

NOTICE OF PROPOSED RULEMAKING

Pursuant to the requirements of C.R.S. 24-4-103, notice of proposed rule-making is hereby given by the Secretary of State. A rule-making hearing will be held on May 30, 2008 at 2:00PM in the Blue Spruce Conference Room on the second floor of the Office of the Secretary of State at 1700 Broadway, Suite 200, Denver, Colorado, 80290. All interested persons will be afforded an opportunity to be heard on the subject of revisions and amendments to the “Bingo – Raffle Rules” of the Colorado Secretary of State, 8 CCR 1505-2.

Subject of the Proposed Rulemaking:

The specific proposals to be considered are:

1. The amendment to Rule 4 which adds a new section providing for an increase in the total number of bingo games to be held per year due to the repeal of 12-9-107(7) CRS as recommended in HB 08-1273.
2. The amendment to Rule 5, Section C, Subsection 4, which repeals the language requiring the retention of concealed face trade-in cards, due to the burden of retaining such cards.
3. The amendment to Rule 6, Section C, with the addition of a Subsection 1 for the purpose of better tracking procedures for “Last Sale” pulltabs, with clarification language added to the original Rule 6, Section C.
4. The amendment to Rule 7, Section B, Subsection 3, repealing language which disallows the “catch up” feature on electronic bingo aid devices.
5. The amendments to Rule 8, Section A, Subsection 1(a), and Subsection 2, which allows Bingo-Raffle licensees to offer cash as a promotional prize due to the deletion of language in 12-9-102.5 from the passage of HB 08-1273.
6. The amendment to Rule 9, Section B, changing the word “Automobile” to “Motor Vehicle” for clarity purposes.
7. The amendment to Rule 13, Section C, which allows Landlord licensees to offer cash as a promotional prize due to the repeal of language in 12-9-102.5 from the passage of HB 08-1273.
8. The amendment to Rule 16, Section A, Subsection 5 following from the change to Rule 4.
9. Technical grammatical corrections to Rules 4, Section B, Subsection 1(d) and Rule 8, Section A, Subsection 1(d).

Authority for the Proposed Rulemaking

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

Copies of the proposals may be obtained from the Office of the Secretary of State, 1700 Broadway, Suite 200, Denver, Colorado 80290, telephone (303) 894-2200. Copies will be distributed free of charge. Only one copy of the proposals per requesting party can be provided free, however. The proposed rules will also be available via the Internet on the Secretary of State website at www.sos.state.co.us.

The hearing will be held in accord with the provisions of 24-4-103, C.R.S. At the time and place stated in this notice, the Secretary of State will receive written or oral data, views and arguments from anyone interested in the proposed rules. Written submissions must be filed at or before the time set for commencement of the hearing in order to be considered. Oral testimony may be limited in order to allow the proceedings to go forward with reasonable promptness and efficiency.

STATE OF COLORADO

Department of State

1700 Broadway
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Denver, CO 80290



Mike Coffman
Secretary of State

William A. Hobbs
Deputy Secretary of State

New and Amended Rules Covering and Regulating Bingo and Raffles

Statement of Basis, Purpose and Specific Statutory Authority

Basis and Purpose

These rules are based upon the provisions of HB 08-1273, “Concerning Continuation of the Regulation of Games Chance by the Secretary of State...”, and upon information and recommendations from:

- Bingo-raffle supplier, manufacturer and landlord licensees;
- Charitable gaming administration and administrative regulation of other states; and
- The Colorado Bingo-Raffle Advisory Board.

It is the general purpose of these rules to clarify and carry out the provisions of HB 08-1273, as well as to comply with the specific rule-making requirements of the act. The specific purposes of the individual amendments and additions are as follows:

1. The amendment to Rule 4 which adds a new section providing for an increase in the total number of bingo games to be held per year due to the repeal of 12-9-107(7) CRS in HB 08-1273.
2. The amendment to Rule 5, Section C, Subsection 4, which eliminates the language requiring the retention of concealed face trade-in cards, due to the burden of retaining such cards.
3. The amendment to Rule 6, Section C, with the addition of a Subsection 1 for the purpose of better tracking procedures for “Last Sale” pulltabs, with clarification language added to the original Rule 6, Section C.
4. The amendment to Rule 7, Section B, Subsection 3, deleting the language which disallows the “catch up” feature on electronic bingo aid devices.
5. The amendments to Rule 8, Section A, Subsection 1(a), and Subsection 2, which allows Bingo-Raffle licensees to offer cash as a promotional prize due to the deletion of language in 12-9-102.5 from the passage of HB 08-1273.
6. The amendment to Rule 9, Section B, changing the word “Automobile” to “Motor Vehicle” for clarity purposes.
7. The amendment to Rule 13, Section C, which allows Landlord licensees to offer cash as a promotional prize due to the deletion of language in 12-9-102.5 from the passage of HB 08-1273.
8. The amendment to Rule 16, Section A, Subsection 5 following from the change to Rule 4.

9. Technical grammatical corrections to Rules 4, Section B, Subsection 1(d) and Rule 8, Section A, Subsection 1(d).

Authority for Proposed Rulemaking

These rules are promulgated in accordance with the State Administrative Procedure Act, specifically C.R.S. 24-4-103, “**Rule-making-procedure,**” 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.**”

COLORADO SECRETARY OF STATE

8 CCR 1505-2

BINGO & RAFFLE RULES

Preliminary Draft of Proposed Rules

April 30, 2008

***Disclaimer:** This draft is not yet final. The proposed changes to be considered at the public rulemaking hearing may be different than the proposed changes in this draft. This draft is submitted to the Department of Regulatory Agencies for the purpose of complying with section 24-4-103(2.5), C.R.S., which requires that a draft be submitted to the Department at the time that a notice of proposed rulemaking is filed with the Secretary of State.*

A final copy of the proposed rule changes will be available to the public no later than April 30, 2008 and a copy will be posted on the Department of State's web site, in compliance with the requirement of section 24-4-103(4)(a), C.R.S., that "[a]ny proposed rule or revised proposed rule by an agency which is to be considered at the public hearing . . . shall be made available to any person at least five days prior to said hearing."

Proposed additions to the current rules are reflected in SMALL CAPS or underlined. Proposed deletions from current rules are shown in ~~stricken~~ type. Annotations may be included.

1 New Rule 4.0.A.9 would be adopted as follows:

2
3 4.0.A.9. **NUMBER OF GAMES ALLOWED.** NO LICENSEE MAY HOLD, OPERATE, OR
4 CONDUCT A GAME OF BINGO OR LOTTO MORE OFTEN THAN TWO HUNDRED TWENTY
5 OCCASIONS IN ANY CALENDAR YEAR.

6
7 RULE 4.0.B.1.d would be repealed and amended as follows:

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9 4.0.B1.d. The bingo pattern or arrangement of numbers a player must complete in
10 order to win the progressive jackpot prize, together with a clear diagram of such
11 arrangement of numbers, if any pattern other ~~that~~ THAN a full card (“blackout” or
12 “coverall”) is required to win;

13
14
15 Rule 5.0.C.4 would be repealed as follows:

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17 5.0.C.4. A bingo-raffle licensee that allows pre-draw concealed face card trade-
18 ins shall mark or deface all returned cards, so that they cannot be further played.
19 ~~and retain such traded-in cards for a period of three months following the end of~~
20 ~~the quarter in which the tickets were redeemed.~~

21
22
23 Rule 6.0.C would be amended as follows:

24
25 6.0.C. A bingo-raffle licensee offering “last sale” deals of pull-tabs for sale shall
26 display AND MAKE AVAILABLE FOR SALE all pull tabs contained in a
27 discrete deal upon opening said deal for sale to the public. In the event that a
28 licensee is using a mechanical pull-tab dispensing device the licensee shall
29 display all pull tabs in the machine at one time from the discrete deal being
30 offered.

31
32
33 New Rule 6.0.C.1 would be adopted as follows:

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35 6.0.C.1. A BINGO-RAFFLE LICENSEE MAY SELL OR PAY IN FULL ANY PULL TAB DEAL
36 WHICH OFFERES A PRIZE FOR THE “LAST SALE” IN THE DEAL IF THE BINGO-RAFFLE
37 LICENSEE:

- 38
39 A. COMPLETES THE FORMS REQUIRED BY THE SECRETARY OF STATE
40 FOR EACH SUCH “LAST SALE” PULL TAB PRIZE PAID, AND RETAINS
41 THE SAME FOR FOUR MONTHS AFTER THE END OF THE QUARTER IN
42 WHICH THE PRIZE WAS PAID.
43
44 B. VERIFIES THE IDENTIFICATION OF THE WINNER OF THE “LAST SALE”
45 PULL TAB PRIZE, REGARDLESS OF AMOUNT, INCLUDING SUCH

PERSON'S NAME, ADDRESS, AND DRIVER'S LICENSE NUMBER OR COLORADO IDENTIFICATION NUMBER. NO "LAST SALE" PRIZE MAY BE PAID WITHOUT SUCH VERIFIED INFORMATION.

Rule 7.0.B.3 would be repealed as follows:

7.0.B.3. Passive Play. A bingo-raffle licensee shall not allow the passive play of any bingo game by means of any electronic bingo aid device. Any player using such a device shall be required to physically enter each number called by either manually entering the number or by touching a button or a screen icon. ~~The player aid shall not have a "catch up" feature where a player can touch the device one time to "catch up" two (2) or more numbers that have been called.~~

Rule 8.0.A.1.a would be repealed and amended as follows:

8.0.A.1.a. The merchandise, ~~or~~ services OR CASH awarded as a prize;

Rule 8.0.A.1.d would be repealed and amended as follows:

8.0.A.1.d The bingo-raffle licensee that awards a promotion prize or prizes during a calendar quarter shall include the information in Rule 8.0.A.1.a, b. and ~~on~~ ON its quarterly report for that quarter.

Rule 8.0.A.2 would be repealed and amended as follows:

8.0.A.2. Promotion prize limits. The bingo-raffle licensee shall not offer merchandise, ~~or~~ services OR CASH as a prize in a promotion that exceeds \$1,000 in value for any single promotion.

Rule 9.0.B.1,2, 3 and 4 would be repealed and amended as follows:

9.0.B. Automobile MOTOR VEHICLE as a prize. A bingo-raffle licensee may raffle an ~~automobile~~ MOTOR VEHICLE, if:

1. The bingo-raffle licensee files proof of ownership of the ~~automobile~~ MOTOR VEHICLE with the licensing authority; or
2. There exists a firm commitment in writing, enforceable in a court of law as a contract between the owner of the ~~automobile~~ MOTOR VEHICLE and the bingo-raffle licensee to transfer title to the ~~automobile~~

1 MOTOR VEHICLE to the holder of the winning ticket at the conclusion
2 of the raffle drawing that determines the winner of the raffle; and
3

4 3. The bingo-raffle licensee must announce prior to the sale of the first
5 raffle ticket and the raffle ticket must contain the information whether
6 there are any encumbrances on the ~~automobile~~ MOTOR VEHICLE that
7 the winner of the raffle will be subject to, including federal, state and local
8 income taxes; and
9

10 4. The bingo-raffle licensee maintains, during the course of the sale of
11 raffle tickets and continuing through the date of the raffle drawing, a
12 certificate of deposit in such amount that in the event of default by the
13 owner of the ~~automobile~~ MOTOR VEHICLE described in Rule 9.0.B.2,
14 the bingo-raffle licensee can obtain an equivalent ~~automobile~~ MOTOR
15 VEHICLE for delivery to the holder of the winning ticket; and
16

17 5. The bingo-raffle licensee submits evidence of the commitment and
18 certificate of deposit to the licensing authority prior to the sale of the first
19 raffle ticket.
20
21

22 Rule 13.0.C would be amended as follows:
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24 13.0.C. A Landlord licensee may award a prize OF MERCHANDISE, SERVICES OR
25 CASH in a promotion that does not exceed \$10,000; however a landlord licensee
26 shall not require participation by any bingo-raffle licensee and the landlord
27 licensee shall not require payment in excess of \$1,000 from any bingo-raffle
28 licensee for a promotion that the bingo-raffle licensee has agreed to.
29
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31 Rule 16.0.A.5 would repealed and amended as follows:
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33 16.0.A.5. Conducting more than ~~158~~ 220 bingo occasions in one calendar year
34 under color of a single bingo-raffle license;