



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 8, 2024)

Drafting Number:	LLS 24-0579	Date:	April 12, 2024
Prime Sponsors:	Rep. Ricks; Brown Sen. Smallwood; Zenzinger	Bill Status:	House Appropriations
		Fiscal Analyst:	Matt Bishop 303-866-4796 matt.bishop@coleg.gov

Bill Topic: **BINGO-RAFFLE LICENSING SUNSET REVIEW**

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

Sunset bill. This bill continues bingo-affle licensing through September 1, 2029, which is scheduled to repeal on September 1, 2024. State fiscal impacts include state revenue and expenditures impacts from changes to the program under the bill, as well as continuation of the program's current revenue and expenditures.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$226,445 to the Department of State.

Fiscal Note Status: The revised fiscal note reflects the introduced bill, as amended by the House State, Civic, Military, and Veterans Affairs Committee and the House Finance Committee.

Table 1
State Fiscal Impacts Under HB 24-1326¹

		Budget Year FY 2024-25	Out Year FY 2025-26
New Impacts			
Revenue	Cash Funds	-	-
Expenditures	Cash Funds	\$277,422	\$275,070
	New FTE	3.0 FTE	3.2 FTE
Other Budget Impacts	TABOR Refund	-	-
Continuing Impacts			
Revenue	Cash Funds	-	\$760,000
Expenditures	Cash Funds	-	\$230,000
	Continuing FTE	-	3.0 FTE
Other Budget Impacts	TABOR Refund	-	\$760,000

¹ Table 1 shows both the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. Other than certain constitutionally required activities in the Department of State, which will continue with or without this bill, the continuing program impacts shown above will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill continues the regulation of bingo and other games of chance by the Secretary of State (CDOS) for five years, until September 1, 2029. It also modifies regulatory activities and operations of the Colorado Bingo-Raffle Advisory Board, including:

- regulating strip bingo, which is a type of bingo played with a strip card of up to five connected bingo faces;
- increasing the maximum total prizes per bingo event from \$2,000 to \$15,000;
- increasing the maximum fine imposed for violations from \$100 to \$250;
- permitting licensees to presell tickets to a charitable gaming event; and
- modifying the makeup, duties, and name of the board (Colorado Charitable Gaming Board).

Background

The sunset review for the Bingo and Raffles Licensing and the Bingo-Raffle Advisory Board is available online [here](#).

Continuing Program Impacts

Currently, CDOS has cash fund revenue of about \$850,000 per year and costs of about \$320,000 and 4.0 FTE to license and regulate bingo and raffle. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2025-26. This continuing revenue is subject to the state TABOR limits. If this bill is not enacted, the program will end on September 1, 2025, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2025-26 by the amounts shown in Table 1. Because some of these functions are constitutionally required, the fiscal note estimates that revenue and expenditures of about \$90,000 and 1.0 FTE will continue even if the bill is not enacted. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditures sections below.

State Revenue

Beginning in FY 2024-25, the bill may increase state revenue from application fees and from fines.

Application fees. If CDOS increases the prize amount that licensees may offer during a single bingo occasion, it may increase the number of applicants for a bingo-raffle license. For informational purposes, the existing application fee for a bingo-raffle license is \$100 and the existing application fee for a games manager is \$20. Application fee revenue is subject to TABOR.

Fines. The bill may increase state revenue due to higher fines imposed for violations committed by the charitable gaming industry. The fiscal note assumes high compliance, and that any change in revenue will be minimal. Fines are subject to TABOR.

State Expenditures

The bill increases state expenditures in CDOS by about \$280,000 per year beginning in FY 2024-25, paid from the Department of State Cash Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1326

	FY 2024-25	FY 2025-26
Department of State		
Personal Services	\$173,185	\$186,978
Operating Expenses	\$3,840	\$4,096
Capital Outlay Costs	\$20,010	-
Board Expenses	\$16,100	\$16,100
Investigation-Related Costs	\$10,350	\$10,350
Centrally Appropriated Costs ¹	\$50,977	\$54,586
Total Cost	\$277,422	\$275,070
Total FTE	3.0 FTE	3.2 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of State. The bill increases expenditures to update rules, process applications, conduct investigations, and to reinstate the board.

- **Staff.** The bill increases workload to update rules in FY 2024-25 only, and to process new applications, prepare reports for the General Assembly, and conduct additional investigations of licensees on an ongoing basis. Investigation activities are expected to ramp-up over time, depending on the growth of the licensed community. Standard operating and capital outlay costs are included.
- **Board expenses.** Board expenses include board member compensation as described in the bill and reimbursement for costs incurred during board functions.
- **Investigation-related costs.** Consistent with the sunset report, CDOS will ramp up investigation activities. Additional investigations costs include mileage, hotel, and per diem for on-site investigations.

Governor's Office. Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required appointment under the bill. This work can be accomplished within existing appropriations.

Other Budget Impacts

TABOR refunds. By continuing the bingo-raffle program, the bill is expected to continue the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2024 LCS revenue forecast. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2024-25, the bill requires an appropriation of \$226,445 from the Department of State Cash Fund to the Department of State, and 3.0 FTE.

State and Local Government Contacts

Law

Personnel

Revenue

Secretary of State

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).