

OFFICE OF THE SECRETARY OF STATE
New Rule 24 and Amended Rule 12
Covering and Regulating Bingo and Raffles

Statement of Basis, Purpose and Specific Statutory Authority

Basis and Purpose

These rules are based on the Bingo and Raffles Law, article 9 of title 12 Colorado Revised Statutes, specifically on the amendments and additions thereto embodied in HB 01-1154, “Concerning the Use of Electronic Bingo Devices” (enacted March 23, 2001); information obtained from bingo-raffle, supplier/manufacturers, and landlord licensees; and the recommendations of the Bingo-Raffle Advisory Board, made pursuant to the provisions of C.R.S. 12-9-202.

It is the general purpose of these rules to clarify and detail the regulatory requirements to which they relate, in order to make such requirements easier to access, understand, and follow. The specific purposes of the individual rule amendments and additions are as follows:

- New Rule 24 defines the procedures required to license an electronic device, ruling procedures, and the requirements and conditions that must be met for device distribution and compliance in areas of record keeping, electronic device limitations and requirements, data accessibility by the licensing and authority, and control of the system by the licensee;
- The Rule 12 amendment adds a clarification as to the posting of prices separately for the electronic device and the paper which is played on that device.

Specific Statutory Authority

These rules are promulgated in accord with the Colorado Administrative Procedure Act, specifically C.R.S. 24-4-103, and pursuant to the specific statutory authority granted to the Secretary of State by the Colorado Bingo and Raffles Law at C.R.S. 12-9-103(1), “Licensing authority – powers – duties.”

PROPOSED NEW RULE 24 AND PROPOSED AMENDMENT TO RULE 12

**Proposed Amendment to Section 2 of Rule 12,
“Sale and Use of Bingo Cards, Packs, and Sheets”**

1 2) All cards, packs, and sheets shall be sold at a set price. ANY CHARGE FOR
2 THE PURCHASE, LEASE, OR USE OF AN ELECTRONIC PLAYER AID
3 DEVICE SHALL BE AT A SET PRICE. The price of each type of card, pack,
4 or sheet AND THE CHARGE, IF ANY, FOR THE PURCHASE, LEASE, OR
5 USE OF EACH TYPE OF ELECTRONIC PLAYER AID DEVICE THAT WILL
6 BE OFFERED FOR USE AT A BINGO OCCASION shall be posted on the
7 premises at the time of the occasion, in advance of any player purchasing any card,
8 pack, or sheet OR PAYING ANY SUCH CHARGES FOR AN ELECTRONIC
9 BINGO PLAYER AID DEVICE.

Rule 24

Electronic Devices Used as Bingo Aids and Bingo Aid Computer Systems

10 1) Any Colorado licensed manufacturer of an electronic bingo aid device and
11 computer system may apply for a letter ruling pursuant to C.R.S. 12-9-
12 103(1)(d) by means of a request in writing. The request shall include the
13 manufacturer’s name, license number, address, telephone/fax number(s),

1 and e-mail address, if any; the make, model, and description of the bingo
2 aid device and computer system for which approval is sought, and the
3 name and specific contact information for at least one representative of the
4 manufacturer who is available to the licensing authority as an expert on the
5 construction, programming, and operation of the device and system for
6 which approval is sought. Letter ruling requests shall be accompanied by:

- 7 a. Complete user's manual(s) and prototype(s) of the bingo aid
8 device/system for which approval is sought;
- 9 b. An affirmation from the manufacturer stating that the manual(s) and
10 prototype(s) submitted ~~are identical~~ do not differ materially to ~~from~~ the
11 manual(s), device(s) and system(s) that will be distributed in Colorado
12 after approval of the prototype(s);
- 13 c. In the case of a bingo aid device, a verified ~~manufacturer's~~ certificate
14 from the manufacturer stating that the device meets all the ~~requirements~~
15 standards set forth at C.R.S. 12-9-107(29)(a)(II)(A) through (D) and that
16 the device is or can be restricted to allow the play of no more than thirty-
17 six bingo cards per game of bingo, and will be so restricted for Colorado
18 distribution, in accord with C.R.S. 12-9-107(28)(c); and
- 19 d. In the case of a bingo aid computer system, a verified manufacturer's
20 certificate stating that the system meets all the requirements set forth at
21 C.R.S. 12-9-107(30) (a) through (c), and that the system, if constructed or
22 intended for more than one user, is capable of segregating and securing

1 each user's data in such a manner that each user has unique access to its
2 own data but no user has access or any level to another user's data.

3 2) The licensing authority shall issue an letter ruling regarding an electronic
4 bingo aid device or bingo aid computer system ~~letter ruling~~ within 45 days
5 after submission of the application for such ruling. For the purpose of
6 calculating the time period for a ruling, an application shall not be
7 considered to be submitted unless and until it is filed in the office of the
8 Secretary of State complete with all attachments and accompaniments
9 required by the Bingo and Raffle Law and specified in this Rule 24.

10 3) If an application for a letter ruling regarding an electronic bingo aid device
11 or bingo aid computer system has been filed in the office of the Secretary
12 of State on or before October 1, 2001, and such device or system was in
13 use in Colorado prior to that date, the device or system may continue to be
14 used within this State unless and until the Secretary of State issues an
15 adverse ruling regarding it. Applications submitted before October 1,
16 2001, shall be deemed for the purposes of this section 2) of Rule 24 to have
17 been filed on October 1, 2001, and the Secretary of State shall issue a letter
18 ruling regarding any such application on or before November 14, 2001.

19 34) No manufacturer shall distribute in Colorado any electronic bingo aid
20 device or bingo aid computer system that differs materially in construction,
21 hardware, software, or operation from a previously approved device or system
22 until such manufacturer has requested and received a letter from the licensing

1 authority approving the differing device or system. Nonfunctional differences in a
2 device or system, ~~such as~~ including, but not limited to, changes in screen
3 appearance, case color or size, or power supply, shall not be deemed material for
4 purposes of this section~~34~~).

5 **54)** The distribution and use of electronic bingo aid devices and computer
6 systems shall be subject to the following requirements and conditions.

7 a. A bingo-raffle licensee shall notify the licensing authority in writing of
8 the manufacturer, make, model, and description of any bingo aid device or
9 bingo aid computer system the licensee intends to offer for use or put into
10 play on or after October 1, 2001. **In the notification, the licensee shall**
11 **identify by name, address, and license number the manufacturer or**
12 **supplier from whom any such device or system has been or is to be**
13 **obtained.** **On and after November 30, 2001, no licensee shall use or**
14 **permit the use of any bingo aid device or bingo aid computer system in**
15 **connection with its licensed games of chance bingo activities until at least**
16 **10 days after such licensee files the notification required by this**
17 **subsection a.**

18 **b. Any contract or agreement between a bingo-raffle licensee and a**
19 **manufacturer, supplier, or agent concerning the rental, lease, or use of any**
20 **bingo aid device or bingo aid computer system that is entered into,**
21 **renewed, or extended on or after October 1, 2001 shall be subject to the**
22 **following:**

1 i. The initial term and any subsequent term of the contract or agreement
2 shall not exceed one year, and a term may be renewed or extended only
3 by the affirmative consent of the bingo-raffle licensee executed in
4 writing no more than thirty days prior to the expiration of the term; and

5 ii. The contract or agreement shall be terminated if and when the bingo-
6 raffle licensee ceases to conduct bingo, chooses to conduct bingo
7 without the use of electronic bingo aid devices, or changes the location
8 at which it conducts bingo.

9 c. No person except the licensed agent or representative of the manufacturer
10 of an electronic bingo aid device or bingo aid computer system shall make
11 or attempt to make any alteration in the construction, programming, or
12 internal operation of such device or system or of the games of chance
13 transaction records stored therein.

14 d. The licensing authority shall ~~at all times~~ have access ~~via modem or~~
15 ~~internet upon request~~ to all bingo aid computer systems in use within the
16 State. The nature of the access shall be such as will enable the licensing
17 authority to ~~observe and monitor~~ audit any system ~~on an ongoing basis~~
18 and verify that the system is operated in compliance with the law and
19 rules regulating bingo aid computer systems. The mode of access shall be
20 as approved by the licensing authority and as arranged between or among
21 the licensing authority, ~~and~~ the manufacturer of the system, and the bingo-
22 raffle licensee using the system, as appropriate, approved by the licensing

1 authority. No system shall be used or put in play at any time when the
2 access described in this subsection c has not been furnished ~~or is not~~
3 available to the licensing authority.

4 e. A bingo-raffle licensee that uses a bingo aid computer system to record,
5 track, or process any ~~games of chance bingo~~ transaction during a bingo
6 occasion shall use the system to record, track, and process all ~~games of~~
7 ~~chance bingo~~ transactions occurring during that occasion, without regard
8 to whether such transactions involve an electronic bingo player aid device.

9 A bingo-raffle licensee may use a bingo aid computer system without
10 using, leasing, selling, purchasing, or possessing any electronic bingo
11 player aid device, but may not use, allow the use of, or distribute to
12 players any electronic bingo aid device without using a bingo aid
13 computer system to record, track and process its ~~games of chance bingo~~
14 transactions at the bingo occasion during which the bingo player aid
15 device is used.

16 f. A bingo-raffle licensee that uses a bingo aid computer system shall back
17 up and preserve its ~~games of chance bingo~~ transaction data, together with
18 the data for any other games of chance transactions recorded in the system
19 during the occasion, -at the conclusion of each occasion during which the
20 system is used- The data shall be copied and saved to floppy disk, tape, or
21 other removable medium, and kept by the licensee as a required games of
22 chance record for a period of not less than three years from the date of the

1 occasion. ~~Except with the permission of the licensing authority for good~~
2 ~~cause shown, no games of chance transaction record shall be purged,~~
3 ~~altered, destroyed, deleted, or discarded sooner than three years from the~~
4 ~~date of the transaction.~~

5 **g.** A bingo-raffle licensee using a bingo aid computer system that is used or
6 intended for use by more than one person or organization shall be
7 uniquely identified for access to the system by means of a user
8 identification and password, smart card or token, or other method
9 approved by the licensing authority. The method of identification and
10 access shall:

11 i. Ensure that the bingo-raffle licensee's data is accessible only to the
12 bearer of the licensee's unique identifier, the licensing authority, and
13 the personnel of the system's manufacturer; and

14 ii.—Clearly identify all of and only the licensee's data as belonging to
15 the licensee; ~~and~~

16 ~~ii.—Permit no access to the data of any other user of the system.~~

17 **h.** Each licensee's identification for access to a bingo aid computer system
18 shall at all times be in the custody and control of designated games
19 manager(s) or officer(s) of the licensee and shall not be released, made
20 known, or transferred to any other person except upon order of the
21 licensing authority or a duly constituted law enforcement agency. Each
22 licensee shall, by and through its officers and games managers, make

1 every reasonable effort to protect, secure and safeguard its unique system
2 identification from disclosure to or use by any other person, and shall
3 report to the licensing authority immediately upon discovery any known
4 or suspected breach or compromise of such protection. When the security
5 of a licensee's user identification has or may have been compromised, the
6 bingo-raffle licensee shall disable such identification ~~shall be disabled~~ for
7 purposes of system access and ~~the licensee shall be issued~~ issue a new
8 identification ~~by the system's manufacturer or the licensing authority~~.

9 **i.** No bingo-raffle licensee shall access or attempt to access any bingo aid
10 computer system data that such licensee does not own.

11 **j.** No bingo-raffle licensee shall allow a player to ~~purchase, rent, or~~ use more
12 than one electronic bingo player aid device at any bingo occasion, whether
13 for that player or on behalf of another.

14 **k.** No bingo-raffle licensee shall allow the passive play of any game of bingo
15 by means of an electronic player aid device. Any player using such a
16 player aid device shall be required to enter called numbers manually into
17 the device in order to track the status of any card by means of the device.
18 A player who is physically unable to use his/her hands shall be exempt
19 from this prohibition. A vision impaired player may use a device
20 equipped with Braille or raised key designation markings, as long as such
21 device does not differ in any other way from those used by other players
22 at a bingo occasion.

1 1. The licensing authority, in addition to or in lieu of any other penalties or
2 corrective actions may restrict or prohibit the use of any electronic bingo
3 player aid device or computer system by a bingo-raffle licensee that
4 violates any provision of the law or rules regulating such devices and
5 systems.

6 5) ~~The games of chance reporting, accounting and record keeping~~
7 ~~requirements for a~~ bingo-raffle licensee using a bingo aid computer system
8 ~~shall be identical with those for any other licensee. Daily bingo occasion~~
9 ~~records shall meet the requirements set forth in the Bingo and Raffle Law and~~
10 ~~rules, specifically Rule 9, "Bingo Games Daily Occasion Records" and Rule~~
11 ~~13, "Sale and Use of Bingo Cards, Packs, and Sheets".~~ comply with all of the
12 reporting, accounting, and record keeping requirements imposed by statute or
13 rule on bingo-raffle licensees generally and, in addition, shall produce and
14 attach to its daily bingo occasion records the report capable of being generated
15 by the bingo aid computer system used by such licensee and approved by the
16 licensing authority as the required daily occasion electronic report for such
17 bingo aid computer system. The report shall show at least the following
18 information:

- 19 a) The name of the reporting licensee;
20 b) The date and time of the bingo occasion reported;
21 c) A description of each transaction processed, including all voids and
22 refunds, that shows:

- 1 (i) the time the transaction took place,
- 2 (ii) the quantity, description and price of all cards and sheets,
- 3 including specials and extras, that were sold, refunded or
- 4 voided in the course of the transaction, and
- 5 (iii) the charges for any electronic bingo player aid device
- 6 furnished in connection with the transaction;
- 7 d) The manufacturer's identification number (serial number) for all cards
- 8 and sheets sold in conjunction with an electronic bingo aid device; and
- 9 e) The total number of electronic bingo aid devices sold, leased, or
- 10 furnished in connection with the occasion reported and the total
- 11 charges made for such devices.