

**Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0717.01 Sharon Eubanks x4336

HOUSE BILL 12-1280

HOUSE SPONSORSHIP

Coram and Sonnenberg, Becker, Casso, Massey, McKinley, Scott

SENATE SPONSORSHIP

Tochtrop and Spence, Hodge

House Committees

Agriculture, Livestock, & Natural Resources
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REGULATION OF THE STATE LOTTERY BY THE STATE**
102 **LOTTERY DIVISION IN THE DEPARTMENT OF REVENUE, AND, IN**
103 **CONNECTION THEREWITH, AUTHORIZING THE INSTALLATION OF**
104 **VIDEO LOTTERY TERMINALS** **AT ONE SITE WITHIN THE AREA**
105 **OF THE STATE WEST OF THE CONTINENTAL DIVIDE.**

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>.)

The Colorado lottery commission (commission) is given

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.

discretionary authority to license no more than 2 lottery retailers to install and operate video lottery terminals (VLTs). Qualifications to be a lottery retailer are established in the bill. A lottery retailer is prohibited from installing or operating a VLT unless certain conditions are satisfied. A single lottery retailer may install and operate VLTs at a limited number of sites within Colorado. The bill specifies that VLTs shall not be installed or operated at more than 3 sites within Colorado or in any city, town, city and county, or unincorporated portion of a county unless its governing body or a majority of its electors gives prior approval. To defray the costs of the related on- and off-site impacts and subject to certain limitations, video lottery impact fees may be imposed on a lottery retailer by the governing body of any city, town, city and county, or county in which premises are located on which video lottery terminals are to be located.

The commission is given rule-making authority to implement the bill and to monitor and regulate the operation of VLTs. Each VLT is subject to approval by the commission in accordance with its rules and must meet certain requirements. Lottery retailers are required to be responsible for all expenses necessary to purchase or lease, install, maintain, and operate VLTs. Lottery retailers are entitled to receive a specified percentage of net machine income from VLTs. The remainder of the proceeds from the operation of VLTs, net of expenses and prizes, is required to be distributed in accordance with section 3 (1) (b) (III) of article XXVII of the state constitution (great outdoors Colorado program).

All revenues that would otherwise be allocated to the general fund pursuant to section 3 (1) (b) (III) of the great outdoors Colorado program are to be credited to the Colorado college scholarship fund, which is created by the bill, except for a portion of the moneys to be credited to the public school capital construction assistance fund up to a specified amount and a portion of the moneys to be allocated to Colorado community colleges in certain circumstances. Revenues in the Colorado college scholarship fund will be used to fund a scholarship program, which the general assembly must enact by bill during the 2013 legislative session, to increase the access of Colorado residents to undergraduate postsecondary education.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-35-201, **add** (1.3),
3 (4.5), (5.5), (6.5), (7.5), and (9) as follows:

4 **24-35-201. Definitions.** As used in this part 2, unless the context
5 otherwise requires:

1 (1.3) "CASH VALUE" MEANS THE VALUE OF ALL CURRENCY PLUS
2 THE VALUE OF ALL PRINTED PAY VOUCHERS REDEEMABLE FOR CURRENCY.

3 (4.5) "LICENSED TRACK" MEANS A CLASS B TRACK, AS DEFINED IN
4 SECTION 12-60-102 (4) (a) (I), C.R.S., AT WHICH A RACE MEET OF HORSES,
5 CONSISTING OF THIRTY OR MORE RACE DAYS, WAS CONDUCTED DURING
6 THE PREVIOUS CALENDAR YEAR AND IS SCHEDULED TO CONDUCT A RACE
7 MEET OF HORSES, CONSISTING OF THIRTY OR MORE RACE DAYS, IN THE
8 CURRENT CALENDAR YEAR.

9 (5.5) "LOTTERY RETAILER" MEANS A LOTTERY SALES AGENT
10 LICENSED PURSUANT TO SECTIONS 24-35-206 AND 24-35-208.5.

11 (6.5) "NET MACHINE INCOME" MEANS THE CASH VALUE PLACED
12 INTO A VIDEO LOTTERY TERMINAL MINUS THE VALUE OF ALL FREE GAMES
13 AWARDED AND ALL PAY VOUCHERS ISSUED BY SUCH TERMINAL.

14 (7.5) "PARI-MUTUEL LICENSEE" MEANS A LICENSEE, AS DEFINED IN
15 SECTION 12-60-102 (17), C.R.S., THAT OWNS OR CONTROLS A LICENSED
16 TRACK AND THAT IS IN COMPLIANCE WITH ALL STATUTES AND RULES
17 REGARDING THE CONDUCT OF A RACE MEET OF HORSES AT, AND THE
18 OPERATION OF, THE LICENSED TRACK.

19 (9) (a) "VIDEO LOTTERY TERMINAL" MEANS AN ELECTRONIC
20 COMPUTERIZED GAME MACHINE THAT:

21 (I) IS OPERATED, MONITORED, CONTROLLED, AND AUDITED BY THE
22 DIVISION THROUGH A CENTRAL TECHNOLOGY SYSTEM;

23 (II) UPON INSERTION OF CASH VALUE, IS AVAILABLE TO PLAY A
24 VIDEO GAME OF CHANCE AUTHORIZED BY THE DIVISION; AND

25 (III) USES MICROPROCESSORS TO AWARD TO A PLAYER, ON THE
26 BASIS OF CHANCE, FREE GAMES OR CREDITS EVIDENCED BY A PRINTED PAY
27 VOUCHER REDEEMABLE FOR CURRENCY.

- 1 (b) "VIDEO LOTTERY TERMINAL" DOES NOT INCLUDE:
- 2 (I) A MACHINE OR DEVICE THAT DIRECTLY DISBURSES COINS, CASH,
- 3 TOKENS, OR ANY ITEM OF VALUE OTHER THAN A PRINTED PAY VOUCHER;
- 4 OR
- 5 (II) A MACHINE OR DEVICE DEFINED AS A SLOT MACHINE IN
- 6 SECTION 9 (4) (c) OF ARTICLE XVIII OF THE STATE CONSTITUTION.

7 **SECTION 2.** In Colorado Revised Statutes, **add 24-35-208.5** as
8 follows:

9 **24-35-208.5. Commission - video lottery terminals -**
10 **authorization - requirements - rules.** (1) (a) THE GENERAL ASSEMBLY
11 HEREBY FINDS AND DECLARES THAT:

12 (I) AT VARIOUS TIMES DURING THE PAST SIXTY YEARS, THE
13 REGISTERED ELECTORS OF THE STATE OF COLORADO HAVE AUTHORIZED
14 THE CONDUCT OF DIFFERENT FORMS OF GAMBLING ACTIVITIES WITHIN THE
15 STATE;

16 (II) AT THE 1948 GENERAL ELECTION, A BILL REFERRED TO VOTERS
17 STATEWIDE BY THE GENERAL ASSEMBLY WAS APPROVED TO ALLOW
18 PARI-MUTUEL WAGERING ON THE RACING OF HORSES AND OTHER ANIMALS;

19 (III) IN 1958, VOTERS STATEWIDE APPROVED AN INITIATED
20 MEASURE AMENDING THE COLORADO CONSTITUTION ALLOWING LICENSED
21 NONPROFIT ORGANIZATIONS TO CONDUCT CERTAIN GAMES OF CHANCE
22 SUCH AS BINGO AND RAFFLES;

23 (IV) ANOTHER AMENDMENT TO THE COLORADO CONSTITUTION,
24 REFERRED TO VOTERS AT THE 1980 GENERAL ELECTION, WAS APPROVED
25 ALLOWING THE GENERAL ASSEMBLY TO ESTABLISH A STATE-SUPERVISED
26 LOTTERY;

27 (V) AN INITIATED AMENDMENT TO THE COLORADO CONSTITUTION

1 WAS APPROVED BY VOTERS AT THE 1990 GENERAL ELECTION TO ALLOW
2 LIMITED STAKES GAMING TO BE CONDUCTED WITHIN THE CITIES OF
3 CENTRAL CITY, BLACKHAWK, AND CRIPPLE CREEK; AND

4 (VI) IN 2008, THE COLORADO CONSTITUTION WAS FURTHER
5 AMENDED BY AN INITIATED MEASURE TO ALLOW THE VOTERS WITHIN
6 THESE THREE LIMITED GAMING CITIES TO EXPAND THE OPERATION OF
7 LIMITED GAMING WITHIN THEIR BOUNDARIES IN TERMS OF EXPANDED
8 HOURS, ADDITIONAL GAMES, AND INCREASED BETTING LIMITS.

9 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

10 (I) THE EXPANSION AND GROWTH OF GAMBLING IN COLORADO
11 OVER THE PAST TWENTY-TWO YEARS THROUGH THE ESTABLISHMENT AND
12 EXPANSION OF THE STATE LOTTERY, WHICH NOW INCLUDES SCRATCH AND
13 WIN, LOTTO, MULTI-STATE POWERBALL, AND MULTI-STATE MEGA MILLIONS
14 GAMES, AND THE ESTABLISHMENT AND EXPANSION OF LIMITED GAMING IN
15 THE THREE MOUNTAIN CITIES, WHICH NOW INCLUDES SLOT MACHINES AS
16 WELL AS THE GAMES OF BLACKJACK, POKER, ROULETTE, AND CRAPS WITH
17 MAXIMUM SINGLE BETS OF ONE HUNDRED DOLLARS, HAS HAD A
18 SIGNIFICANT AND DETRIMENTAL ECONOMIC IMPACT ON PARI-MUTUEL
19 LICENSEES AND THEIR HORSE RACING OPERATIONS IN COLORADO;

20 (II) AS A RESULT OF THE INTENSE COMPETITION BETWEEN THE
21 DIFFERENT GAMBLING OPPORTUNITIES AVAILABLE WITHIN THE STATE,
22 PARI-MUTUEL LICENSEES ARE CURRENTLY STRUGGLING TO MAINTAIN
23 ECONOMICALLY VIABLE HORSE RACING OPERATIONS IN COLORADO, AND
24 THE DEMISE OF PARIMUTUEL HORSE RACING IN THIS STATE WOULD HAVE
25 A SERIOUS NEGATIVE IMPACT ON THE ECONOMIC WELL-BEING OF THE
26 STATE AND MANY OF ITS RESIDENTS;

27 (III) THERE IS A RATIONAL AND LEGITIMATE BASIS FOR REQUIRING

1 LOTTERY RETAILERS AUTHORIZED TO INSTALL AND OPERATE VIDEO
2 LOTTERY TERMINALS IN ACCORDANCE WITH THIS SECTION TO BE
3 PARI-MUTUEL LICENSEES AS DOING SO PROVIDES AN IMPORTANT
4 ECONOMIC OPPORTUNITY TO THESE LICENSEES TO PARTICIPATE IN THE
5 CONTINUED GROWTH AND STABILITY OF THE STATE-SUPERVISED LOTTERY
6 AND TO IMPROVE THE PROFITABILITY AND LIKELIHOOD OF CONTINUED
7 SUCCESS OF THEIR BUSINESS OPERATIONS, INCLUDING THEIR OPERATIONS
8 AS PARI-MUTUEL LICENSEES; AND

9 (IV) IMPROVING THE FINANCIAL VIABILITY OF PARI-MUTUEL
10 LICENSEES IN COLORADO WILL ALSO PROVIDE POSITIVE FINANCIAL
11 IMPACTS TO OTHER SEGMENTS OF COLORADO'S ECONOMY, ESPECIALLY
12 THE AGRICULTURAL AND HOSPITALITY SEGMENTS.

13 (1.5) THE COMMISSION MAY AUTHORIZE AT ANY TIME THE
14 INSTALLATION AND OPERATION OF VIDEO LOTTERY TERMINALS BY NO
15 MORE THAN TWO LOTTERY RETAILERS WHO MEET ALL QUALIFICATIONS SET
16 FORTH IN THIS SECTION AND SECTION 24-35-206. SUCH AUTHORIZATION
17 SHALL BE EVIDENCED BY AN ADDITIONAL LICENSE ISSUED BY THE
18 COMMISSION.

19 (2) (a) A LOTTERY RETAILER SHALL NOT INSTALL OR OPERATE A
20 VIDEO LOTTERY TERMINAL UNLESS THE LOTTERY RETAILER IS A
21 PARI-MUTUEL LICENSEE AND THE VIDEO LOTTERY TERMINAL IS TO BE
22 LOCATED IN AN AGE-CONTROLLED AREA, AS DEFINED BY RULE OF THE
23 COMMISSION, ON PREMISES THAT ARE OWNED OR CONTROLLED BY THE
24 LOTTERY RETAILER.

25 (b) THE COMMISSION MAY AUTHORIZE THE INSTALLATION AND
26 OPERATION OF VIDEO LOTTERY TERMINALS AT A SITE THAT IS WITHIN THE
27 AREA OF THE STATE LOCATED WEST OF THE CONTINENTAL DIVIDE AND

1 THAT IS AT LEAST ONE HUNDRED MILES FROM THE CITIES OF CENTRAL,
2 BLACK HAWK, AND CRIPPLE CREEK AND FROM ANY FACILITY LOCATED ON
3 INDIAN TRIBAL LANDS AT WHICH LIMITED GAMING ACTIVITIES ARE
4 OPERATED.

5 (3) THE COMMISSION SHALL DETERMINE THE NUMBER OF VIDEO
6 LOTTERY TERMINALS THAT MAY BE PLACED ON THE PREMISES OF A
7 LOTTERY RETAILER; EXCEPT THAT THE COMMISSION SHALL NOT APPROVE
8 MORE THAN TWO THOUSAND FIVE HUNDRED VIDEO LOTTERY TERMINALS
9 ON THOSE PREMISES OF A LOTTERY RETAILER.

10 (4) VIDEO LOTTERY TERMINALS SHALL NOT BE INSTALLED OR
11 OPERATED ON PREMISES LOCATED IN ANY CITY, TOWN, CITY AND COUNTY,
12 OR UNINCORPORATED PORTION OF A COUNTY UNLESS FIRST APPROVED BY:

13 (a) AN AFFIRMATIVE VOTE OF A MAJORITY OF THE GOVERNING
14 BODY OF SUCH CITY, TOWN, CITY AND COUNTY, OR COUNTY IN WHICH
15 SUCH PREMISES ARE WHOLLY OR PARTIALLY LOCATED; OR

16 (b) AN AFFIRMATIVE VOTE OF A MAJORITY OF THE ELECTORS OF
17 SUCH CITY, TOWN, CITY AND COUNTY, OR COUNTY IN WHICH SUCH
18 PREMISES ARE WHOLLY OR PARTIALLY LOCATED UPON THE QUESTION
19 BEING SUBMITTED TO THE ELECTORS BY THE GOVERNING BODY OF SUCH
20 CITY, TOWN, CITY AND COUNTY, OR COUNTY AT A GENERAL, REGULAR, OR
21 SPECIAL ELECTION CONDUCTED PURSUANT TO APPLICABLE STATE OR
22 LOCAL GOVERNMENT ELECTION LAWS.

23 (5) (a) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION (5) AND
24 IN ADDITION TO ANY OTHER IMPACT FEES OR DEVELOPMENT CHARGES
25 THAT MAY BE IMPOSED BY LAW, THE GOVERNING BODY OF ANY CITY,
26 TOWN, CITY AND COUNTY, OR COUNTY IN WHICH PREMISES ARE WHOLLY
27 OR PARTIALLY LOCATED ON WHICH VIDEO LOTTERY TERMINALS ARE TO BE

1 INSTALLED OR OPERATED MAY IMPOSE VIDEO LOTTERY IMPACT FEES ON A
2 LOTTERY RETAILER TO DEFRAY THE COSTS OF THE ON- AND OFF-SITE
3 IMPACTS DIRECTLY RELATED TO THE OPERATION OF VIDEO LOTTERY
4 TERMINALS ON SUCH PREMISES.

5 (b) ANY VIDEO LOTTERY IMPACT FEES AUTHORIZED UNDER
6 PARAGRAPH (a) OF THIS SUBSECTION (5) SHALL BE:

7 (I) REASONABLY RELATED IN TIME TO THE INCURRENCE OF THE ON-
8 AND OFF-SITE IMPACTS DIRECTLY RELATED TO THE OPERATION OF VIDEO
9 LOTTERY TERMINALS ON SUCH PREMISES, OR THE COSTS THEREOF; AND

10 (II) NO GREATER THAN NECESSARY TO DEFRAY THE COSTS OF THE
11 ON- AND OFF-SITE IMPACTS DIRECTLY RELATED TO THE OPERATION OF
12 VIDEO LOTTERY TERMINALS ON SUCH PREMISES; EXCEPT THAT THE
13 AMOUNT OF VIDEO LOTTERY IMPACT FEES ANNUALLY IMPOSED BY A LOCAL
14 GOVERNMENT ON A LOTTERY RETAILER PURSUANT TO THIS SUBSECTION (5)
15 SHALL NOT EXCEED FIVE MILLION DOLLARS, ADJUSTED ANNUALLY FOR
16 INFLATION.

17 (c) FOR PURPOSES OF THIS SUBSECTION (5), "INFLATION" MEANS
18 THE PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF
19 LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR
20 DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS
21 SUCCESSOR INDEX.

22 (6) THE COMMISSION MAY PROMULGATE RULES AS NECESSARY TO
23 IMPLEMENT THIS SECTION AND TO MONITOR AND REGULATE THE
24 OPERATION OF VIDEO LOTTERY TERMINALS. THE COMMISSION MAY FINE,
25 ADMONISH, OR SUSPEND OR REVOKE THE LICENSE OF ANY LOTTERY
26 RETAILER THAT THE COMMISSION FINDS HAS ALLOWED AN UNDERAGE
27 PERSON TO ENTER THE AGE-CONTROLLED AREA, AS DEFINED BY RULE OF

1 THE COMMISSION, OF ANY PREMISES FOR THE PURPOSE OF USING A VIDEO
2 LOTTERY TERMINAL.

3 (7) THE DIRECTOR, EXECUTIVE DIRECTOR, AND THE COMMISSION
4 SHALL MANAGE AND REGULATE THE OPERATION OF VIDEO LOTTERY
5 TERMINALS IN ACCORDANCE WITH THIS SECTION AND THEIR POWERS AND
6 DUTIES AS SET FORTH IN SECTIONS 24-35-204, 24-35-204.5, 24-35-205,
7 AND 24-35-208, RESPECTIVELY.

8 (8) EACH VIDEO LOTTERY TERMINAL IS SUBJECT TO APPROVAL BY
9 THE COMMISSION IN ACCORDANCE WITH RULES PROMULGATED BY THE
10 COMMISSION.

11 (9) IN ADDITION TO ANY OTHER REQUIREMENTS SET FORTH IN THIS
12 SECTION, EACH VIDEO LOTTERY TERMINAL APPROVED UNDER THIS SECTION
13 SHALL:

14 (a) OFFER ONLY GAMES LICENSED AND AUTHORIZED BY THE
15 COMMISSION; AND

16 (b) NOT HAVE ANY MEANS OF MANIPULATION BY A PLAYER OR
17 OTHER UNAUTHORIZED PERSON THAT WOULD AFFECT THE PROBABILITY OF
18 WINNING A GAME.

19 (10) THE MANAGEMENT, OPERATION, AND CONTROL OVER VIDEO
20 LOTTERY TERMINALS SHALL BE IN ACCORDANCE WITH SECTION
21 24-35-204.5.

22 (11) COMPENSATION TO BE PAID TO LOTTERY RETAILERS SHALL BE
23 SEVENTY PERCENT OF NET MACHINE INCOME.

24 (12) OF THE PROCEEDS RECEIVED FROM THE OPERATION OF VIDEO
25 LOTTERY TERMINALS, THE DIVISION SHALL FIRST REMIT TO LOTTERY
26 RETAILERS THE COMPENSATION SET FORTH IN SUBSECTION (11) OF THIS
27 SECTION. THE DIVISION SHALL DISTRIBUTE THE BALANCE OF SUCH

1 PROCEEDS, NET OF PRIZES AND EXPENSES, IN ACCORDANCE WITH SECTION
2 3 (1) (b) OF ARTICLE XXVII OF THE STATE CONSTITUTION.

3 (13) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO ALTER,
4 LIMIT, IMPAIR, PREVENT, OR DIMINISH ANY LAND USE, BUILDING, OR
5 ZONING PLANS, CODES, RESOLUTIONS, OR REGULATIONS OF ANY CITY,
6 TOWN, CITY AND COUNTY, OR COUNTY WITHIN WHICH PREMISES ARE
7 WHOLLY OR PARTIALLY LOCATED ON WHICH VIDEO LOTTERY TERMINALS
8 ARE TO BE INSTALLED OR OPERATED PURSUANT TO THIS SECTION.

9 **SECTION 3.** In Colorado Revised Statutes, **add 23-5-142** as
10 follows:

11 **23-5-142. Colorado college scholarship fund - creation.**

12 (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE COLORADO
13 COLLEGE SCHOLARSHIP FUND, REFERRED TO IN THIS SECTION AS THE
14 "FUND". THE FUND CONSISTS OF MONEYS CREDITED TO THE FUND
15 PURSUANT TO SUBSECTION (2) OF THIS SECTION. THE MONEYS IN THE FUND
16 ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY FOR
17 THE DIRECT AND INDIRECT COSTS OF IMPLEMENTING AND ADMINISTERING
18 A SCHOLARSHIP PROGRAM CREATED BY BILL ENACTED BY THE GENERAL
19 ASSEMBLY DURING THE FIRST REGULAR SESSION OF THE SIXTY-NINTH
20 GENERAL ASSEMBLY IN 2013 FOR THE PURPOSE OF INCREASING THE
21 ACCESS OF COLORADO RESIDENTS TO UNDERGRADUATE POSTSECONDARY
22 EDUCATION.

23 (2) ALL REVENUES THAT WOULD OTHERWISE BE ALLOCATED TO
24 THE GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III) OF ARTICLE
25 XXVII OF THE STATE CONSTITUTION, EXCEPT FOR THE PORTION OF SUCH
26 REVENUES REQUIRED TO BE DISTRIBUTED PURSUANT TO SECTION
27 12-47.1-701.5 (3.5), C.R.S., AND REQUIRED TO BE TRANSFERRED TO THE

1 COLORADO TRAVEL AND TOURISM PROMOTION FUND PURSUANT TO
2 SECTION 24-49.7-106 (7), C.R.S., ARE CREDITED TO THE FUND.

3 (3) ANY MONEYS IN THE FUND NOT EXPENDED OR OTHERWISE
4 ENCUMBERED MAY BE INVESTED BY THE STATE TREASURER AS PROVIDED
5 BY LAW. ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT AND
6 DEPOSIT OF MONEYS IN THE FUND ARE CREDITED TO THE FUND. ANY
7 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT
8 THE END OF A FISCAL YEAR REMAIN IN THE FUND AND ARE NOT TO BE
9 CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

10 SECTION 4. In Colorado Revised Statutes, 12-47.1-701.5, add
11 (3.5) as follows:

12 12-47.1-701.5. Revenues attributable to local revisions to
13 gaming limits - extended limited gaming fund - identification -
14 separate administration - distribution - definitions. (3.5) (a) (I) IN THE
15 FISCAL YEAR THAT COMMENCES ON JULY 1 OF A GIVEN YEAR AFTER THE
16 END OF THE FIRST FISCAL YEAR DURING WHICH VIDEO LOTTERY TERMINALS
17 ARE OPERATED DURING ONLY A PORTION OF THAT FISCAL YEAR IN
18 ACCORDANCE WITH SECTION 24-35-208.5, C.R.S., IF THE AGGREGATE
19 AMOUNT OF REVENUE IN THE EXTENDED LIMITED GAMING FUND TO BE
20 DISTRIBUTED IN THAT FISCAL YEAR IN ACCORDANCE WITH SUBPARAGRAPH
21 (I) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION TO COLLEGES
22 THAT WERE OPERATING ON AND AFTER JANUARY 1, 2008, IS LESS THAN
23 TWENTY-NINE MILLION DOLLARS, THE STATE TREASURER SHALL
24 DISTRIBUTE MONEYS THAT WOULD OTHERWISE BE ALLOCATED TO THE
25 GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III) OF ARTICLE XXVII
26 OF THE STATE CONSTITUTION IN THE SAME MANNER AS MONEYS IN THE
27 FUND ARE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF

1 PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION SO THAT THE
2 AGGREGATE AMOUNT TO BE DISTRIBUTED IN THAT FISCAL YEAR TO
3 COLLEGES THAT WERE OPERATING ON AND AFTER JANUARY 1, 2008, IN
4 ACCORDANCE WITH THIS SUBPARAGRAPH (I) AND SUBPARAGRAPH (I) OF
5 PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION EQUALS
6 TWENTY-NINE MILLION DOLLARS.

7 (II) IN THE FISCAL YEAR THAT COMMENCES ON JULY 1 OF A GIVEN
8 YEAR AFTER THE END OF THE FIRST FISCAL YEAR DURING WHICH VIDEO
9 LOTTERY TERMINALS ARE OPERATED DURING THE ENTIRE FISCAL YEAR IN
10 ACCORDANCE WITH SECTION 24-35-208.5, C.R.S., IF THE AGGREGATE
11 AMOUNT OF REVENUE IN THE EXTENDED LIMITED GAMING FUND TO BE
12 DISTRIBUTED IN THAT FISCAL YEAR IN ACCORDANCE WITH SUBPARAGRAPH
13 (I) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION TO COLLEGES
14 THAT WERE OPERATING ON AND AFTER JANUARY 1, 2008, IS LESS THAN
15 TWENTY-NINE MILLION DOLLARS, ADJUSTED FOR INFLATION IN THE MOST
16 RECENTLY COMPLETED CALENDAR YEAR, THE STATE TREASURER SHALL
17 DISTRIBUTE MONEYS THAT WOULD OTHERWISE BE ALLOCATED TO THE
18 GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III) OF ARTICLE XXVII
19 OF THE STATE CONSTITUTION IN THE SAME MANNER AS MONEYS IN THE
20 FUND ARE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF
21 PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION SO THAT THE
22 AGGREGATE AMOUNT TO BE DISTRIBUTED IN THAT FISCAL YEAR TO
23 COLLEGES THAT WERE OPERATING ON AND AFTER JANUARY 1, 2008, IN
24 ACCORDANCE WITH THIS SUBPARAGRAPH (II) AND SUBPARAGRAPH (I) OF
25 PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION EQUALS
26 TWENTY-NINE MILLION DOLLARS, ADJUSTED FOR INFLATION IN THE MOST
27 RECENTLY COMPLETED CALENDAR YEAR.

1 (III) IN EACH FISCAL YEAR THAT COMMENCES ON JULY 1 OF A
2 GIVEN YEAR AFTER THE END OF THE SECOND FISCAL YEAR DURING WHICH
3 VIDEO LOTTERY TERMINALS ARE OPERATED DURING THE ENTIRE FISCAL
4 YEAR IN ACCORDANCE WITH SECTION 24-35-208.5, C.R.S., IF THE
5 AGGREGATE AMOUNT OF REVENUE IN THE EXTENDED LIMITED GAMING
6 FUND TO BE DISTRIBUTED IN THAT FISCAL YEAR IN ACCORDANCE WITH
7 SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION
8 TO COLLEGES THAT WERE OPERATING ON AND AFTER JANUARY 1, 2008, IS
9 LESS THAN TWENTY-NINE MILLION DOLLARS, ADJUSTED ANNUALLY BY THE
10 GREATER OF INFLATION IN THE MOST RECENTLY COMPLETED CALENDAR
11 YEAR OR THE PERCENTAGE CHANGE IN THE BALANCE OF PROCEEDS
12 RECEIVED FROM THE OPERATION OF VIDEO LOTTERY TERMINALS, NET OF
13 PRIZES, EXPENSES, AND COMPENSATION PAID TO LOTTERY RETAILERS, AND
14 DISTRIBUTED IN ACCORDANCE WITH SECTION 3 (1) (b) OF ARTICLE XXVII
15 OF THE STATE CONSTITUTION IN THE PRIOR FISCAL YEAR, THE STATE
16 TREASURER SHALL DISTRIBUTE MONEYS THAT WOULD OTHERWISE BE
17 ALLOCATED TO THE GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III)
18 OF ARTICLE XXVII OF THE STATE CONSTITUTION IN THE SAME MANNER AS
19 MONEYS IN THE FUND ARE DISTRIBUTED IN ACCORDANCE WITH
20 SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION
21 SO THAT THE AGGREGATE AMOUNT TO BE DISTRIBUTED IN THAT FISCAL
22 YEAR TO COLLEGES THAT WERE OPERATING ON AND AFTER JANUARY 1,
23 2008, IN ACCORDANCE WITH THIS SUBPARAGRAPH (III) AND
24 SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION
25 EQUALS TWENTY-NINE MILLION DOLLARS, ADJUSTED ANNUALLY BY THE
26 GREATER OF INFLATION IN THE MOST RECENTLY COMPLETED CALENDAR
27 YEAR OR THE PERCENTAGE CHANGE IN THE BALANCE OF PROCEEDS

1 RECEIVED FROM THE OPERATION OF VIDEO LOTTERY TERMINALS, NET OF
2 PRIZES, EXPENSES, AND COMPENSATION PAID TO LOTTERY RETAILERS, AND
3 DISTRIBUTED IN ACCORDANCE WITH SECTION 3 (1) (b) OF SAID ARTICLE
4 XXVII IN THE PRIOR FISCAL YEAR.

5 (IV) FOR PURPOSES OF THIS PARAGRAPH (a), "INFLATION" MEANS
6 THE PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF
7 LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR
8 DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS
9 SUCCESSOR INDEX.

10 (b) (I) MONEYS THAT WOULD OTHERWISE BE ALLOCATED TO THE
11 GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III) OF ARTICLE XXVII
12 OF THE STATE CONSTITUTION THAT ARE DISTRIBUTED PURSUANT TO
13 PARAGRAPH (a) OF THIS SUBSECTION (3.5), AND ANY INTEREST OR INCOME
14 EARNED ON A COLLEGE'S DEPOSIT OF SUCH MONEYS, SHALL SUPPLEMENT
15 AND SHALL NOT SUPPLANT ANY OTHER STATE MONEYS APPROPRIATED OR
16 OTHERWISE ALLOCATED FOR SIMILAR PROGRAMS OR PURPOSES. AS USED
17 IN THIS PARAGRAPH (b), "STATE MONEYS" MEANS GENERAL FUND
18 OPERATING FUNDING, INCLUDING COLLEGE OPPORTUNITY FUND STIPENDS
19 AND FEE-FOR-SERVICE FUNDS, ADJUSTED FOR INFLATION TO THE SAME
20 DEGREE AS THE INFLATION ADJUSTMENT RECEIVED BY OTHER
21 INSTITUTIONS OF HIGHER EDUCATION.

22 (II) ANY HIGHER EDUCATION FUNDING FORMULA THAT ALLOCATES
23 STATE-APPROPRIATED MONEYS SHALL NOT USE MONEYS DISTRIBUTED
24 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (3.5) TO SUPPLANT
25 STATE MONEYS OTHERWISE ALLOCATED BY SUCH FORMULA.

26 **SECTION 5.** In Colorado Revised Statutes, 24-49.7-106, **add** (7)
27 as follows:

1 **24-49.7-106. Colorado travel and tourism promotion fund -**

2 **Colorado travel and tourism additional source fund - creation -**

3 **nature of funds. (7) (a) ALL MONEYS THAT WOULD OTHERWISE BE**

4 **TRANSFERRED TO THE GENERAL FUND PURSUANT TO SECTION 3 (1) (b) (III)**

5 **OF ARTICLE XXVII OF THE STATE CONSTITUTION SHALL BE TRANSFERRED**

6 **TO THE COLORADO TRAVEL AND TOURISM PROMOTION FUND; EXCEPT**

7 **THAT:**

8 **(I) IN THE FISCAL YEAR THAT COMMENCES ON JULY 1 OF A GIVEN**

9 **YEAR AFTER THE END OF THE FIRST FISCAL YEAR DURING WHICH VIDEO**

10 **LOTTERY TERMINALS ARE OPERATED DURING ONLY A PORTION OF THAT**

11 **FISCAL YEAR IN ACCORDANCE WITH SECTION 24-35-208.5, C.R.S., THE**

12 **AGGREGATE AMOUNT TRANSFERRED TO THE COLORADO TRAVEL AND**

13 **TOURISM PROMOTION FUND IN THAT FISCAL YEAR PURSUANT TO THIS**

14 **SUBSECTION (7) SHALL NOT EXCEED FOUR MILLION DOLLARS.**

15 **(II) IN EACH FISCAL YEAR THAT COMMENCES ON JULY 1 OF A GIVEN**

16 **YEAR AFTER THE END OF THE FIRST FISCAL YEAR DURING WHICH VIDEO**

17 **LOTTERY TERMINALS WERE OPERATED DURING THE ENTIRE FISCAL YEAR**

18 **IN ACCORDANCE WITH SECTION 24-35-208.5, C.R.S., THE AGGREGATE**

19 **AMOUNT TRANSFERRED TO THE ASSISTANCE FUND IN THAT FISCAL YEAR**

20 **PURSUANT TO THIS SUBSECTION (7) SHALL NOT EXCEED FOUR MILLION**

21 **DOLLARS, ADJUSTED FOR INFLATION IN THE MOST RECENTLY COMPLETED**

22 **CALENDAR YEAR.**

23 **(b) FOR PURPOSES OF THIS SUBSECTION (7), "INFLATION" MEANS**

24 **THE PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF**

25 **LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR**

26 **DENVER-BOULDER-GREELEY, ALL ITEMS, ALL URBAN CONSUMERS, OR ITS**

27 **SUCCESSOR INDEX.**

1 **SECTION 6.** In Colorado Revised Statutes, 22-43.7-104, repeal
2 (2) (b) (III) as follows:

3 **22-43.7-104. Public school capital construction assistance fund**
4 **- creation - crediting of moneys to fund - use of fund - emergency**
5 **reserve - creation.** (2) (b) For each fiscal year commencing on or after
6 July 1, 2008, the following moneys shall be credited to the assistance
7 fund:

8 (III) ~~All moneys that would otherwise be transferred to the general~~
9 ~~fund pursuant to section 3 (1) (b) (III) of article XXVII of the state~~
10 ~~constitution. The moneys credited to the assistance fund pursuant to this~~
11 ~~subparagraph (III) and any income and interest derived from the deposit~~
12 ~~and investment of such moneys shall be exempt from any restriction on~~
13 ~~spending, revenue, or appropriations, including, without limitation, the~~
14 ~~restrictions of section 20 of article X of the state constitution.~~

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