



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

INITIAL FISCAL IMPACT STATEMENT

Date: February 18, 2020

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LCS TITLE: LOCAL VOTER APPROVAL OF GAMING LIMITS IN BLACK HAWK, CENTRAL CITY, AND CRIPPLE CREEK

Disclaimer. *This initial fiscal impact statement has been prepared for the Title Board. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.*

Summary of Measure

The Colorado Constitution currently limits gaming to slots, blackjack, poker, craps, and roulette, with a maximum bet of \$100 for any game. This measure would allow voters in Central City, Black Hawk, and Cripple Creek to expand bet amounts and the types of games allowed at casinos in the three cities. Additionally, the measure allows gaming revenue distributed to the state's public community colleges to be spent on programs that improve student retention and increase completion of credentialed programs.

State Revenue

This measure may increase state revenue if local voters in the three gaming towns vote to increase bet limits. If bet limits increase, taxable casino revenue will increase, thereby increasing state gaming tax collections. State revenue may also increase if voters allow new games in the casinos that attract more bettors or higher bets.

State Expenditures

This measure may increase state expenditures if local voters in the three gaming towns vote to increase bet limits and gaming revenue increases as a result. The Division of Gaming in the Department of Revenue may need to update rules and documentation if either bet limits are increased or new games are added.

Local Government Impact

This measure will increase local government expenditures for the three gaming towns if they choose to hold a vote on bet limits or games allowed in casinos in their towns. This measure may increase local government revenue if bet limits are increased and gaming tax collections rise. Gaming tax revenue is distributed in part to municipal and county governments where casinos are allowed.

Economic Impact

This measure may increase revenue for casino businesses, which could result in additional jobs and capital expenditure by the casinos that benefit. Increased gaming could drive tourist visitations to and retail spending in gaming communities. Additionally, expanded gaming could increase the revenue to the state agencies that receive gaming tax revenue distributions, potentially expanding their programs.

This measure may increase gambling losses for Coloradans or others who choose to bet additional money on games. Gamblers will have less money available to save or spend in other sectors of the economy and may incur new debts as a result.

Taxpayer Impacts

This measure may increase taxes paid by casinos if gaming is expanded or bet limits are increased. The amount by which taxes will increase depends on future decisions to be made by voters.

Effective Date

If approved by voters at the 2020 general 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 and Local Government Contacts

Revenue
Local Affairs

Municipalities
Secretary of State

Counties
Law

Abstract of Initiative 257: LOCAL VOTER APPROVAL OF GAMING LIMITS IN BLACK HAWK, CENTRAL CITY, AND CRIPPLE CREEK

The abstract includes estimates of the fiscal impact of the proposed initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of February 19, 2020, identifies the following impacts:

State revenue. This measure may increase state revenue if local voters in the three gaming towns vote to increase bet limits.

State expenditures. This measure may increase state expenditures if local voters in the three gaming towns vote to increase bet limits and gaming revenue increases as a result, since several state agencies receive distributions from gaming tax revenue.

Local government impact. This measure will increase local government expenditures if the local governments in the three gaming towns choose to hold a vote on bet limits or games allowed in casinos in their towns. This measure may increase local government revenue if bet limits are increased and gaming tax collections rise.

Economic impacts. This measure may increase revenue for casino businesses, which could result in additional jobs and capital expenditure by the casinos that benefit. This measure may increase gambling losses for Coloradans or others who choose to bet additional money on games.

Taxpayer impacts. This measure may increase taxes paid by casinos if gaming is expanded or bet limits are increased.