



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

**Drafting Number:** LLS 21-0791 **Date:** March 22, 2021  
**Prime Sponsors:** Rep. McCormick; **Bill Status:** House Business  
 Van Winkle **Fiscal Analyst:** Josh Abram | 303-866-3561  
 Sen. Zenzinger; Smallwood Josh.Abram@state.co.us

**Bill Topic:** **BINGO-RAFFLE LICENSES & NEW EQUIPMENT**

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill authorizes the licensing and regulation of electronic pull tab games for bingo and raffles. The bill increases state revenue and expenditures on an ongoing basis.

**Appropriation Summary:** For FY 2021-22, the bill requires an appropriation of \$192,920 to the Secretary of State.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 21-1144**

		Budget Year FY 2021-22	Out Year FY 2022-23
<b>Revenue</b>	Cash Funds	\$193,200	\$193,200
	<b>Total Revenue</b>	<b>\$193,200</b>	<b>\$193,200</b>
<b>Expenditures</b>	Cash Funds	\$192,920	\$27,317
	Centrally Appropriated	\$13,298	\$7,410
	<b>Total Expenditures</b>	<b>\$206,218</b>	<b>\$34,727</b>
	<b>Total FTE</b>	<b>0.9 FTE</b>	<b>0.5 FTE</b>
<b>Transfers</b>		-	-
<b>TABOR Refund</b>			

## Summary of Legislation

The bill authorizes the Secretary of State (SOS) to license and regulate electronic bingo and raffle equipment that are electronic versions of pull tab games. The bill clarifies that these devices are not slot machines or other gambling devices. The SOS may charge a fee to license electronic pull tab devices that reveal the winning status. The bill also requires that applicants for a bingo or raffle manufacturer's license, a supplier's license, or an agent's license must disclose to the SOS if the applicant has ever had a gaming license suspended or revoked in another jurisdiction.

## State Revenue

This bill will increase fee revenue to the Secretary of State's Office (SOS) by \$193,200 in both FY 2021-22 and FY 2022-23. Fee revenue from licensing is subject to TABOR.

**Fee impact on bingo and raffle manufacturers and suppliers.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the SOS based on actual program costs and the number of licenses subject to the fee. There are about 240 current manufacturers and suppliers of pull tab games and the bill is anticipated to increase the number of annual licenses supplied by the SOS. Table 2 below identifies the estimated fee impact of this bill.

**Table 2**  
**Fee Impact Under HB 21-1144**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
<b>FY 2021-22</b>	Bingo & Raffle Electronic Device License	\$700	276	\$193,200
<b>FY 2022-23</b>	Bingo & Raffle Electronic Device License	\$700	276	\$193,200

## State Expenditures

The bill increases state expenditures by \$206,218 and 0.9 FTE in FY 2021-22, and by \$34,727 and 0.5 FTE in FY 2022-23 and subsequent fiscal years. New state expenditures are displayed in Table 3 and described below.

**Table 3  
 Expenditures Under HB 21-1144**

<b>Cost Components</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Secretary of State</b>		
Personal Services	\$47,505	\$26,642
Operating Expenses	\$1,215	\$675
Capital Outlay Costs	\$6,200	-
Computer Programming	\$138,000	-
Centrally Appropriated Costs <sup>1</sup>	\$13,298	\$7,410
<b>Total</b>	<b>\$206,218</b>	<b>\$34,727</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>0.5 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Personal services.** Beginning in FY 2021-22, the SOS requires new administrative staff to create a new license type, which includes rulemaking, managing IT contracts, reviewing new devices and testing labs, and development of an electronic application form. Additionally, new compliance investigation FTE is required for site visits and related compliance reviews, complaint processing, and auditing duties. Less administrative staff will be required in FY 2022-23 and subsequent years.

**Computer programming.** In FY 2021-22 only, the IT division at the SOS will hire an outside contractor to complete development of bingo electronic application forms for manufacturers and suppliers, which will also provide required data to quarterly reports. SOS contracts at a rate of \$115 per hour for an estimated 1,200 hours.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$13,298 in FY 2021-22 and \$7,410 in FY 2022-23.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State Appropriations**

For FY 2021-22, the bill requires an appropriation of \$192,920 from the Secretary of State Cash Fund to the Secretary of State, and 0.9 FTE

## State and Local Government Contacts

Secretary of State