**WHAT WOULD THIS BILL DO?**

Repeal the requirement for the State Auditor to conduct additional performance audits of the gaming cities' (Black Hawk, Central City, and Cripple Creek) use of state historical fund distributions. Section 2-3-123, C.R.S., requires the State Auditor to conduct audits in 2017, 2022, and 2027 to ascertain how the gaming cities spend state historical fund distributions and award related grants, and whether these funds are used for the preservation and restoration of the cities.

**WHY ARE THESE CHANGES BEING REQUESTED?**

This audit requirement was enacted in 2016 after Cripple Creek officials requested audits of each city. In 2017, the audit found that the three gaming cities spent state historical fund distributions for historical and preservation purposes, and did not identify any inappropriate spending. After the audit, Black Hawk discontinued its grant program and Cripple Creek reported improving some processes for historic preservation grants, such as ensuring repairs made with grants follow preservation standards. Central City does not have a grant program.

Based on the results of the 2017 audit, Cripple Creek officials have determined that further audits are not needed and recommend repealing the requirement for these audits in 2022 and 2027. Black Hawk officials, Central City officials, and the State Auditor agree that further performance audits do not appear needed.