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BASIS AND PURPOSE FOR RULE 24

The purpose of Rule 24 is to establish the methods for the collection and distribution of Limited Gaming Fund revenues. The statutory basis for amendments to Rule 24 is found in sections 44-30-201, C.R.S., 44-30-203, C.R.S., 44-30-302, C.R.S., 44-30-701, C.R.S., and 44-30-702, C.R.S.

RULE 24 LIMITED GAMING FUND

30-2401 Definitions.

The following definitions shall apply to this Rule 24:

- (1) "Extended gaming" means subsection (7) of section 9 of article XVIII of the state constitution as approved by statewide voters on November 4, 2008, and subsequently approved by voters in the cities of Black Hawk, Central City and Cripple Creek;
- (2) "Extended gaming expenses" mean the ongoing expenses of the Commission and other state agencies that are attributable to the administration of extended gaming;
- (3) "Extended Gaming Fund" means the fund created by Section 44-30-702(1)(a);
- (4) "Extended gaming revenues" mean the "limited gaming tax revenues attributable to extended limited gaming" as defined by Section 44-30-702 (4)(d);
- (5) "Limited gaming" means section 9 of article XVIII of the state constitution as approved by ,statewide voters on November 6, 1990;
- (6) "Limited gaming expenses" mean the ongoing expenses of the Commission and other state agencies that are attributable to the administration of limited gaming prior to extended gaming;
- (7) "Limited Gaming Fund" means the fund created by Section 44-30-701(1); and
- (8) "Limited gaming revenues" mean the gaming tax revenues attributable to the operation of limited gaming prior to extended gaming.
- (9) "Fiscal year with a significant decrease in total limited gaming tax revenue" means a fiscal year in which the total limited gaming tax revenue collections have declined by five percent or more from the immediately preceding fiscal year; or the second of two consecutive fiscal years with a cumulative decline of total limited gaming tax revenue collections that is six percent or more from the fiscal year immediately preceding the first of the two consecutive fiscal years. *Effective 10/15/22*

30-2402 Collection of revenues into the Limited Gaming Fund.

All gaming tax revenues, license fees, investigation fees, fines and other revenues collected by the Division of Gaming shall be deposited into the Limited Gaming Fund in accordance with Section 44-30-701.

**30-2403 Determination of tax revenues attributable to extended and limited gaming.
Amended 11/14/20**

- (1) After the end of fiscal year ending June 30, 2022 limited gaming tax revenues shall be equal to one hundred thirteen million nine hundred seventy-three thousand twelve dollars, which is equal to the adjusted base for state fiscal year 2018-19 increased by two and one-half percent, with that sum increased by three percent. All limited gaming tax revenues for the fiscal year ending June 30, 2022 in excess of this adjusted base are limited gaming tax revenues attributable to extended limited gaming for the fiscal year ending June 30, 2022. *Amended 10/15/22*
- (2) After the end of each subsequent fiscal year ending June 30, the Commission shall determine limited gaming revenues by multiplying the amount of limited gaming revenues collected during the previous fiscal year by a factor of three percent and adding that amount to the amount of limited gaming tax revenues collected during the previous fiscal year. If the annual increase in total gaming tax revenues is less than three percent, limited gaming revenues shall be the amount of limited gaming revenues collected during the previous fiscal year multiplied by a factor of the actual percentage of annual growth in total gaming tax revenues. For any year in which limited gaming revenues decrease, limited gaming revenues shall be the amount of limited gaming revenues collected during the previous fiscal year multiplied by a factor of the actual percentage of annual decline in total gaming tax revenues. That amount shall be added or subtracted from the amount of limited gaming tax revenues collected during the previous fiscal year. *Amended temp. 7/16/20, Amended 10/15/22*
- (3) If there is a fiscal year with a significant decrease in total limited gaming tax revenues, then Section 44-30-702(7)(a) – 44-30-702(7)(d)(II)(B) shall take effect. *Effective 10/15/22*
- (4) After the end of each fiscal year ending June 30, the Commission shall determine extended revenues by subtracting the amount of limited revenues from the amount of total gaming tax revenues collected during the fiscal year.

30-2404 Determination of expenses attributable to extended and limited gaming.

- (1) After the end of each fiscal year ending June 30, the Commission shall determine extended gaming expenses by multiplying the total of all expenses of the Commission and other state agencies for the fiscal year by the percentage of total Limited Gaming Fund revenues attributable to extended gaming revenues.
- (2) After the end of each fiscal year ending June 30, the Commission shall determine limited gaming expenses by subtracting the amount of extended gaming expenses from the total of all expenses of the Commission and other state agencies.

30-2405 Determination of amount of Limited Gaming Funds distributed to limited gaming recipients.

- (1) After the end of each fiscal year ending June 30, the Commission shall determine the amount of Limited Gaming Funds to be distributed to limited gaming recipients by adjusting the total amount deposited in the Limited Gaming Fund during the fiscal year by the following:
 - (a) Adding the amount of funds withheld from the previous year's distribution to cover two months' of Commission and Division expenses in accordance with Section 44-30-701(1)(c);

- (b) Subtracting the amount of extended gaming revenues, including interest on such revenues;
 - (c) Subtracting the amount of limited gaming expenses;
 - (d) Adding or subtracting the amount of annual adjustment in accordance with Section 44-30-702 (3)(b); and
 - (e) Subtracting the amount of Commission and other state agencies expenditures for the last two months of the fiscal year to be held in reserve to cover the expenses of the upcoming fiscal year in accordance with Section 44-30-701(1)(c).
- (2) The determined amount shall be distributed in accordance with Section 44-30-701. *Amended 10/15/22*
- (a) When determining the proportion of “gaming revenues” generated in Gilpin and Teller counties and the cities of Central, Black Hawk and Cripple Creek in accordance with Section 44-30-701(1)(c), “gaming revenues” shall be defined as the aggregate adjusted gross proceeds generated during the fiscal year by licensees operating in each county and city. (amended perm. 4/14/11)

30-2406 Determination of amount of Extended Gaming Funds distributed to extended gaming recipients.

- (1) At the end of each fiscal year ending June 30, the Commission shall transfer the amount of extended gaming tax revenues and interest on these revenues to the “extended limited gaming fund” established in Section 44-30-702(1)(a).
- (2) At the end of each fiscal year ending June 30, the Commission shall determine the amount of extended limited gaming funds to be distributed to extended gaming recipients by adjusting the amount deposited in the extended limited gaming fund by the following:
 - (a) Subtracting the amount of extended gaming expenses; and
 - (b) Adding or subtracting the amount of annual adjustment in accordance with Section 44-30-702(3)(b).
- (3) The remaining amount at the end of each fiscal year shall be distributed in accordance with Section 44-30-702. *Amended 10/15/22*