

Amendment ? : Changes to Charitable Gaming Operations

Placed on the ballot by the legislature • Passes with 55 percent of the vote

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

- 2 • reduce from five to three the minimum number of years a nonprofit
- 3 organization must be in operation in Colorado in order to apply for a bingo
- 4 raffle license, and authorize the state legislature to establish a different
- 5 requirement beginning in 2025; and
- 6 • allow, but not require, a member of a nonprofit organization who is managing
- 7 or operating a bingo-raffle game (bingo raffle worker) to receive
- 8 compensation up to the minimum wage, before repealing restrictions on
- 9 compensation beginning July 1, 2024.

10 **What Your Vote Means**

YES 11 A “yes” vote on
 12 Amendment ? reduces
 13 from five to three the minimum number of
 14 years a nonprofit organization must
 15 operate in Colorado in order to apply for a
 16 bingo-raffle license, and authorizes the
 17 state legislature to establish a different
 18 requirement beginning in 2025. In
 19 addition, a “yes” vote allows, but does not
 20 require, bingo-raffle workers to be paid.
 21 Wages are capped at minimum wage
 22 through June 30, 2024, after which wages
 23 are not limited.

NO A “no” vote on Amendment ?
 maintains the current
 requirement that a nonprofit organization
 must operate in Colorado for five years
 before applying for a bingo-raffle license,
 and that bingo-raffle workers must be
 unpaid volunteers.

1 **Summary and Analysis for Amendment ?**

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

3 In 1958, the Colorado Constitution was amended to permit the operation of games of
4 chance by certain nonprofit organizations. Typical games of chance include:

- 5 • bingo, in which each player has at least one card with a grid of letters and
6 numbers, and marks off the letter and number combinations called by the
7 bingo caller until one of the players completes the designated winning
8 pattern; and
- 9 • raffles, which involve tickets that have a unique number or other identifier
10 randomly drawn to reveal the prize winner, and include pull-tabs and pickles.

11 The proceeds of any game must be exclusively devoted to the purposes of the
12 nonprofit organization conducting the bingo or raffle. Only a member of a nonprofit
13 organization may participate in the management or operation of a bingo-raffle game
14 (bingo-raffle worker). A bingo-raffle worker cannot be paid a wage for managing or
15 operating bingo-raffle games.

16 The following types of nonprofit organizations can apply for a license if they have
17 been continuously operating in Colorado for at least five years: chartered branches,
18 lodges, and chapters of national or state organizations; religious, charitable, labor,
19 fraternal, educational, voluntary firefighters', or veterans' organizations; political
20 parties; and the Colorado State Fair Authority.

21 **What does Amendment ? do?**

22 The Colorado Constitution currently allows nonprofit organizations that have
23 operated in Colorado for five or more years to apply for a bingo-raffle license, and
24 prohibits them from paying bingo-raffle workers. The state legislature cannot change
25 either of these requirements without voter approval. Amendment ? decreases the
26 number of years, from five to three, that a nonprofit organization must continually
27 operate in Colorado before applying for a bingo-raffle license. On or after
28 January 1, 2025, the measure allows the state legislature to change the time-period
29 requirement, effectively repealing the constitutional limitation on the state
30 legislature's ability to change the time-period requirement. However, the
31 requirement will remain three years without legislative action.

32 The measure also allows, but does not require, members of the nonprofit
33 organization managing or operating charitable games to receive compensation.
34 Wages are capped at the minimum wage through June 30, 2024, after which
35 bingo-raffle workers may be paid any amount agreed upon by the workers and
36 nonprofit organization. The measure does not change the current constitutional
37 requirement that only members of a nonprofit organization may participate in the
38 management or operation of bingo and raffles.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022, 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 ?**

- 2 1) Bingo-raffle gaming is an important tool that nonprofit organizations use to
3 raise funds for their programs. Expanding licenses to nonprofit organizations
4 that have been in existence for a fewer number of years provides more
5 organizations with this fundraising opportunity. Also, Amendment ? may
6 allow nonprofit organizations to raise additional money by operating more
7 games more often because payment of a wage will likely incentivize
8 members to work bingo-raffle games.

9 **Argument Against Amendment ?**

- 10 1) Allowing bingo-raffle workers to receive a wage to manage or operate
11 bingo-raffle games commercializes the charitable gaming industry, making it
12 more like for-profit gambling, and potentially reduces the amount of money
13 nonprofit organizations are able to dedicate to their core mission. In addition,
14 permitting less-established nonprofit organizations to operate bingo-raffle
15 games in Colorado will likely increase the number of organizations raising
16 funds in this manner, further decreasing the total amount of funds available
17 for each organization.

18 **Fiscal Impact for Amendment ?**

19 **State revenue.** Amendment ? increases state revenue from bingo-raffle license
20 fees by about \$20,000 in state budget year 2022-23 and by larger amounts in
21 future years. This revenue is generated from additional nonprofit organizations
22 becoming licensed to run bingo and raffle games and paying the current fee of
23 \$100.

24 **State spending.** Amendment ? increases state spending by about \$294,000 in
25 state budget year 2022-23, and by about \$420,000 in state budget year 2023-24.
26 This spending is required to update program rules and materials, process new
27 license applications and game manager oaths, investigate complaints, conduct
28 inspections, and make changes to the bingo-raffle computer system.