Second Regular Session Sixty-ninth General Assembly STATE OF COLORADO

ENGROSSED

This Version Includes All Amendments Adopted on Second Reading in the House of Introduction

LLS NO. 14-0788.01 Duane Gall x4335

HOUSE BILL 14-1265

HOUSE SPONSORSHIP

Moreno,

Roberts,

SENATE SPONSORSHIP

House Committees State, Veterans, & Military Affairs **Senate Committees**

A BILL FOR AN ACT

101 CONCERNING THE REGULATION OF GAMES OF CHANCE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://www.leg.state.co.us/billsummaries.</u>)

The bill reorganizes the "Bingo and Raffles Law" and makes technical amendments to the law. In addition, the bill makes the following substantive changes:

! The office of the secretary of state (the "licensing authority") may specify other methods for selecting winning numbers in a raffle besides the "random method"

HOUSE Amended 2nd Reading February 21, 2014 specified in current law. (Section 1)

- For purposes of the prohibition on remunerating volunteer workers at a game of chance, food is excluded so long as the retail value of the food does not exceed a limit set by rules of the licensing authority. (Section 5)
- ! Games of chance other than bingo and pull tab games may be conducted with equipment not owned or leased by the bingo-raffle licensee or landlord of the premises on which the game of chance is held. (Section 5)
- ! If a game of progressive bingo is not won at the first occasion on which it is played, the play may continue on subsequent occasions that fall on the same day of the week as the first occasion rather than on every subsequent occasion as required under current law. (Section 6)
- Licensees may maintain a bank account containing only proceeds from progressive games. (Section 10)
- 1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. In Colorado Revised Statutes, 12-9-102, amend
3 (19.3) as follows:

4 **12-9-102. Definitions.** As used in this article, unless the context 5 otherwise requires:

6 (19.3) "Raffle" means a game in which a participant buys a ticket 7 for a chance at a prize with the winner determined by a random method 8 of selecting numbers as determined by rules of the licensing authority, or 9 a pull tab ticket as described in subsection (18.1) of this section. The term 10 "raffle" does not mean and shall not be interpreted to include any activity 11 that is authorized or regulated by the state lottery division pursuant to part 12 2 of article 35 of title 24, C.R.S., or the "Limited Gaming Act of 1991", 13 article 47.1 of this title. 14 SECTION 2. In Colorado Revised Statutes, amend 12-9-102.5

15 as follows:

16 **12-9-102.5. Legislative declaration - consideration for tickets**

1 - conditions - rules. (1) The general assembly hereby finds and declares 2 that prize promotions involving the conduct of free product giveaways 3 through the use of free chances for purposes of commercial 4 advertisement, the creation of goodwill, the promotion of new products 5 or services, or the collection of names should not be subject to regulation 6 under this article. Such THE giveaways shall be DESCRIBED IN THIS 7 SUBSECTION (1) ARE exempt from regulation under this article when all 8 of the conditions set forth in this section are satisfied.

9 (2) No award of prizes by chance for a purpose set forth in 10 subsection (1) of this section shall be deemed IS a lottery or game of 11 chance, nor shall IS any share, or ticket, or right to participate in such AN 12 award of prizes be deemed to have been sold or charged for, 13 notwithstanding that such THE award is made to persons who have paid 14 a fee entitling them to general admission to the grounds or premises on 15 which such THE award is made, if each share or ticket by means of which 16 the award is made is given away free of charge and without any 17 obligation on the part of the person receiving it.

18 (3) (Deleted by amendment, L. 99, p. 1411, § 1, effective June 5,
19 1999.)

20 (4) (a) Within ten days after the award of any prize, the licensee
21 shall file with the licensing authority a written report containing a
22 description of the prize, the value of the prize, and such other information
23 as the licensing authority may require by rule. Any prize offered pursuant
24 to this section shall be awarded by the end of the calendar quarter in
25 which it was offered.

26 (b) (a) (I) A licensee may conduct a prize promotion on the
27 licensed premises, whether such THE premises are rented or owned by the

licensee. The A LICENSEE SHALL CLEARLY DISCLOSE, IN THE RENTAL
 AGREEMENT OR OTHERWISE, THE promotion and its cost, if any, to the
 licensee, shall be clearly disclosed, in the rental agreement or otherwise,
 pursuant to rules adopted by the licensing authority.

5 (II) A landlord licensee shall not require a bingo-raffle licensee to 6 participate in or conduct a promotion under this section, nor may a games 7 manager for any occasion assist in any such promotion conducted during 8 an occasion by a landlord licensee. Prizes offered as part of a promotion 9 shall ARE not be considered as part of the prizes subject to limitation 10 under section 12-9-107 (13) (5).

11 (c) (b) Before conducting a promotion under this section, the 12 licensee shall provide evidence of ownership, free and clear, of the prizes 13 to be offered unless all such OF THE prizes are available for viewing on 14 the premises on the day they are to be awarded. The licensee offering any 15 promotional prize shall disclose, at the beginning of the promotion, full and complete information identifying the prizes to be awarded and the 16 17 method by which such THE prizes may be won. This disclosure need not 18 be made separately or personally to each participant, but may be made by 19 conspicuously posting or displaying, at the premises where the promotion 20 is being conducted, either the available prizes themselves or a list and 21 complete description of the prizes and the method by which they may be 22 won.

(c) WITHIN TEN DAYS AFTER THE AWARD OF ANY PRIZE, THE
LICENSEE SHALL FILE WITH THE LICENSING AUTHORITY A WRITTEN REPORT
CONTAINING A DESCRIPTION OF THE PRIZE, THE VALUE OF THE PRIZE, AND
SUCH OTHER INFORMATION AS THE LICENSING AUTHORITY MAY REQUIRE
BY RULE. ANY PRIZE OFFERED PURSUANT TO THIS SECTION MUST BE

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AWARDED BY THE END OF THE CALENDAR QUARTER IN WHICH IT WAS
 OFFERED.

3 (d) The licensing authority may establish by rule the maximum
4 amount or value of a cash prize or a prize of a product or service that may
5 be awarded; except that such maximum amount shall not be less than
6 MUST BE AT LEAST one thousand dollars.

7 SECTION 3. In Colorado Revised Statutes, 12-9-103, amend (1)
8 (g) as follows:

9 12-9-103. Licensing and enforcement authority - powers 10 rules - duties - license suspension or revocation proceedings 11 definitions. (1) The secretary of state is hereby designated as the
12 "licensing authority" of this article. As licensing authority, the secretary
13 of state's powers and duties are as follows:

(g) To license devices for reading pull tabs as provided in section
 15 12-9-107.7 SECTION 12-9-107.2; except that the licensing authority shall
 not impose or collect any fee for the issuance of such a license.

SECTION 4. In Colorado Revised Statutes, 12-9-105.3, amend
(1) (f) as follows:

19 12-9-105.3. Application for landlord license - fee. (1) Each
20 applicant for a landlord license shall file with the licensing authority a
21 written application, duly executed and verified, in the form presented by
22 the licensing authority, which application shall include, but not be limited
23 to, the following information:

(f) A statement by the landlord or the chief executive of the
landlord that the primary purpose of the premises described in paragraph
(e) (c) of this subsection (1) is the conduct of bingo occasions.

27 SECTION 5. In Colorado Revised Statutes, amend with

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1 **relocated provisions** 12-9-106 as follows:

2 12-9-106. Persons permitted to conduct games of chance -3 form of bingo-raffle licenses - display. (1) [Formerly 12-9-107 (1) 4 (a)] No games of chance shall be conducted by any person, firm, or 5 organization within this state, unless a bingo-raffle license as provided in 6 this article has been issued by the licensing authority. No person shall 7 hold, operate, or conduct games of chance under a license issued under 8 this article except A PERSON, FIRM, OR ORGANIZATION WITHIN THIS STATE 9 SHALL NOT CONDUCT A GAME OF CHANCE WITHOUT A BINGO-RAFFLE 10 LICENSE ISSUED BY THE LICENSING AUTHORITY. ONLY an active member 11 of the organization to which the bingo-raffle license is issued MAY HOLD, 12 OPERATE, OR CONDUCT GAMES OF CHANCE UNDER A LICENSE ISSUED 13 UNDER THIS ARTICLE, and no A person shall NOT assist in the holding, 14 operating, or conducting of any games of chance under such A 15 BINGO-RAFFLE license except such an active member or a member of an 16 organization or association that is an auxiliary to the licensee, a member 17 of an organization or association of which such THE licensee is an 18 auxiliary, or a member of an organization or association that is affiliated 19 with the licensee by being, with it, auxiliary to another organization or 20 association. No item of expense shall be incurred or paid in connection 21 with the holding, operating, or conducting of a game of chance held, 22 operated, or conducted pursuant to a license issued under this article, 23 except A LICENSEE SHALL INCUR OR PAY ONLY bona fide expenses in a 24 reasonable amount for goods, wares, and merchandise furnished or 25 services rendered THAT ARE reasonably necessary for the holding, 26 operating, or conducting thereof OF A GAME OF CHANCE.

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(1) (2) Each bingo-raffle license shall MUST contain a statement

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1 of the name and address of the licensee and the place where such bingo 2 or lotto games or the drawing of the raffles is to be held. If the 3 bingo-raffle licensee moves from the games or drawing location listed on 4 its license, the bingo-raffle licensee shall MUST notify the licensing 5 authority in writing prior to commencing bingo or conducting a raffle 6 drawing at the new location. The licensing authority may issue a letter of 7 authorization to move the location of the bingo or lotto games or the 8 drawing of the raffles. Any such THE letter of authorization shall MUST 9 remain with the original license and MUST be available for inspection at 10 the place where such games or drawings are to be held. Any such A 11 license issued for an exempt organization shall provide for the inclusion 12 of MUST INCLUDE the place or places where drawings are to be held. Each 13 bingo-raffle license issued for the conduct of any such games of chance 14 shall MUST be conspicuously displayed at the place where the game is to 15 be conducted or the drawings held at all times during the conduct thereof. 16 An exempt organization may comply with the requirements of this section 17 by providing written notice of such a license to all employees of a 18 participating private business or government agency holding a 19 fund-raising drive that includes a drawing on behalf of such THE 20 organization. Such THE notice shall MUST state that the exempt 21 organization shall make such license IS available for public inspection 22 during reasonable business hours and shall MUST specify where such THE 23 license shall be IS maintained for inspection.

(3) [Formerly 12-9-107 (5) (a)] Each license issued for the
 conduct of games of chance shall be A LICENSEE SHALL conspicuously
 displayed DISPLAY, at the place where any A game is being conducted, ITS
 LICENSE ISSUED FOR THE CONDUCT OF GAMES OF CHANCE at all times

during the conduct of the game and for at least thirty minutes after the last
 game has been concluded.

3 (2) (4) Notwithstanding subsection (1) (2) of this section, a
bingo-raffle licensee conducting a pull tab game for the benefit of its
members and guests on premises that are owned by it, or leased by it for
purposes other than the conduct of a bingo occasion, may display a copy
of its license, in a format approved by the licensing authority, on such THE
premises during any time the licensee is also conducting a bingo or raffle
occasion at a separate location.

SECTION 6. In Colorado Revised Statutes, amend with
 relocated provisions 12-9-107 as follows:

12 12-9-107. General conduct of games of chance - premises equipment - expenses - rules. (1) [Formerly 12-9-107 (7)] No A
licensee may SHALL NOT hold, operate, or conduct a game of bingo or
lotto more often than as specified by the licensing authority by rule, after
consultation with the board.

(2) [Formerly 12-9-107 (25)] No A person or licensee shall NOT
permit any person who has not attained the age of UNDER eighteen years
OF AGE to purchase the opportunity to participate in any game of chance
or purchase pull tab games.

(3) [Formerly 12-9-107 (26)] No A person or licensee shall NOT
permit any person who has not attained the age of UNDER fourteen years
OF AGE to assist in the conduct of bingo or pull tabs.

24 (4) [Formerly 12-9-107 (10)] No A LICENSEE SHALL NOT OFFER
25 OR GIVE AN alcoholic beverage shall be offered or given as a prize in any
26 such A game OF CHANCE.

27 (5) [Formerly 12-9-107 (13) (a)] The licensing authority shall

establish by rule the method of play and amount of prizes that may be
 awarded; except that the maximum prize that may be awarded shall MUST
 be at least five hundred dollars.

4 (6) FOOD OFFERED IN THE COURSE OF A VOLUNTEER DUTY SHIFT
5 AND CONSUMED ON THE PREMISES WHERE THE GAME OF CHANCE IS BEING
6 CONDUCTED IS NOT REMUNERATION IF THE RETAIL VALUE OF THE FOOD
7 OFFERED DOES NOT EXCEED THE MAXIMUM AMOUNT PER VOLUNTEER SET
8 BY RULE.

9 (7) [Formerly 12-9-107 (2)] (a) The officers of a bingo-raffle 10 licensee shall designate one or more bona fide, active members of the 11 licensee as its games managers to be in charge OF and primarily 12 responsible for the conduct of the games of bingo or lotto on each 13 occasion. The games managers shall supervise all activities on the 14 occasion for which they are in charge and are responsible for the making 15 of the ALL required report thereof REPORTS. The games managers, 16 governing board of the licensee, and the individual acting in the role of 17 a treasurer on behalf of the licensee shall MUST be familiar with the ALL 18 APPLICABLE provisions of the state laws LAW, the rules of the licensing 19 authority, and the provisions of the license. The governing board of the 20 licensee shall be IS ultimately responsible for the maintenance of books 21 and records and the filing of the reports pursuant to this section. At least 22 one games manager shall be present on the premises continuously during 23 the games and for a period sufficient to ensure that all books and records 24 for the occasion have been closed and that all supplies and equipment 25 have been secured.

(b) An exempt organization may designate more than one of its
bona fide, active members in order to comply with the requirements of

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1 this subsection (2) (7).

(8) [Formerly 12-9-107 (3)] The officers of a bingo-raffle
licensee shall designate an officer to be in full charge OF and primarily
responsible for the proper utilization of the entire net proceeds of any
game in accordance with the state law.

6 (9) **[Formerly 12-9-107 (6)]** The premises where any game of 7 chance is being held, operated, or conducted, where it OR is intended that 8 any game of chance TO be held, operated, or conducted, or where it is 9 intended that any equipment be used, at all times, shall MUST be KEPT 10 open to inspection AT ALL TIMES by the licensing authority, its agents and 11 employees, and by peace officers of any political subdivision of the state.

12 (10) [Formerly 12-9-107 (1) (b)] No games of chance shall be 13 conducted with any equipment unless it is owned by a bingo-raffle 14 licensee, owned or leased by a landlord licensee, or owned or leased by 15 a bingo-raffle licensee operating such equipment on premises that are 16 owned, leased, or rented by the bingo-raffle licensee, used as its principal 17 place of business, and controlled so that admittance to the premises is 18 limited to the bingo-raffle licensee's members and bona fide guests. IN 19 CONDUCTING A BINGO OR PULL TAB GAME, A BINGO-RAFFLE LICENSEE MAY 20 OPERATE EQUIPMENT IF THE BINGO-RAFFLE LICENSEE OR THE LANDLORD 21 LICENSEE OF THE PREMISES OWNS OR LEASES THE EQUIPMENT. IF A 22 BINGO-RAFFLE LICENSEE LEASES THE EQUIPMENT, THEN THE LICENSEE 23 MUST OPERATE THE EQUIPMENT ON PREMISES THAT ARE OWNED, LEASED, 24 OR RENTED BY THE LICENSEE, USED AS THE LICENSEE'S PRINCIPAL PLACE 25 OF BUSINESS, AND CONTROLLED SO THAT ADMITTANCE TO THE PREMISES 26 IS LIMITED TO THE LICENSEE'S MEMBERS AND BONA FIDE GUESTS. Nothing 27 in this paragraph (b) shall prohibit SUBSECTION (10) PROHIBITS a bingo-raffle licensee from leasing electronic devices used as aids in the
 game of bingo.

3 (11) [Formerly 12-9-107 (22)] No A licensee shall NOT possess, 4 use, sell, offer for sale, or put into play any bingo or pull tab game, ticket, 5 card, or sheet unless it conforms to the definitions and requirements of 6 this article and was purchased by the licensee from a licensed bingo-raffle 7 manufacturer or supplier or licensed agent thereof. No A licensee shall 8 NOT possess, use, sell, offer for sale, or put into play any electronic device 9 used as an aid in the game of bingo unless it conforms to the requirements 10 of this article and was purchased or leased by the licensee from a licensed 11 bingo-raffle manufacturer or supplier or licensed agent thereof.

(12) [Formerly 12-9-107 (23)] No licensee shall IN ORDER TO possess, use, sell, offer for sale, or put into play any bingo or pull tab game, ticket, card, or sheet, for which it does not A LICENSEE MUST have at the location of the game an invoice from its licensed supplier showing at least the name, description, color code, if any, and serial number of the pull tab, card, or sheet.

(13) [Formerly 12-9-107 (13) (j)] The licensing authority shall
establish, by rule, safeguards to protect the bingo-raffle licensee's players
against defaults in charitable gaming debts owed or to become payable by
the bingo-raffle licensee.

(14) [Formerly 12-9-107 (11)] The net proceeds derived from the
holding of games of chance must be devoted, within one year, to the
lawful purposes of the organization permitted to conduct the same GAME
OF CHANCE. Any organization desiring to hold the net proceeds of games
of chance for a period longer than one year shall MUST apply to the
licensing authority for special permission and, upon good cause shown,

1 the licensing authority may grant the request.

(15) [Formerly 12-9-107 (12)] Any licensee that does not report,
during any one-year period, net proceeds will be required to show cause
before the licensing authority why its right to conduct games of chance
should not be revoked.

6 SECTION 7. In Colorado Revised Statutes, add with amended
7 and relocated provisions 12-9-107.1 as follows:

8 12-9-107.1. Conduct of bingo games. (1) [Formerly 12-9-107
9 (18)] In the playing of bingo, no person ONLY PERSONS who is not ARE
10 physically present on the premises where the game is actually conducted
11 shall be allowed to MAY participate as a player PLAYERS in the game.

(2) (a) [Formerly 12-9-107 (19) (a)] No A person shall NOT act
as a caller or assistant to the caller in the conduct of any game of bingo
unless such THE person has been a member in good standing of the
bingo-raffle licensee conducting such THE game or one of its licensed
auxiliaries for at least three months immediately prior to the date of such
THE game, is of good moral character, and never has been convicted of a
felony or a crime involving gambling.

(b) [Formerly 12-9-107 (20)] No AN owner, co-owner, or lessee
of premises or, if a corporation is the owner of the premises, any officer,
director, or stockholder owning more than ten percent of the outstanding
stock shall MUST NOT be a person responsible for or assisting in the
holding, operating, or conducting of any game of bingo.

(3) (a) [Formerly 12-9-107 (14)] The equipment used in the
playing of bingo and the method of play shall MUST be such that each card
has an equal opportunity to be a winner WIN. The objects or balls to be
drawn shall MUST be essentially the same as to size, shape, weight,

1 balance, and all other characteristics that may influence their selection. 2 All objects or balls shall MUST be present in the receptacle before each 3 game is begun BEGINS. All numbers announced shall MUST be plainly and 4 clearly audible to all the players present. Where more than one room is 5 used for any one game, the receptacle and the caller must be present in the 6 room where the greatest number of players are present, and all numbers 7 announced shall MUST be plainly audible to the players in the aforesaid 8 room and also audible to the players in the other rooms.

9 (b) [Formerly 12-9-107 (15)] The receptacle and the caller must
10 be visible to all the players at all times except where more than one room
11 is used for any one game, in which case the provisions of subsection (14)
12 PARAGRAPH (a) of this section shall prevail SUBSECTION (3) APPLIES.

(c) [Formerly 12-9-107 (16)] The particular arrangement of
numbers required to be covered in order to win the game and the amount
of the prize shall MUST be clearly and audibly described and announced
to the players immediately before each game is begun BEGINS.

17 (d) [Formerly 12-9-107 (27)] No AN operator shall NOT reserve 18 or allow to be reserved any bingo cards for use by players except braille 19 cards or other cards for use by legally blind players. Legally blind players 20 may use their personal braille cards when a licensed organization does not 21 provide such cards. A licensed organization has the right to MAY inspect 22 and to reject any personal braille card. A legally blind or disabled person 23 may use a braille card or hard card in place of a purchased disposable 24 paper bingo card.

(e) [Formerly 12-9-107 (17)] Any player is entitled to MAY call
for a verification of all numbers drawn at the time a winner is determined
and for a verification of the objects or balls remaining in the receptacle

and not yet drawn. The verification shall be made in the immediate
presence of the member designated to be in charge of the occasion, but if
such THAT member is also the caller, then in the immediate presence of
any officer of the licensee.

5 (4) [Formerly 12-9-107 (8)] When any merchandise prize is
awarded in a game of bingo, its value shall be IS its current retail price.
No A merchandise prize shall be IS NOT redeemable or convertible into
cash directly or indirectly.

9 (5) (a) [Formerly 12-9-107 (13) (b)] Notwithstanding the 10 limitations stated in paragraph (a) of this subsection (13) SECTION 11 12-9-107 (5), during a bingo occasion a bingo-raffle licensee may also 12 start a single game of progressive bingo, in an amount established by rule 13 by the licensing authority, in which the game is won when a previously 14 designated arrangement of numbers or spaces on the card or sheet is 15 covered within a previously designated number of objects or balls drawn. If the game is not won within the drawing of the previously designated 16 17 number of objects or balls, the game shall MUST be replayed EITHER 18 during each SUBSEQUENT occasion the licensee conducts at the same 19 location OR DURING EACH SUBSEQUENT OCCASION THAT FALLS ON THE 20 SAME DAY OF THE WEEK AT THE SAME LOCATION, using the previously 21 designated arrangement of numbers or spaces.

(b) [Formerly 12-9-107 (13) (c)] A bingo-raffle licensee may
award a consolation prize for a game of progressive bingo in which the
progressive prize is not won. The BINGO-RAFFLE LICENSEE DETERMINES
THE amount of the consolation prize. shall be an amount determined by
the bingo-raffle licensee. Notice of the amount shall be conspicuously
displayed prior to the beginning of the bingo-raffle occasion, and the

1 amount shall be IS included as part of the aggregate amount of all prizes 2 offered or given in games played on a single occasion, as set forth in 3 paragraph (b) (a) of this subsection (13) (5). If a consolation prize is 4 offered, the game shall be continued CONTINUES until the previously 5 designated arrangement of numbers or spaces on the card or sheet is 6 covered, regardless of the number of balls drawn, in order to determine 7 the winner of the consolation prize. If no A consolation prize is NOT 8 offered, the progressive game shall end without a prize awarded ENDS 9 when the last of the previously designated number of balls is drawn and 10 shall MUST be replayed at the next occasion the licensee conducts, in 11 accordance with paragraph (b) (a) of this subsection (13) (5).

(c) [Formerly 12-9-107 (13) (d)] A bingo-raffle licensee may
fund a secondary jackpot from ten percent of the gross proceeds collected
from the sale of progressive cards or sheets at the occasion where the
game is offered. Notwithstanding the limitation stated in paragraph (b) (a)
of this subsection (13) (5), the amount in the secondary jackpot may be
used to start a single game of progressive bingo after a previous
progressive jackpot is won.

(d) [Formerly 12-9-107 (13) (e)] The licensing authority may
establish by rule the maximum jackpot that may be awarded in a
progressive bingo game; except that such THE maximum may not be less
than JACKPOT MUST BE AT LEAST fifteen thousand dollars.

(e) [Formerly 12-9-107 (13) (f)] The licensing authority may
establish by rule the maximum number of progressive bingo games, not
less than one, that may be conducted during an occasion. In order to
ensure that all prizes offered are timely awarded, the licensing authority
may limit by rule the number of occasions in which a progressive bingo

game may be conducted before a prize must be awarded; except that such
 THE MAXIMUM number of occasions shall be not be less than MUST BE AT
 LEAST thirty.

4 (6) (a) [Formerly 12-9-107 (9) (a)] Equipment, prizes, and
5 supplies for games of bingo shall MUST not be purchased or sold at prices
6 in excess of the usual price thereof. A licensee shall not sell or offer for
7 sale any game of chance, or supplies for a game of chance, that is not
8 authorized by this article or by rules adopted by the licensing authority
9 pursuant to this article.

10 (b) [Formerly 12-9-107 (9) (b)] Cards and sheets that are 11 designed or intended for use with electronic devices used as aids in the 12 game of bingo shall not be purchased or sold at prices in excess of the 13 usual price of cards and sheets that are not so designed or intended FOR 14 USE WITH ELECTRONIC DEVICES USED AS AIDS IN THE GAME OF BINGO. 15 Charges imposed by any manufacturer, supplier, agent thereof, or 16 bingo-raffle licensee for cards and sheets that are designed or intended for 17 use with electronic devices used as aids in the game of bingo shall be 18 stated and imposed separately from any charges imposed by such THE 19 manufacturer, supplier, agent thereof, or bingo-raffle licensee for the 20 purchase, lease, or use of electronic devices used as aids in the game of 21 bingo. Manufacturers, suppliers, and THEIR agents thereof shall not 22 include costs attributable to the manufacture or distribution of electronic 23 devices used as aids in the game of bingo in charges imposed for the 24 purchase or lease of equipment, including cards and sheets.

(7) [Formerly 12-9-107 (28)] (a) If a card or sheet is played with
the aid of an electronic device, a winning bingo may be determined and
verified EITHER by reference to such THE card or sheet or may be

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determined and verified by reference to the electronic device. Nothing in
 this article shall be construed to authorize AUTHORIZES the playing of
 bingo solely by means of an electronic device.

4 (b) A bingo-raffle licensee shall adequately mark, destroy, or
5 dispose of cards or sheets played with the aid of an electronic device in
6 order to prevent the reuse of such THOSE cards or sheets.

(c) The licensing authority may establish by rule the maximum
number of bingo cards that a bingo player who plays using the aid of an
electronic device shall be IS permitted to use with the aid of such a device
per game; except that such THE maximum number shall not be less than
MUST BE AT LEAST thirty-six.

(d) A bingo-raffle licensee shall not be IS NOT required to use or
offer the use of electronic devices used as aids in the game of bingo
during a bingo session.

(8) [Formerly 12-9-107 (29)] (a) With the application for a letter
ruling pursuant to section 12-9-103 (1) (d) for the approval of a new type
of electronic device used in the aid of bingo, the manufacturer of such
THE device shall MUST provide the following to the licensing authority:
(I) A prototype of the new type of electronic device used in the aid
of bingo with a prototype bingo aid computer system and a user's manual
used for such electronic device; and

(II) A certification by the manufacturer that the new type of
electronic device used in the aid of bingo and all such electronic devices
used in the state meet the following standards:

25 (A) The electronic device provides a means for the input of26 numbers announced by a bingo caller;

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(B) The electronic device compares the numbers entered to the

numbers contained on bingo cards previously stored in the electronic data
 base DATABASE of such THE electronic device;

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(C) The electronic device identifies winning bingo patterns; and(D) The electronic device signals when a winning bingo pattern is achieved.

6 (b) The licensing authority shall return the prototype electronic 7 device used in the aid of bingo, the prototype bingo aid computer system, 8 and the user's manual submitted pursuant to subparagraph (I) of paragraph 9 (a) of this subsection (29) (8) no later than forty-five days after receiving 10 such THE items.

11 (c) When a complaint regarding an electronic device used in the 12 aid of bingo that is in use in the state of Colorado has been filed with the 13 licensing authority, the manufacturer of such THE device shall provide to 14 the licensing authority a sample of such THE device and bingo aid 15 computer system to assist the investigation by the licensing authority. The 16 licensing authority shall return such THE electronic device and bingo aid 17 computer system no later than forty-five days after receiving such items 18 THEM unless the licensing authority needs such electronic device THEY 19 ARE NEEDED longer to complete the investigation.

(d) Any electronic device used in the aid of bingo, any bingo aid
computer system, and any OR user's manual for such a device that is in the
custody of the licensing authority pursuant to this section shall IS not be
construed to be A public records RECORD.

(9) [Formerly 12-9-107 (30)] A bingo aid computer system used
by a bingo-raffle licensee for bingo sessions shall MUST meet the
following standards:

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(a) Such THE system shall MUST contain a record of all

transactions occurring during a bingo-raffle session. Such THE record
 shall MUST be retained in memory until the transactions have been totaled,
 printed, and cleared by the bingo-raffle licensee, regardless of whether the
 power supply has been interrupted.

(b) Such THE system shall MUST be able to compute and total all
transactions processed by the system during a bingo-raffle session and to
print all information required by the secretary of state LICENSING
AUTHORITY, in the form prescribed by the secretary of state LICENSING
AUTHORITY.

10 (c) Such THE system shall MUST maintain and control the 11 transaction number time, and date of sale, Such AND TRANSACTION 12 NUMBER, KEEPING THE information shall be secure enough that only a 13 manufacturer's qualified personnel can change or reset such THE 14 information. A detailed record, supported by service documents, shall be 15 retained by such personnel THE MANUFACTURER'S QUALIFIED PERSONNEL 16 SHALL RETAIN A DETAILED RECORD for each service call that involves a 17 change of the time, date of sale, or transaction number.

18 (10) [Formerly 12-9-107 (31)] If an electronic device used as an 19 aid in the game of bingo complies with sub-subparagraphs (A) to (D) of 20 subparagraph (II) of paragraph (a) of subsection (29) (8) of this section, 21 and if the bingo aid computer system for such THE electronic device 22 substantially complies with the requirements of subsection (30) (9) of this 23 section, the licensing authority shall approve such THE electronic device 24 and computer system for use by a letter ruling pursuant to section 25 12-9-103 (1) (d).

26 SECTION 8. In Colorado Revised Statutes, add with amended
27 and relocated provisions 12-9-107.2 as follows:

-19-

12-9-107.2. Conduct of pull tabs - license revocation - rules definitions. (1) [Formerly 12-9-107 (24)] No A licensee shall NOT sell,
 offer for sale, or put into play any pull tab ticket except at the location of
 and during its licensed bingo occasions or upon premises that are:
 (a) Owned, leased, or rented by the bingo-raffle licensee, used as
 its principal place of business, and controlled so that admittance to the
 premises is limited to the bingo-raffle licensee's members and bona fide

8 guests; or

9

(b) Owned, leased, or rented by a landlord licensee.

(2) [Formerly 12-9-107 (13) (i)] A bingo-raffle licensee may
offer a prize to the purchaser of a last sale ticket in a pull tab game, deal,
or series without regard to its winning or nonwinning status as revealed
if broken or torn apart.

14 (3) A BINGO-RAFFLE LICENSEE MAY OFFER AN EVENT PULL TAB
15 SERIES. FOR THE PURPOSES OF THIS SUBSECTION (3):

16 (a) "EVENT PULL TAB SERIES" MEANS A PULL TAB SERIES THAT
17 INCLUDES A PREDETERMINED NUMBER OF PULL TABS THAT ALLOW A
18 PLAYER TO ADVANCE TO AN EVENT ROUND.

(b) "EVENT ROUND" MEANS A SECONDARY ELEMENT OF CHANCE
WHERE THE PRIZES ARE DETERMINED BASED ON PULL TABS THAT MATCH
SPECIFIC WINNING NUMBERS DRAWN IN A BINGO GAME AND THE WINNING
NUMBERS SHALL FALL WITHIN NUMBERS ONE TO SEVENTY-FIVE,
INCLUSIVE.

(4) (a) [Formerly 12-9-107 (13) (g)] A bingo-raffle licensee may
offer a progressive pull tab game in which a prize may be carried over
and increased from one deal to another until a prize is awarded. Such THE
game may include a subsequent pull tab deal bearing a different serial

number from that offered in a previous deal. No A LICENSEE SHALL NOT
OFFER OR GIVE A prize greater, in amount or value, than five thousand
dollars shall be offered or given in any progressive pull tab game. The
licensing authority may limit by rule the types of progressive pull tab
games allowed to be sold by supplier licensees. A bingo-raffle licensee
may offer an event pull tab series. For the purposes of this paragraph (g):

7 (I) "Event pull tab series" means a pull tab series that includes a
8 predetermined number of pull tabs that allow a player to advance to an
9 event round.

(II) "Event round" means a secondary element of chance where
 the prizes are determined based on pull tabs that match specific winning
 numbers drawn in a bingo game and the winning numbers shall fall
 within numbers one to seventy-five, inclusive.

(b) [Formerly 12-9-107 (13) (h)] When a deal of progressive pull
tabs is received in two or more packages, boxes, or other containers, all
of the progressive pull tabs from the respective packages, boxes, or other
containers shall MUST be placed out for play at the same time.

18

(5) [Formerly 12-9-107 (21.5)] Effective September 1, 1999:

(a) No A licensee shall NOT possess, use, sell, offer for sale, or put
 into play any computerized or electromechanical facsimile of a pull tab
 game.

(b) No A licensee shall NOT possess, use, sell, offer for sale, or put
into play any device that reveals the winning or nonwinning status of a
pull tab ticket unless such THE device has been tested, approved, and
licensed pursuant to section 12-9-107.7 SUBSECTION (6) OF THIS SECTION
and not subsequently altered or tampered with.

27

(c) Any of the following persons that are found to have violated

paragraph (b) of this subsection (21.5) shall be (5) ARE subject to
 immediate and permanent revocation of all licenses issued under this
 article:

(I) The manufacturer of the device;

4

5 (II) The supplier through which the device was supplied;

6 (III) The landlord licensee on whose premises the device was7 found; and

8 (IV) The bingo-raffle licensee of the occasion during which the 9 device was present.

10 (6) (a) [Formerly 12-9-107.7 (1)] THE LICENSING AUTHORITY 11 SHALL TEST, INSPECT, AND LICENSE every mechanical, electronic, or 12 electromechanical device that reveals the winning or nonwinning status 13 of a pull tab ticket shall be tested, inspected, and licensed by the licensing 14 authority before being THE DEVICE IS used in charitable gaming. The 15 licensing authority shall employ an independent contractor to conduct 16 such THE tests and inspections, the cost of which shall be borne by the 17 manufacturer or supplier seeking approval of the device. No license shall 18 be issued THE LICENSING AUTHORITY SHALL NOT ISSUE A LICENSE for a 19 device until the device is secured in a manner prescribed by the licensing 20 authority and the contractor receives payment in full for the cost of such 21 ALL tests and inspections.

(b) [Formerly 12-9-107.7 (2)] Every person shipping or
importing into Colorado a device subject to subsection (1) of this section
PARAGRAPH (a) OF THIS SUBSECTION (6) shall provide the licensing
authority with a copy of the shipping invoice at the time of shipment.
Such THE invoice shall MUST contain, at a minimum, the destination of
the shipment and the serial number and description of each device being

1 transported.

2 (c) [Formerly 12-9-107.7 (3)] Every person receiving a device 3 subject to subsection (1) of this section PARAGRAPH (a) OF THIS 4 SUBSECTION (6) shall, upon receipt of the device, provide the licensing 5 authority with the serial number and description of each device received 6 and information describing the location of each such device. The 7 requirements of this subsection (3) shall PARAGRAPH (c) apply regardless 8 of whether the device is received from a licensed supplier or from any 9 other source.

(d) [Formerly 12-9-107.7 (4)] A device licensed pursuant to this
section shall be SUBSECTION (6) IS licensed for and may only be used in
one specific licensed location identified by the licensing authority. Any
movement of the device from such THE licensed location for use at
another licensed location shall be reported to the licensing authority in
advance.

(e) [Formerly 12-9-107.7 (5)] The licensing authority may adopt
rules and prescribe all necessary forms in furtherance of this section
SUBSECTION (6).

(f) [Formerly 12-9-107.7 (6)] Notwithstanding any other
provision of this article, the licensing authority shall not license:

21 (a) (I) A pull tab game that is stored, electronically or otherwise,
22 within a device and designed to be played on such device; or

23 (b) (II) Any device that qualifies as a slot machine pursuant to
24 section 9 (4) (c) of article XVIII of the Colorado constitution.

(g) [Formerly 12-9-107.7 (7)] The prohibition contained in
subsection (6) PARAGRAPH (f) of this section shall not be construed to
SUBSECTION (6) DOES NOT prohibit the licensing of:

1	(a) (I) A device that merely dispenses pull tab tickets to players;
2	or
3	(b) (II) A device that merely reads or validates a pull tab ticket
4	inserted by a player, if:
5	(I) (A) The pull tab ticket itself displays its winning or
6	nonwinning status so that use of the device is not required to determine
7	such status; and
8	(H) (B) The device cannot be used in a manner that would qualify
9	it as a slot machine pursuant to section 9 (4) (c) of article XVIII of the
10	Colorado constitution.
11	SECTION 9. In Colorado Revised Statutes, add with amended
12	and relocated provisions 12-9-107.3 as follows:
13	12-9-107.3. Conduct of raffles - rules. (1) [Formerly 12-9-107
14	(21)] The licensing authority shall not require an exempt organization to
15	
	use raffle tickets in any particular form or displaying any particular
16	use raffle tickets in any particular form or displaying any particular information that would cause undue expense to the exempt organization
16 17	
	information that would cause undue expense to the exempt organization
17	information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of such THE
17 18	information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of such THE organization.
17 18 19	information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of such THE organization. (2) (a) [Formerly 12-9-107 (13) (k)] A bingo-raffle licensee may
17 18 19 20	 information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of such THE organization. (2) (a) [Formerly 12-9-107 (13) (k)] A bingo-raffle licensee may offer a progressive raffle in which a jackpot may be carried over and
17 18 19 20 21	 information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of such THE organization. (2) (a) [Formerly 12-9-107 (13) (k)] A bingo-raffle licensee may offer a progressive raffle in which a jackpot may be carried over and increased from one drawing to another until the jackpot is awarded. If the
17 18 19 20 21 22	information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of such THE organization. (2) (a) [Formerly 12-9-107 (13) (k)] A bingo-raffle licensee may offer a progressive raffle in which a jackpot may be carried over and increased from one drawing to another until the jackpot is awarded. If the jackpot is not awarded at a drawing, the bingo-raffle licensee shall

(b) [Formerly 12-9-107 (13) (l) (I)] A bingo-raffle licensee may
award a consolation prize for a progressive raffle in which the jackpot is
not won. The bingo-raffle licensee may designate the consolation prize

as either a specified amount or a specified percentage of the gross
proceeds collected from the sale of raffle tickets for a particular drawing.
The bingo-raffle licensee may determine the amount of the jackpot based
on the gross proceeds collected from the sale of raffle tickets for a
particular drawing plus the value of the jackpot carried over from
previous drawings in which the jackpot was not awarded.

7 (c) [Formerly 12-9-107 (13) (l) (II)] If the bingo-raffle licensee
8 offers a consolation prize, the bingo-raffle licensee shall, before the
9 drawing:

(A) (I) Designate the specific amount or specific percentage of the
 gross proceeds collected from the sale of raffle tickets that the consolation
 prize equals; and

(B) (II) Conspicuously display the amount or percentage of the
 gross proceeds collected that the consolation prize equals.

(d) [Formerly 12-9-107 (13) (m)] The licensing authority may
establish by rule the maximum jackpot that a bingo-raffle licensee may
award for a progressive raffle; except that, notwithstanding paragraph (a)
of this subsection (13) SECTION 12-9-107 (5), the maximum jackpot may
not MUST be less than AT LEAST fifteen thousand dollars. The maximum
jackpot does not include the aggregate amount of consolation prizes
awarded.

(e) [Formerly 12-9-107 (13) (n)] The licensing authority may
establish by rule the maximum number of progressive raffles that a
bingo-raffle licensee may conduct simultaneously. To ensure that all
prizes offered are timely awarded, the licensing authority may limit by
rule the number of drawings that a bingo-raffle licensee may conduct
before a jackpot must be awarded; except that the licensing authority may

not limit the MAXIMUM number of drawings to less than MUST BE AT
 LEAST thirty.

3 (f) [Formerly 12-9-107 (13) (o)] (I) The licensing authority may
4 establish by rule the permitted methods of conducting a progressive
5 raffle.

6 (II) The licensing authority may not prohibit those methods of 7 conducting a progressive raffle in which the participant whose ticket 8 number is drawn wins both a prize for the winning ticket number and a 9 chance to win the jackpot.

SECTION 10. In Colorado Revised Statutes, 12-9-107.5, amend
(4) introductory portion as follows:

12 12-9-107.5. Persons permitted to manufacture and distribute 13 games of chance equipment - reporting requirements. (4) Except to 14 the extent otherwise provided in section 12-9-107 (1) no SECTION 15 12-9-106 (1), A manufacturer or supplier licensee or licensed agent shall 16 NOT buy, receive, sell, lease, furnish, or distribute any pull tabs, bingo 17 cards or sheets, electronic devices used as aids in the game of bingo, or 18 other games of chance equipment from or to any person within Colorado 19 other than manufacturer or supplier licensees or agents and bingo-raffle 20 licensees; except that:

21 SECTION 11. In Colorado Revised Statutes, 12-9-108, amend
22 (3) (a) as follows:

12-9-108. Bingo-raffle licensee's statement of receipts expenses - fee. (3) (a) All moneys collected or received from the sale of
admission, extra regular cards, special game cards, sale of supplies, and
all other receipts from the games of bingo, raffles, and pull tab games
shall be deposited in a special checking or savings account, or both, of the

1 licensee, which shall MUST contain only such money. All funds shall be 2 withdrawn from said account THESE MONEYS. IF THE LICENSEE CONDUCTS 3 PROGRESSIVE GAMES OF CHANCE, THE LICENSEE MAY MAINTAIN ONE 4 ADDITIONAL CHECKING OR SAVINGS ACCOUNT, WHICH MUST CONTAIN 5 ONLY MONEY RECEIVED FROM THE SALE OF PROGRESSIVE GAMES. THE 6 LICENSEE MAY WITHDRAW MONEY FROM THESE ACCOUNTS ONLY by 7 consecutively numbered checks or withdrawal slips or by electronic 8 transactions referenced by transaction number or date. No A check or 9 withdrawal slip shall MUST NOT be drawn to "cash" or a fictitious payee. 10 The licensee shall maintain all of its books and records in accordance 11 with generally accepted accounting principles.

12 SECTION 12. Repeal of relocated and nonrelocated 13 provisions in this act. In Colorado Revised Statutes, repeal 12-9-107 14 and 12-9-107.7; except that section 12-9-107 (4) and (5) (b) are not 15 relocated.

16 **SECTION 13.** Act subject to petition - effective date. This act 17 takes effect at 12:01 a.m. on the day following the expiration of the 18 ninety-day period after final adjournment of the general assembly (August 19 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a 20 referendum petition is filed pursuant to section 1 (3) of article V of the 21 state constitution against this act or an item, section, or part of this act 22 within such period, then the act, item, section, or part will not take effect 23 unless approved by the people at the general election to be held in 24 November 2014 and, in such case, will take effect on the date of the 25 official declaration of the vote thereon by the governor.