

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 17-1016.01 Nicole Myers x4326

SENATE BILL 17-248

SENATE SPONSORSHIP

Hill and Merrifield,

HOUSE SPONSORSHIP

Lee and Liston, Exum, Landgraf

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE AUTHORITY OF THE COLORADO ECONOMIC**
102 **DEVELOPMENT COMMISSION TO APPROVE MODIFICATIONS TO A**
103 **PREVIOUSLY APPROVED REGIONAL TOURISM PROJECT.**

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://leg.colorado.gov>.)

The "Colorado Regional Tourism Act" includes a process by which one or more local governments may undertake a regional tourism project (project), create a regional tourism zone in which the project will be built, and create a regional tourism authority to use tax increment financing based on state sales tax revenue to finance eligible

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.

improvements related to the project. Currently, once a project has been approved, there is not a process to allow a local government to request and the Colorado economic development commission (commission) to approve a modification to the components of the project.

The bill allows a local government that is a participant in an approved project to apply to the commission to modify the project if the local government determines that a planned project component is no longer viable or that the new component will increase the number of out-of-state tourists visiting the project or net new revenue generated by the project.

A local government must submit an application to modify an approved project to the Colorado office of economic development (office) for initial review prior to the commencement of substantial work on the project component that will be replaced. The local government is required to include certain information in the proposal but is not required to provide any information that was in the original application and that remains unchanged. The application must include an economic analysis that details whether the modified project meets the requirements specified in law and in guidelines established by the office.

The office is required to review and forward an application for a modification of a project to the commission with a recommendation that the commission approve the application, deny it, or approve it with conditions. The commission is required approve the application unless the modified project no longer meets the criteria for a project established in law. The commission may amend its original award, including the percentage of sales tax increment that is awarded and the total cumulative dollar amount to be awarded if specifically impacted by the new component, but may not increase the total cumulative dollar amount of the award beyond that which was previously awarded.

If the application for a modification is approved, the commission is required to modify the resolution it adopted when it approved the original application as necessary to conform the resolution to the modified project.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-46-311 as
3 follows:

4 **24-46-311. Modification of a previously approved project -**
5 **application.** (1) A LOCAL GOVERNMENT THAT IS A PARTICIPANT IN AN
6 APPROVED REGIONAL TOURISM PROJECT MAY APPLY TO THE COMMISSION

1 TO MODIFY A PREVIOUSLY APPROVED PROJECT IF THE LOCAL GOVERNMENT
2 DETERMINES THAT A PLANNED PROJECT COMPONENT IS NO LONGER VIABLE
3 OR THAT THE SUBSTITUTION OF A NEW COMPONENT WILL INCREASE THE
4 NUMBER OF OUT-OF-STATE TOURISTS VISITING THE PROJECT OR NET NEW
5 REVENUE GENERATED BY THE PROJECT. THE PROPOSED MODIFICATION OF
6 THE PREVIOUSLY APPROVED PROJECT SHALL NOT CONSTITUTE MORE THAN
7 TWENTY-FIVE PERCENT OF THE TOTAL CUMULATIVE DOLLAR AMOUNT OF
8 THE STATE SALES TAX INCREMENT REVENUE THAT WAS AWARDED TO THE
9 PROJECT PURSUANT TO SECTION 24-46-305 (3)(d).

10 (2) A LOCAL GOVERNMENT MUST SUBMIT AN APPLICATION TO
11 MODIFY AN APPROVED PROJECT TO THE COLORADO OFFICE OF ECONOMIC
12 DEVELOPMENT FOR INITIAL REVIEW PRIOR TO THE COMMENCEMENT OF
13 SUBSTANTIAL WORK ON THE PROJECT COMPONENT THAT WILL BE
14 REPLACED. THE LOCAL GOVERNMENT SHALL INCLUDE ALL RELEVANT
15 INFORMATION THAT WOULD HAVE BEEN SUPPLIED UNDER SECTION
16 24-46-304 (2) IF THE NEW COMPONENT HAD BEEN INCLUDED IN THE
17 ORIGINAL APPLICATION AND SHALL DESCRIBE HOW THE NEW COMPONENT
18 CHANGES ANY OF THE INFORMATION ORIGINALLY SUPPLIED. THE LOCAL
19 GOVERNMENT IS NOT REQUIRED TO PROVIDE ANY INFORMATION THAT WAS
20 IN THE ORIGINAL APPLICATION AND REMAINS UNCHANGED. THE
21 APPLICATION SHALL ALSO INCLUDE AN ECONOMIC ANALYSIS THAT DETAILS
22 WHETHER THE MODIFIED PROJECT MEETS THE REQUIREMENTS OF THIS
23 SECTION AND ANY GUIDELINES PROVIDED BY THE COLORADO OFFICE OF
24 ECONOMIC DEVELOPMENT. THE LOCAL GOVERNMENT IS REQUIRED TO
25 OBTAIN A THIRD-PARTY ANALYSIS DESCRIBED IN SECTION 24-46-304 (2)(i).
26 THE LOCAL GOVERNMENT IS RESPONSIBLE FOR THE COSTS ASSOCIATED
27 WITH THE APPLICATION, INCLUDING THE THIRD-PARTY ANALYSIS AND THE

1 STAFF COSTS OF THE OFFICE OF ECONOMIC DEVELOPMENT ASSOCIATED
2 WITH REVIEWING THE APPLICATION.

3 (3) UPON RECEIPT OF AN APPLICATION FOR A MODIFICATION, THE
4 COLORADO OFFICE OF ECONOMIC DEVELOPMENT SHALL REVIEW IT FOR
5 COMPLETENESS AND, IF NO FURTHER INFORMATION IS REQUESTED OF THE
6 LOCAL GOVERNMENT, SHALL FORWARD IT TO THE COMMISSION WITH A
7 RECOMMENDATION THAT THE COMMISSION APPROVE THE APPLICATION,
8 DENY IT, OR APPROVE IT WITH CONDITIONS.

9 (4) THE COMMISSION MAY APPROVE THE APPLICATION FOR A
10 MODIFICATION IF THE REVISED PROJECT MEETS THE CRITERIA ESTABLISHED
11 IN SECTION 24-46-304 (3). IF THE COMMISSION APPROVES THE
12 APPLICATION, THE COMMISSION MAY AMEND ITS ORIGINAL AWARD,
13 INCLUDING THE PERCENTAGE OF SALES TAX INCREMENT THAT IS AWARDED
14 AND THE TOTAL CUMULATIVE DOLLAR AMOUNT TO BE AWARDED IF
15 SPECIFICALLY IMPACTED BY THE NEW COMPONENT, BUT MAY NOT
16 INCREASE THE TOTAL CUMULATIVE DOLLAR AMOUNT OF THE AWARD
17 BEYOND THAT WHICH WAS PREVIOUSLY AWARDED PURSUANT TO SECTION
18 24-46-305 (4.5).

19 (5) IF THE APPLICATION FOR A MODIFICATION IS APPROVED, THE
20 COMMISSION SHALL MODIFY THE RESOLUTION ADOPTED UPON APPROVAL
21 OF THE ORIGINAL APPLICATION PURSUANT TO SECTION 24-46-305 (3), BUT
22 ONLY TO THE EXTENT NECESSARY TO CONFORM THE RESOLUTION TO THE
23 MODIFIED PROJECT. THE COMMISSION SHALL NOT MODIFY ANY OTHER
24 ASPECT OF THE RESOLUTION.

25 **SECTION 2. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part will not take effect
5 unless approved by the people at the general election to be held in
6 November 2018 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.