



# ALL CHAIRS **WEBINAR**

MAY, 13 2019

# AGENDA

- **Funding**/ WSRF/ Projects Bill/ Sports Betting
- **Working Group**/ Outputs/ Next Steps
- **Technical Update**/ BIP Updates/ Timeline/ Events

# SPORTS BETTING

- Referred measure to go to ballot (Nov)
- Funding specifics for Water Plan TBD
- Could yield \$2 - \$20M (per year)

**All those in  
favor of saving  
our dwindling  
water resources,  
raise your dry,  
cracked hands.**

It's crazy to think about  
Colorado without enough water.

[ForTheLoveOfColorado.org](http://ForTheLoveOfColorado.org)





Legislative  
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 19-1327

## REVISED FISCAL NOTE

(replaces fiscal note dated April 22, 2019)

**Drafting Number:** LLS 19-0030  
**Prime Sponsors:** Rep. Garnett; Neville  
Sen. Donovan; Cooke  
**Date:** April 25, 2019  
**Bill Status:** Senate Finance  
**Fiscal Analyst:** Meredith Moon | 303-866-2633  
Meredith.Moon@state.co.us

**Bill Topic:** AUTHORIZE & TAX SPORTS BETTING

**Summary of Fiscal Impact:**

- ☒ State Revenue
- ☒ State Expenditure
- ☒ State Transfer
- ☐ TABOR Refund
- ☐ Local Government
- ☐ Statutory Public Entity

This bill decriminalizes sports betting and, conditional upon voter approval, levies a tax on net sports betting revenue. This bill conditionally increases state revenue and expenditures on an ongoing basis.

**Appropriation Summary:** Conditional upon voter approval, for FY 2019-20, this bill requires a General Fund appropriation of \$1,858,534 to the Department of Revenue.

**Fiscal Note Status:** This revised fiscal note reflects the reengrossed bill.

Table 1  
State Fiscal Impacts Under HB 19-1327

		FY 2019-20	FY 2020-21
<b>Revenue</b>	Sports Betting Fund	\$6.3 million - \$6.5 million	\$9.7 million - \$11.2 million
	<b>Total</b>	<b>\$6.3 million - \$6.5 million</b>	<b>\$9.7 million - \$11.2 million</b>
<b>Expenditures</b>	General Fund	\$1,858,534	-
	Sports Betting Fund	-	\$2,247,717
	Other Cash Funds	-	\$130,000
	Centrally Approp.	\$190,111	\$379,344
	<b>Total</b>	<b>\$2,048,645</b>	<b>\$2,757,061</b>
	<b>Total FTE</b>	<b>12.6 FTE</b>	<b>24.3 FTE</b>
<b>Transfers</b>	Sports Betting Fund	(\$6,300,000)	(\$7,072,939)
	General Fund	\$1,858,534	-
	Other Cash Funds	\$4,441,466	\$7,072,939
	<b>Total</b>	<b>\$0</b>	<b>\$0</b>
<b>TABOR Refund</b>		-	-

## Master License

**Master Licenses** will be issued to the owners of casino license holders in Black Hawk, Central City, and Cripple Creek. A **Master License** is required to conduct sports betting business. With a **Master License**, each casino can contract with one **Brick and Mortar Sports Betting Operator** and/or one **Internet Sports Betting Operator**.

### Brick and Mortar Sports Betting Operator

Each Master Licensee can contract with one sports betting operator in a historic gaming town (Blackhawk, Central City, or Cripple Creek). This could be a brick-and-mortar location with a counter to place bets in-person.

### Internet Sports Betting Operator

Each Master Licensee can contract with one internet sports betting operator (DraftKings, FanDuel, etc) to run a mobile betting app.

and/or

### Where does the money go?

A 10% tax on the Net Sports Betting Proceeds (the revenue that the license holder makes after paying out winnings) will be placed into a Sports Betting Fund.

10%

### VOTER APPROVAL

If this bill passes, it will need voter approval at the ballot box. Because of TABOR, the new tax on sports gaming needs a majority of the public's votes before anyone can cast their bets.

## Sports Betting Fund

### Tier 1

The money reimburses the General Fund for the start-up cost of the new Sports Gaming Commission.

### Tier 2

The fund will pay for the operation of sports betting within the Division of Gaming.

### Tier 3

The fund will "hold harmless" the beneficiaries of other gaming taxes, including Community Colleges and the State Historical Fund, backfilling any potential lost revenue from gaming.

### Tier 4

Additional funds to the Office of Behavioral Health in the Department of Human Services towards to address gambling addiction.

### Tier 5

Finally, the majority of the money goes to the Water Plan Implementation Cash Fund. This fund pays for water projects in the Colorado Water Plan that keep our rivers clean, our drinking water pure, and our farmers' produce the best in the Rockies.

# SPORTS BETTING

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# GOVERNOR'S BUDGET

- ~~\$30 Million in Hickenlooper's Budget (retained by Polis)~~
- \$10 Million approved by Legislators
  - \$8.3M to backfill Water Plan Grants (over 3 years)
  - \$1.7M to explore DM discussions across the state
- Allocated July 1, 2019

# **WATER PLAN**

## **GRANT FUNDS**

- \$7M approved
- Proposal to bump to \$10M (with Governor's Budget funds)
- Under CWCB Board consideration

# WSRF FUNDS

- Estimated \$7.5M from Severance Tax
  - Backfill of \$2.5 from the Construction Fund
  - \$10M total
- Available July 1, 2019 (40%, 30%, 30%)

# REQUESTED PROJECTS

## BILL FUNDING APPROVED

- \$5.5M to fund BIP, Water Plan Updates, etc.
  - About \$3M to BIPs & Project Lists
  - About \$1M to Water Plan Update
  - Remainder to IPP and HB-1051 database, education, etc.

**WHY FUND MORE PLANNING?**

**WHAT IS THE UPDATE TIMELINE?**

**HOW WILL BRTS BE INVOLVED?**

# im•ple•men•ta•tion

/,ɪmpləmən'tāSH(ə)n/

*noun*

1.the process of putting a decision or plan into effect; execution.

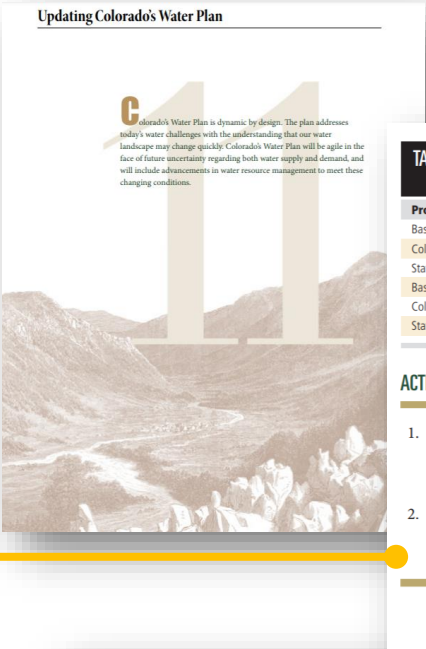
"she was responsible for the implementation of the plan"

*synonyms:* execution, application, carrying out, carrying through, performance, enactment, administration; More

# WATER PLAN IMPLEMENTATION

Is equal parts:

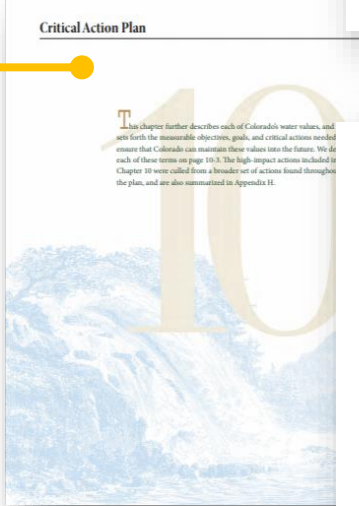
- Planning
- Project



**TABLE 11-1 CYCLICAL PLANNING PROCESS PROPOSED BY THE CWCB**

Product	Year Initiated
Basin Implementation Plans	2013
Colorado's Water Plan	2013
Statewide Water Supply Initiative	2016
Basin Implementation Plans	2018
Colorado's Water Plan	2020
Statewide Water Supply Initiative	2022

- ACTIONS**
1. The CWCB will work with other state agencies, the basin roundtables, and the people of Colorado to update Colorado's Water Plan, beginning no later than 2020.
  2. The CWCB will develop guidelines for Basin Roundtable WSRA grants to help facilitate the implementation of the BIPs.



**C. Land Use**

Integrate Land Use and Water Planning: Integrate the use of local land use tools, where appropriate, to reduce water demands for municipalities, and the need to urbanize agricultural lands.

CRITICAL LAND USE ACTION	SECTION	PARTNERS	TYPE
1. Integrate land use planning with water planning, including the use of local land use tools, where appropriate, to reduce water demands for municipalities, and the need to urbanize agricultural lands.	6.2.1	CWCB, DCA, local governments	Programmatic

**D. Agriculture**

Maintain Agricultural Viability: Maintain Colorado's agricultural productivity, support of rural economies, and food security (through meaningful incentives and grassroots efforts).

Facilitate Alternative Transfer Methods: Respect property rights and contributions of the agricultural industry by establishing alternative options that compete with, if not outperform, traditional "buy and dry" transactions in the water market.

Support Agricultural Conservation and Efficiency: Support Colorado's agricultural industry to make it more efficient, resilient, and able to reduce water consumption without impacting agricultural productivity.

CRITICAL AGRICULTURE ACTIONS	SECTION	PARTNERS	TYPE
1. Establish an education and outreach program for farmers and ranchers to help them understand the importance of water conservation and the need to urbanize agricultural lands.	6.2.1, 6.2.2, 6.2.3	CWCB, DCA	Programmatic
2. Encourage efficient water use and irrigation planning to reduce water consumption and improve water efficiency on farms and ranches.	6.2.1, 6.2.2	CWCB, agricultural partners, DCA	Programmatic
3. Provide grants, loans, and technical support to reduce and improve agricultural water consumption and improve water efficiency on farms and ranches.	6.2.1, 6.2.2	CWCB, DCA, agricultural partners, other stakeholders	Programmatic
4. Develop water conservation and efficiency programs, incentives, and technical support to encourage the use of these programs on farms and ranches.	6.2.1	CWCB, DCA, agricultural partners, agricultural groups, DCA, CWCB	Programmatic, CWCB agency action
5. Explore the development of alternative water to meet and address agricultural water needs for the purpose of reducing farm water consumption.	6.2.1, 6.2.2	DCA, CWCB	Programmatic
6. Explore regional and local water conservation programs, incentives, and technical support to encourage the use of these programs on farms and ranches.	6.2	CWCB, DCA, local governments	Programmatic

# COMPARATIVE ANALYSIS

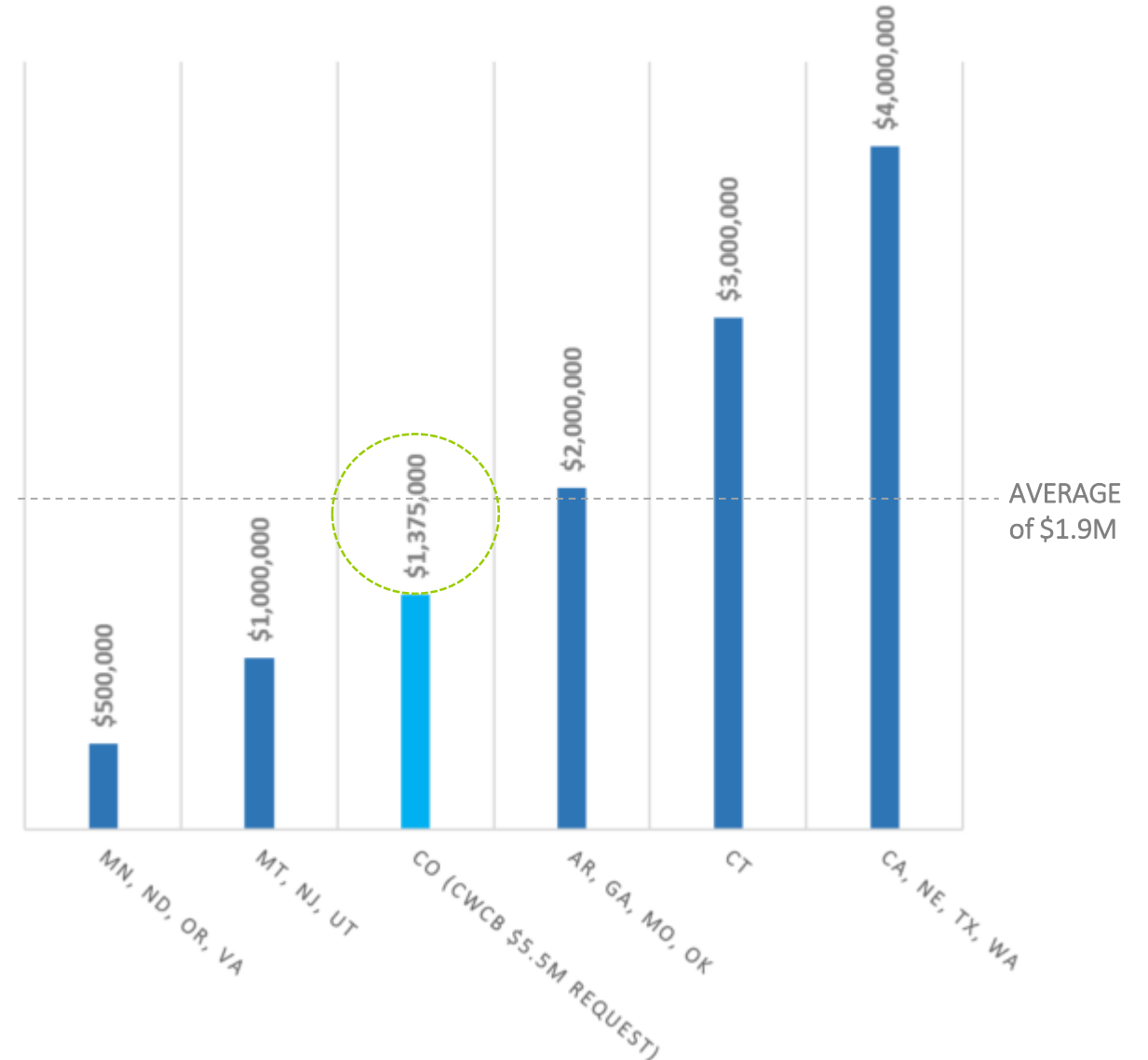
- 17 states with water plans were analyzed by the American Water Resources Association in 2018.
- CWCB participated in this survey; provided information on its Water Plan efforts.



# HOW WATER PLAN FUNDING COMPARES

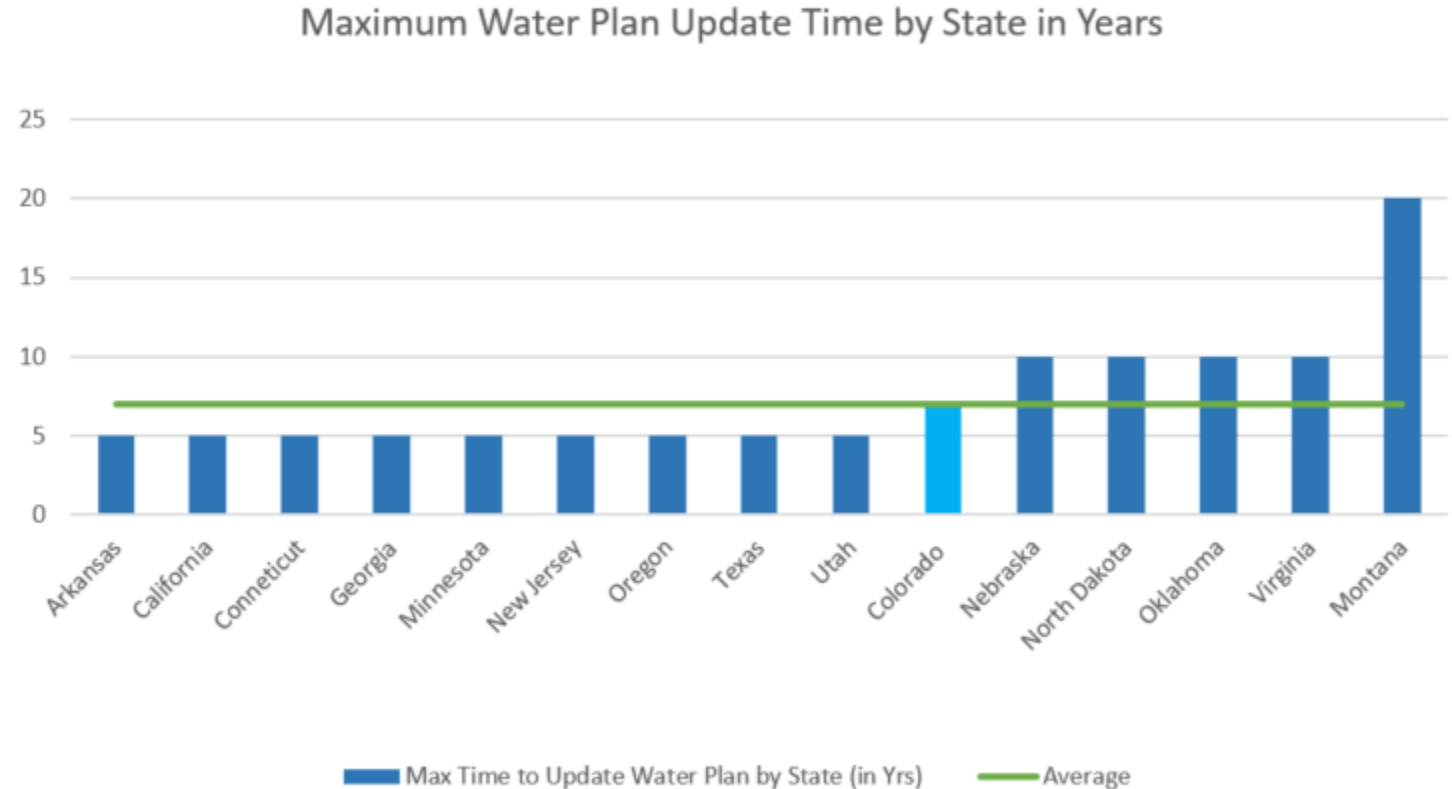
- States spend between \$500K and \$4M each year on water plan efforts.
- That's just under \$2M/yr on average.
- The CWCB requested \$5.5M ask is for four years (2019-2022) which is about \$1.4M per year.

ANNUAL WATER PLAN BUDGET VS. CWCB  
4-YEAR FUNDING REQUEST

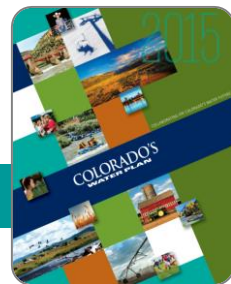
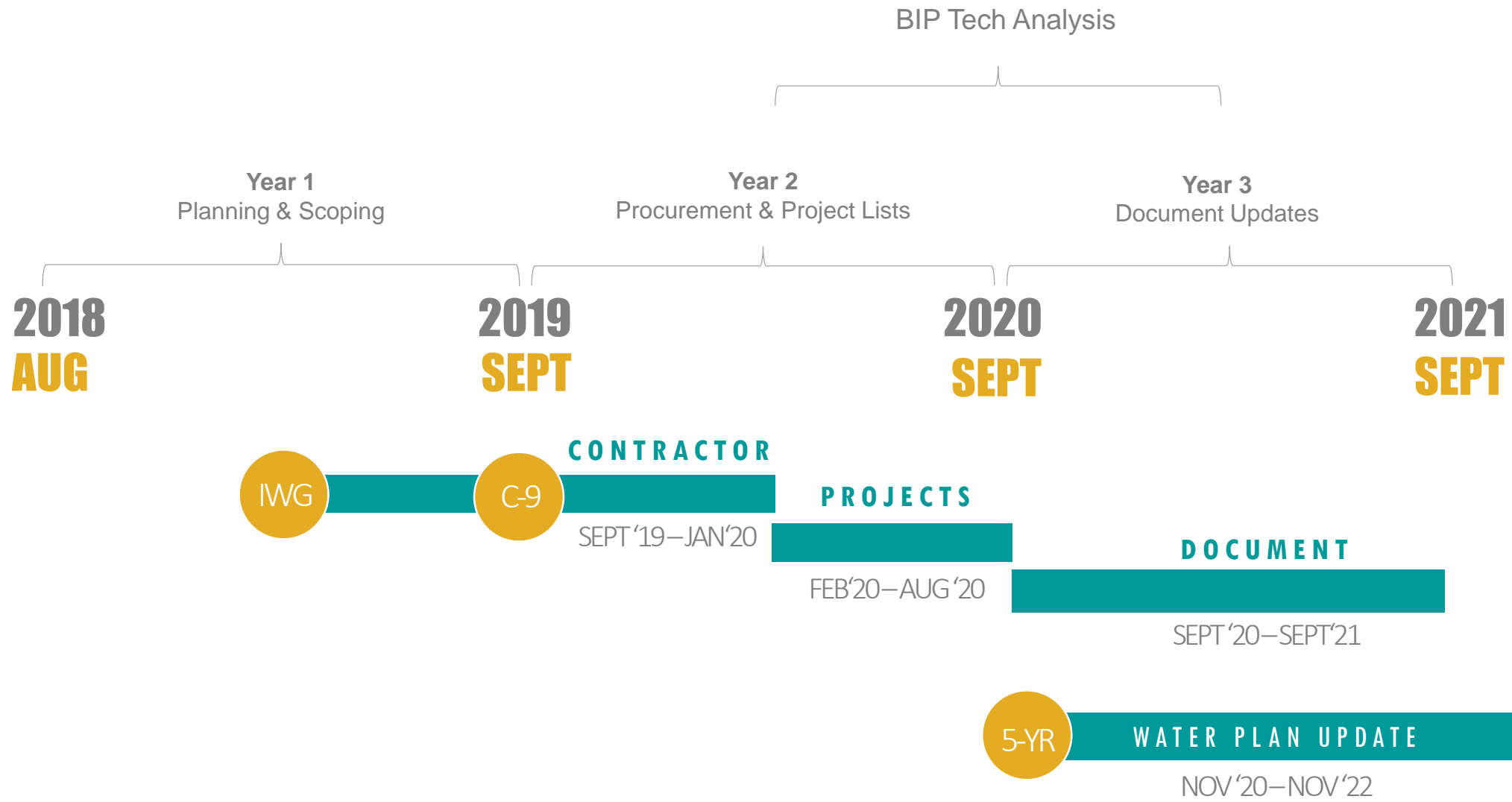


# HOW WATER PLAN UPDATES COMPARE

- Colorado's Water Plan updated started with initiating SWSI in 2015.
- Chapter 11 mandates the Water Plan update to be initiated in 2020.
- Staff plan to complete the update in 2022 (putting CO on track with the 7 year update average).



# TIME LINE



# GENERAL CONTRACTOR **RFP PROCESS**

- Working to have the RFP out soon (will be public).
- Inviting chairs to be on the selection committee.
- GC will hire local “experts”:
  - Local experts on the basin who are chief integrators
  - May need other local advisors/may not.
  - Local expert may be the GC.
- Hope to have hired by the C-9 Summit.

# IMPLEMENTATION WORKING **GROUP INPUT**

- Roadmap for BIP Updates
- Technical Update Recommendations
- Missing Project Data & Tiered Matrix

Basin	Percent of IPPs with Cost Data
Arkansas	4%
Colorado	2%
Gunnison	28%
North Platte	0%
Rio Grande	50%
South Platte / Metro	22%
Southwest	0%
Yampa / White	0%

“It must be emphasized that costs were not associated with the vast majority of projects identified.”

-COLORADO'S WATER PLAN / CHAPTER 9-10



# Projects

## A lookback to step forward

In 2015, each Basin Roundtable developed data sets of Identified Projects and Processes (IPPs) in accordance with CWCB guidance. Due to the complexity of studies, variation by basin, and number of entities involved, IPP data across and within remain inconsistent in content and format. The Technical Update to the Water Plan is reviewing the handling and formatting of IPP data to ensure useful data products can be created and future analyses can be performed consistently. The following table shows a summary of statewide IPP data, organized by a *draft recommendation* of minimum supplied data attributes.

Data Attribute	Arkansas	Colorado	Gunnison	North Platte	Rio Grande	S. Platte / Metro	Southwest	Yampa / White
IPP ID Number	X		X	X	X	X	X	X
IPP Name	X	X	X	X	X	X	X	X
IPP Description	X	X	X	X			X	X
Basin						X		
Municipal & Industrial Need	X	X	X		X		X	
Agricultural Need	X	X	X		X		X	
Environmental & Rec Need	X	X	X	X	X		X	X
Admin Need					X			
Multiple Needs	X	X	X		X		X	
Water Source GNIS Name								
Water Source GNIS ID								
Water Destination								
Latitude & Longitude	X		X	X			X	X
Phase	X	X	X				X	
Yield	X	X	X			X		
Yield Units	X	X	X			X		
Estimated Cost	X	X	X		X	X		
Contact	X		X			X	X	
Proponents	X	X	X		X	X	X	X

## Rio Grande Basin Implementation Plan

### A lookback to step forward

The first Basin Implementation Plans (BIPs) were initiated in 2013 by the Governor's Executive Order and completed by 2015 to form the backbone of the Colorado Water Plan. Built on the synthesis of SWSI 2010 data, BIPs identified basin-focused goals, consumptive and non-consumptive needs, and portfolios of solutions to projected supply gaps (e.g. identified projects and processes known as 'IPPs'). Updating these plans and projects will help:

- ❖ Support funding for basin projects through improved costing data
- ❖ Incorporate most up-to-date future supply analyses
- ❖ Allow basins to revisit goals and incorporate recent local planning

### Do basin goals remain the same? Have any emerged as priorities?

Goal	Focus on watershed health
Summary	Uphold Colorado water law
	Sustain the aquifers
	Implement infrastructure to meet long-term water needs
	Sustain optimal agricultural economy
	Support multipurpose projects & methods
	Meet all demands for water
	Establish education and outreach efforts for water use and needs
	Meet applicable water quality standards
	Be adaptive, flexible, and responsive
	Preserve wildlife habitats
	Conserve wetlands and riparian areas
	Sustain active river flows
	Maintain water-dependent recreational activities

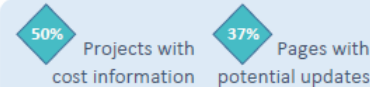
### How many current members were involved in BIP development?



### Do IPPs align with basin goals?

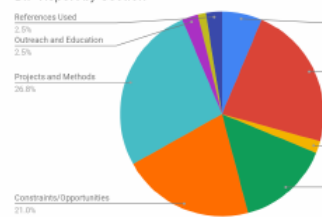


### What's the anticipated level of effort?

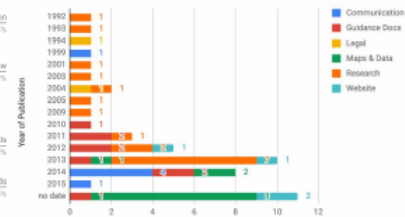


### What are the essential content updates?

#### BIP Report by Section



#### References



[Implementation](#) ▸ 2019 Implementation Working Group

## 2019 Implementation Working Group

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### IMPLEMENTATION WORKING GROUP

An Implementation Working Group has been organized to help CWCB staff fine tune practical guidance following the Statewide Water Supply Initiative (SWSI) findings and Basin Implementation Plan updates. The group participants include representatives from each basin and some IBCC members. Group outputs will be updated under this page as they are developed. Roundtables will be updated by working group representatives according to their normal meeting schedule.

CHECK-IN ON WORKING GROUP EFFORTS

OUTPUTS

# TECHNICAL WEBINARS

- **February 19** SWSI Methodologies Overview and Population Data
- **March 19** Municipal and Industrial Data & Methodologies
- **April 23** Agricultural Data & Methodologies
- **May 21** Environmental Data & Methodologies
- **June 25** SWSI Tools & Next Steps

SIGN-UP FOR WEBINARS

# WEBINARS



BASIN ROUNDTABLE  
**SUMMIT**

SAVE THE DATE

  
HEADWATERS CENTER  
RESEARCH - EVENTS - EDUCATION

SEPTEMBER 25 + 26 2019

**SUMMIT**

# SUMMIT UPDATES

- \$18k across the basins divided by distance to BRT meeting.
- Chairs/Roundtables can ask for reimbursements up to their amount.
- Roundtables should divide up across attendees as they see fit.
- Two students per BRT can have registration waived.

THOUGHTS, COMMENTS OR  
**QUESTIONS?**

