

# Amendment C: Conduct of Charitable Gaming

1 **Amendment C proposes amending the Colorado Constitution to:**

- 2     • reduce the number of years a nonprofit organization must operate in Colorado to  
3     apply for a bingo-raffle license from five to three; and  
4     • ease compensation and organization membership restrictions for bingo-raffle  
5     workers.

6 **What Your Vote Means**

**YES**

A “yes” vote on Amendment C allows nonprofit organizations operating in Colorado for three years to apply for a bingo-raffle license, permits these games to be conducted by workers who are not members of the organization, and allows workers to receive compensation up to minimum wage.

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**NO**

A “no” vote on Amendment C maintains the current requirements that nonprofit organizations must operate in Colorado for five years prior to applying for a bingo-raffle license, and that workers must be unpaid volunteers who are members of the nonprofit organization.

1 **Summary and Analysis for Amendment C**

2 **What does Amendment C do?**

3 The Colorado Constitution currently prohibits nonprofit organizations from paying  
4 bingo-raffle workers and prohibits anyone who is not a member of the nonprofit from  
5 participating in the management or operation of a game. Amendment C makes the  
6 following changes to these provisions. The measure:

- 7 • decreases the number of years that a nonprofit organization must operate in  
8 Colorado to apply for a bingo-raffle license from five to three and permits the  
9 legislature to further modify this requirement after January 1, 2024;
- 10 • eliminates the requirement that bingo-raffle workers be members of the nonprofit  
11 organization; and
- 12 • permits people managing or operating charitable games to either be volunteers  
13 or to receive compensation, such as meals or payment, which cannot exceed the  
14 minimum wage.

15 **What types of charitable gaming are currently allowed in Colorado?**

16 In 1958, the Colorado Constitution was amended to permit the operation of games of  
17 chance, such as bingo and raffles, by certain nonprofit organizations. Typical games  
18 of chance include:

- 19 • bingo, in which each player has at least one card with a grid of letters and  
20 numbers and marks off the letter and number combinations called by the bingo  
21 caller until one of the players completes the designated winning pattern; and
- 22 • raffles, which are tickets that have a unique number or other identifier randomly  
23 drawn to reveal the prize winner. Pull-tabs and pickles are considered a type of  
24 raffle.

25 Bingo and raffle games are managed and conducted by nonprofit organizations. The  
26 proceeds of any game must be exclusively devoted to the purposes of the nonprofit  
27 organization conducting the bingo or raffle. Organizations may not pay bingo-raffle  
28 workers any wage.

29 **What organizations can currently conduct bingo and raffle games?**

30 Only nonprofit organizations that have operated continuously in Colorado for five or  
31 more years can be licensed to conduct bingo or raffle games. The following types of  
32 nonprofit organizations can apply for a license: chartered branches, lodges, and  
33 chapters of national or state organizations; religious, charitable, labor, fraternal,  
34 educational, voluntary firefighters', or veterans' organizations; political parties; and  
35 the Colorado State Fair Authority.

For information on those issue committees that support or oppose the measures 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>

1 **Argument For Amendment C**

2 1) Bingo-affle games are an opportunity for nonprofit organizations to raise funds  
3 for their programs. Allowing nonprofit organizations to compensate workers  
4 reduces the burden on nonprofits to provide volunteers to operate the games.  
5 Expanding licenses to newer nonprofit organizations removes a barrier and  
6 provides them with additional fundraising opportunities. By increasing access to  
7 bingo-affle fundraising, this measure may help increase funding for nonprofit  
8 organizations.

9 **Argument Against Amendment C**

10 1) Professionalizing bingo-affle operations undermines their charitable fundraising  
11 purpose. Paying workers increases overhead to operate games, potentially  
12 reducing the amount of money nonprofit organizations are able to raise and  
13 dedicate to their core mission. By removing the requirement that workers be  
14 volunteers and expanding the number of nonprofits that participate, bingo-affle  
15 games become more like for-profit gambling than charitable fundraising.

16 **Estimate of Fiscal Impact for Amendment C**

17 **State revenue.** Beginning in state budget year 2020-21, Amendment C will increase  
18 state revenue by about \$5,000 per year as a result of additional application and  
19 renewal fees for bingo-affle licenses, based on an assumption of approximately 50  
20 new applicants paying the current fee of \$100. The measure may also increase  
21 state revenue from the administrative fee assessed on the charitable gaming  
22 proceeds received by bingo-affle license holders. The administrative fees from new  
23 licensees help offset the increased state spending.

24 **State spending.** Amendment C increases state spending by about \$83,000 in state  
25 budget year 2020-21, and by about \$37,500 per state budget year in future years.  
26 This spending is required to process additional bingo-affle licenses, conduct  
27 additional compliance investigations, and make changes to the computer system and  
28 reporting tools used for bingo-affle licensing.