

Why Oppose Senate Bill 26-117?

The Colorado Lottery has operated as a voter-approved investment in the Colorado outdoors since 1983. Now enshrined in the Colorado Constitution, the Lottery is for entertainment, and participation is voluntary. No one is required to play, and those who choose to participate help fund parks, trails, and open spaces enjoyed by all Coloradans. SB 26-117 is under review by the Colorado General Assembly and would restrict the Lottery's ability to modernize and put this voter-approved funding model at risk.

SB26-117 is bigger than the Colorado Lottery. It's about Colorado's future for conservation, recreation parks, trails, communities, wildlife, access, and schools.

SB26-117 is Bad for Colorado: Long-Term Funding Loss Ahead

- **Common Sense Business Modernization:** Today's consumers transact digitally with their phones. Without online sales, we will fail to attract the next generation of players and become dependent on older players, which is not a sustainable business model, nor a responsible practice.
- **Falling Behind:** No modernization means limited player health safeguards, no real-time player data, no integrated spending limits, and no competitive edge in a digital marketplace.
- **Permanent Funding Loss:** No growth means loss of funding for conservation—important funds used to keep Colorado's parks and trails beautiful and accessible.
- **Regulated vs. Unregulated:** A secure, state-run online platform with integrated and player-facing safeguards is safer than pushing play elsewhere, often including illegal, unregulated markets.

What is Senate Bill 26-117 about?

If passed, the prohibitions in Senate Bill 26-117 would limit Lottery sales to in-person transactions, eliminate future online purchases, and credit card usage, greatly limiting modernization efforts. These limitations would constrain the Lottery's ability to implement stronger, player-centric safeguards, as there would continue to be limited understanding of individual player behavior and needs. It could also constrain the Lottery's ability to sustain long-term funding for Colorado's parks, trails, and open space, while making it harder to attract new players as the current player base ages.

Some of the Misconceptions about the Lottery and Online Sales and Credit Cards

- *The Lottery is pushing online sales to encourage risky spending and target vulnerable populations.*
FACT: Modernizing the Lottery's sales channels will not target vulnerable communities—it's about meeting today's consumers where they are and how they already transact. Online transactions will also allow the Lottery to incorporate safeguards such as spending limits, self-exclusion tools, and provide more player insights than cash purchases. Modernizing will allow the Lottery to expand and engage a new, younger player base rather than relying on its current player base to sustain long-term funding for Colorado's parks, trails, and open spaces.
- *Credit card usage increases player harm.*
FACT: The Lottery is currently consulting with researchers to provide practical options for reducing potential risk for gambling harm before rollout. It will continue to prioritize player health with credit cards, as it does throughout operations. Additionally, with adoption of a digital platform, the Lottery will be able to implement monitoring and safeguards, including tracking, spending tools, and age verification.
- *Online sales are unnecessary; the Lottery makes enough money for conservation and parks as is.*

FACT: Colorado voters entrusted the Lottery with a constitutional mandate to maximize revenue for parks, trails, open space, wildlife, and schools. To honor that responsibility, the Lottery must evolve alongside changing consumer behavior.

Without modernization, long-term funding for our beneficiaries cannot be sustained. Consumer behavior has shifted greatly in the last 10 years. Consumers now prefer digital purchases. Limiting the Lottery's sales to in-person, cash-only transactions stifles modernization of our operations and makes it harder to compete in a digital world, risking our ability to fund conservation partners who protect Colorado's beauty and the sustainability of the Lottery's business.

Other FACTS:

- **Colorado Lottery Players Reflect the State of Colorado—not a Vulnerable Population.**
The majority are working-age adults (81% are 25–64), most have some college education or more, and more than half report household incomes above \$75,000. Our players mirror Colorado's overall demographics in terms of income, education, and diversity, making it a broad, mainstream audience.
- **Player-Centric Responsible Gambling Requires Digital Safeguards**
A digital platform allows built-in safeguards that retail purchases cannot. This includes stronger age verification, spending limits, time tracking, self-exclusion, and transaction tracking. Digital also allows for more responsible gambling messaging to reinforce healthy play behaviors including—alerts, reminders, dashboards, and educational content, all of which we are planning to include in an online sales rollout.
- **Online Sales Don't Replace Retail—They Strengthen it.**
Online sales attract new players who don't regularly visit retail. Many digital players also make in-store purchases, creating complementary purchases that support retail sales rather than diminishing them.
- **Credit card Acceptance at Retailer is a Choice, Not a Mandate.**
The Lottery does not require retailers to accept credit cards; individual businesses determine which payment methods they offer. The Lottery will pay credit card transaction costs for purchases made at store vending machines. We will not implement credit card payments unless and until strong player safeguards are fully in place to protect responsible play.

Lottery Proceeds: A \$4.5 Billion Commitment to Colorado's Outdoors

Since its inception, the Colorado Lottery has returned more than \$4.5 billion to parks, trails, wildlife habitat, open space, and outdoor recreation statewide. Net proceeds are Constitutionally distributed as follows:

- 40% – Conservation Trust Fund (municipalities statewide)
- 10% – Colorado Parks and Wildlife (CPW)
- 50% – Great Outdoors Colorado (GOCO) up to an annual cap

The GOCO cap is subject to annual inflation adjustments. When revenues exceed that cap, additional proceeds are distributed to other legislatively designated "waterfall" beneficiaries.¹

By eliminating modernization tools such as online sales and credit card usage, this bill threatens long-term revenue growth that provides funding for these partners. For the sake of our parks, trails, wildlife, and communities, SB26-117 should be opposed.

¹ Waterfall beneficiaries include: the Outdoor Equity Fund (OEGP), Building Excellent Schools Today (BEST), the Colorado Outdoor Recreation Industry Office (OREC), and CPW cash funds.