

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 20-1208.01 Duane Gall x4335

HOUSE BILL 20-1400

HOUSE SPONSORSHIP

Esgar and McCluskie, Ransom

SENATE SPONSORSHIP

Moreno and Zenzinger, Rankin

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE TEMPORARY REALLOCATION OF LIMITED GAMING**
102 **TAX REVENUES TO ADDRESS RECOVERY FOLLOWING THE 2020**
103 **BUDGET CRISIS.**

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 temporarily 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, enlarged wagering limit, and the addition of craps and roulette)

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.

HOUSE
Amended 2nd Reading
June 1, 2020

in order to more equitably address recovery in the years immediately following the global pandemic and economic recession of 2020. The modification ends in the fiscal year following the fiscal year in which total limited gaming tax revenues again equal or exceed the total limited gaming tax revenues collected in state fiscal year 2018-19.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-30-702, **amend**
3 (3)(b) introductory portion and (4)(d) introductory portion; and **add** (7)
4 as follows:

5 **44-30-702. Revenues attributable to local revisions to gaming**
6 **limits - extended limited gaming fund - identification - separate**
7 **administration - distribution - definitions - legislative declaration.**

8 (3) From the fund, the state treasurer shall pay:

9 (b) Second, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7)
10 OF THIS SECTION, annual adjustments, in connection with distributions to
11 limited gaming fund recipients listed in section 9 (5)(b)(II) of article
12 XVIII of the state constitution, to reflect the lesser of six percent, or the
13 actual percentage, of annual growth in extended limited gaming tax
14 revenues. As used in this subsection (3)(b), "annual adjustment" means
15 an annual payment to limited gaming fund recipients listed in section 9
16 (5)(b)(II) of article XVIII of the state constitution, calculated as follows:

17 (4) **Definitions.** As used in this section:

18 (d) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7) OF THIS
19 SECTION, "limited gaming tax revenues attributable to extended limited
20 gaming" means all limited gaming tax revenue in excess of the amount
21 collected during fiscal year 2008-09, adjusted as follows:

22 (7) **Reduction in revenues due to force majeure - operation of**
23 **hold-harmless provisions - continuity of funding - recovery.**

1 (a) **Legislative declaration.** THE GENERAL ASSEMBLY FINDS,
2 DETERMINES, AND DECLARES THAT:

3 (I) SECTION 9(7) OF ARTICLE XVIII OF THE STATE CONSTITUTION,
4 INITIATED AND ENACTED BY THE PEOPLE OF COLORADO IN 2008 AND
5 COMMONLY REFERRED TO AS "AMENDMENT 50", AUTHORIZED THE
6 EXTENSION OF LIMITED GAMING ACTIVITY FOR THE PURPOSE OF HELPING
7 FUND COLORADO'S COMMUNITY COLLEGES, JUNIOR COLLEGES, AND LOCAL
8 DISTRICT COLLEGES THROUGH AN INCREASE IN GAMING TAX REVENUES;

9 (II) AMENDMENT 50 EXPLICITLY AUTHORIZED THE GENERAL
10 ASSEMBLY TO "ENACT, AS NECESSARY, LEGISLATION THAT WILL
11 FACILITATE THE OPERATION OF THIS [INITIATIVE]";

12 (III) PURSUANT TO THAT AUTHORITY, IT IS REASONABLE FOR THE
13 GENERAL ASSEMBLY TO ADDRESS THE EFFECTS OF THE GLOBAL PANDEMIC
14 AND ECONOMIC RECESSION OF 2020 IN A WAY THAT:

15 (A) AVOIDS LONG-TERM ECONOMIC DAMAGE TO ANY OF THE
16 BENEFICIARIES OF LIMITED GAMING TAX REVENUES; AND

17 (B) EQUITABLY ALLOCATES THE LIMITED GAMING TAX REVENUES
18 IN FISCAL YEARS IMMEDIATELY FOLLOWING THIS SEVERE FUNDING
19 DECLINE AMONG ALL RECIPIENTS; AND

20 (IV) THE ALLOCATION PROVISIONS OF SECTION 9(7) OF ARTICLE
21 XVIII OF THE STATE CONSTITUTION DO NOT CONTEMPLATE THE
22 UNPRECEDENTED SIGNIFICANT DECLINE IN LIMITED GAMING REVENUES
23 CAUSED BY THE GLOBAL PANDEMIC, AND THE GENERAL ASSEMBLY DESIRES
24 TO ADDRESS THE ORIGINAL IMPLEMENTING STATUTORY FORMULA FOR THE
25 ALLOCATION OF GAMING REVENUES, CONSISTENT WITH THE STATE
26 CONSTITUTION, IN A MANNER THAT MODIFIES THE STATUTORY ANNUAL
27 ADJUSTMENT PROVISIONS TO RETAIN THE CONSTITUTIONAL ALLOCATION,

1 THUS REFLECTING THE PROPORTIONATE ALLOCATION TO THE
2 BENEFICIARIES OF LIMITED GAMING TAX REVENUES.

3 (b) (I) NOTWITHSTANDING ANY PROVISION OF SUBSECTION (3)(b)
4 OR (4)(d) OF THIS SECTION TO THE CONTRARY, BEGINNING IN STATE FISCAL
5 YEAR 2020-21 AND CONTINUING THROUGH EACH SUBSEQUENT FISCAL
6 YEAR UNTIL THE FISCAL YEAR IMMEDIATELY FOLLOWING THE FISCAL YEAR
7 IN WHICH TOTAL LIMITED GAMING TAX REVENUE COLLECTIONS HAVE
8 AGAIN EQUALED OR EXCEEDED THE AMOUNT OF TOTAL LIMITED GAMING
9 TAX REVENUES COLLECTED IN STATE FISCAL YEAR 2018-19, ANY ANNUAL
10 GROWTH OR DECLINE IN TOTAL NET GAMING TAX DISTRIBUTIONS SHALL BE
11 ALLOCATED BETWEEN THE LIMITED GAMING FUND RECIPIENTS LISTED IN
12 SECTION 9 (5)(b)(II) OF ARTICLE XVIII OF THE STATE CONSTITUTION AND
13 THE RECIPIENTS OF LIMITED GAMING TAX REVENUES ATTRIBUTABLE TO
14 EXTENDED LIMITED GAMING UNDER SECTION 9 (7) OF ARTICLE XVIII OF
15 THE STATE CONSTITUTION BASED ON THE RELATIVE PERCENTAGES IN
16 WHICH EACH GROUP OF RECIPIENTS SHARED IN THE DECREASE IN TOTAL
17 NET GAMING TAX DISTRIBUTIONS FROM STATE FISCAL YEAR 2018-19 TO
18 STATE FISCAL YEAR 2019-20. THE COMMISSION MAY MAKE ANY
19 ADJUSTMENTS NECESSARY TO ENSURE THAT THE FINAL DISTRIBUTIONS TO
20 ALL RECIPIENTS COMPLY WITH CONSTITUTIONAL REQUIREMENTS WHILE
21 ACHIEVING THE INTENT OF THIS SUBSECTION (7). SO LONG AS THIS
22 SUBSECTION (7) REMAINS IN EFFECT, THE ANNUAL ADJUSTMENTS
23 REQUIRED UNDER SUBSECTIONS (3)(b) AND (4)(d) OF THIS SECTION ARE
24 TEMPORARILY SUPERSEDED BY THE SPECIFIC ALLOCATIONS TO IMPLEMENT
25 THE CONSTITUTIONAL ANNUAL ADJUSTMENT MADE PURSUANT TO THIS
26 SUBSECTION (7).

27 (II) AS USED IN THIS SUBSECTION (7)(b), "LIMITED GAMING TAX

1 REVENUES ATTRIBUTABLE TO EXTENDED LIMITED GAMING" MEANS THAT
2 PORTION OF TOTAL LIMITED GAMING TAX REVENUES ALLOCATED
3 PURSUANT TO SUBSECTION (7)(b)(I) OF THIS SECTION TO RECIPIENTS OF
4 REVENUES DERIVED FROM EXTENDED LIMITED GAMING UNDER SECTION 9
5 (7) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

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