

STATE OF COLORADO

Department of State

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Gigi Dennis
Secretary of State

William A. Hobbs
Deputy Secretary of State

NOTICE OF ADOPTION

Pursuant to Article XVIII, Section 2 of the Colorado Constitution and Article 9, Title 12., C.R.S., and the rulemaking provisions of the State Administrative Procedure Act, section 24-4-103, C.R.S. (2006), I, Ginette Dennis, Colorado Secretary of State, do hereby give **NOTICE** of the permanent adoption this 11th day of October, 2006 of the repeal of Rules 1 through 25 of the Rules Covering and Regulating Bingo/Raffles, 8 CCR 1505-2 and the re-enactment and adoption of Rules 1 through 16 of the Rules Covering and Regulating Bingo/Raffles, 8 CCR 1505-2, effective December 1, 2006.

Dated this 11th Day of October, 2006

_____/s/ Ginette Dennis
Ginette Dennis
Colorado Secretary of State



Statement of Basis, Purpose and Specific Statutory Authority

Office of the Secretary of State
Repeal of Rules 1-25 and Re-enactment of Rules 1-16
Rules Covering and Regulating Bingo/Raffles

1. Basis and Purpose

This statement pertains to the amendments and revisions to the Colorado Secretary of State Rules Covering and Regulating Bingo/Raffles for the administration of Article XVIII, Section 2, Colorado State Constitution and Article 9, Title 12 of the Colorado Revised Statutes. The amendments are implemented to organize and make the rules more readable for the licensees, achieve uniform and proper administration of the bingo and raffles laws and specifically to create, publish and implement rules pursuant to the requirements of HB06-1086.

The Rules Covering and Regulating Bingo/Raffles have been adopted, amended and repealed since November 16, 1977. Inconsistent language and organization have resulted from these changes. During the 2006 legislative session, the Legislature passed, and the Governor signed into law, HB06-1086. This legislation removed many statutory restrictions on the conduct of bingo and raffles and placed the responsibility for the regulation of games of chance on the Secretary of State through rule-making.

The amendments and revisions to the Rules Covering and Regulating Bingo/Raffles are necessary for the implementation of Article XVIII, Section 2 of the Colorado Constitution and Article 9, Title 12 of the Colorado Revised Statutes. The Secretary of State finds that the adoption and enactment of these amendments and revisions is necessary in order to clarify the meaning of the existing Rules Covering and Regulating Bingo/Raffles, to organize the rules in a manner that enhances readability, to correct internal references and to comply with the requirements of HB06-1086.

The Secretary of State therefore finds that in order to ensure the uniform and proper administration and enforcement of the laws governing charitable gaming, the permanent adoption of the amendments and revisions to the Rules Covering and Regulating Bingo/Raffles is necessary to comply with the law and to preserve the public welfare.

2. Statutory Authority

Amendments and revisions to the "Rules Covering and Regulating Bingo/Raffles" are adopted pursuant to the following constitutional and statutory provisions:

■ Article XVIII, Section 2, paragraph (2) of the Colorado Constitution authorizes the Secretary of State to license certain organizations. The “secretary of state shall, upon application therefore on such forms as shall be prescribed by the secretary of state and upon the payment of an annual fee as determined by the general assembly, issue a license for the conducting of such games of chance to any bona fide chartered branch or lodge or chapter of a national or state organization or to any bona fide religious, charitable, labor, fraternal, educational, voluntary firemen’s or veteran’s organization which operates without profit to its members and which has been in existence continuously for a period of five years immediately prior to the making of said application for such license and has had during the entire five-year period a dues-paying membership engaged in carrying out the objects of said corporation or organization, such license to expire at the end of each calendar year in which it is issued.”

■ §12-9-102(19.3), C.R.S. authorizes the Secretary of State to determine the random method of selecting numbers for a “raffle”.

■ §§12-9-102.5(4)(a), (b) and (d), C.R.S. authorize the Secretary of State to set maximum dollar amounts for landlord and bingo-raffle licensee promotions and establish the disclosures required in rental agreements.

■ §12-9-103(1)(b), C.R.S. authorizes the Secretary of State “to adopt, amend, and repeal rules and regulations governing the holding, operating, and conducting of games of chance, and the purchase of equipment and the establishment of a schedule of reasonable fines...to the end that games of chance shall be held, operated and conducted only by licensees for the purposes and in conformity with the state constitution and the provisions of (Article 9)”.

■ §12-9-104.5(7), C.R.S. authorizes the Secretary of State to establish specific criteria by which landlord, supplier or manufacturer licensees may instruct and train bingo-raffle licensees in the repair, operation and maintenance of bingo-raffle equipment.

■ §§12-9-105.1(1) and (3), C.R.S. authorize the Secretary of State to establish the time period that games manager certifications may be valid and establish the “circumstances under which a person may be designated and serve as games manager for more than three but in no event more than five, bingo-raffle licensees...”.

■ §§12-9-107(13)(a), (b), (e), (f), (g) and (j), C.R.S. authorize the Secretary of State to establish: the method of play and the maximum dollar amount of prizes that may be awarded in any single game and for any single bingo occasion; the maximum amount of money that may be used to start a progressive jackpot bingo game; the maximum amount of the progressive jackpot that may be awarded; the maximum number of progressive games that may be played by a bingo-raffle licensee during a single occasion; the types of progressive pull tab games allowed to be sold by supplier

licensees; and “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.”

- §12-9-107(28)(c), C.R.S. authorizes the Secretary of State to establish the maximum number of bingo cards that may be used by a player who plays bingo with an electronic bingo aid device.
- §12-9-107.7(5), C.R.S. authorizes the Secretary of State to adopt rules to regulate the licensing of, shipment, importation and use of mechanical, electronic, or electromechanical devices that reveal the winning or nonwinning status of pull tab tickets.
- §§12-9-108(6)(a)(II)(B), (D) and (E), C.R.S. authorize the Secretary of State to establish “reasonable amounts” for preparing financial reports, for janitorial services, and for security services.
- §12-9-109, C.R.S. authorizes the Secretary of State to require that licensees that have failed to keep proper books and records in accordance with generally accepted accounting principles adopt certain internal financial controls and attend training to ensure integrity in the reporting of games of chance activities.