



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0791 **Date:** June 25, 2021
Prime Sponsors: Rep. McCormick; **Bill Status:** Postponed Indefinitely
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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. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 21-1144

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

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

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

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

¹ 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 was postponed indefinitely by the House Business Affairs and Labor Committee on March 24, 2021.

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