

# House Bill 09-1272 Rep. Massey & Rep. Pommer and Sen. Tapia Statutory Amendments Required to Implement Amendment 50

# Support HB 09-1272 as Amended by House Education Committee Report

Amendment 50 was passed by 59% of the voters and was one of only two amendments that passed during the 2008 elections. It received over 1.2 million votes, more than any other statewide campaign and garnered a majority of votes in 57 of 64 counties across the State. The successful passage of this Amendment largely stemmed from voter support for community colleges and the role they play in providing opportunities for educational advancement, technical skills, job training, job creation and economic development for the citizens of our State's communities.

Colorado's Community Colleges are facing almost \$16 million dollars in proposed cuts in the current and next fiscal year, while enrollment has increased by more that 12% this semester alone. These cuts will return the Community College well below their pre-2001 funding levels, when adjusted for inflation. Amendment 50 dollars will help ensure that Colorado's Community College can continue provided the needed skills to Colorado's workforce.

Pursuant to negotiations with the Governor's office, HB 09-1272 was amended in the House Education committee to address several issues raised by historical preservation organizations and other recipients of funds under the Limited Gaming Fund.

What HB 1272 does, as Amended by the House Education Committee Report.

Section 1. Legislative Declaration

### Section 2. <u>Definitions</u>

- Defines new games to be offered pursuant to Amendment 50 (craps and roulette).

#### Section 3. Definitions

- Further expands the definition of "gaming employee" and provides rulemaking authority to the Division of Gaming.

#### Section 4. Gaming Tax

- Sets forth the procedures related to gaming taxes and revenues to be used by the Division of Gaming if local voters authorize an increase in limits, hours or games.

### Section 5. Limited Gaming Fund

- Requires Amendment 50 dollars to be transferred to the Extend Limited Gaming Fund
- Requires current Limited Gaming Fund recipients to fund administrative expenses prior to June 30, 2009 (An amendment will be offered to require the Extend Limited Gaming Fund to repay these costs).

#### Section 6. Extended Limited Gaming Fund Revenue, Identification, Distribution and Definitions

- Requires the Gaming Division to transfer revenue attributable to Amendment 50 to be transfer to the Treasurer and be deposited in the Extended Limited Gaming Fund, creates the Extended Limited Gaming Fund.
- Clarifies that interest earned by Extended Limited Gaming Fund remain in the fund and shall be distributed to the recipients and shall not revert to the General Fund.
- Requires the treasurer to pay administrative costs to Gaming Division prior to allocation to the recipients.
- Annual Adjustments: Bonus Payments
  - o Requires the treasurer to pay "annual adjustments" to the current recipients of the Limited Gaming Fund (pre-Amendment 50 existing recipients) to reflect the lesser of 6%, or the actual percentage of growth in the Extended Limited Gaming Fund. (House Education Committee Report)
  - Clarifies that if growth is above 6%, the Limited Gaming Fund (existing recipients) shall be paid an "amount equal to 6% of said Extended Limited Gaming Fund revenues."
    (House Education Committee Report)
  - Clarifies that if growth is between 0% and 6%, the Limited Gaming Fund (existing recipients) shall be paid an "amount equal to the actual percentage growth of said revenues." (House Education Committee Report)
  - Clarifies that if there is a decline in revenues "subtract an amount equal to the actual percentage of decline in said revenues." In other words, if gaming revenues decline, both new and old recipients receive a proportionate decline in funding. (House Education Committee Report)
  - Clarifies that payments from the Extended Limited Gaming fund to the Limited Gaming fund "shall not be construed to permit compounding or accumulation of the annual adjustment." (House Education Committee Report)
- Distributes remaining funds in the Extended Limited Gaming funds, 78% to public community colleges, junior colleges and local district colleges to <u>supplement</u> existing state funding for financial aid programs and classroom instruction programs.
- Revenue is distributed to colleges operating on and after 1/1/2008 in proportion to their full-time equivalent student enrollments in the previous fiscal year.
- Distributes 10% of the remaining Extended Limited Gaming funds to the governing bodies of the cities of Central City, Black Hawk, and Cripple Creek.
- Distributes 12% of remaining Extended Limited Gaming funds to the governing bodies of Gilpin and Teller Counties.
- Defines the institutions to receive moneys from the Extended Limited Gaming Fund to include:
  - o Aims Community College
  - o Arapahoe Community College
  - o Colorado Mountain College

- Colorado Northwestern Community College
- o The Community College of Aurora
- o The Community College of Denver
- o Front Range Community College
- o Lamar Community College
- o Morgan Community College
- o Northeastern Community College
- o Otero Junior College
- o Pikes Peak Community College
- o Pueblo Community College
- o Red Rocks Community College
- Trinidad State Junior College
- o the two year role and mission of Mesa State College, currently referred to as Western Colorado Community College (House Education Committee Report)
- o the State Board of Community Colleges and Occupational Education
- the two year role and mission at Adams State College, only the Associates Degree programs that existed at Adams State College as of 11/4/08. (House Education Committee Report)
- O Defines "Limited Gaming Tax Revenues Attributable to Extended Limited Gaming" as all limited gaming tax revenue in excess of the amount collected during FY 2008-09, adjusted by a 3% growth factor each year in which growth in the Limited Gaming Fund exceeds 3%. (House Education Committee Report)
  - Clarifies that if growth is between 0% and 3%, the growth factor shall be "the actual percentage growth in limited gaming tax revenues. . ." (House Education Committee Report)
  - Clarifies that if Limited Gaming Tax Revenues decline the "base shall be reduced by the actual percentage decline..." (House Education Committee Report)
- Clarifies that any cut to higher education institutions that are recipients of Extended Limited Gaming funds shall not exceed the percentage of reduction in total general fund operating funding for all institutions of higher education in the same fiscal year. (House Education Committee Report)
- Clarifies that moneys not to be supplanted are general fund operating funding, adjusted for inflation to the same degree as the inflation adjustment received by other institutions of higher education. (House Education Committee Report)
- Clarifies that any higher education funding formula that allocates state general fund shall not use moneys distributed under this section to supplant state moneys otherwise allocated. (House Education Committee Report)
- Allows higher education institutions to issue bonds refundable from revenues received from Extended Limited Gaming.

#### Section 7. Amends False Statement provisions

Section 8. Amends section on employment requirements

Section 9. Amends extension of credit prohibitions

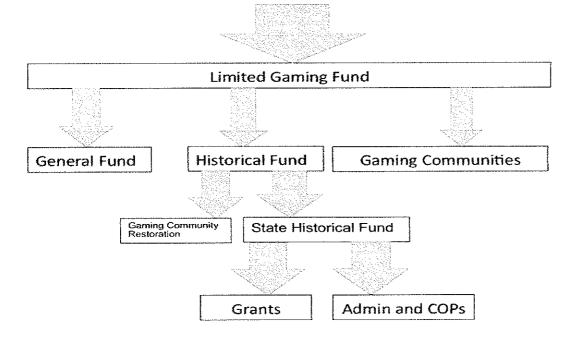
Section 10. Amends maximum bet limit section

Section 11. Amends approval of rules for certain games

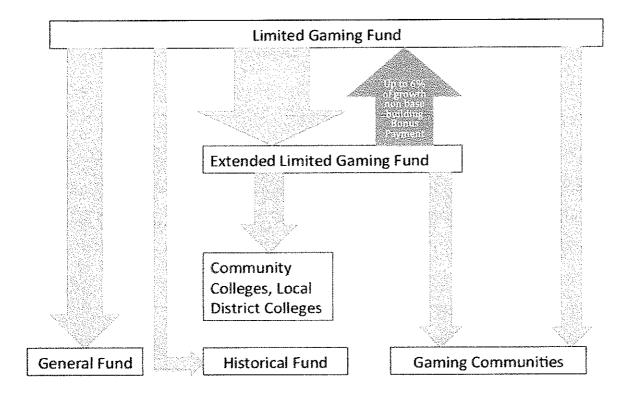
Section 12. Repeals prohibition on hours of operation

Section 13. Safety Clause

### **Current Distribution of Limited Gaming Tax Revenue**



# Amendment 50 Distribution of Funds, as Amended By House Education Committee Report



Contact: Jason Hopfer 303.880.2023 and Moira Cullen 303.868.8452