



# Changes to Charitable Gaming Operations

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

## Amendment F proposes amending the Colorado Constitution to:

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

## What Your Vote Means

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**YES** A “yes” vote on Amendment F reduces from five to three the minimum number of years a nonprofit organization must operate in Colorado in order to apply for a bingo-raffle license, and authorizes the state legislature to establish a different requirement beginning in 2025. In addition, a “yes” vote allows, but does not require, bingo-raffle workers to be paid. Wages are capped at minimum wage through June 30, 2024, after which wages 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.

## Summary and Analysis for Amendment F

### What types of charitable gaming are currently allowed in Colorado?

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

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

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

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

### What does Amendment F do?

The Colorado Constitution currently allows nonprofit organizations that have continuously operated in Colorado for five or more years to apply for a bingo-raffle license, and prohibits them from paying bingo-raffle workers. The state legislature cannot change either of these requirements without voter approval. Amendment F decreases the number of years, from five to three, that a nonprofit organization must operate in Colorado before applying for a bingo-raffle license. On or after January 1, 2025, the measure allows the state legislature to change the time-period requirement,

effectively repealing the constitutional limitation on the state legislature's ability to change the time-period requirement. However, the requirement will remain three years without legislative action.

The measure also allows, but does not require, bingo-raffle workers to receive compensation. Wages are capped at the minimum wage through June 30, 2024, after which bingo-raffle workers may be paid any amount agreed upon by the workers and nonprofit organization. The measure does not change the current constitutional requirement that only members of a nonprofit organization may 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:*

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

### Argument For Amendment F

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

### Argument Against Amendment F

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

### Fiscal Impact for Amendment F

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

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