

NOTE: The governor signed this measure on 4/4/2014.

An Act

HOUSE BILL 14-1265

BY REPRESENTATIVE(S) Moreno, Hullinghorst, Melton, Ryden,
Singer, Schafer;
also SENATOR(S) Roberts.

CONCERNING THE REGULATION OF GAMES OF CHANCE.

Be it enacted by the General Assembly of the State of Colorado:

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

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

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

SECTION 2. In Colorado Revised Statutes, **amend** 12-9-102.5 as follows:

12-9-102.5. Legislative declaration - consideration for tickets - conditions - rules. (1) The general assembly hereby finds and declares that prize promotions involving the conduct of free product giveaways through the use of free chances for purposes of commercial advertisement, the creation of goodwill, the promotion of new products or services, or the collection of names should not be subject to regulation under this article. ~~Such~~ THE giveaways ~~shall be~~ DESCRIBED IN THIS SUBSECTION (1) ARE exempt from regulation under this article when all of the conditions set forth in this section are satisfied.

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

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

~~(4) (a) 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 shall be awarded by the end of the calendar quarter in which it was offered.~~

~~(b) (a) (I) A licensee may conduct a prize promotion on the 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.~~

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

~~(c)~~ (b) Before conducting a promotion under this section, the licensee shall provide evidence of ownership, free and clear, of the prizes to be offered unless all ~~such~~ OF THE prizes are available for viewing on the premises on the day they are to be awarded. The licensee offering any promotional prize shall disclose, at the beginning of the promotion, full and complete information identifying the prizes to be awarded and the method by which ~~such~~ THE prizes may be won. This disclosure need not be made separately or personally to each participant, but may be made by conspicuously posting or displaying, at the premises where the promotion is being conducted, either the available prizes themselves or a list and complete description of the prizes and the method by which they may be 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 AWARDED BY THE END OF THE CALENDAR QUARTER IN WHICH IT WAS OFFERED.

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

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

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

(g) To license devices for reading pull tabs as provided in ~~section 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:

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

SECTION 5. In Colorado Revised Statutes, **amend with relocated provisions** 12-9-106 as follows:

12-9-106. Persons permitted to conduct games of chance - form of bingo-raffle licenses - display. (1) ~~[Formerly 12-9-107 (1) (a)] No games of chance shall be conducted by any person, firm, or organization within this state, unless a bingo-raffle license as provided in this article has been issued by the licensing authority. No person shall hold, operate, or conduct games of chance under a license issued under this article except~~ A PERSON, FIRM, OR ORGANIZATION WITHIN THIS STATE SHALL NOT CONDUCT A GAME OF CHANCE WITHOUT A BINGO-RAFFLE LICENSE ISSUED BY THE LICENSING AUTHORITY. ONLY an active member of the organization to which the bingo-raffle license is issued MAY HOLD, OPERATE, OR CONDUCT GAMES OF CHANCE UNDER A LICENSE ISSUED UNDER THIS ARTICLE, and ~~no~~ A person shall NOT assist in the holding, operating, or conducting of any games of chance under ~~such~~ A BINGO-RAFFLE license except ~~such~~ an active member or a member of an organization or association that is an auxiliary to the licensee, a member of an organization or association of which ~~such~~ THE licensee is an auxiliary, or a member of an organization or association that is affiliated with the licensee by being, with it, auxiliary to another organization or association. ~~No item of expense shall be incurred or paid in connection with the holding, operating, or conducting of a game of chance held, operated, or conducted pursuant to a license issued under this~~

~~article, except~~ A LICENSEE SHALL INCUR OR PAY ONLY bona fide expenses in a reasonable amount for goods, wares, and merchandise furnished or services rendered THAT ARE reasonably necessary for the holding, operating, or conducting ~~thereof~~ OF A GAME OF CHANCE.

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

(~~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:

12-9-107. 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.

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

(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.

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

(7) **[Formerly 12-9-107 (2)]** (a) The officers of a bingo-raffle licensee shall designate one or more bona fide, active members of the licensee as its games managers to be in charge OF and primarily responsible

for the conduct of the games of bingo or lotto on each occasion. The games managers shall supervise all activities on the occasion for which they are in charge and are responsible for ~~the making of the~~ ALL required ~~report thereof~~ REPORTS. The games managers, governing board of the licensee, and the individual acting in the role of a treasurer on behalf of the licensee ~~shall~~ MUST be familiar with ~~the~~ ALL APPLICABLE provisions of ~~the~~ state laws LAW, the rules of the licensing authority, and the ~~provisions of the~~ license. The governing board of the licensee ~~shall be~~ IS ultimately responsible for the maintenance of books and records and the filing of the reports pursuant to this section. At least one games manager shall be present on the premises continuously during the games and for a period sufficient to ensure that all books and records for the occasion have been closed and that all supplies and equipment 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 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.

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

(10) **[Formerly 12-9-107 (1) (b)]** ~~No games of chance shall be conducted with any equipment unless it is owned by a bingo-raffle licensee, owned or leased by a landlord licensee, or owned or leased by a bingo-raffle licensee operating such equipment on premises that are 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 guests.~~ IN CONDUCTING A BINGO OR PULL TAB GAME, A BINGO-RAFFLE LICENSEE MAY OPERATE EQUIPMENT IF THE BINGO-RAFFLE LICENSEE OR THE LANDLORD LICENSEE OF THE PREMISES OWNS OR LEASES THE EQUIPMENT. IF A BINGO-RAFFLE

LICENSEE LEASES THE EQUIPMENT, THEN THE LICENSEE MUST OPERATE THE EQUIPMENT ON PREMISES THAT ARE OWNED, LEASED, OR RENTED BY THE LICENSEE, USED AS THE LICENSEE'S PRINCIPAL PLACE OF BUSINESS, AND CONTROLLED SO THAT ADMITTANCE TO THE PREMISES IS LIMITED TO THE LICENSEE'S MEMBERS AND BONA FIDE GUESTS. Nothing 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.

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

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

12-9-107.1. Conduct of bingo games. (1) [Formerly 12-9-107 (18)] In the playing of bingo, ~~no person~~ ONLY PERSONS who ~~is not~~ ARE physically present on the premises where the game is actually conducted ~~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, balance, and all other characteristics that may influence their selection. All objects or balls ~~shall~~ MUST be present in the receptacle before each game ~~is begun~~ BEGINS. All numbers announced ~~shall~~ MUST be plainly and clearly audible to all the players present. Where more than one room is used for any one game, the receptacle and the caller must be present in the room where the greatest number of players are present, and all numbers announced ~~shall~~ MUST be plainly audible to the players in the aforesaid room and also audible to the players in the other rooms.

(b) [Formerly 12-9-107 (15)] The receptacle and the caller must be visible to all the players at all times except where more than one room is

used for any one game, in which case ~~the provisions of subsection (14)~~ 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.

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

(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.

(5) (a) **[Formerly 12-9-107 (13) (b)]** Notwithstanding the limitations stated in ~~paragraph (a) of this subsection (13)~~ SECTION 12-9-107 (5), during a bingo occasion a bingo-raffle licensee may also start a single game of progressive bingo, in an amount established by rule by the licensing authority, in which the game is won when a previously designated arrangement of numbers or spaces on the card or sheet is covered within a previously designated number of objects or balls drawn. If the game is not won within the drawing of the previously designated number of objects or balls, the game shall MUST be replayed EITHER during each SUBSEQUENT occasion the licensee conducts at the same location OR DURING EACH

SUBSEQUENT OCCASION THAT FALLS ON THE SAME DAY OF THE WEEK AT THE SAME LOCATION, using the previously 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 amount ~~shall be~~ IS included as part of the aggregate amount of all prizes offered or given in games played on a single occasion, as set forth in paragraph ~~(b)~~ (a) of this subsection ~~(13)~~ (5). If a consolation prize is offered, the game ~~shall be continued~~ CONTINUES until the previously designated arrangement of numbers or spaces on the card or sheet is covered, regardless of the number of balls drawn, in order to determine the winner of the consolation prize. If ~~no~~ A consolation prize is NOT offered, the progressive game ~~shall end without a prize awarded~~ ENDS when the last of the previously designated number of balls is drawn and ~~shall~~ MUST be replayed ~~at the next occasion the licensee conducts,~~ in 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.

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

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

(b) A bingo-raffle licensee shall adequately mark, destroy, or dispose of cards or sheets played with the aid of an electronic device in 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:

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

(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;

(C) The electronic device identifies winning bingo patterns; and

(D) The electronic device signals when a winning bingo pattern is achieved.

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

(c) When a complaint regarding an electronic device used in the aid of bingo that is in use in the state of Colorado has been filed with the

licensing authority, the manufacturer of ~~such~~ THE device shall provide to the licensing authority a sample of ~~such~~ THE device and bingo aid computer system to assist the investigation by the licensing authority. The licensing authority shall return ~~such~~ THE electronic device and bingo aid computer system no later than forty-five days after receiving ~~such items~~ THEM unless ~~the licensing authority needs such electronic device~~ THEY 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-affle licensee for bingo sessions ~~shall~~ MUST meet the following standards:

(a) ~~Such~~ THE system ~~shall~~ MUST contain a record of all transactions occurring during a bingo-affle session. ~~Such~~ THE record ~~shall~~ MUST be retained in memory until the transactions have been totaled, printed, and cleared by the bingo-affle 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-affle 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.

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

(10) **[Formerly 12-9-107 (31)]** If an electronic device used as an aid in the game of bingo complies with sub-subparagraphs (A) to (D) of

subparagraph (II) of paragraph (a) of subsection ~~(29)~~ (8) of this section, and if the bingo aid computer system for ~~such~~ THE electronic device substantially complies with the requirements of subsection ~~(30)~~ (9) of this section, the licensing authority shall approve ~~such~~ THE electronic device and computer system for use by a letter ruling pursuant to section 12-9-103 (1) (d).

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

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 guests; or

(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.

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

(a) "EVENT PULL TAB SERIES" MEANS A PULL TAB SERIES THAT INCLUDES A PREDETERMINED NUMBER OF PULL TABS THAT ALLOW A 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-affle licensee may offer an event pull tab series. For the purposes of this paragraph (g):~~

~~(f) "Event pull tab series" means a pull tab series that includes a predetermined number of pull tabs that allow a player to advance to an event round.~~

~~(H) "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.

(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.

(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;
- (II) The supplier through which the device was supplied;
- (III) The landlord licensee on whose premises the device was found; and
- (IV) The bingo-raffle licensee of the occasion during which the device was present.

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

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

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

(b) (II) Any device that qualifies as a slot machine pursuant to 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:

(a) (I) A device that merely dispenses pull tab tickets to players; or

(b) (II) A device that merely reads or validates a pull tab ticket inserted by a player, if:

(A) The pull tab ticket itself displays its winning or nonwinning status so that use of the device is not required to determine such status; and

(B) The device cannot be used in a manner that would qualify it as a slot machine pursuant to section 9 (4) (c) of article XVIII of the Colorado constitution.

SECTION 9. In Colorado Revised Statutes, **add with amended and relocated provisions** 12-9-107.3 as follows:

12-9-107.3. Conduct of raffles - rules. (1) [Formerly 12-9-107 (21)] The licensing authority shall not require an exempt organization to use raffle tickets in any particular form or displaying any particular

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 conduct a new drawing at the same location at a time and date determined by the bingo-raffle licensee.

(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.

(c) [**Formerly 12-9-107 (13) (l) (II)**] If the bingo-raffle licensee offers a consolation prize, the bingo-raffle licensee shall, before the 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-affle 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-affle 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.

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

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

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

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

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

12-9-108. Bingo-affle 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 licensee, which ~~shall~~ MUST contain only ~~such money. All funds shall be withdrawn from said account~~ THESE MONEYS. IF THE LICENSEE CONDUCTS PROGRESSIVE GAMES OF CHANCE, THE LICENSEE MAY MAINTAIN ONE

ADDITIONAL CHECKING OR SAVINGS ACCOUNT, WHICH MUST CONTAIN ONLY MONEY RECEIVED FROM THE SALE OF PROGRESSIVE GAMES. THE LICENSEE MAY WITHDRAW MONEY FROM THESE ACCOUNTS ONLY by consecutively numbered checks or withdrawal slips or by electronic transactions referenced by transaction number or date. ~~No~~ A check or withdrawal slip ~~shall~~ MUST NOT be drawn to "cash" or a fictitious payee. The licensee shall maintain all of its books and records in accordance with generally accepted accounting principles.

SECTION 12. Repeal of relocated and nonrelocated provisions in this act. In Colorado Revised Statutes, **repeal** 12-9-107 (4) and (5) (b), as they existed immediately prior to the passage of this act, and 12-9-107.7.

SECTION 13. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Morgan Carroll
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO