



NOTICE OF PROPOSED RULEMAKING

Office of the Secretary of State
Bingo/Raffle Rules
8 CCR 1505-2

February 26, 2010

Pursuant to the requirements of section 24-4-103(3)(a), C.R.S., (2009), notice of proposed rulemaking is hereby given by the Secretary of State. A rulemaking hearing will be held on **March 30, 2010 from 2:00 to 4:00 p.m.** in the Blue Spruce Conference Room on the second floor of the Office of the Secretary of State at 1700 Broadway, Denver, Colorado 80290. All interested persons will be afforded an opportunity to be heard on the subject of revisions and amendments to the Secretary of State's "Rules Covering and Regulating Bingo and Raffles," 8 CCR 1505-2.

Subject of the Proposed Rulemaking

The Secretary of State will consider amendments and revisions to the Colorado Secretary of State "Rules Covering and Regulating Bingo and Raffles" as may be necessary or appropriate to administer the provisions of Article XVIII, Section 2 of the Colorado Constitution and Article 9, Title 12, Colorado Revised Statutes. The Secretary of State shall also consider rules to delete the prohibition against the use of credit cards, to define and clarify the use of specific devices in the conduct of a raffle, and such other rule amendments as may be necessary to answer questions arising under article XXVIII of the Colorado Constitution and Article 9, of Title 12, Colorado Revised Statutes.

Authority for Proposed Rulemaking

Revisions and amendments to the Secretary of State's "Rules Covering and Regulating Bingo and Raffles" [8 CCR 1505-2] are proposed pursuant to section 12-9-103(1)(b), C.R.S. (2009), which authorizes the Secretary of State "To supervise the administration and enforcement of this article, and, in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance, the purchase of equipment, the establishment of a schedule of reasonable fines, not to exceed one hundred dollars per citation, for violation by licensees of this article or of rules adopted pursuant to this article, 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 this article;".

Copies of the initial draft of the proposed rules may be obtained from the office of the Secretary of State at 1700 Broadway, Suite 200, Denver, Colorado, 80290, or by calling (303) 894-2200, extension 6410. The proposed rules are also posted on the Secretary of State's website at www.sos.state.co.us.

A final copy of the proposed rules for consideration at the public rulemaking hearing will be posted on the Secretary of State's website and made available to the public no later than **March 25, 2010** in accordance with section 24-4-103(4)(a), C.R.S. (2009), which states 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."

The rulemaking hearing on March 30, 2010 will be held in accordance with section 24-4-103, C.R.S. (2009). Written and oral data, comments, and arguments will be received from all interested parties. Written submissions must be filed on or before the commencement of the hearing on March 30, 2010 at 2:00 p.m. in order to be considered. Oral testimony may be limited in order to allow the proceedings to go forward with reasonable promptness and efficiency. The hearing will be audio recorded and broadcast over the Internet. The broadcast may be accessed through the Secretary of State's website at www.sos.state.co.us on the "Information Center" page under "Broadcast and Recorded Meetings." For additional information, please contact Rudy Johnson, Bingo and Raffles Chief Investigator, Licensing Division, at rudy.johnson@sos.state.co.us or (303) 894-2400 ext. 6402.

Dated this 26th day of February, 2010.

William A. Hobbs
Deputy Secretary of State

For

Bernie Buescher
Colorado Secretary of State



Proposed Statement of Basis, Purpose, and Specific Authority

Office of the Secretary of State Bingo/Raffle Rules 8 CCR 1505-2

February 26, 2010

1. Basis and Purpose

This statement pertains to the amendments to the Colorado Secretary of State's "Rules Covering and Regulating Bingo and Raffles." The proposed amendments and revisions to these rules are for the purpose of achieving uniform and proper administration of the bingo and raffles laws of the State of Colorado, including Article XVIII of the Colorado Constitution and Article 9, Title 12 of the Colorado Revised Statutes.

Specific amendments to the Bingo and Raffles Rules are proposed as follows:

- Rule 2.0 B is amended to correctly refer to the title of the Rules as described in 8 CCR 1505-2. The correct reference to the Rules is "Rules Covering and Regulating Bingo and Raffles." The previously adopted Rule was incorrect.
- Rules 2.0 V and 9.0 E.5. are added to the Rules to define "Wheel Raffle" and to clarify that a wheel raffle is an acceptable device to randomly determine a number pursuant to the definition of "raffle".
- Rule 5.0 E.5. is amended to delete the prohibition against the use of credit cards. Charitable organizations are using the Internet as a method of marketing and selling raffle tickets. The current prohibition against credit cards inhibits their ability to use modern, efficient methods to conduct charitable gaming.

2. Rulemaking Authority

Amendments to the Colorado Secretary of State's "Rules Covering and Regulating Bingo and Raffles" are adopted pursuant to section 12-9-103(1)(b), C.R.S. (2009), which authorizes the Secretary of State "to supervise the administrations and enforcement of this article, and in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance..."

COLORADO SECRETARY OF STATE
Bingo and Raffles Games

8 CCR 1505-2

DRAFT OF PROPOSED RULES

February 26, 2010

***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 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 March 25, 2010, 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. Proposed deletions from current rules are shown in ~~stricken type~~. Annotations may be included.

1 Rule 2.0 B. would be amended as follows:
2

3 **2.0 DEFINITION OF BINGO AND RAFFLE TERMS**
4

5 **B. Bingo-raffle licensee rules:** The rules established by each bingo-raffle licensee for
6 items not covered by the bingo-raffle law or the Rules ~~and Regulations~~ Covering
7 and Regulating ~~Conduct of Bingo and Raffles Games~~, relating to the payment for,
8 and playing of, games of chance. ~~at each occasion.~~

9 Rule 2.0 V. would be added as follows:

10 **V. WHEEL RAFFLE:** A RAFFLE WHERE THE WINNING TICKET IS DETERMINED BY A
11 SPINNING A WHEEL UNTIL A POINTER LANDS IN ONE OF DISCRETE SEGMENTS MARKED
12 ON THE WHEEL. THE WHEEL CONSISTS OF A BOARD MOUNTED ON A SPINDLE WITH A
13 SPECIFIC NUMBER OF DISCRETE NUMBERS OR SYMBOLS MARKING EACH SEGMENT ON
14 THE OUTER CIRCUMFERENCE.
15

16 Rule 5.0 A.1 would be amended as follows:

1 **5.0 SALE AND USE OF BINGO CARDS, PACKS AND SHEETS AND RAFFLE**
2 **TICKETS**

3 **A. Sales**

4 1. **Method of Payment by Player – No Credit.** ~~No bingo raffle licensee or any~~
5 ~~of its members shall allow any person to play any game of chance on credit.~~
6 The consideration charged for the privilege of playing ~~each~~ ANY game of
7 chance shall be collected in full, in advance, by check, ~~or~~ cash, OR DEBIT OR
8 CREDIT CARD. A BINGO-RAFFLE LICENSEE MAY ACCEPT DEBIT OR CREDIT CARDS,
9 BUT THE BINGO-RAFFLE LICENSEE ACCEPTS ALL RISKS OF CANCELLATION OF THE
10 CHARGES BY THE PLAYER. CHECKS RETURNED FOR INSUFFICIENT FUNDS ARE THE
11 BINGO-RAFFLE LICENSEE’S RESPONSIBILITY, AND NONE OF THE LOSSES MAY BE
12 CHARGED TO BINGO, RAFFLE, OR PULL-TAB ACTIVITIES. FEES PAID TO A CHECK
13 GUARANTEE SERVICE OR DEBT COLLECTION FIRM FOR RECOVERY OF BAD CHECKS
14 OR CANCELLED CREDIT CHARGES MAY BE PAID FROM THE BINGO ACCOUNT.

15 a. ~~Bingo raffle licensees may accept debit cards for payment if the bingo raffle~~
16 ~~licensee has the proper equipment and procedures in place to ensure that~~
17 ~~payment is made by debit and not by credit and that prior to implementing~~
18 ~~debit card payments, such equipment and procedures are first inspected by~~
19 ~~the licensing and that permission is granted in writing by the licensing~~
20 ~~authority.~~

21 b. ~~Short or bad checks are the bingo raffle licensee’s responsibility and none of~~
22 ~~the losses will be charged to bingo, raffle or pull tab activities. Fees paid to~~
23 ~~a check guarantee service for recovery on bad checks may be paid from~~
24 ~~bingo receipts.~~

25 Rule 9.0 E. 5. would be added as follows:

26 **9.0 RAFFLES**

27 **E. Specific types of raffles**

28 5. **WHEEL RAFFLES.** A BINGO RAFFLE LICENSEE MAY CONDUCT A WHEEL RAFFLE IF
29 THE NUMBER OF TICKETS SOLD FOR A PARTICULAR RAFFLE IS NO GREATER THAN
30 THE NUMBER OF DISCRETE NUMBERS OR SYMBOLS ON THE WHEEL, AND EACH
31 TICKET SOLD MATCHES ONE AND ONLY ONE OF THE NUMBERS OR SYMBOLS ON
32 THE WHEEL. IF FEWER TICKETS THAN THE NUMBER OF SEGMENTS ARE SOLD, THE
33 LICENSEE MUST CONTINUE TO SPIN THE WHEEL UNTIL THERE IS A WINNER. A
34 LICENSEE SHALL NOT USE ANY WHEEL CONTAINING 0 OR 00 UNLESS IT SELLS
35 TICKETS FOR THOSE SEGMENTS, AND A PURCHASER MUST WIN IF HE OR SHE
36 POSSESSES A TICKET BEARING THE NUMBERS 0 OR 00.