

Amendment 77: Local Voter Approval of Casino Bet Limits and Games in Black Hawk, Central City, and Cripple Creek

1 **Amendment 77 proposes amending the Colorado Constitution and the**
2 **Colorado statutes to:**

- 3 • allow voters in the three gaming cities – Black Hawk, Central City, and
4 Cripple Creek – to increase or remove current bet limits and approve any new
5 casino games in each city; and
6 • expand the current use of casino tax revenue for community colleges to include
7 student retention and completion programs.

8 **What Your Vote Means**

YES

A “yes” vote on Amendment 77 means that the voters of Black Hawk, Central City, and Cripple Creek will be allowed to increase or remove casino bet limits and approve new casino games to help fund community colleges.

NO

A “no” vote on Amendment 77 means that current casino bet limits and games will remain in the Constitution, and a statewide vote will continue to be required to make any changes to these restrictions.

1 **Summary and Analysis for Amendment 77**

2 **What happens if Amendment 77 passes?**

- 3 • Casino bet limits and restrictions on the types of casino games in each gaming
4 city will be removed from the constitution.
- 5 • Voters in Black Hawk, Central City, and Cripple Creek may approve new casino
6 bet limits and add new casino games in their respective cities. Current games
7 and bet limits of \$100 will remain until the voters of each city authorize different
8 bet amounts and/or games.
- 9 • If local voters in the three gaming cities approve new casino games and bet
10 limits:
 - 11 ○ the Colorado Gaming Commission will establish rules for the new
12 games;
 - 13 ○ casinos may offer new casino games and any new bet limits starting
14 May 1, 2021; and
 - 15 ○ community colleges may use any additional casino tax revenue to
16 fund student retention and completion programs, in addition to uses
17 already allowed under current law, which include student financial aid,
18 classroom instruction, and workforce development programs.

19 **What types of gambling are currently allowed in Colorado?**

20 In 1990, Colorado voters passed a constitutional amendment allowing bets of up to
21 \$5 on slot machines, blackjack, and poker only in Black Hawk, Central City, and
22 Cripple Creek. The limits on casino gambling were expanded in 2008, allowing the
23 games of roulette and craps, bets of up to \$100, and extended casino hours of
24 operation. Sports betting was legalized both online and at casinos in 2019.

25 Outside of Black Hawk, Central City, and Cripple Creek, Colorado also permits
26 gambling on horse racing, simulcast horse and dog races, the state lottery, and
27 bingos and raffles sponsored by nonprofit organizations. These types of gambling
28 will not be impacted by this measure.

29 Gambling is also legal at the Southern Ute and Ute Mountain Ute tribal casinos,
30 which will not be impacted by this measure.

31 **If new casino bet limits and games are approved, how would additional state tax
32 revenue be spent?**

33 Under current law, casinos pay taxes on all bets made minus all payouts to players.
34 Conditional upon voter approval, Amendment 77 will likely generate additional casino
35 tax revenue, depending on the bet limits and games that are approved.

36 After casino regulation expenses are paid, any additional tax revenue will be
37 distributed, along with existing tax revenue, in the manner required under current
38 law:

- 39 • 78 percent will go to community colleges;
- 40 • 12 percent will go to Gilpin and Teller Counties; and
- 41 • 10 percent will go to the cities of Black Hawk, Central City, and Cripple Creek.

1 **How does Amendment 77 change the way community colleges spend gaming tax**
2 **revenue?**

3 This measure expands the way community college funding from gaming can be
4 spent to include programs and services that promote student retention and degree
5 completion programs. Currently, community colleges are allowed to spend gaming
6 tax revenue on financial aid, classroom instruction, and workforce development
7 programs.

For information on those issue committees that support or oppose the Initiatives on the ballot at the November 3, 2020, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

8 **Arguments For Amendment 77**

- 9 1) Amendment 77 allows voters in Black Hawk, Central City, and Cripple Creek to
10 make decisions that are best for their communities. Local residents impacted by
11 changes to gambling in Colorado are best equipped to address the needs of their
12 communities and should be allowed to control what happens in their cities.
- 13 2) Without raising taxes on Coloradans, Amendment 77 will likely increase the
14 amount of funding for community college financial aid, classroom instruction,
15 workforce development, student retention, and degree completion programs.
16 This additional revenue will help provide important educational and employment
17 opportunities during this economic downturn and is essential when recent state
18 and local tax revenues have decreased significantly.

19 **Arguments Against Amendment 77**

- 20 1) Removing bet limits may increase the prevalence and severity of problem
21 gambling. Problem gambling often leads to negative social impacts ranging from
22 lower work productivity, financial problems, and higher crime rates to family
23 neglect and abuse, substance abuse, and suicide. Amendment 77 increases the
24 risk of gambling problems without setting aside any of the new tax revenue to
25 help people harmed by problem gambling.
- 26 2) Expanding casino gambling may negatively impact other communities in
27 Colorado that will no longer have a voice in changes to limits on bets and games.
28 Other cities will not receive any of the tax revenue to help offset the burden
29 created by additional traffic, intoxicated driving, or any problem gambling issues.
30 All Colorado voters deserve to have a say in activities that impact the entire
31 state.

32 **Estimate of Fiscal Impact for Amendment 77**

33 The following fiscal impacts are conditional upon voter approval in at least one of the
34 three gaming cities and will depend on the casino bet limits and new games
35 approved in those cities.

1 **State and local government revenue.** Amendment 77 will likely increase state and
2 local revenue. If bet limits go up, taxable casino revenue and state gaming tax
3 collections are likely to increase. State gaming tax revenue is distributed in part to
4 the municipal and county governments where casinos are allowed. The amount of
5 any revenue increase will depend on how much any locally approved gaming
6 changes increase the revenue on which casinos pay taxes. For reference, a
7 previous expansion of betting limits and allowable casino games in 2008 increased
8 gaming revenue by about \$10 million per year.

9 **State and local government spending.** Amendment 77 will likely increase state,
10 local, and community college spending if gaming revenue increases. The amount of
11 any spending will depend on how much any locally approved gaming changes
12 increase the revenue on which casinos pay taxes. The Division of Gaming in the
13 Department of Revenue will need to update rules and documentation if either bet
14 limits are increased or new games are added. This measure will also increase local
15 government spending in the three gaming cities if they hold an election to increase
16 bet limits or add new casino games in each city. Any additional revenue received by
17 community colleges will be spent on programs allowed under current law and those
18 included in this amendment.

19 **Taxpayer impacts.** Amendment 77 will likely increase taxes paid by casinos. The
20 amount by which taxes will increase depends on future decisions made by voters in
21 the three gaming cities.