



Help Shape Colorado's Bingo-Raffle Rules

Topic: Rules Concerning Progressive Raffles

July 1, 2013

What is this about?

In accordance with House Bill 13-1101, Secretary Gessler will soon commence rulemaking to adopt progressive raffles rules. A copy of the Bill is attached. Colorado law permits agencies to informally solicit views from interested stakeholders concerning proposed draft rules before commencing the formal rulemaking process. We invite you to share your thoughts and recommendations as we develop a preliminary draft of proposed rules to regulate progressive raffles in the state.

Please see the attached working draft rules. The Secretary intends to provide clear guidance to the charitable gaming community on the requirements for conducting progressive raffles. The following highlights the primary aims of the proposed draft rules:

- Identify the two types of authorized progressive raffles: (1) playing card progressive raffles and (2) member-only progressive drawings.
- Outline the specific operational requirements for both types of progressive raffles, including ticket sales and prize calculations.
- Outline required postings for all progressive raffles.

Why does the Secretary need my help?

The Secretary values your feedback and we would very much like to hear your thoughts. We need your help to identify necessary revisions or additional guidance in order to propose a constructive and comprehensive draft rule for consideration during the formal rulemaking proceedings. Overall, your opinions and recommendations will help shape Colorado's Bingo and Raffle Rules.

How do I submit my comments and what is the deadline?

Please review these draft rules before the Bingo-Raffle Advisory Board meeting on July 10, 2013. You will have the opportunity to make comments on the rules during this meeting. You may also email your written comments to licensing@sos.state.co.us. To ensure consideration of your comments before the proposed draft is issued, we must receive your comments by 5:00 p.m. on July 17, 2013.

Will my comments become part of the official record for the anticipated rulemaking?

Yes, we will incorporate your comments into the official record when we commence with formal rulemaking. Our office will identify your comments as information received in anticipation of rulemaking to support the development of the proposed draft rule. Please note that you will have an additional opportunity to provide testimony and/or written comments regarding the proposed rule during the rulemaking proceeding.

To promote transparency and to help generate discussion, our office will post a copy of your comments on the Secretary of State's website. We appreciate privacy concerns and will redact personal contact information that may appear in your comments prior to posting (including your home address, personal email address, and telephone number). To view the comments that we receive, please visit: http://www.sos.state.co.us/pubs/rule_making/bingoRuleComments.html

Working Draft of Proposed Rules

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

Revised July 1, 2013

SMALL CAPS indicate proposed additions to the current rules.

~~Stricken type~~ indicates proposed deletions from current rules.

This draft may include [annotations](#).

1 [New Rule 8.4:](#)

2 [Subsequent rules will be renumbered accordingly](#)

3 8.4 PROGRESSIVE RAFFLES. IN ADDITION TO ALL APPLICABLE RAFFLE REQUIREMENTS, A LICENSEE
4 THAT CONDUCTS A PROGRESSIVE RAFFLE MUST COMPLY WITH THE FOLLOWING:

5 8.4.1 PROGRESSIVE RAFFLE GAMES ARE RESTRICTED TO MEMBER-ONLY PROGRESSIVE
6 DRAWINGS AND PLAYING CARD PROGRESSIVE RAFFLES AS FOLLOWS:

7 (A) MEMBER-ONLY PROGRESSIVE DRAWINGS

8 (1) LICENSEE MEMBERS ARE GIVEN THE OPPORTUNITY TO BUY RAFFLE
9 TICKETS.

10 (2) AT THE DRAWING, THE LICENSEE PLACES THE NAMES OF ALL MEMBERS
11 INTO A POOL AND SELECTS ONE NAME.

12 (3) IF THE MEMBER WHOSE NAME IS DRAWN PURCHASED A TICKET FOR THAT
13 DRAWING, THAT MEMBER WINS THE RAFFLE PRIZE AMOUNT, CONSISTING
14 OF THE PRIZE MONEY ACCUMULATED SINCE THE LAST WINNING DRAW.

15 (4) IF THE MEMBER WHOSE NAME IS DRAWN DID NOT PURCHASE A TICKET
16 FOR THAT DRAWING, THERE IS NO WINNER AND THE PRIZE AMOUNT IS
17 ADDED TO THE JACKPOT FOR THE NEXT DRAWING.

18 (B) PLAYING CARD PROGRESSIVE RAFFLES

19 (1) THE LICENSEE MUST SELECT A JACKPOT PRIZE CARD FROM EITHER A
20 STANDARD DECK OF 52 CARDS OR A STANDARD DECK OF 52 CARDS PLUS
21 TWO JOKER CARDS (FOR A TOTAL OF 54 PLAYING CARDS).

22 (2) THE LICENSEE MUST PLACE ALL CARDS FROM THE DECK IN SEALED
23 ENVELOPES. THE CARDS MUST NOT BE VISIBLE THROUGH THE ENVELOPE.

24 (3) AFTER SELLING RAFFLE TICKETS, THE LICENSEE MUST HOLD A DRAWING
25 WITH THE POOL CONTAINING ALL TICKETS PURCHASED FOR THAT
26 DRAWING.

- 1 (4) THE PURCHASER OF THE DRAWN TICKET IS GIVEN THE OPPORTUNITY TO
2 SELECT ONE OF THE ENVELOPES.
- 3 (5) IF THE TICKET PURCHASER SELECTS THE ENVELOPE CONTAINING THE
4 JACKPOT PRIZE CARD, THE TICKET PURCHASER WINS THE RAFFLE PRIZE
5 AMOUNT, CONSISTING OF THE PRIZE MONEY ACCUMULATED SINCE THE
6 LAST WINNING DRAW. IF THE TICKET PURCHASER'S SELECTED ENVELOPE
7 DOES NOT CONTAIN THE JACKPOT PRIZE CARD, THERE IS NO WINNER
8 AND THE PRIZE AMOUNT IS ADDED TO THE JACKPOT FOR THE NEXT
9 DRAWING.

10 8.4.2 ADDITIONAL RULES FOR PLAYING CARD PROGRESSIVE RAFFLES

- 11 (A) THE LICENSEE MUST SHUFFLE THE ENVELOPES CONTAINING PLAYING CARDS
12 BEFORE PUTTING THEM ON PUBLIC DISPLAY.
- 13 (B) ONCE THE LICENSEE PLACES THE ENVELOPES ON DISPLAY, THE LICENSEE MUST
14 KEEP THEM IN A LOCKED CONTAINER AT ALL TIMES EXCEPT DURING DRAWINGS.
15 ONLY THE GAMES MANAGER AND LICENSEE OFFICERS ARE ALLOWED ACCESS TO
16 THE KEYS FOR THE CONTAINER.
- 17 (C) IF THE WINNING TICKET PURCHASER IS NOT PRESENT AT THE DRAWING, THE
18 LICENSEE MUST CONTINUE TO DRAW TICKETS UNTIL A WINNER IS SELECTED.
- 19 (D) IF THE ENVELOPE SELECTED BY THE DRAWING WINNER DOES NOT CONTAIN THE
20 JACKPOT PRIZE CARD, THE LICENSEE MUST DISPLAY THE SELECTED CARD AT
21 ALL FUTURE DRAWINGS UNTIL THE LICENSEE AWARDS THE JACKPOT PRIZE.
- 22 (E) THE LICENSEE MAY OFFER A CASH CONSOLATION PRIZE FOR A WINNING TICKET
23 PURCHASER THAT DOES NOT SELECT THE JACKPOT PRIZE CARD.
- 24 (1) CONSOLATION PRIZES DO NOT COUNT AGAINST THE \$15,000 MAXIMUM
25 PROGRESSIVE RAFFLE PRIZE LIMIT.
- 26 (2) BEFORE CONDUCTING A PROGRESSIVE RAFFLE OFFERING A
27 CONSOLATION PRIZE, THE LICENSEE MUST DESIGNATE THE
28 CONSOLATION PRIZE AS EITHER A SPECIFIED AMOUNT OR A SPECIFIED
29 PERCENTAGE OF THE GROSS PROCEEDS COLLECTED FROM THE SALE OF
30 RAFFLE TICKETS FOR A PARTICULAR DRAWING.

31 8.4.3 THE LICENSEE MAY HOLD A MAXIMUM OF TWO PROGRESSIVE RAFFLES
32 SIMULTANEOUSLY.

33 8.4.4 PURCHASERS MUST BE PRESENT TO WIN AT ALL PROGRESSIVE RAFFLE DRAWINGS.

34 8.4.5 TICKET SALES.

- 35 (A) THE LICENSEE MUST ONLY SELL TICKETS FOR A PROGRESSIVE RAFFLE DRAWING
36 ON THE SAME DAY AND AT THE SAME LOCATION AS THAT DRAWING.

- 1 (B) TICKETS SOLD FOR A SPECIFIC DRAWING ARE VOID AND INELIGIBLE FOR FUTURE
2 DRAWINGS.
- 3 8.4.6 A LICENSEE MUST DETERMINE THE AMOUNT OF A PROGRESSIVE RAFFLE JACKPOT BASED
4 ON A PERCENTAGE OF GROSS RAFFLE TICKET SALES FROM EACH RAFFLE IN THE
5 PROGRESSIVE SEQUENCE, NOT TO EXCEED 70%.
- 6 8.4.7 A PROGRESSIVE RAFFLE JACKPOT PRIZE MUST NOT EXCEED \$15,000. WHEN THE JACKPOT
7 PRIZE REACHES \$15,000, THE LICENSEE MUST AWARD IT IN THE FOLLOWING MANNER:
- 8 (A) IN A PLAYING CARD PROGRESSIVE RAFFLE, THE LICENSEE MUST AWARD THE
9 JACKPOT TO THE TICKET PURCHASER WHOSE TICKET IS FIRST DRAWN AFTER THE
10 PRIZE LIMIT IS REACHED.
- 11 (B) IN A MEMBER-ONLY DRAWING, THE LICENSEE MUST CONTINUE TO DRAW
12 MEMBER NAMES UNTIL A MEMBER WHO PURCHASED A TICKET IS DRAWN. THE
13 LICENSEE MUST AWARD THE PROGRESSIVE PRIZE TO THAT MEMBER.
- 14 (C) THE LICENSEE MAY RETAIN ANY PROCEEDS FROM RAFFLE TICKETS SOLD AFTER
15 THE PROGRESSIVE PRIZE REACHES THE \$15,000 PRIZE LIMIT.
- 16 8.4.8 REQUIRED POSTINGS. IN ADDITION TO ANY POSTINGS OTHERWISE REQUIRED BY THESE
17 RULES, A LICENSEE THAT CONDUCTS A PROGRESSIVE RAFFLE MUST ALSO POST A SIGN IN
18 AT LEAST 12-POINT FONT STATING:
- 19 (A) THE AMOUNT OF THE PROGRESSIVE RAFFLE JACKPOT AND ANY CONSOLATION
20 PRIZES;
- 21 (B) THE PERCENTAGE OF GROSS SALES OF PROGRESSIVE RAFFLE TICKETS THAT WILL
22 BE CONTRIBUTED TO THE JACKPOT;
- 23 (C) IF APPLICABLE, THE MAXIMUM NUMBER OF PROGRESSIVE RAFFLE DRAWINGS
24 WITHOUT A JACKPOT WINNER BEFORE THE LICENSEE WILL AUTOMATICALLY
25 AWARD THE PRIZE ACCORDING TO PROCEDURES LISTED IN RULE 8.2.7;
- 26 (D) IF THE JACKPOT IS NOT AWARDED, THE DATE, TIME, AND LOCATION OF THE
27 OCCASION AT WHICH THE NEXT DRAWING WILL OCCUR;
- 28 (E) IN A PLAYING CARD PROGRESSIVE RAFFLE, THE JACKPOT PRIZE CARD.
- 29 8.4.9 IF A LICENSEE'S LICENSE EXPIRES, IS NOT RENEWED, IS SUSPENDED, REVOKED, OR
30 SURRENDERED, OR IF THE LICENSEE PERMANENTLY TERMINATES ITS OPERATIONS OR
31 TERMINATES ITS OPERATIONS AT A PARTICULAR LOCATION BEFORE AWARDED A
32 PROGRESSIVE RAFFLE JACKPOT, THE LICENSEE MUST DETERMINE A WINNER AND AWARD
33 THE JACKPOT PRIZE ON THE LAST POSTED DRAWING DATE AT THE LOCATION WHERE THE
34 PROGRESSION WAS STARTED.

NOTE: The governor signed this measure on 5/3/2013.

An Act

HOUSE BILL 13-1101

BY REPRESENTATIVE(S) Singer, Fields, Hulinghorst, Schafer;
also SENATOR(S) Tochtrop.

CONCERNING PROGRESSIVE RAFFLES, AND, IN CONNECTION THEREWITH,
MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 12-9-107, **add** (13) (k), (13) (l), (13) (m), (13) (n), and (13) (o) as follows:

12-9-107. Persons permitted to conduct games of chance - premises - equipment - expenses - rules. (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.

(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

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

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.

(II) IF THE BINGO-RAFFLE LICENSEE OFFERS A CONSOLATION PRIZE, THE BINGO-RAFFLE LICENSEE SHALL, BEFORE THE DRAWING:

(A) 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) CONSPICUOUSLY DISPLAY THE AMOUNT OR PERCENTAGE OF THE GROSS PROCEEDS COLLECTED THAT THE CONSOLATION PRIZE EQUALS.

(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), THE MAXIMUM JACKPOT MAY NOT BE LESS THAN FIFTEEN THOUSAND DOLLARS. THE MAXIMUM JACKPOT DOES NOT INCLUDE THE AGGREGATE AMOUNT OF CONSOLATION PRIZES AWARDED.

(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 NUMBER OF DRAWINGS TO LESS THAN THIRTY.

(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 2. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the department of state cash fund created in section 24-21-104 (3) (b), Colorado Revised Statutes, not otherwise appropriated, to the department of state, for the fiscal year beginning July 1, 2013, the sum of \$25,160, or so much thereof as may be necessary, for allocation to information technology services for contract programming services related to the implementation of this act.

SECTION 3. Effective date. This act takes effect January 1, 2014.

SECTION 4. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

John P. Morse
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