



Notice of Adoption

Office of the Secretary of State
Rules Concerning Bingo and Raffles Games
8 CCR 1505-2

June 25, 2014

I. Adopted Rule Amendments

As authorized by the Colorado bingo and raffles laws¹ and the State Administrative Procedure Act², the Colorado Secretary of State gives notice that the following amendments to the rules concerning bingo and raffles games³ are adopted on a permanent basis.

The following rules were considered at the June 16, 2014 rulemaking hearing in accordance with the State Administrative Procedure Act⁴.

(SMALL CAPS indicate proposed additions to the current rules. ~~Stricken type~~ indicates proposed deletions from current rules. *Annotations* may be included):

Amendments to Rule 1:

Rule 1. Definitions

1.1 ~~“Bingo raffle licensee rules” means rules established by a licensee for the payment for and playing of games of chance not covered by the state constitution, the Colorado revised statutes, or these rules.~~

[Current Rule 1.1 is repealed; Current Rules 1.2 through 1.7 are renumbered accordingly]

1.2-1.1 “Bucket raffle” means an event where a licensee conducts many small raffles at the same time. Ticket purchasers may deposit one or more of the purchased tickets into various receptacles from which a winner or winners will be drawn for a prize or prizes.

¹ Article XVIII, Section 2 of the Colorado Constitution and Article 9, Title 12 of the Colorado Revised Statutes.

² Section 24-4-103(3)(a), C.R.S. (2013).

³ 8 CCR 1505-2.

⁴ Section 24-4-103(3)(a), C.R.S. (2013).

~~1.3-1.2~~ “~~Call fulfillment~~ CALL-FULFILLMENT center” means a registered company that employs telephone operators to answer calls and provide ~~data entry~~ DATA-ENTRY services.

1.4-1.3 “Concealed face card” means a non-reusable bingo card containing five rows of five squares with a free center space, one number preprinted on each of the remaining 24 spaces, and the letters “B I N G O” printed in order over the five columns. No part of the card’s face is detectable or discernible until the card is purchased and opened by the player.

1.5-1.4 “Double Action Game” means a bingo game that uses a bingo card containing the letters “B I N G O” placed horizontally over a five by five matrix of squares with the center square blank, where each of the other squares contains two numbers in the range of one to 75.

~~1.6-1.5~~ “Face” means a bingo card.

1.7-1.6 “Flare” means a piece of heavy paper stock or other material accompanying a pull tab deal that shows at minimum the following about the matching deal:

~~1.7.1-1.6.1~~ The name and form number of the game;

~~1.7.2-1.6.2~~ The manufacturer name or logo;

~~1.7.3-1.6.3~~ The number of tickets in the deal and the cost per play; and

~~1.7.4-1.6.4~~ The prize structure, including the number of winning tickets by denomination and their respective winning symbol combinations.

New Rule 1.7:

1.7 “HOUSE RULES” MEANS THE LICENSEE’S RULES GOVERNING THE CONDUCT OF GAMES, CONSISTENT WITH THE COLORADO CONSTITUTION, THE BINGO AND RAFFLES LAW, AND THESE RULES.

1.8 “Licensed Premises” means the premises owned, leased by, or controlled by a licensee and used for games of chance, ~~but which~~ AND THAT are not leased to other licensees for the conduct of games of chance.

1.9 “Licensee” means, ~~for the purposes of~~ AS USED IN these rules ~~and~~ unless otherwise specified, a bingo-raffle licensee as defined in section 12-9-102(1.2), C.R.S.

[Current Rules 1.10 through 1.14 are retained unaltered]

[Amendments to Rule 1.15; New Rule 1.15.2:]

1.15 “Remuneration” means a payment given to a member of an organization in return for that member’s participation in the operation of charitable gaming.

1.15.1 ~~The definition~~ “REMUNERATION” includes, but is not limited to:

- 1.15.1(A) Cash;
- 1.15.2(B) Reduced-price or free packs;
- 1.15.3(C) Reduced dues based on the number of volunteer hours that the member works in the operation of charitable gaming;
- 1.15.4(D) Meal vouchers;
- 1.15.5(E) Reimbursement of travel expenses when other members who do not participate in the operation of charitable gaming are not reimbursed for travel;
- 1.15.6(F) Non-competitive scholarships where the selection of the scholarship recipient is based on the amount of time volunteered in charitable gaming operations, whether by the recipient or a member of the organization related to the recipient; or
- 1.15.7(G) Tips received from a player as a result of the member's participation in charitable gaming operations.

1.15.2 "REMUNERATION" DOES NOT INCLUDE FOOD OFFERED TO VOLUNTEERS IN ACCORDANCE WITH SECTION 12-9-107(6), C.R.S., WHEN THE RETAIL VALUE OF THE FOOD DOES NOT EXCEED \$10.00 PER VOLUNTEER-DUTY SHIFT.

1.16 "Renewal Application" means an application for bingo-raffle license renewal filed by a CURRENTLY LICENSED qualified organization. ~~that holds a bingo-raffle license for the immediately preceding calendar year.~~

[Current Rules 1.17 through 1.19 are retained unaltered]

Amendments to Rule 2.3.1(d):

- 2.3.1 A licensee may not conduct any bingo, raffle, or other game of chance ~~until at least~~ UNLESS one of its designated games managers holds a current, valid games manager certificate issued by the Secretary of State. ~~as follows:~~
- (a) The Secretary of State may issue a games manager certificate to any individual who has successfully completed a games manager training program and passed a test.
 - (b) The Secretary of State may issue games manager certificates that are valid for the management of all licensed bingo-raffle activities or may issue a limited certificate valid only for licensed raffles.
 - (c) Each games manager must execute a games manager's oath on a form prescribed by the Secretary of State.

- (d) A games manager certificate is valid for a period of four years from the date of issuance, ~~except that a certificate that is renewed in the six months prior to the expiration date is valid for a period of four years from the expiration date of the prior certificate.~~

Amendments to Rule 2.4.3:

- 2.4.3 Occasion Rules. Each licensee must post ~~at a conspicuous location~~ a sign, in A CONSPICUOUS LOCATION AND IN at least 12-point font ~~stating~~, THAT INCLUDES THE FOLLOWING INFORMATION:
- (a) All licensee HOUSE rules in effect during that occasion, ~~none of which may be in conflict with the Bingo and Raffles Law or these rules;~~
 - (b) That the games manager is the final authority in the event of a dispute;;
AND
 - (c) The procedure for determining refunds and the amount of the refund in the event of a power failure.

Amendments to Rule 2.4.4(c) concerning prize information:

- (c) Merchandise prizes are not redeemable or convertible into cash directly or indirectly, in accordance with section ~~12-9-107(8)~~ 12-9-107.1(4), C.R.S.

Amendments to Rule 3.2.3(b) concerning progressive jackpot bingo games method of play:

- (b) If the game is not won within the drawing of the previously designated number of objects or balls, the licensee must replay the game ~~over successive occasions~~ at the same location using the previously designated arrangement of numbers or spaces, until the game is won.

Current Rule 3.2.16 is repealed:

- ~~3.2.16 Multiple progressive type bingo games. A licensee intending to conduct more than one progressive bingo game must provide the following information in writing to the Secretary of State for approval not less than ten days before commencing the games:~~
- ~~(a) — Conduct of games~~
 - ~~(1) — Method of play for the new progressive bingo game(s);~~
 - ~~(2) — All applicable rules for the new progressive bingo game(s); and~~
 - ~~(3) — Accounting methods to ensure distinctness of the new progressive bingo games.~~

- (b) ~~Restrictions. The results of a progressive bingo game may not depend on any other bingo game, pull tab or raffle.~~

Amendments to Rule 4.1.1(a)(2) concerning player payment method:

- (2) Directly deposit all proceeds ~~received~~ into the licensee's segregated checking or savings account. The licensee ~~must~~ MAY not commingle proceeds with funds in a general account or other account. [Section ~~12-9-108(3)~~-12-9-108(3), C.R.S.]

Current Rules 4.1.4 through 4.1.7 are renumbered as Rules 4.1.2 through Rule 4.1.5:

4.1.4-4.1.2 Premises only sales. All sales of cards, packs, and sheets must take place on the licensed premises during the bingo occasion.

4.1.5-4.1.3 Set price. A LICENSEE:

- (a) ~~A licensee~~ Must sell all cards, packs, and sheets at a set price.
- (b) ~~A licensee~~ May offer discounts on the basis of criteria available to all players, such as quantity purchased.
- (c) ~~A licensee~~ Must set a price for the purchase, lease, or use of an electronic bingo aid device and that price must not change throughout the bingo occasion.
- (d) ~~A licensee~~ Must charge identical fees for electronic and non-electronic bingo card faces.
- (e) ~~A licensee~~ Must post the price of each card, pack, or sheet, including discounts offered, and the charge, if any, for the purchase, lease, or use of each electronic bingo aid device, during the occasion, and before players may purchase items.

4.1.6-4.1.4 Sales of individual sheets and cards. At all bingo occasions where individual disposable cards or sheets are sold, the following procedures apply:

- (a) The licensee must issue individual disposable cards or sheets and a change fund to the workers. The licensee must record the exact number of disposable cards or sheets issued using the form prescribed by the Secretary of State.
- (b) After the cards or sheets for a game are sold, the games manager or other designated individual must count the amount on hand, subtract the change fund, and compare cards or sheets sold against the money received.
- (c) The licensee must record and retain the exact number of cards or sheets that are removed from inventory, sold, and returned to inventory using the form prescribed by the Secretary of State.

- (d) Sellers of individual disposable cards or sheets may not use proceeds from sales to pay prizes.

4.1.7-4.1.5 Progressive bingo cards and sheets. The following procedures and requirements, in addition to those for bingo operations generally, apply to the sale and use of progressive jackpot bingo cards and sheets:

- (a) The licensee must sell only disposable paper cards and must only lease electronic bingo aid devices where card faces are distinguishable by a color or design that the licensee does not use for any other game.
- (b) Each card or face sold for a progressive game must contain five rows of five squares with 24 preprinted numbers, or 48 preprinted numbers in the case of double action games, from the range of 1-75, a free center space, and the letters B I N G O printed in order over the five columns.

Amendments to current Rule 4.1.7(c); renumbered 4.1.5(c):

- (c) A licensee must determine a SET card price ~~of at least one dollar per card~~ before the first game in a progression. Discounts, free cards or faces, price changes, and variable pricing are prohibited.
- (d) A licensee must sell progressive bingo cards prior to the drawing of the first number for the game, except that, if the progressive game is a pre-draw concealed face game, the licensee may sell cards after the first drawing of numbers and before the game resumes.
- (e) A licensee must sell and account for progressive cards separately from other cards, sheets, or packs sold or used at a bingo occasion. A licensee may, by house rule, make purchase of a pack or door card a ~~pre-requisite~~ PREREQUISITE for purchase of a progressive card.

Amendments to Rule 4.2.2:

4.2.2 Tally cards. A licensee must provide a tally card or cash receipt to ~~Anyone~~ ANYONE who purchases cards or packs at the door. At a minimum, the tally card or cash receipt must show the date of purchase and the total number of cards or packs purchased. A licensee must only award a prize when the purchaser provides the tally card or cash receipt.

Amendments to Rule 5.3.2:

5.3.2 If the licensee uses a mechanical pull tab dispensing device, the licensee must post a conspicuous notice upon the machine indicating whether ~~t~~-all unsold tickets in the deal are loaded in the machine.

Amendments to Rule 5.4.3:

- 5.4.3 Offered for play. Once a progressive pull tab game starts at a bingo occasion, a licensee must offer the game at each succeeding bingo occasion sponsored by the licensee until the jackpot is won. If a progressive pull tab game starts on the licensee's premises, the licensee must offer the game on each successive day that the premises is-ARE open.

Amendments to Rule 7.1.1:

- 7.1.1 Reporting requirements. A licensee that conducts a promotion must report awarded prize information to the licensing authority in accordance with section 12-9-102.5(4)(a)-12-9-102.5(4)(c), C.R.S.

Amendments to Rule 8.1.4:

- 8.1.4 ~~Prizes exceeding \$1,000 in value. If the total retail value of the raffle prize or prizes to be won in a single raffle exceeds \$1,000, a licensee must:~~

- ~~(a) — Print a paper ticket stating the bingo raffle license number and the name of the licensee, exactly as it appears on its license, together with the date, time and place of the drawing, the cost of the ticket, an adequate description of the major prize or prizes offered, the date or dates, if any, when the ticket price will increase or decrease, the cost if tickets are purchased as part of a package, and the word "Raffle".~~
- ~~(b) — Print on each ticket a statement indicating whether the holder presence is required to win the raffle prize.~~
- ~~(c) — Print a ticket stub providing for the entry of the name and mailing address of the ticket purchaser if:
 - ~~(1) — Presence is not required to win;~~
 - ~~(2) — Presence is required to win and tickets are sold on any day other than the day of the drawing; or~~
 - ~~(3) — Presence is required to win and tickets are sold at any location other than the location of the drawing.~~~~
- ~~(d) — Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.~~
- ~~(e) — File a voided ticket for the raffle with the Secretary of State prior to the sale of any tickets.~~

IF THE TOTAL RETAIL VALUE OF THE RAFFLE PRIZE OR PRIZES IN A SINGLE RAFFLE EXCEEDS \$1,000, A LICENSEE MUST SATISFY THE FOLLOWING REQUIREMENTS:

TOTAL RETAIL VALUE OF PRIZES OVER \$1,000			
REQUIREMENT TYPE	WHEN TICKETHOLDER'S PRESENCE IS REQUIRED TO WIN	WHEN TICKETHOLDER'S PRESENCE IS NOT REQUIRED TO WIN	
		IF LICENSEE NOTIFIES WINNERS BY MAIL	IF LICENSEE NOTIFIES WINNERS BY ONLINE POSTING
TICKET CONTENT	PRINT A PAPER TICKET WITH THE FOLLOWING: 1. LICENSE NUMBER; 2. LICENSEE NAME EXACTLY AS IT APPEARS ON THE LICENSE; 3. DATE, TIME AND PLACE OF THE DRAWING; 4. TICKET COST; 5. ADEQUATE DESCRIPTION OF THE MAJOR PRIZE(S) OFFERED; 6. DATE(S) WHEN THE TICKET PRICE WILL INCREASE OR DECREASE; 7. COST IF TICKETS PURCHASED AS A PACKAGE; AND 8. THE WORD "RAFFLE."	PRINT A PAPER TICKET WITH THE FOLLOWING: 1. LICENSE NUMBER; 2. LICENSEE NAME EXACTLY AS IT APPEARS ON THE LICENSE; 3. DATE, TIME AND PLACE OF THE DRAWING; 4. TICKET COST; 5. ADEQUATE DESCRIPTION OF THE MAJOR PRIZE(S) OFFERED; 6. DATE(S) WHEN THE TICKET PRICE WILL INCREASE OR DECREASE; 7. COST IF TICKETS PURCHASED AS A PACKAGE; AND 8. THE WORD "RAFFLE."	PRINT A PAPER TICKET WITH THE FOLLOWING: 1. LICENSE NUMBER; 2. LICENSEE NAME EXACTLY AS IT APPEARS ON THE LICENSE; 3. DATE, TIME AND PLACE OF THE DRAWING; 4. TICKET COST; 5. ADEQUATE DESCRIPTION OF THE MAJOR PRIZE(S) OFFERED; 6. DATE(S) WHEN THE TICKET PRICE WILL INCREASE OR DECREASE; 7. COST IF TICKETS PURCHASED AS A PACKAGE; AND 8. THE WORD "RAFFLE."
	PRINT ON EACH TICKET A STATEMENT INDICATING THAT THE TICKETHOLDER MUST BE PRESENT TO WIN PRIZE.	PRINT ON EACH TICKET A STATEMENT INDICATING THAT THE TICKETHOLDER NEED NOT BE PRESENT TO WIN PRIZE.	PRINT ON EACH TICKET A STATEMENT INDICATING THAT THE TICKETHOLDER NEED NOT BE PRESENT TO WIN PRIZE.
	PRINT TICKET STUB PROVIDING FOR ENTRY OF TICKETHOLDER'S NAME AND MAILING ADDRESS IF RAFFLE TICKETS ARE SOLD ON ANY DAY OR AT ANY LOCATION OTHER THAN THE DAY AND LOCATION OF THE DRAWING.	PRINT TICKET STUB PROVIDING FOR ENTRY OF TICKETHOLDER'S NAME AND MAILING ADDRESS.	PRINT ON EACH TICKET THE WEB ADDRESS WHERE THE LICENSEE WILL POST THE WINNING NUMBER, THE PERIOD OF TIME FOR WHICH THE WINNING NUMBER WILL BE POSTED, AND A PHONE NUMBER THAT TICKETHOLDERS CAN CALL TO VERIFY THE WINNING NUMBER.

TOTAL RETAIL VALUE OF PRIZES OVER \$1,000			
REQUIREMENT TYPE	WHEN TICKETHOLDER'S PRESENCE IS REQUIRED TO WIN	WHEN TICKETHOLDER'S PRESENCE IS NOT REQUIRED TO WIN	
		IF LICENSEE NOTIFIES WINNERS BY MAIL	IF LICENSEE NOTIFIES WINNERS BY ONLINE POSTING
PRE-RAFFLE FILING	BEFORE THE SALE OF ANY TICKETS, FILE A VOIDED TICKET FOR THE RAFFLE WITH THE SECRETARY OF STATE.	BEFORE THE SALE OF ANY TICKETS, FILE A VOIDED TICKET FOR THE RAFFLE WITH THE SECRETARY OF STATE.	BEFORE THE SALE OF ANY TICKETS, FILE A VOIDED TICKET FOR THE RAFFLE WITH THE SECRETARY OF STATE. AT LEAST 14 CALENDAR DAYS BEFORE ANY TICKET SALE, SUBMIT TO THE SECRETARY OF STATE. THE WEBSITE ADDRESS WHERE WINNING TICKET NUMBERS WILL BE POSTED THE WEBSITE MUST INDICATE WHEN THE WINNING TICKET NUMBERS WILL BE AVAILABLE.
CLAIMING PRIZE	<p>PROVIDE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED 30 MINUTES, FOR WINNER(S) TO CLAIM PRIZE(S).</p> <p>IF WINNER(S) FAILS TO CLAIM A PRIZE, THE LICENSEE MUST CONTINUE DRAWING TICKETS UNTIL THE PRIZE IS CLAIMED.</p>	<p>WITHIN 30 DAYS OF THE DRAWING, NOTIFY ALL WINNERS WHO HAVE NOT CLAIMED THEIR PRIZES BY U.S. POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED.</p> <p>THE NOTIFICATION MUST INDICATE THE PRIZE WON, A CONTACT PERSON'S TELEPHONE NUMBER, AND THE TIME AND LOCATION WHERE THE WINNER MAY CLAIM THE PRIZE(S).</p> <p>IF A WINNER FAILS TO CLAIM A PRIZE WITHIN 30 DAYS OF RECEIVING NOTIFICATION, THE LICENSEE MAY RETAIN THE PRIZE OR OFFER IT IN ANOTHER RAFFLE.</p>	<p>WITHIN 24 HOURS OF THE DRAWING, POST ALL WINNING TICKET NUMBERS AND A CONTACT PHONE NUMBER TO THE WEBSITE LISTED ON RAFFLE TICKETS. THE WINNING TICKET NUMBERS AND PHONE NUMBER MUST REMAIN POSTED ON THE WEBSITE FOR AT LEAST 30 DAYS AFTER THE RAFFLE DRAWING.</p>
	RETAIN ALL RAFFLE TICKET STUBS AND UNSOLD TICKETS FOR SIX MONTHS FOLLOWING THE QUARTER IN WHICH THE RAFFLE WAS HELD.	RETAIN ALL RAFFLE TICKET STUBS AND UNSOLD TICKETS FOR SIX MONTHS FOLLOWING THE QUARTER IN WHICH THE RAFFLE WAS HELD.	RETAIN ALL RAFFLE TICKET STUBS AND UNSOLD TICKETS FOR SIX MONTHS FOLLOWING THE QUARTER IN WHICH THE RAFFLE WAS HELD.

Amendments to Rule 8.1.5:

8.1.5 ~~Requiring Presence at drawing to win. A licensee may require a ticket holder's presence at the raffle drawing in order to claim a prize.~~

~~(a) — If a ticket holder's presence is required to win, the licensee must provide a reasonable amount of time for the holder to claim his or her prize. The time to claim the prize may not exceed 30 minutes. If no ticket holder claims a prize after a reasonable amount of time, the licensee must continue drawing tickets until the prize is claimed.~~

~~(b) — If presence is not required to win, the licensee must notify all winners by U.S. postal service certified mail, return receipt requested, who have not claimed their prize(s) within 30 days of the drawing. The notification must state the prize won, a telephone number of a contact person, and the time and location where the winner may claim his or her prize(s). If a prize is not claimed within 30 days of receipt of the notification, the licensee may retain the prize or offer it in another raffle.~~

IF THE TOTAL RETAIL VALUE OF THE RAFFLE PRIZE OR PRIZES IN A SINGLE RAFFLE IS \$1,000 OR LESS, A LICENSEE MUST SATISFY THE FOLLOWING REQUIREMENTS:

TOTAL RETAIL VALUE OF PRIZES \$1,000 AND UNDER			
REQUIREMENT TYPE	WHEN TICKETHOLDER'S PRESENCE IS REQUIRED TO WIN	WHEN TICKETHOLDER'S PRESENCE IS NOT REQUIRED TO WIN	
		IF LICENSEE NOTIFIES WINNERS BY MAIL	IF LICENSEE NOTIFIES WINNERS BY ONLINE POSTING
TICKET CONTENT		PRINT TICKET STUB PROVIDING FOR ENTRY OF TICKETHOLDER'S NAME AND MAILING ADDRESS.	PRINT ON EACH TICKET THE WEB ADDRESS WHERE THE LICENSEE WILL POST THE WINNING NUMBER, THE PERIOD OF TIME FOR WHICH THE WINNING NUMBER WILL BE POSTED, AND A PHONE NUMBER THAT TICKETHOLDERS CAN CALL TO VERIFY THE WINNING NUMBER.
PRE-RAFFLE FILING			AT LEAST 14 CALENDAR DAYS BEFORE ANY TICKET SALE, SUBMIT TO THE SECRETARY OF STATE THE WEBSITE ADDRESS WHERE WINNING TICKET NUMBERS WILL BE POSTED. THE WEBSITE MUST INDICATE WHEN THE WINNING TICKET NUMBERS WILL BE AVAILABLE.
CLAIMING PRIZE	<p>PROVIDE A REASONABLE AMOUNT OF TIME, NOT TO EXCEED 30 MINUTES, FOR WINNER(S) TO CLAIM PRIZE(S).</p> <p>IF WINNER(S) FAILS TO CLAIM A PRIZE, THE LICENSE MUST CONTINUE DRAWING TICKETS UNTIL THE PRIZE IS CLAIMED.</p>	<p>WITHIN 30 DAYS OF THE DRAWING, NOTIFY ALL WINNERS WHO HAVE NOT CLAIMED THEIR PRIZES BY U.S. POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED.</p> <p>THE NOTIFICATION MUST INDICATE THE PRIZE WON, A CONTACT PERSON'S TELEPHONE NUMBER, AND THE TIME AND LOCATION WHERE THE WINNER MAY CLAIM THE PRIZE(S).</p> <p>IF A WINNER FAILS TO CLAIM A PRIZE WITHIN 30 DAYS OF RECEIVING NOTIFICATION, THE LICENSEE MAY RETAIN THE PRIZE OR OFFER IT IN ANOTHER RAFFLE.</p>	<p>WITHIN 24 HOURS OF THE DRAWING, POST ALL WINNING TICKET NUMBERS AND A CONTACT PHONE NUMBER TO THE WEBSITE LISTED ON RAFFLE TICKETS. THE WINNING TICKET NUMBERS AND PHONE NUMBER MUST REMAIN POSTED ON THE WEBSITE FOR AT LEAST 30 DAYS AFTER THE RAFFLE DRAWING.</p>
	RETAIN ALL RAFFLE TICKET STUBS AND UNSOLD TICKETS FOR SIX MONTHS FOLLOWING THE QUARTER IN WHICH THE RAFFLE WAS HELD.	RETAIN ALL RAFFLE TICKET STUBS AND UNSOLD TICKETS FOR SIX MONTHS FOLLOWING THE QUARTER IN WHICH THE RAFFLE WAS HELD.	RETAIN ALL RAFFLE TICKET STUBS AND UNSOLD TICKETS FOR SIX MONTHS FOLLOWING THE QUARTER IN WHICH THE RAFFLE WAS HELD.

Amendments to Rule 8.1.6:

- 8.1.6 ~~Cancellation.~~ CANCELTION. A licensee ~~must~~ MAY not cancel a raffle after the first raffle ticket ~~has been~~ IS sold unless the licensee ~~can demonstrate~~ DEMONSTRATES to the Secretary of State that it WILL PROVIDE NOTICE OF CANCELTION TO ALL TICKET PURCHASERS ~~maintained name and address records for every raffle ticket purchaser and can~~ refund the purchase amount to every purchaser.

New Rule 8.1.8:

- 8.1.8 A LICENSEE MAY NOT CONDUCT MORE THAN ONE REGULAR (NON-PROGRESSIVE) RAFFLE DRAWING AT A BINGO OCCASION.

Amendments to Rule 8.4.1(b)(2) concerning playing card progressive raffles:

- (2) The licensee must place ~~each card~~ THE CARDS from the deck in IDENTICAL—a separate ~~envelope~~ ENVELOPES or other ~~container~~ CONTAINERS, ONE CARD PER CONTAINER, through which the card is not visible. The container must be sealed so that the licensee must tear, break, or rip a portion of the container in order to access the card.

Amendments to Rule 8.4.2:

8.4.2 Additional rules for playing card progressive raffles

- (a) Before sealing cards in the containers, the games manager and at least one other licensee member must verify that all cards are present.
- (b) The licensee must shuffle the envelopes containing the cards before putting them on public display.
- (c) Once the licensee places the envelopes on display, the licensee must keep them in a locked container at all times except during drawings. Only the games manager and licensee officers are allowed access to the keys for the container.

[Current Rule 8.4.4. is incorporated into Rule 8.4.2(d) as follows:]

- (d) ~~8.4.4 a~~ A ticket holder must be present at the drawing in order to claim a progressive raffle prize. If the winning ticket purchaser is not present at the drawing, the licensee must continue to draw tickets until selecting a ticket purchaser who is present.
- (e) If the envelope selected by the drawing winner does not contain the Jackpot Prize Card, the licensee must display the selected card at all future drawings until the licensee awards the jackpot prize.

[Current Rule 8.4.6(a) is amended and recodified as New Rule 8.4.2(f) as follows:]

- ~~8.4.6(a)~~(F) A licensee must determine the amount of ~~a progressive raffle~~ THE jackpot based on a percentage of gross raffle ticket sales from each raffle in the progressive sequence, not to exceed 70%.
- ~~(F)~~(G) The licensee may offer a cash consolation prize for a winning ticket purchaser that does not select the Jackpot Prize Card.
- (1) Consolation prizes do not count against the \$15,000 maximum progressive raffle prize limit.
 - (2) Before conducting a progressive raffle offering a consolation prize, the licensee must 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.

Amendments to Rule 8.4.3:

- 8.4.3 The licensee may ~~hold~~ CONDUCT a maximum of ONE PLAYING CARD PROGRESSIVE RAFFLE AND ONE MEMBERS-ONLY PROGRESSIVE RAFFLE ~~two progressive raffles~~ simultaneously.

[Current Rule 8.4.4. is moved to Rule 8.4.2(d)]

Current Rule 8.4.5 is renumbered as New Rule 8.4.4:

- ~~8.4.5~~8.4.4 Progressive Raffles Ticket Sales.
- (a) If the licensee only sells progressive raffle tickets to licensee members, Rule 8.1.4 requirements do not apply.
 - (b) Tickets sold for a specific drawing are void and ineligible for future drawings.
 - (c) The licensee must determine ticket prices before selling progressive raffle tickets and must not change ticket prices for any drawing in that progressive sequence.

Amendments to Rules 8.4.6 through 8.4.8 (renumbered as Rules 8.4.5 through 8.4.7):

- ~~8.4.6~~8.4.5 Progressive Jackpot Prizes.

[Current Rule 8.4.6(a) is amended and recodified as New Rule 8.4.2(f)]

- ~~(b)~~(A) A progressive raffle jackpot prize must not exceed \$15,000. When the jackpot prize reaches \$15,000, the licensee must award it in the following manner:

- (1) In a members-only drawing, the licensee must continue to draw member names until a member who purchased a ticket is drawn. The licensee must award the progressive prize to that member.
 - (2) In a playing card progressive raffle, the licensee must either:
 - (i) Award the jackpot to the ticket purchaser whose ticket is first drawn after the prize limit is reached; or
 - (ii) Determine the winner by drawing raffle tickets and allow ticket holders to select envelopes until a drawing winner selects the jackpot prize card.
 - (3) The licensee may retain any proceeds from raffle tickets sold after the progressive prize reaches the \$15,000 prize limit.
 - (4) A LICENSEE MAY IMPOSE A PROGRESSIVE RAFFLE JACKPOT MAXIMUM BELOW THE \$15,000 MAXIMUM SET BY RULE. UPON REACHING THE SELF-IMPOSED MAXIMUM, THE LICENSEE MUST AWARD THE JACKPOT ACCORDING TO PROCEDURES LISTED IN RULE 8.4.5(A). THE LICENSEE MUST POST NOTICE OF SELF-IMPOSED MAXIMUMS IN ACCORDANCE WITH RULE 8.4.6.
- (B) A LICENSEE MAY SEED A SINGLE PROGRESSIVE RAFFLE WITH AN AMOUNT NOT TO EXCEED \$500.

Amendments to Rule 8.4.6(c) (formerly Rule 8.4.7(c):

- ~~8.4.7~~8.4.6 Required Postings. In addition to any postings otherwise required by these rules, a licensee that conducts a progressive raffle must also post a sign in at least 12-point font stating:
- (a) The amount of the progressive raffle jackpot and any consolation prizes;
 - (b) The percentage of gross sales of progressive raffle tickets that will be contributed to the jackpot;
 - (c) If applicable, the maximum number of progressive raffle drawings without a jackpot winner OR THE MAXIMUM JACKPOT AMOUNT before the licensee will automatically award the prize according to procedures listed in Rule ~~8.4.6(b)~~8.4.5(A);
 - (d) If the jackpot is not awarded, the date, time, and location of the occasion at which the next drawing will occur; and
 - (e) In a playing card progressive raffle, the Jackpot Prize Card and the number of envelopes to be selected per drawing.

~~8.4.8~~8.4.7 If a licensee's license expires, is not renewed, is suspended, revoked, or surrendered, or if the licensee permanently terminates its operations or terminates its operations at a particular location before awarding a progressive raffle jackpot, the licensee must determine a winner and award the jackpot prize on the last posted drawing date at the location where the progression was started.

Amendments to Rule 9.3.2:

9.3.2 Time to redeem pull tab. If A TICKET HOLDER PRESENTS ~~any~~A pull tab ticket is presented more than ~~ten~~21 days after a ~~determination that it is a winning ticket,~~ the licensee ~~may consider~~CLOSES THE PULL TAB DEAL, the ticket is void and ~~of no value and may elect to not redeem such pull tab,~~ IRREDEEMABLE except as OTHERWISE provided for winners of seal and progressive pull tabs in accordance with these rules AND UNLESS THE LICENSEE'S HOUSE RULES PROVIDE AN ALTERNATIVE REDEMPTION DEADLINE.

Amendments to Rule 14.1.1:

14.1.1 Application for approval. Any Colorado licensed manufacturer of an electronic bingo aid device and computer system may apply for a letter ruling in accordance with section ~~12-9-103(1)(d)~~12-9-103(1)(D), C.R.S., by submitting a written request to the Secretary of State. The request must include the manufacturer's name, license number, address, telephone and fax numbers, and an email address; the make, model and description of the bingo aid device and computer system for which approval is sought; and the name and specific contact information of the manufacturer's representative who is an expert on the construction, programming, and operation of the device and system. All requests must also include:

- (a) A complete user's manual of the bingo aid device or system;
- (b) Either a working prototype or a location in Colorado where the manufacturer can demonstrate the prototype;
- (c) An affirmation from the manufacturer stating that the manual and prototype submitted to the Secretary of State do not differ materially from the manual, device and system that will be distributed in Colorado after approval of the prototype;
- (d) In the case of a bingo aid device, a verified certificate from the manufacturer stating that the device meets all the standards set forth in section ~~12-9-107(29)(a)(II)(A) through (D)~~12-9-107.1(8)(A)(II)(A) THROUGH (D), C.R.S., and that the device can and will be restricted to allow the play of no more than 36 faces per bingo game;
- (e) In the case of a bingo aid computer system, a verified manufacturer's certificate stating that the system meets all the requirements set forth in section ~~12-9-107(30)(a) through (e)~~12-9-107.1(9)(A) THROUGH (C), C.R.S., and that the system, if constructed or intended for more than one licensee,

is capable of segregating, securing, and restricting access to each licensee's data so that no other licensee can access the data; and

- (f) The manufacturer must verify that a bingo aid computer system that is designed for use by more than one user only allows users to access the system through a unique user identification and password, smart card, token, or other method. Identification and access must:
 - (1) Ensure that the licensee's data is accessible only to the bearer of the licensee's unique identifier, the Secretary of State and the personnel of the system's manufacturer; and
 - (2) Clearly identify all of the licensee's data and only the licensee's data.

Amendments to Rule 15.3.2:

15.3.2 Class 2 violations include, ~~but are not limited to:~~

- (a) Using bingo ~~raffle~~ OR PULL TAB equipment that is not owned or leased by a landlord licensee or owned or leased by a licensee.
- (b) Paying other than reasonable, bona fide, lawful expenses in connection with the conduct of licensed games of chance, purchasing games of chance prizes or equipment at prices exceeding reasonable and usual amounts, or other use of games of chance proceeds for other than the lawful purposes of the licensee.
- (c) Converting into or redeeming for cash any bingo merchandise prizes.
- (d) Offering or giving any alcoholic beverage as a prize in a licensed game of chance.
- (e) Giving, receiving, authorizing, or permitting the assistance in the conduct of games of chance of any person disqualified or prohibited by statute or rule from rendering such assistance.
- (f) Offering or giving any bingo door prizes or jackpot prizes exceeding the statutory maximum amounts set for prizes.
- (g) Reserving or setting aside bingo cards or pull tabs for use by players, except as authorized in section ~~12-9-107(27)~~12-9-107.1(3)(D), C.R.S., or, except as authorized by these rules, reserving or allowing to be reserved any seat or playing space for use by players.
- (h) Drawing a check on a bingo-raffle account payable to "cash" or to a fictitious payee.

- (i) Authorizing or allowing the play of bingo by a person not present on the premises where the game is conducted, or the play of any game of chance on credit, or without collecting the consideration required in full and in advance.
- (j) Engaging in any act, practice or conduct described as a Class 1 violation in Rule 15.2, or that would otherwise be a Class 1 violation, when the act or conduct is not intended to and does not directly result in the profit, inurement or remuneration of the violator.

II. Basis, Purpose, and Specific Statutory Authority

A Statement of Basis, Purpose, and Specific Statutory Authority follows this notice and is incorporated by reference.

III. Effective Date of Adopted Rules

These new and amended rules will become permanently effective on August 14, 2014.

Dated this 25th day of June, 2014,



Suzanne Staiert
Deputy Secretary of State

For

Scott Gessler
Colorado Secretary of State



Statement of Basis, Purpose, and Specific Statutory Authority

Office of the Secretary of State Rules Concerning Bingo and Raffles Games 8 CCR 1505-2

June 25, 2014

I. Basis and Purpose

This statement is about amendments to the Colorado Secretary of State rules concerning bingo and raffles games. The Secretary of State adopted amendments necessary to implement House Bill 14-1265, which reorganized and made technical and substantive changes to the Colorado bingo and raffles laws¹. The Secretary also adopted other amendments to the rules in order to ensure uniform and proper administration, implementation, and enforcement of Colorado bingo and raffles laws, answer questions arising under these laws, and improve the administration of bingo and raffles games in Colorado. Such amendments include revisions proposed by Colorado Bingo-Raffle Advisory Board members and bingo-raffle stakeholders.

Details about changes to the rules follow:

- Current Rule 8.4.4 is relocated to New Rule 8.4.2(d). At the February 5, 2014 and April 16, 2014 Bingo-Raffle Advisory Board meetings and at subsequent stakeholder input sessions, individuals expressed the need to revise rules concerning how licensees conduct progressive raffle games. The new location requires winning progressive raffle ticket purchasers to be present only for playing-card games, and not for members-only games.
- Rule 1.1 is repealed as unnecessary and Rules 1.2 through 1.7 are renumbered accordingly.
- New Rule 1.7 defines “house rules.”
- Amendments to Rule 1.15, including New Rule 1.15.2, revise the “remuneration” definition and set the maximum amount of food a licensee may provide per volunteer in accordance with HB 14-1265.
- Rule 2.3.1(d) is amended to repeal the provision that allows renewing games managers to use their prior certification’s expiration date as the start date of the new certification’s

¹ Article XVIII, Section 2 of the Colorado Constitution and Article 9, Title 12 of the Colorado Revised Statutes.

period of validity. This revision is expected to reduce confusion among renewing games managers and harmonize certification requirements with current Department of State system capabilities.

- Rule 2.4.3 is amended to clarify what licensees must post at each occasion.
- Rule 2.4.4(c) is amended to correct the statutory reference in accordance with HB 14-1265.
- Amendments to Rule 3.2.3(b) repeal the requirement that licensees run progressive bingo games at successive occasions in accordance with HB 14-1265.
- Rule 3.2.16 is repealed as unnecessary.
- New Rule 4.1.5(c) (formerly Rule 4.1.7(c)) is amended to allow licensees more flexibility in determining prices for progressive bingo cards.
- Rule 7.1.1 is amended to correct the statutory reference in accordance with HB 14-1265.
- Rule 8.1.4 is amended to allow licensees awarding prizes with a total retail value over \$1,000 to post winning raffle ticket information online. The Secretary also reformatted the rule as a table to provide more clarity on general raffle ticket requirements.
- Rule 8.1.5 is amended to allow licensees awarding prizes with a total retail value of \$1,000 and under to post winning raffle tickets online. The Secretary also reformatted the rule as a table to provide more clarity on general raffle ticket requirements. The Secretary received a written comment stating that current Rule 8.1.5 failed to indicate that these licensees must also retain raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held. The Secretary corrected this omission.
- Amendments to Rule 8.1.6 require a licensee to demonstrate to the Secretary of State that it will provide notice of cancelation to all raffle ticket purchasers before canceling a raffle.
- New Rule 8.1.8 establishes that a licensee may conduct no more than one regular raffle drawing at a bingo occasion.
- Amendments to Rule 8.4.1(b)(2) require a licensee to use identical containers when conducting a playing-card progressive raffle. This provision is expected to prevent fraud and mismanagement in these games.
- Rule 8.4.3 is amended to limit a licensee to conducting simultaneously no more than one playing card progressive raffle and one member-only progressive raffle drawing at a bingo occasion. The adopted rule incorporates revisions addressing a stakeholder's written comment requesting clarification.

- Rule 8.4.4 is incorporated into Rule 8.4.2(d).
- New Rule 8.4.5(a)(4) allows a licensee to set a progressive raffle jackpot maximum below the \$15,000 maximum set by rule. This will allow licensees more flexibility in running these games.
- New Rule 8.4.5(b) allows a licensee to seed a progressive raffle with an amount not to exceed \$500.
- Current Rule 8.4.6(a) is recodified as New Rule 8.4.2(f).
- Current Rule 8.4.7 is renumbered as Rule 8.4.6 and subsection (c) is amended to clarify what licensees must post when conducting progressive raffles.
- Rule 9.3.2 is amended to provide that the default deadline for redemption of a pull tab is 21 days after a pull tab deal closure except as otherwise provided for seal and progressive pull tab winners in the rules, and unless the licensee establishes an alternative deadline in house rules. This revision will provide clarity to pull tab purchasers while maintaining flexibility for licensees.
- Rule 15.3.2 is amended to eliminate the reference to raffle equipment and to correct a statutory reference in accordance with HB 14-1265.
- Other changes to rules not specifically listed are non-substantive. Some words and phrases are changed to simplify or clarify, but the meaning is not intended to be altered unless as described above. Cross-references in rules are also corrected or updated. Renumbering the rules is necessary for consistency with Department rulemaking format and style.

On April 24, 2014, the Secretary issued a request for public comment to help our office develop preliminary draft rules. The comments we received in anticipation of rulemaking are available online at: http://www.sos.state.co.us/pubs/rule_making/bingoRuleComments.html. Additional comments received during the formal rulemaking are available online at: http://www.sos.state.co.us/pubs/rule_making/hearings/2014/BingoRulesHearing20140616.html. All comments are incorporated into the official rulemaking record.

II. Rulemaking Authority

The statutory authority is as follows:

1. Section 12-9-103(1)(b), C.R.S., (2013), which authorizes the Secretary of State to “supervise the administration and enforcement of this [Article 9] and, in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance . . . [.]”

2. Section 12-9-107(13)(a), C.R.S., (2013), which authorizes the Secretary of State to “establish by rule the method of play and amount of prizes that may be awarded . . . [.]”
3. Section 12-9-107(13)(m)-(o)(I), C.R.S., (2013), which authorizes the Secretary of State to:
 - a. Establish by rule the maximum jackpot licensees may award for progressive raffles;
 - b. Establish by rule the maximum number of progressive raffles licensees may conduct simultaneously to ensure that all prizes offered are timely awarded; and
 - c. Establish by rule the permitted methods of conducting a progressive raffle.
4. Sections 12-9-202(2)(a)-(c), C.R.S., (2013), which require the Colorado Bingo-Raffle Advisory Board to offer the Secretary of State advice regarding the types of charitable games to be conducted, the rules for those games, the number of occasions per year, and the licensing requirements for the conduct of charitable gaming.