

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

1 Amendment ? proposes amending the Colorado Constitution to:

- 2 • remove casino bet limits and restrictions on casino games; and

3 Colorado statutes to:

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

8 **What Your Vote Means**

YES

A “yes” vote on Amendment ? means that the voters of Black Hawk, Central City, and Cripple Creek will be allowed to increase casino bet limits and approve new casino games in their cities.

NO

A “no” vote on Amendment ? means that current casino bet limits and games will remain the same and voters in Black Hawk, Central City, and Cripple Creek will not be authorized to increase them.

1 **Summary and Analysis for Amendment ?**

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

- 3 • Casino bet limits and restrictions on casino games will be removed from the
4 constitution.

- 5 • Voters in Black Hawk, Central City, and Cripple Creek may approve new casino
6 bet limits and add new casino games. Current games and bet limits of \$100 will
7 remain until the voters of each city authorize different bet amounts and/or games.

- 8 • If local voters approve new casino games, the Colorado Gaming Commission will
9 establish rules for the new games.

- 10 • Casinos may offer new casino games and any new bet limits starting May 1,
11 2021.

- 12 • Community colleges may use any additional casino tax revenue to fund student
13 retention and completion programs, in addition to uses already allowed under
14 current law, which include student financial aid, classroom instruction, and
15 workforce development programs.

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

17 In 1990, Colorado voters passed a constitutional amendment allowing bets of up to
18 \$5 on slot machines, blackjack, and poker only in Black Hawk, Central City, and
19 Cripple Creek. The limits on casino gambling were expanded in 2008, allowing the
20 games of roulette and craps, bets of up to \$100, and extended casino hours of
21 operation. Sports betting was legalized both online and at casinos in 2019.

22 Outside of Black Hawk, Central City, and Cripple Creek, Colorado also permits
23 gambling on horse racing, simulcast horse and dog races, the state lottery, and
24 bingos and raffles sponsored by nonprofit organizations. Gambling is also legal at
25 the Southern Ute and Ute Mountain Ute tribal casinos.

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

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

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

- 33 • 78 percent will go to community colleges;
- 34 • 12 percent will go to Gilpin and Teller Counties; and
- 35 • 10 percent will go to the cities of Black Hawk, Central City, and Cripple Creek.

36 **How does Amendment ? change the way community colleges spend gaming tax revenue?**

37 This measure expands the way community college funding from gaming can be spent to
38 include student retention and completion programs. Currently, community colleges are
39 allowed to spend gaming tax revenue on financial aid, classroom instruction, and workforce
40 development 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>

1 **Arguments For Amendment ?**

- 2 1. Amendment ? allows voters in Black Hawk, Central City, and Cripple Creek to
3 make decisions that are best for their communities. Local residents impacted by
4 changes to gambling in Colorado are best equipped to address the needs of their
5 communities and should be allowed to control what happens in their cities.
- 6 2. Without raising taxes on Coloradans, Amendment ? will likely increase the
7 amount of funding for community college financial aid and workforce
8 development programs. This additional revenue will help provide important
9 educational opportunities during this economic downturn and is essential when
10 recent state and local tax revenues have decreased significantly.

11 **Arguments Against Amendment ?**

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

24 **Estimate of Fiscal Impact for Amendment ?**

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

28 **State and local government revenue.** Amendment ? will likely increase state and
29 local revenue. If bet limits go up, taxable casino revenue and state gaming tax
30 collections are likely to increase. State gaming tax revenue is distributed in part to
31 the municipal and county governments where casinos are allowed. The amount of
32 any revenue increase will depend on how much any locally approved gaming
33 changes increase the revenue on which casinos pay taxes. For reference, a
34 previous expansion of betting limits and allowable casino games in 2008 increased
35 gaming revenue by about \$10 million per year.

1 **State and local government spending.** Amendment ? will likely increase state,
2 local, and community college spending if gaming revenue increases. The Division of
3 Gaming in the Department of Revenue may need to update rules and documentation
4 if either bet limits are increased or new games are added. This measure will also
5 increase local government spending in the three gaming cities if they choose to ask
6 voters at an election to increase bet limits or add new games in casinos in their
7 towns.

8 **Taxpayer impacts.** Amendment ? will likely increase taxes paid by casinos. The
9 amount by which taxes will increase depends on future decisions made by voters in
10 the three gaming cities.