

Amendment F: Changes to Charitable Gaming Operations

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

1 **Amendment F 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
4 bingo-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 F 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 F
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.

Legislative Council Draft

1 **Summary and Analysis for Amendment F**

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 F do?**

22 The Colorado Constitution currently allows nonprofit organizations that have
23 continuously operated in Colorado for five or more years to apply for a bingo-raffle
24 license, and prohibits them from paying bingo-raffle workers. The state legislature
25 cannot change either of these requirements without voter approval. Amendment F
26 decreases the number of years, from five to three, that a nonprofit organization must
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, bingo-raffle workers to receive
33 compensation. Wages are capped at the minimum wage through June 30, 2024,
34 after which bingo-raffle workers may be paid any amount agreed upon by the
35 workers and nonprofit organization. The measure does not change the current
36 constitutional requirement that only members of a nonprofit organization may
37 participate in the 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>

Legislative Council Draft

1 **Argument For Amendment F**

2 1) Bingo-affle 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 F may
6 allow nonprofit organizations to raise additional money by operating more
7 games more often because payment of a wage will likely incentivize their
8 members to work bingo-affle games.

9 **Argument Against Amendment F**

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

17 **Fiscal Impact for Amendment F**

18 **State revenue.** Amendment F increases state revenue from bingo-affle license
19 fees by about \$20,000 in state budget year 2022-23 and by larger amounts in
20 future years. This revenue is generated from additional nonprofit organizations
21 becoming licensed to run bingo and raffle games and paying the current fee of
22 \$100. The measure may also impact state revenue from quarterly fees paid by
23 bingo-affle licensees, but this impact will depend on future changes in behavior
24 by charitable gaming organizations and participants.

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

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-affle 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-affle games.

9 **Argument Against Amendment ?**

- 10 1) Allowing bingo-affle workers to receive a wage to manage or operate
11 bingo-affle 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-affle
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-affle 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-affle computer system.

Last Draft Comments from Interested Parties

Amendment F Changes to Charitable Gaming Operations

Corky Kyle, representing The Kyle Group

Amanda,

Here are our thoughts on the latest revision to the LCS Charitable Gaming HCR22-1006.

Page One: Lines 1-9 are OK with the following concerns. Line six we understand that you are trying to get it across that payment bingo raffle workers is optional. We think people reading that part will understand that. Second, why not use "bingo raffle worker" throughout the explanation? It would lead to less confusion. Lines 10-23 are fine.

Page Two: Lines 1 through 38 are fine.

Page Three: Lines 1- 8 are fine. Beginning with line 11, "... making it more like for-profit gambling" is a little harsh and totally inaccurate. We are "charitable gaming, not-for-profit gaming. Our funds go to fund charitable programs, not in some owner's pocket who lives in Tahoe in his mountain house. This should be struck.

The next statement, line 12-13, "...potentially reduces the amount of money nonprofit organizations are able to dedicate to their core mission.". Again this is an inaccurate statement. When there were 33 bingo halls in the state in the early '90s, halls were full of players. Each licensee has a budget for the operation of their games. The budget would be adjusted to take into consideration the increased costs of operating their games. This should be eliminated.

Last but not least, Line 13, beginning with "In addition, permitting "less-established nonprofit organizations...", should be eliminated. The opposite will be true. There would be more players taking advantage of charitable gaming because there were more groups around the state. There would be bingo in areas where it was never played before. It would help those nonprofits with the programs they fund.

One more item is the fiscal impact statement of the amendment. We believe it is highly inaccurate. It doesn't give an accurate description of the revenue or expense of regulating charitable gaming. For example, there is no reference in the fiscal note about the quarterly taxes and fees the licensees pay the department. Bingo is cash funded by these fees. If anything, costs should go down, due to the increased player count and increased number of bingo halls in the state.

That should wrap things up. Thank you for your hard work on this. It is appreciated

Amendment F
Changes to Charitable Gaming Operations
Contact List

Interested Party	Organization Name	Email Address
Geoffrey Alexander	OSPB	yuraochrimenko1@gmail.com geoff.alexander@state.co.us
William Alsdorf	Brighton Elks Home Inc	brightonelks1586@gmail.com
Rachel Bender	Colorado Municipal League	rbender@cml.org
Jon Berquist	Golden Lions Club	jlb@q.com
Natasha Berwick	New Era Colorado	natasha@neweracolorado.org
Alex Carlson	Colorado Governor's Office	alex.carlson@state.co.us
Nick Coltrain	Denver Post	ncoltrain@denverpost.com
Bryce Cooke	Governor's Office	bryce.cooke@state.co.us
Martin Crespin	BPO ELKS #1053, Montrose	martin.crespin1@gmail.com
Ed DeCecco		ed.dececco@state.co.us
Kyra deGruy Kennedy	Young Invincibles	kyra.degruy@younginvincibles.org
Debby Dover	Self	cogirl5419@gmail.com
Amber Egbert		amber.egbert@state.co.us
Allison Engelken	Denver Broncos Charities	allie.engelken@broncos.nfl.net
Cathy Eslinger		Cathy.eslinger@state.co.us catherinedeslinger@gmail.com
Marie Farney	n/a	mpfarney@yahoo.com
Eric Fehr	Colorado Rapids Youth Soccer Club	eric.fehr@rapidsyouthsoccer.org
Micki Hackenberger	Husch Blackwell Strategies	mickih@hbstrategies.us
Bill Hanna	United Veterans Coalition	bjh@frii.com
Lacey Hays	Colorado Charitable Gamins Association	lacey@thekylegroup.com
Josette Jaramillo	CO AFLCIO	jjaramillo@coaficio.org
Paul Kennedy	Jessie Martinez DAV Chapter 50	pkennedy746@gmail.com
Cathy Kipp	Colorado House of Representatives	cathy.kipp.house@state.co.us
Steve Kjonaas	Veterans of Foreign Wars Colo HQ	steve@vfwco.org
Andrea Kuwik		kuwik@bellpolicy.org
Corky Kyle		ckyle@thekylegroup.com
Meghan Lopez	KMGH	meghan.lopez@thedenverchannel.com
John Magnino	Colorado Secretary of State's Office	john.magnino@coloradosos.gov
Mike McGinnis	Fraternal Order of Eagles	mike_mcginnis@outlook.com
N. Menten	self on some issues (also a board director for the Taxpayer's Bill of Rights Foundation)	coloradoengaged@gmail.com
Dylan Mitchell	Michael Best Strategies	dsmitchell@michaelbeststrategies.com
Meredith Moon	OSPB Colorado Dragon Boat	meredith.moon@state.co.us
Sara Moore	dba Colorado Dragon Boat Festival	sara@cdbf.org
Nellie Moran	Colorado State Senate	nellie.moran.senate@gmail.com

Amendment F
Changes to Charitable Gaming Operations
Contact List (Cont.)

Interested Party	Organization Name	Email Address
Natalie Mullis		natalie.mullis@state.co.us natmullis@gmail.com
Daniel Norick	Ascension Catholic Parish	dnorick@gmail.com
David Ortiz		RepOrtiz@davidortizcolorado.com
Jery Payne	OLLS	jery.payne@state.co.us
Catherine Peterson		kittyp@frii.com
Andrew Quarm	RNDC	andrew.quarm@rndc-usa.com
Hanni Raley	The Arc of Aurora	hrale@thearcofaurora.org
Erin Reynolds		erin.reynolds@state.co.us
Sonia Riggs	Colorado Restaurant Association	sriggs@corestaurant.org
Corrine Rivera Fowler	The Ballot Initiative Strategy Center	corrine@ballot.org
Robert Rodriguez		robert.rodriguez.senate@state.co.us
Julia Scanlan	Aponte & Busam Public Affairs	jscanlan@aponte-busam.com
Robert Sheesley	Colorado Municipal League	rsheesley@cml.org
Cathy Shull	Pro 15	cathy@pro15.org
Jim Smallwood		senatorsmallwood@gmail.com
Christian Smith	Young Invincibles	christian.smith@younginvincibles.org
Sarah Staron	Young Invincibles	sarah.staron@younginvincibles.org
Jaclyn Terwey	Colorado Municipal League	jterwey@cml.org
Cameron Vigil	Young Invincibles	Cameron.Vigil@younginvincibles.org
Perry Will		perry.will.house@state.co.us
Sherry Wolfe	OSPB	sherry.wolfe@state.co.us

Amendment F
Changes to Charitable Gaming Operations

1 **Ballot Title:**

2 Shall there be an amendment to the Colorado constitution concerning the conduct of charitable
3 gaming activities, and, in connection therewith, allowing managers and operators to be paid and
4 repealing the required period of a charitable organization's continuous existence before obtaining
5 a charitable gaming license?

6 **Text of Measure:**

7 *Be It Resolved by the House of Representatives of the Seventy-third General Assembly of the*
8 *State of Colorado, the Senate concurring herein:*

9 **SECTION 1.** At the election held on November 8, 2022, the secretary of state shall submit to the
10 registered electors of the state the ballot title set forth in section 2 for the following
11 amendment to the state constitution:

12 In the constitution of the state of Colorado, section 2 of article XVIII, **amend** (2), (4)(c), and (6) as
13 follows:

14 **Section 2. Lotteries prohibited - exceptions - repeal.** (2) No game of chance pursuant to this
15 subsection (2) and subsections (3) and (4) of this section shall be conducted by any person, firm,
16 or organization, unless a license as provided for in this subsection (2) has been issued to the firm
17 or organization conducting ~~such~~ games of chance. The secretary of state shall, upon application
18 ~~therefor~~ FOR A LICENSE on such forms as shall be prescribed by the secretary of state and upon
19 the payment of an annual fee as determined by the general assembly, issue a license for the
20 conducting of such games of chance to any bona fide chartered branch or lodge or chapter of a
21 national or state organization or to any bona fide religious, charitable, labor, fraternal, educational,
22 voluntary firemen's, or veterans' organization ~~which~~ THAT operates without profit to its members
23 and ~~which~~ THAT IS REGISTERED WITH THE SECRETARY OF STATE AND has been in existence
24 continuously for a period of ~~five~~ THREE years immediately prior to the making of ~~said~~ ITS application
25 for ~~such~~ THE license OR, ON AND AFTER JANUARY 1, 2025, FOR SUCH PERIOD AS THE GENERAL
26 ASSEMBLY MAY ESTABLISH UNDER SUBSECTION (5) OF THIS SECTION, and has had during the entire
27 ~~five-year~~ period OF ITS EXISTENCE a dues-paying membership engaged in carrying out the objects
28 of said corporation or organization, such license to expire at the end of each calendar year in
29 which it was issued.

30 (4) Such games of chance shall be subject to the following restrictions:

31 (c) (I) No person may receive ~~any~~ remuneration or profit IN EXCESS OF THE APPLICABLE MINIMUM
32 WAGE for participating in the management or operation of any such game.

33 (II) THIS SUBSECTION (4)(C) IS REPEALED, EFFECTIVE JULY 1, 2024.

1 (6) (a) The enforcement of this section shall be under such official or department of government
2 of the state of Colorado as the general assembly shall provide.

3 (b) THIS SECTION DOES NOT REQUIRE OR AUTHORIZE THE SECRETARY OF STATE TO RECEIVE OR
4 REVIEW CLAIMS CONCERNING EMPLOYEE WAGES OR COMPENSATION, INCLUDING TAX CLAIMS, OR
5 OTHER ASSOCIATED LABOR, EMPLOYMENT, OR CONTRACTUAL MATTERS.

6 **SECTION 2.** Each elector voting at the election may cast a vote either "Yes/For" or "No/Against"
7 on the following ballot title: "Shall there be an amendment to the Colorado constitution concerning
8 the conduct of charitable gaming activities, and, in connection therewith, allowing managers and
9 operators to be paid and repealing the required period of a charitable organization's continuous
10 existence before obtaining a charitable gaming license?"

11 **SECTION 3.** Except as otherwise provided in section 1-40-123, Colorado Revised Statutes, if at
12 least fifty-five percent of the electors voting on the ballot title vote "Yes/For", then the amendment
13 will become part of the state constitution.