



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HCR 20-1001

FINAL FISCAL NOTE

Drafting Number: LLS 20-0438
Prime Sponsors: Rep. Singer; Wilson
 Sen. Smallwood; Todd
Date: July 28, 2020
Bill Status: Referred to Voters
Fiscal Analyst: Jeff Stupak | 303-866-5834
 Jeff.Stupak@state.co.us

Bill Topic: BINGO RAFFLES ALLOW PAID HELP & REPEAL 5-YEAR MINIMUM

Summary of Fiscal Impact:

- State Revenue (*conditional*)
- State Expenditure (*conditional*)
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This concurrent resolution refers a measure to the voters to alter certain restrictions related to bingo-affle licenses for non-profit organizations. Conditional upon voter approval, the bill increases state cash fund revenue and expenditures beginning in FY 2020-21,

Appropriation Summary: No appropriation is required. See State Appropriations section.

Fiscal Note Status: This fiscal note reflects the adopted resolution. The fiscal impacts identified only take effect if the measure is approved by voters at the November 2020 election.

**Table 1
State Fiscal Impacts Under HCR 20-1001**

		FY 2020-21	FY 2021-22
Revenue	Cash Funds	\$5,200	\$5,200
	Total	\$5,200	\$5,200
Expenditures	Cash Funds	\$73,649	\$29,554
	Centrally Appropriated	\$9,071	\$7,850
	Total	\$82,720	\$37,404
	Total FTE	0.6 FTE	0.5 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This concurrent resolution refers a measure to the voters at the November 2020 election to alter certain restrictions related to bingo-raffle licenses for nonprofit organizations. The measure decreases the number of years that a nonprofit organization must be in continuous existence in order to apply for a bingo-raffle license from five years to three years.

Additionally, under current law, only members of the nonprofit organization may manage or operate the games of chance, and they can not be paid for this work. The measure would eliminate this restriction, allowing nonprofit organizations to pay outside individuals the applicable minimum wage to manage these games.

Background and Assumptions

Qualified organizations may apply for a bingo-raffle license through the Secretary of State's office, including any bona fide chartered branch, lodge, or chapter of a national or state organization, or any bona fide religious, charitable, labor, fraternal, educational, voluntary firefighters', or veterans' organization that operate without profit. A fee of \$100 is required to obtain or to annually renew a bingo-raffle license.

This fiscal note assumes that the bill will increase applications for bingo-raffle licenses by five percent, or an additional 52 applications, in FY 2020-21.

State Revenue

Conditional upon voter approval, the resolution will increase state cash fund revenue by \$5,200 per year beginning in FY 2020-21, as a result of additional application and renewal fees for bingo-raffle licenses. This amount reflects the assumed 52 new applications, at the current fee of \$100.

State Expenditures

Conditional upon voter approval, the bill increases state cash fund expenditures by \$82,720 and 0.6 FTE in FY 2020-21, and by \$37,404 and 0.5 FTE in FY 2021-22 and future years, as shown in Table 2 and discussed below.

Table 2
Expenditures Under HCR 20-1001

	FY 2020-21	FY 2021-22
Department of State		
Personal Services	\$30,799	\$28,879
Operating Expenses	\$810	\$675
Capital Outlay Costs	\$6,200	-
IT Services	\$35,840	-
Centrally Appropriated Costs*	\$9,071	\$7,850
Total Cost	\$82,720	\$37,404
Total FTE	0.6 FTE	0.5 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Personal services. Beginning in FY 2020-21, the State Department will require an additional 0.5 FTE compliance investigator (prorated to 0.3 FTE in FY 2020-21 to reflect a December start date) to process and review complaints regarding bingo-raffle licenses and to increase inspections. An additional 0.3 FTE administrator will be required for FY 2020-21 only to process additional applications, engage in rulemaking, and assist with inquiries and complaints. The administrator position is not prorated as the FTE amount reflects the hours required to complete their responsibilities in FY 2020-21.

IT services. The bill will require the State Department to make various changes to the bingo-raffle license application, reporting tools, the website, forms, and database. These changes will require 320 hours of programming at a cost of \$112 per hour.

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 \$9,071 in FY 2020-21 and \$7,850 in FY 2021-22.

Election expenditure impact — existing appropriations. This bill includes a referred measure that will appear before voters at the November 2020 general election. While no additional appropriation is required in this bill, certain election costs are incurred by the state when ballot measures are referred to voters. These costs, paid using existing appropriations, are in two areas. First, current law requires the state to reimburse counties for costs incurred conducting a ballot measure election, paid from the Department of State Cash Fund in the Secretary of State's Office, estimated at \$3.2 million in FY 2020-21. Second, the text and title of the measure must be published in one legal newspaper per county and an analysis of the measure must be included in the Ballot Information Booklet mailed to all registered voter households, paid from the Ballot Analysis Revolving Fund in the Legislative Department, which is estimated to cost approximately \$2.1 million in FY 2020-21. Publication costs increase by approximately \$115,000 per measure beyond this base amount for each additional referred or initiated measures placed on the ballot.

Effective Date

If approved by voters at the 2020 election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State Appropriations

No appropriation is required. If the measure is approved by voters, funding will be addressed through the annual budget process.

State and Local Government Contacts

Secretary of State