

Amendment ? : Conduct of Charitable Gaming

- 1 **Amendment ? proposes amending the Colorado Constitution to:**
- 2 • reduce the number of years a nonprofit organization must exist to apply for a
- 3 bingo-raffle license from five to three; and
- 4 • ease payment and organization membership restrictions for bingo-raffle workers.

5 **What Your Vote Means**

YES

A “yes” vote on Amendment ? allows nonprofit organizations in existence for three years to apply for a bingo-raffle license, and permits these games to be conducted by paid workers who are not members of the nonprofit organization.

NO

A “no” vote on Amendment ? maintains the current requirements that nonprofit organizations must exist 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 ?**

2 **What does Amendment ? do?**

3 Amendment ? makes three changes to constitutional provisions regarding bingo-
4 raffle licenses in Colorado. The measure:

- 5 • decreases the number of years that a nonprofit organization must exist to apply
6 for a bingo-raffle license from five to three and permits the legislature to further
7 modify this requirement after January 1, 2024;
- 8 • eliminates the requirement that bingo-raffle workers be members of the nonprofit
9 organization; and
- 10 • permits workers to be paid the applicable minimum wage.

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

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

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

20 The proceeds of any game must be exclusively devoted to the purposes of the
21 nonprofit organization conducting the bingo or raffle.

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

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

29 **How do organizations currently operate bingo and raffle games?**

30 Bingo and raffle games are often managed by businesses on behalf of nonprofit
31 organizations. Only a person who has been a member of the nonprofit organization
32 for the three months immediately prior to the bingo game or raffle can operate the
33 game. Additionally, nonprofit organizations may not pay bingo-raffle workers any
34 wage.

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 ?**

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

9 **Argument Against Amendment ?**

10 1) Professionalizing bingo-raffle 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-raffle
15 games become more like gambling than charitable fundraising.

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

17 **State revenue.** Beginning in state budget year 2020-21, Amendment ? will increase
18 state revenue by about \$5,000 per year as a result of additional application and
19 renewal fees for bingo-raffle licenses, based on an assumption of approximately 50
20 new applicants paying the current fee of \$100.

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