

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 and the**
2 **Colorado statutes to:**

- 3 • allow voters in the three gaming cities – Black Hawk, Central City, and
4 Cripple Creek – to increase or remove current bet limits and approve any new
5 casino games in each city; and
- 6 • expand the current use of casino tax revenue for community colleges to include
7 student 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 or remove casino bet limits and approve new casino games.

NO

A “no” vote on Amendment ? means that current casino bet limits and games will remain in the Constitution, and a statewide vote will continue to be required to make any changes to these restrictions.

Legislative Council Draft

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 in their respective cities. Current games
7 and bet limits of \$100 will remain until the voters of each city authorize different
8 bet amounts and/or games.

- 9 • If local voters in the three gaming cities approve new casino games and bet
10 limits:
 - 11 ○ the Colorado Gaming Commission will establish rules for the new games;
 - 12 ○ casinos may offer new casino games and any new bet limits starting
13 May 1, 2021; and
 - 14 ○ community colleges may use any additional casino tax revenue to fund
15 student retention and completion programs, in addition to uses already
16 allowed under current law, which include student financial aid, classroom
17 instruction, and workforce development programs.

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

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

24 Outside of Black Hawk, Central City, and Cripple Creek, Colorado also permits
25 gambling on horse racing, simulcast horse and dog races, the state lottery, and
26 bingos and raffles sponsored by nonprofit organizations. These types of gambling
27 will not be impacted by this measure.

28 Gambling is also legal at the Southern Ute and Ute Mountain Ute tribal casinos.

29 **If new casino bet limits and games are approved, how would additional state tax 30 revenue be spent?**

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

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

- 36 • 78 percent will go to community colleges;
- 37 • 12 percent will go to Gilpin and Teller Counties; and
- 38 • 10 percent will go to the cities of Black Hawk, Central City, and Cripple Creek.

Legislative Council Draft

1 **How does Amendment ? change the way community colleges spend gaming tax** 2 **revenue?**

3 This measure expands the way community college funding from gaming can be spent to
4 include programs and services that promote student retention and degree completion
5 programs. Currently, community colleges are allowed to spend gaming tax revenue on
6 financial aid, classroom instruction, and workforce 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>

7 **Arguments For Amendment ?**

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

18 **Arguments Against Amendment ?**

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

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

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

Legislative Council Draft

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

9 **State and local government spending.** Amendment ? will likely increase state,
10 local, and community college spending if gaming revenue increases. The Division of
11 Gaming in the Department of Revenue will need to update rules and documentation
12 if either bet limits are increased or new games are added. This measure will also
13 increase local government spending in the three gaming cities if they hold an election
14 to increase bet limits or add new casino games in each city. Any additional revenue
15 received by community colleges will be spent on programs allowed under current law
16 and those included in this amendment.

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

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;

3 and the Colorado statutes to:

4 • allow voters in the three gaming cities – Black Hawk, Central City, and
5 Cripple Creek – to increase bet limits and approve new casino games in their
6 cities; and

7 • expand the use of casino tax revenue for community colleges to include student
8 retention and completion programs.

9 **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 in the Constitution, and a statewide vote will continue to be required to make any changes to these restrictions.

Last Draft as Mailed to Interested Parties

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 in their respective cities. Current games
7 and bet limits of \$100 will remain until the voters of each city authorize different
8 bet amounts and/or games.

- 9 • If local voters in the three gaming cities approve new casino games and bet
10 limits:
 - 11 ○ the Colorado Gaming Commission will establish rules for the new games;
 - 12 ○ casinos may offer new casino games and any new bet limits starting
13 May 1, 2021; and
 - 14 ○ community colleges may use any additional casino tax revenue to fund
15 student retention and completion programs, in addition to uses already
16 allowed under current law, which include student financial aid, classroom
17 instruction, and workforce development programs.

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

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

24 Outside of Black Hawk, Central City, and Cripple Creek, Colorado also permits
25 gambling on horse racing, simulcast horse and dog races, the state lottery, and
26 bingos and raffles sponsored by nonprofit organizations. These types of gambling
27 will not be impacted by this measure.

28 Gambling is also legal at the Southern Ute and Ute Mountain Ute tribal casinos.

29 **If new casino bet limits and games are approved, how would additional state tax 30 revenue be spent?**

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

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

- 36 • 78 percent will go to community colleges;
- 37 • 12 percent will go to Gilpin and Teller Counties; and
- 38 • 10 percent will go to the cities of Black Hawk, Central City, and Cripple Creek.

Last Draft as Mailed to Interested Parties

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

2 This measure expands the way community college funding from gaming can be spent to
3 include programs and services that promote student retention and degree completion
4 programs. Currently, community colleges are allowed to spend gaming tax revenue on
5 financial aid, classroom instruction, and workforce 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>

6 **Arguments For Amendment ?**

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

16 **Arguments Against Amendment ?**

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

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

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

33 **State and local government revenue.** Amendment ? will likely increase state and
34 local revenue. If bet limits go up, taxable casino revenue and state gaming tax
35 collections are likely to increase. State gaming tax revenue is distributed in part to

Last Draft as Mailed to Interested Parties

1 the municipal and county governments where casinos are allowed. The amount of
2 any revenue increase will depend on how much any locally approved gaming
3 changes increase the revenue on which casinos pay taxes. For reference, a
4 previous expansion of betting limits and allowable casino games in 2008 increased
5 gaming revenue by about \$10 million per year.

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

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

Last Draft Comments from Interested Parties

Initiative 257 Local Voter Approval of Casino Bet Limits and Games

Dick Brown, representing himself:

I think the summary and analysis sections are OK. They fairly reflect the text of the measure. It is really not my place to critique the proponent and opponent statements, but I found both to be pretty weak.

I suspect that what we will see is ratcheting of limits as each community tries to jockey itself into a more competitive position vis-a-vis the other communities. It will be similar to what we have seen with local sales taxes creating islands of special tax treatment. Moreover, I suspect that the negative spillover effects will not be contained inside the communities where the gambling occurs. Traffic and other impacts will be felt in communities that do not have any gambling yet they will be required to absorb those impact costs.

Mark Grueskin, representing proponents:

Thanks very much for considering earlier comments of the designated representatives of Initiative #257.

Please see attached comments that build on the 3rd Draft to provide a little added context and clarity.

Mr. Grueskin also submitted comments contained in Attachment A.

3rd Draft

Amendment ?:

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

Amendment ? proposes amending the Colorado Constitution to: 4

~~Allow voters in Black Hawk, Central City and Cripple Creek to hold elections to Remove~~remove casino bet limits and restrictions on types of casino games;

and the Colorado statutes to:

~~allow voters in the three gaming cities~~ ~~Black Hawk, Central City, and Cripple Creek~~ require state regulators with the Colorado Limited Gaming Commission to develop rules for changed games after local voters decide to increase bet limits and approve new casino games in their cities; and

~~expand the use of casino tax revenue for community colleges~~ to include student retention and completion programs for students at community colleges.

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 to help fund community colleges.

NO

A “no” vote on Amendment ? means that current casino bet limits and games will remain in the Constitution, and a statewide vote will continue to be required to make any changes to these restrictions.

Commented [MG1]: Added language more clearly states that the change is to the currently limited voter approval powers in the three gaming towns

Commented [MG2]: Provides clarity that the statutory change isn’t one that alters the powers of local voters but instead requires Gaming Commission regulation of any changes to limits, based on local votes

Commented [MG3]: “tax revenue for community colleges” sounds like a less restricted purpose for expenditure than the law actually includes

Commented [MG4]: Added language provides a more complete summary of the measure as it relates to the way in which new revenue will be used

Arguments For Amendment ?

1. Amendment ? allows voters in Black Hawk, Central City, and Cripple Creek to make decisions that are best for their communities. Local residents impacted by changes to gambling in Colorado are best equipped to address the needs of their communities and should be allowed to control what happens in their cities so that the casinos in their towns are taxed to expand critical services to benefit community college students.

2. Without raising taxes on Coloradans, Amendment ? will likely increase the amount of funding for community college financial aid and workforce development programs. This additional revenue will help provide important educational and employment opportunities during this economic downturn and is essential when recent state and local tax revenues have decreased significantly.

Commented [MG5]: Local voters may well have strictly regional concerns in approving changes to limits, but they may also be motivated by revenue usage at community colleges (many of which offer gaming related programs). This change reflects the very real possibility that their local changes reflect those concerns.

Initiative 257**Local Voter Approval of Casino Bet Limits and Games in Black Hawk, Central City and Cripple Creek
Contact List**

Interested Party	Email Address
Leila Alhamoodah	leila.alhamoodah@state.co.us
Blake Angelo	blake.angelo@gmail.com
Carrie Atiyeh	catiyeh@visitdenver.com
Lynn Barkau	lynn.barkau@state.co.us
KC Becker	kdotcdot@hotmail.com
David Broadwell	dbtoadwell@cml.org
Greg Brophy	senatorbrophy@gmail.com
Danee Brouillard	dbrouillard@broomfield.org
Richard Brown	dickscuba@gmail.com
Douglas Bruce	Taxcutter@msn.com
Perry Buck	perrybuck49@gmail.com
Kyley Burress	kburress@ccionline.org
Robert Carlson	rmlgico@zoho.com
Brandi Cuington-Brown	cuington.brandi79@gmail.com
Katie Danna-Poston	kposton@earlymilestones.org
Elijah Dimon-Ainscough	elijahp.dimonainscough@gmail.com
Amber Egbert	amber.egbert@state.co.us
Cathy Eslinger	Cathy.eslinger@state.co.us
Leroy Garcia	senleroygarcia@gmail.com
Daphne Gervais	dgervais@ccionline.org
Michael Gifford	mgifford@agccolorado.org
Jennifer Goodrum	jbgoodrum@michaelbeststrategies.com
Joan Andrew Green Turner	joangreen@me.com
Mark Grueskin	mark@rklawpc.com
Paul Harris	pharris@cripple-creek.co.us
Kiera Hatto	kierahattonsena@gmail.com
Suzanne Keim	suzanne.keim@state.co.us
Cynthia Kelly	cynthia.kelly@state.co.us
Pete Kirchhof	pete@kirchhofgroupinc.com
David Kopel	david@i2i.org
Corky Kyle	ckyle@thekylegroup.com
Jojo La	jojo.la@state.co.us
Elizabeth Lemont	elizabeth.lemont@state.co.us
Leonor Lucero	leonorlucero@me.com
Peter Maiurro	pmaiurro@gmail.com
N. Menten	nmlakewood@gmail.com
Stella Min	allets@gmail.com
Tamara Mohamed	tamara@axiompolitics.com
Meredith Moon	meredith.moon@state.co.us
Brett Moore	brett_a_moore@yahoo.com
Natalie Mullis	natmullis@gmail.com

Initiative 257

**Local Voter Approval of Casino Bet Limits and Games in Black Hawk, Central City and Cripple Creek
Contact List (Cont.)**

Interested Party	Email Address
Alison Friedman Phillips	alisonp@wfco.org
Phyllis Resnick	phyllis@coloradofuturescsu.org
Erin Reynolds	erin.reynolds@state.co.us
Katelyn Roberts	kroberts@eissolutions.com
Julia Scanlan	jscanlan@aponte-busam.com
Nelson Scott	nelson@capitolfocusllc.com
Ian Silverii	silverii@progresssnowcolorado.org
Bill Skewes	bill@skewesga.com
Jerry Sonnenberg	senatorsonnenberg@gmail.com
Jeanni Stefanik	jeanni.stefanik@state.co.us
Senator Tammy Story	tammy.story.senate@state.co.us
Representative Tom Sullivan	tom.sullivan.house@state.co.us
Walter Szymanski	walt.szymanski@gmail.com
Luke Teater	luke.teater@state.co.us
Brianna Titone	rep.brianna.titone@gmail.com
Mark Turner	mturner@coloradononprofits.org
Jeannie Vanderburg	jvanderburg@capstonegroupplc.com
Lawrence Wall	lswalljr@yahoo.com
Brandon Wark	brandon.wark@gmail.com
Dee Wisor	Dee.wisor@butlersnow.com
Rob Woodward	senatorwoodward@gmail.com
Harry Zeid	harryzeid@hotmail.com
	legislatedirector@lpcolorado.org

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

1 **Ballot Title:**

2 Shall there be an amendment to the Colorado constitution and a change to the Colorado Revised
3 Statutes concerning voter-approved changes to limited gaming, and, in connection therewith,
4 allowing the voters of Central City, Black Hawk, and Cripple Creek, for their individual cities, to
5 approve other games in addition to those currently allowed and increase a maximum single bet
6 to any amount; and allowing gaming tax revenue to be used for support services to improve
7 student retention and credential completion by students enrolled in community colleges?

8 **Text of Measure:**

9 *Be it Enacted by the People of the State of Colorado:*

10 **SECTION 1.** In section 9, article XVIII of the constitution of the state of Colorado, **amend** (7)(a)(II),
11 (III) as follows:

12 **(7) Local elections to revise limits applicable to gaming – statewide elections to increase**
13 **gaming taxes.**

14 (a) Through local elections, the voters of the cities of Central, Black Hawk, and Cripple Creek are
15 authorized to revise limits on gaming that apply to licensees operating in their city's gaming district
16 to extend:

17 (II) ~~Approved games to include roulette or craps, or both; and~~

18 (III) ~~Single bets up to one hundred dollars.~~

19 **SECTION 2.** In Colorado Revised Statutes, section 44-30-103, **amend** (22) as follows:

20 **44-30-103. Definitions.**

21 (22) "Limited card games and slot machines", "limited gaming", or "gaming" means physical and
22 electronic versions of slot machines, craps, roulette, and the card games of poker and blackjack
23 authorized by this article 30, AS WELL AS SUCH OTHER GAMES AS ARE APPROVED BY THE VOTERS OF
24 CENTRAL, BLACK HAWK, OR CRIPPLE CREEK AT A LOCAL ELECTION HELD IN EACH CITY TO CONTROL
25 THE CONDUCT OF GAMING IN THAT JURISDICTION, and defined and regulated by the commission,
26 each game having a maximum single bet ~~of one hundred dollars~~ AS APPROVED BY THE VOTERS OF
27 CENTRAL, BLACK HAWK, OR CRIPPLE CREEK AT A LOCAL ELECTION HELD IN EACH CITY TO CONTROL
28 THE CONDUCT OF GAMING IN THAT JURISDICTION.

29 **SECTION 3.** In Colorado Revised Statutes, section 44-30-702, **amend** (3)(c)(I) as follows:

30 **44-30-702. Revenues attributable to local revisions to gaming limits - extended limited**
31 **gaming fund - identification - separate administration - distribution – definitions.**

32 (3) From the fund, the state treasurer shall pay:

33 (c) Of the remaining gaming tax revenues, distributions in the following proportions:

1 (l) Seventy-eight percent to the state's public community colleges, junior colleges, and local
2 district colleges to supplement existing state funding for student financial aid programs and
3 classroom instruction programs, including PROGRAMS TO IMPROVE STUDENT RETENTION AND
4 INCREASE CREDENTIAL COMPLETION, AS WELL AS workforce preparation to enhance the growth of
5 the state economy, to prepare Colorado residents for meaningful employment, and to provide
6 Colorado businesses with well-trained employees. The revenue shall be distributed to colleges
7 that were operating on and after January 1, 2008, in proportion to their respective full-time
8 equivalent student enrollments in the previous fiscal year. For purposes of the distribution, the
9 state treasurer shall use the most recent available figures on full-time equivalent student
10 enrollment calculated by the Colorado commission on higher education in accordance with
11 subsection (4)(c) of this section.

12 **SECTION 4.** In Colorado Revised Statutes, section 44-30-816, **amend** as follows:

13 **44-30-816. Authorized amount of bets.**

14 The amount of a bet made pursuant to this article 30 shall not be more, ~~than one hundred dollars~~
15 on the initial bet or subsequent bet, ~~THAN THE AMOUNTS APPROVED BY THE VOTERS OF CENTRAL,~~
16 ~~BLACK HAWK, OR CRIPPLE CREEK AT A LOCAL ELECTION HELD IN EACH CITY TO CONTROL THE~~
17 ~~CONDUCT OF GAMING IN THAT JURISDICTION,~~ subject to rules promulgated by the commission.

18 **SECTION 5.** In Colorado Revised Statutes, section 44-30-818, **amend** (1) as follows:

19 **44-30-818. Approval of rules for certain games.**

20 (1) Specific rules for blackjack, poker, craps, ~~and~~ roulette, ~~AND SUCH OTHER GAMES AS ARE~~
21 ~~APPROVED BY THE VOTERS OF CENTRAL, BLACK HAWK, OR CRIPPLE CREEK AT A LOCAL ELECTION~~
22 ~~HELD IN EACH CITY TO CONTROL THE CONDUCT OF GAMING IN THAT JURISDICTION shall be approved~~
23 by the commission and clearly posted within plain view of the games.

24 **SECTION 6.** These amendments take effect on May 1, 2021.