

HB19-1327 Sports Betting

Sponsors: Majority Leader Garnett, Minority Leader Neville, Senator Donovan, Senator Cooke

HB19-1327 would legalize sports betting in Colorado upon passage through the General Assembly and voter approval in November, 2019. This sheet explains the regulatory structure of the sport betting licenses and the recipients of sports betting money.

Master License

Master Licenses will be issued to the owners of casino license holders in Black Hawk, Central City, and Cripple Creek. A **Master License** is required to conduct sports betting business. With a **Master License**, each casino can contract with one **Brick and Mortar Sports Betting Operator** and/or one **Internet Sports Betting Operator**.

Brick and Mortar Sports Betting Operator

Each Master Licensee can contract with one sports betting operator in a historic gaming town (Blackhawk, Central City, or Cripple Creek). This could be a brick-and-mortar location with a counter to place bets in-person.

Internet Sports Betting Operator

Each Master Licensee can contract with one internet sports betting operator (DraftKings, FanDuel, etc) to run a mobile betting app.

and/or

Where does the money go?

A 10% tax on the Net Sports Betting Proceeds (the revenue that the license holder makes after paying out winnings) will be placed into a Sports Betting Fund.

10%

VOTER APPROVAL

If this bill passes, it will need voter approval at the ballot box. Because of TABOR, the new tax on sports gaming needs a majority of the public's votes before anyone can cast their bets.

Sports Betting Fund

Tier 1

The money reimburses the General Fund for the start-up cost of the new Sports Gaming Commission.

Tier 2

The fund will pay for the operation of sports betting within the Division of Gaming.

Tier 3

The fund will "hold harmless" the beneficiaries of other gaming taxes, including Community Colleges and the State Historical Fund, backfilling any potential lost revenue from gaming.

Tier 4

Additional funds to the Office of Behavioral Health in the Department of Human Services towards to address gambling addiction.

Tier 5

Finally, the majority of the money goes to the Water Plan Implementation Cash Fund. This fund pays for water projects in the Colorado Water Plan that keep our rivers clean, our drinking water pure, and our farmers' produce the best in the Rockies.

Sports Betting For Water – HB 1327

Why Water?

- The state's population will double by 2050 and Colorado's water supply will not keep up unless we establish a dedicated public funding source to protect our water.
- All Coloradans regardless of party affiliation or geographic location want their leaders to work to secure our water so our communities will have clean, safe drinking water, so our farms and ranches can thrive, and so our rivers are healthy for fish and wildlife and the recreation economies that depend on them.
- Colorado's Water Plan identifies the path forward for securing our water into the future but many of the priorities in the plan do not have funding.
- The revenue from this bill will provide an important and constant source of funding towards securing our growing water needs.

Who supports this?

- Colorado's Water Plan was developed with stakeholder engagement from every corner of the state and every water interest in the state.
- Voters support funding for water. While other state funding needs tend to divide down party lines amongst voters, water funding consistently shows strong support across party lines and geographic regions in polling.
- Members of this coalition have been meeting for over a year to reach consensus on funding priorities. These include:
 1. American Rivers
 2. The Colorado Cattleman's Association
 3. The Colorado Municipal League
 4. The Colorado River District
 5. Denver Water
 6. Environmental Defense Action Fund
 7. The Nature Conservancy
 8. Teddy Roosevelt Conservation Partners
 9. Trout Unlimited
 10. Western Resource Advocates

What Water needs will be funded?

Funds will be directed into the Water Plan Implementation Cash Fund and governed by the Colorado Water Conservation Board. Eligible projects for these funds will be limited to:

- Water storage and supply projects, including projects that facilitate the development of additional storage, artificial recharge into aquifers, dredging existing reservoirs to restore storage capacity and projects identified in basin implementation plans to address the water supply and demand gap;
- Conservation and land use projects, including activities that implement long-term strategies for water conservation, land use, and drought planning;
- Engagement and innovation activities, including activities that support water education, outreach, and innovation efforts;
- Agricultural projects, including projects that provide technical assistance or improve agricultural water efficiency;
- Environmental and recreation projects, including projects that promote watershed health, environmental health, and recreation.
- Ensuring compliance with interstate water compacts.