

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0558.01 Jason Gelender x4330

HOUSE BILL 12-1056

HOUSE SPONSORSHIP

Kerr A.,

SENATE SPONSORSHIP

Hodge,

House Committees
Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING REGIONAL TOURISM PROJECT APPLICATION
102 REQUIREMENTS UNDER THE "COLORADO REGIONAL TOURISM
103 ACT", AND, IN CONNECTION THEREWITH, SPECIFYING SUBJECTS
104 TO BE ANALYZED BY A THIRD-PARTY ANALYST WHO IS REQUIRED
105 TO ANALYZE AN APPLICATION, REQUIRING AN APPLICANT TO
106 DEMONSTRATE THAT A SIGNIFICANT PORTION OF THE SALES TAX
107 REVENUE TO BE GENERATED BY A PROJECT WILL BE
108 ATTRIBUTABLE TO TRANSACTIONS WITH NONRESIDENTS OF THE
109 STATE, AND REQUIRING THE DIRECTOR OF THE COLORADO
110 OFFICE OF ECONOMIC DEVELOPMENT AND THE COLORADO
111 ECONOMIC DEVELOPMENT COMMISSION TO CONSIDER INPUT
112 FROM SPECIFIED SOURCES WHEN REVIEWING AN APPLICATION.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

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://www.leg.state.co.us/billsummaries>.)

Section 1 of the bill:

- ! Clarifies the scope of analysis to be conducted by a third-party analyst who is analyzing a regional tourism project application under the "Colorado Regional Tourism Act" (application) by requiring the analyst to:
 - ! Assess the assumptions used in the application to estimate net new tourism revenues to Colorado;
 - ! Calculate the total anticipated sales tax increment in the proposed regional tourism zone;
 - ! Calculate the amount and percentage of the total regional tourism zone sales tax increment that each county or municipality that is part of a multi-party application is eligible to receive; and
 - ! Assess the probability of the proposed project moving forward without funding from tax increment financing;
- ! Requires the Colorado economic development commission to consider the third-party analyst report, the data submitted by the applicant, and comments and testimony received when reviewing an application for approval or disapproval; and
- ! Changes the requirement that a significant portion of the sales tax revenue to be generated by a proposed regional tourism project be attributable to transactions with nonresidents of the regional tourism zone to a requirement that a significant portion of the revenue be attributable to transactions with nonresidents of the state.

Section 2 of the bill clarifies the extent to which the director of the Colorado office of economic development initially reviews an application for compliance with statutory requirements and requires the director to consider input provided by the director of the Colorado tourism office and counties and municipalities regarding an application.

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

1 **SECTION 1.** In Colorado Revised Statutes, 24-46-304, **amend**
2 (2) (i), (3) introductory portion, and (3) (c) as follows:

3 **24-46-304. Regional tourism project - application -**
4 **requirements.** (2) A local government shall submit an application for a
5 regional tourism project to the Colorado office of economic development
6 in a form and manner to be determined by the commission. The office
7 shall provide the commission with each application received after the
8 director's review pursuant to section 24-46-305. The application shall
9 include, but need not be limited to, the following:

10 (i) Along with the economic analysis submitted with the
11 application, a report by a third-party analyst who is an expert in the field
12 of economic or public financial analysis calculating the percentage of the
13 state sales tax increment revenue that will be dedicated to the regional
14 tourism project to be set by the commission pursuant to section 24-46-305
15 (3) (d). ~~THE THIRD-PARTY ANALYST MAY MAKE RECOMMENDATIONS AS TO~~
16 ~~WHAT AMOUNT OR PERCENTAGE OF STATE SALES TAX INCREMENT~~
17 ~~REVENUE IS NEEDED TO FUND THE PROJECT.~~ The applicant shall share its
18 data and reasoning with the third-party analyst, and the analyst shall rely
19 on such data and reasoning as it deems appropriate in the exercise of its
20 independent judgment. An applicant dissatisfied with ~~such~~ THE report
21 may revise its application and request report revisions. The reviewing
22 third-party analyst shall be chosen through a request for proposals issued
23 by the office of state planning and budgeting to ensure an independent
24 and thorough analysis, and the third-party analyst shall report to that
25 office. ~~The costs of such report shall be paid by the applicant directly to~~
26 ~~the third-party analyst.~~ THE OFFICE OF STATE PLANNING AND BUDGETING
27 SHALL CHARGE AN APPLICATION FEE TO THE APPLICANT TO PAY THE COSTS

1 FOR THE THIRD-PARTY ANALYST TO:

2 (I) ASSESS THE ASSUMPTIONS USED IN THE APPLICATION TO
3 ESTIMATE NET NEW TOURISM REVENUES TO COLORADO;

4 (II) CALCULATE THE TOTAL ANTICIPATED SALES TAX INCREMENT
5 IN THE PROPOSED REGIONAL TOURISM ZONE;

6 (III) CALCULATE THE AMOUNT AND PERCENTAGE OF THE TOTAL
7 REGIONAL TOURISM ZONE SALES TAX INCREMENT THAT EACH COUNTY AND
8 MUNICIPALITY THAT IS A PARTY TO A MULTI-PARTY APPLICATION IS
9 ELIGIBLE TO RECEIVE; AND

10 (IV) ASSESS THE PROBABILITY OF THE PROPOSED PROJECT MOVING
11 FORWARD WITHOUT FUNDING FROM TAX INCREMENT FINANCING.

12 (3) An application by a local government for designation as a
13 regional tourism project shall be approved by the commission, AFTER
14 CONSIDERATION OF THE THIRD-PARTY ANALYST REPORT, THE DATA
15 SUBMITTED BY THE LOCAL GOVERNMENT, COMMENTS AND TESTIMONY
16 RECEIVED, AND ANY OTHER INFORMATION THE COMMISSION DEEMS
17 RELEVANT, upon a finding by the majority of the commissioners
18 participating in the review of the application that the application
19 demonstrates that each of the following criteria are materially met:

20 (c) A significant portion of the sales tax revenue generated by the
21 project is reasonably anticipated to be attributable to transactions with
22 nonresidents of the ~~regional tourism zone~~ STATE; and

23 **SECTION 2.** In Colorado Revised Statutes, 24-46-305, **amend**
24 (1) and (2) (a) as follows:

25 **24-46-305. Regional tourism project approval - director -**
26 **commission - review.** (1) Upon receipt of a local government's
27 application for a regional tourism project, the director or the director's

1 designee shall review the application and ~~shall make an initial~~
2 ~~determination regarding whether the application has met the criteria for~~
3 ~~a regional tourism project specified in section 24-46-304~~ DETERMINE
4 WHETHER ADDITIONAL INFORMATION IS NEEDED FOR THE APPLICATION TO
5 BE AT LEAST GENERALLY RESPONSIVE TO THE REQUIREMENTS OF SECTION
6 24-46-304, RECOGNIZING THAT THE THIRD-PARTY ANALYST MAY NOT
7 DEEM THE INFORMATION RECEIVED TO BE SUFFICIENT TO ANALYZE.

8 (2) (a) Upon review of each application for completeness, the
9 director shall forward the application to any county or counties where the
10 regional tourism project will be implemented and to municipalities
11 adjacent to where the regional tourism project will be implemented for an
12 opportunity to review the application and submit comments to the
13 commission. The director shall provide ~~such~~ THE counties and
14 municipalities with the application at least thirty days prior to the public
15 hearing held pursuant to subsection (3) of this section. The director shall
16 also forward the application to THE DIRECTOR OF THE COLORADO TOURISM
17 OFFICE AND, AFTER TAKING INTO ACCOUNT SAID DIRECTOR'S INPUT, ANY
18 COMMENTS FROM COUNTIES AND MUNICIPALITIES, AND ANY OTHER
19 INFORMATION THE DIRECTOR DEEMS RELEVANT REGARDING THE
20 APPLICATION, SHALL THEN FORWARD THE APPLICATION to the commission
21 with a recommendation that the commission approve or deny the
22 application or approve the application with conditions; except that the
23 commission shall not approve any project that, if approved, would likely
24 create a state sales tax revenue dedication of more than fifty million
25 dollars to all regional tourism projects in any given year.

26 **SECTION 3. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2012 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.