



NOTICE OF PROPOSED RULEMAKING

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

May 27, 2011

In accordance with the requirements of section 24-4-103(3)(a), C.R.S., (2010), notice of proposed rulemaking is hereby given by the Secretary of State. A rulemaking hearing will be held on **June 30, 2011 from 9:30 a.m. to 12:00 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 Bingo and Raffles Games" Rules, 8 CCR 1505-2.

Subject of the Proposed Rulemaking

As more described in the "Proposed Statement of Basis, Purpose, and Specific Statutory Authority" that accompanies this Notice of Proposed Rulemaking, some of the proposed revisions and amendments are proposed by the Colorado Bingo-Raffle Advisory Board, including rules that would authorize the game of "24 Number Bingo". In accordance with its duties outlined in section 12-9-201, C.R.S., the Advisory Board provides advice to the licensing authority on various subject outlined in statute including rules.

Additional amendments and revisions to the rules are proposed by the Secretary of State to improve the administration of the provisions of Article XVIII, Section 2 of the Colorado Constitution and Article 9, Title 12, C.R.S., or to answer questions that have arisen under those constitutional and statutory provisions, including rules that clarify specific types of raffles and those games not classified as raffles.

Authority for Proposed Rulemaking

Revisions and amendments to the Secretary of State's "Bingo and Raffles Games" rules [8 CCR 1505-2] are proposed in accordance with the following statutory and constitutional provisions:

1. Section 12-9-103(1)(b), C.R.S., (2010), which authorizes the Secretary of State "[t]o 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...".
2. Section 12-9-107(13)(a), C.R.S., (2010), which authorizes the Secretary of State to "establish by rule the method of play and amount of prizes that may be awarded..."
3. Section 12-9-107(28)(c), C.R.S., (2010), which authorizes the Secretary of State to establish by rule the maximum number of bingo cards that a player can use with an electronic bingo aid device.

4. Section 12-9-202(2)(a)-(c), C.R.S., (2010), which requires the Colorado Bingo-raffle Advisory Board to offer advice for rules regarding the types of charitable games to be conducted, the rules for those games, the number of occasions per year, and the licensing requirements of all types of licenses required for the conduct of charitable gaming to the Secretary of State.

Paper or editable electronic 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 6329. The proposed rules are also posted on the Secretary of State 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 website and made available to the public no later than June 24, 2011 in accordance with section 24-4-103(4)(a), C.R.S., (2010), 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 June 30, 2011 will be held in accordance with section 24-4-103, C.R.S., (2010). Written and oral data, comments, and arguments will be received from all interested parties. Please file written submissions at or before the commencement of the hearing on June 30 at 9:30 a.m., or by the end of the written comment period announced at the conclusion of the hearing to ensure full consideration. 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 website at www.sos.state.co.us on the “Information Center” page under “Broadcast and Recorded Meetings.” For additional information, please contact Andrea Gyger, Elections Division at andrea.gyger@sos.state.co.us or (303) 894-2200 ext. 6329.

Dated this 27th Day of May, 2011.



William A. Hobbs
Deputy Secretary of State

For

Scott Gessler
Colorado Secretary of State



**PROPOSED STATEMENT OF BASIS, PURPOSE, AND
SPECIFIC STATUTORY AUTHORITY**

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

May 27, 2011

I. Basis and Purpose

This statement pertains to the amendments to the Colorado Secretary of State's "Bingo and Raffles Games Rules" proposed by the Colorado Bingo Advisory Panel and by the Secretary of State. The Secretary of State intends to adopt such amendments as may be necessary or appropriate to implement bingo and raffle games, to achieve the uniform and proper administration and enforcement of the bingo and raffles laws, and to answer questions arising under the bingo and raffles laws of the State of Colorado, including Article XXVIII of the Colorado Constitution and Article 9, Title 12 of the Colorado Revised Statutes.

On April 13, 2011, the Colorado Bingo-Raffle Advisory Board submitted to the Secretary of State recommendations to the Bingo and Raffles Games rules. Specific amendments to the rules are proposed by the board as follows:

- Rule 2.0(A) is amended to permit bingo-raffle licenses to conduct the game of bingo known as "24 number bingo."
- Rule 2.0(G) is amended to clarify what is considered a bingo card. The new definition includes both a disposable card and a computer generated display on a bingo aid device.
- New Rule 2.0(K) is adopted to accommodate the use of an electronic display which is required to conduct "24 number bingo."
- Rule 2.0(L) is amended to accommodate the use of "24 number bingo" when only one bingo player is available.
- New Rule 2.0(M) is adopted to codify current practices of non-progressive bingo games.
- Rule 2.0(O) is amended to clarify when remuneration occurs by the member of a charitable organization.
- Rule 2.0(R) is amended to clarify acceptable use of multiple bingo cards on an electronic bingo aid.
- New Rule 2.0(W) defines and provides rules for conducting "24 number bingo" and is necessary to regulate the game.
- Rule 4.0(A)(2)(a) is amended to allow the use of an electronically generated synthetic voice in conjunction with a random number generator.

- New Rule 4.0(A)(2)(c) clarifies the requirements for announcements of numbers by random number generators and electronically generated synthetic voices.
- New Rule 4.0(A)(4)(h) clarifies the closing procedure for “24 number bingo” and requirements for closing the game prior to the maximum prize payout per game.
- New Rule 4.0(A)(4)(i) clarifies the requirements for announcement of the closing of a bingo occasion with respect to “24 number bingo.”
- Rule 4.0(A)(9) is amended to increase the number of bingo occasion allowed per year and to accommodate the play of “24 number bingo.”
- Rule 7.0(B)(2) is amended to allow the concept of simultaneous play by increasing the number of bingo faces playable on electronic bingo aid devices.
- Rule 10.0(A)(1) is amended to facilitate longer periods of play during a single “24 number bingo” occasion due to the quickened nature of “24 number bingo” play.
- Rule 10.0(A)(2) is amended to facilitate longer periods of play during “24 number bingo” and pari-mutuel game occasions due to the quickened nature of the games.
- Rule 15.0(D) is amended to set licensing requirements for random number generators that utilize electronically generated synthetic voices.

In addition, the Secretary of State proposes the following rule amendments:

- Rules 2.0(S) and (V) are repealed and re-codified in Rule 9.0(E) regarding specific types of raffles, for clarity and uniformity.
- Rule 9.0(E)(2) is amended to incorporate the definition of a “wheel” raffle, which was repealed in Rule 2.0, within the rules for conducting a “wheel” raffle for clarity and uniformity.
- New Rule 9.0(E)(6) concerning “stretch” raffles, is adopted to the section for specific types of raffles from the definition section for clarity and uniformity.
- New Rule 9.0(E)(7) is adopted to clarify that certain commonly known games of chance, which are regularly confused as raffles, are not classified as raffles.
- All other revision are nonsubstantive formatting and style changes.

Concerning the amendments and revisions proposed by the Bingo-raffle Advisory Board, the Secretary of State has previously expressed concerns that adoption of the proposed rules to allow “24 number bingo” would be impermissible under section 12-9-102, C.R.S. According to section 12-9-102(1), C.R.S., bingo must be played on a card or sheet. While the statutory definition of a card or sheet permits a reusable card, the definition specifically excludes the electronic representation or image of a bingo card. Section 12-9-102(1.6), C.R.S. The use of electronic bingo aids are permitted under statute, but the player is still required to use a non-electronic card or sheet. Section 12-9-107(28), C.R.S. Specifically, section 12-9-107(29)(a), C.R.S., authorizing electronic bingo aids states, “[n]othing in this article shall be construed to authorize the playing of bingo solely by means of an electronic device.”

From February to September 2010, the “24 number bingo” game was in a test period in order for the Licensing Authority to observe the game in practice. During the test period, the game was played exclusively by means on an electronic device. New Rule 2.0(W) as proposed does not require that “24 number bingo” be played on paper. In fact, the rule requires the numbers to be displayed on a lighted (electronic) display. Given the proposed new and amended rules and practical application of “24 number bingo,” the Secretary of State is concerned that the game

may be impermissible under statute. Please see the attached Secretary of State Memorandum on *Use of the B3 24 Number Electronic Bingo Game Machine in Colorado* for further legal analysis.

II. Statutory Authority

Amendments to the Colorado Secretary of State “Bingo and Raffles Games” Rules would be adopted in accordance with the following statutory and constitutional provisions:

1. Section 12-9-103(1)(b), C.R.S., (2010), which authorizes the Secretary of State “[t]o 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...”.
2. Section 12-9-107(13)(a), C.R.S., (2010), which authorizes the Secretary of State to “establish by rule the method of play and amount of prizes that may be awarded...”
3. Section 12-9-107(28)(c), C.R.S., (2010), which authorizes the Secretary of State to establish by rule the maximum number of bingo cards that a player can use with an electronic bingo aid device.
4. Section 12-9-202(2)(a)-(c), C.R.S., (2010), which requires the Colorado Bingo-raffle Advisory Board to offer advice for rules regarding the types of charitable games to be conducted, the rules for those games, the number of occasions per year, and the licensing requirements of all types of licenses required for the conduct of charitable gaming to the Secretary of State.

COLORADO SECRETARY OF STATE

[8 CCR 1505-2]

BINGO AND RAFFLES GAMES RULES

Preliminary Draft of Proposed Rules

May 27, 2011

Disclaimer: This draft is not necessarily 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.

*If revisions to this draft are made prior to the rulemaking hearing, a revised copy of the proposed rule changes will be available to the public no later than **June 24, 2011**, 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.

[The following changes are proposed by the Bingo Raffle Advisory Board or the Secretary of State as more thoroughly explained in the Proposed Statement of Basis, Purpose, and Specific Statutory Authority.]

1 Rule 2.0 would be amended as follows:

2 **2.0 DEFINITION OF BINGO AND RAFFLE TERMS**

3 A. **Bingo Game:** A bingo game starts when the first numbered object, ball, or number is
4 selected at random or randomly generated by machine, and called, WHETHER BY A HUMAN
5 OR BY AN ELECTRONICALLY SYNTHESIZED VOICE, and continues until all the objects or
6 balls have been returned to the receptacle or the machine THAT GENERATES RANDOM
7 NUMBERS has been cleared. A game may have two or more parts with different winning
8 patterns for each part, if the total amount of prizes offered or given for all parts of one
9 game does not exceed, in amount or value, the maximum prize that may be offered or
10 given in a single game of bingo. FOR PURPOSES OF THE GAME OF BINGO KNOWN AS "24
11 NUMBER BINGO", OR ANY SIMILAR GAME REFERRED TO BY A DIFFERENT NAME, A GAME
12 STARTS WHEN THE 24 NUMBERED BALLS OR NUMBERS, AND ANY BONUS BALLS OR
13 NUMBERS ALLOWED BY THE BINGO-RAFFLE LICENSEE, ARE RANDOMLY SELECTED OR
14 RANDOMLY GENERATED BY MACHINE, AND CALLED. THE GAME ENDS WHEN THE BINGO-

1 RAFFLE LICENSEE RETURNS THE BALLS TO THE RECEPTACLE OR THE MACHINE HAS BEEN
2 CLEARED. A NEW GAME STARTS WHEN A NEW SET OF 24 BALLS OR NUMBERS ARE
3 RANDOMLY SELECTED AND CALLED.

4 *[Rules 2.0(B) through (F) would be retained unaltered]*

5 G. **Face:** A SINGLE bingo card WHETHER A DISPOSABLE CARD OR A COMPUTER GENERATED
6 DISPLAY OF A SINGLE BINGO CARD ON A BINGO AID DEVICE.

7 *[Rules 2.0(H) and (I) would be retained unaltered]*

8 J. **Master Board:** The master board is the rack that balls are placed in after a ball has been
9 taken from the receptacle. The master board may be electronically connected to a lighted
10 display board that indicates the called ball. In the case of an electronic random number
11 generator that ~~calls~~ SELECTS numbers, the lighted display board is the master board.

12 K. **MASTER ELECTRONIC DEVICE.** THE MASTER ELECTRONIC DEVICE MEANS, WITH RESPECT
13 TO 24 NUMBER BINGO, AN ELECTRONIC SYSTEM THAT SELECTS 24 NUMBERS, AND UP TO SIX
14 BONUS NUMBERS, USING AN APPROVED RANDOM NUMBER GENERATOR, AND DISPLAYS
15 THEM ON A LIGHTED DISPLAY THAT IS SEPARATE FROM ANY OTHER LIGHTED DISPLAY USED
16 DURING AN OCCASION. THE MASTER ELECTRONIC DEVICE MAINTAINS AND CONTROLS THE
17 TRANSACTION NUMBER, TIME, AND DATE OF SALE OF ACCESS PERMISSIONS TO PLAYERS.
18 THE MASTER ELECTRONIC DEVICE MAY INCORPORATE AN ELECTRONICALLY GENERATED
19 SYNTHETIC VOICE THAT HAS BEEN APPROVED BY THE LICENSING AUTHORITY.

20 ~~K.~~ **Pack:** A collation of disposable paper bingo cards or sheets sold during a bingo
21 occasion.

22 M. **PERCENTAGE PRIZE PAYOUT BINGO GAME.** A PERCENTAGE PRIZE PAYOUT BINGO GAME IS
23 A NON-PROGRESSIVE BINGO GAME IN WHICH THE PRIZE IS DETERMINED BASED UPON A PRE-
24 DETERMINED AND ANNOUNCED PERCENTAGE OF SALES OF CARDS FOR THAT GAME. THE
25 PRIZE SHALL BE ANNOUNCED AS SOON AS PRACTICAL AFTER SALES FOR THE GAME ARE
26 CLOSED, BUT IN ANY EVENT PRIOR TO FIFTH BALL IN PLAY FOR THAT GAME IS ANNOUNCED.

27 ~~L.~~ **Pre-Draw Concealed Face Game:** A bingo game in which a designated number of balls
28 or objects are drawn or numbers are randomly generated during the occasion with a
29 separate set of balls and in the presence of at least ~~ten (10) players~~ ONE PLAYER. Players
30 may purchase concealed face cards after the designated number of balls or objects is
31 drawn or numbers are randomly generated. The bingo-raffle licensee announces the
32 resumption of the game and continues to draw balls or generate numbers until a player
33 signals a bingo.

34 ~~M.~~ **Progressive Pull Tab:** A game consisting of one or more seal pull tab deals with
35 identical form numbers that offers a cumulative or carryover jackpot prize. The prize
36 structure for a progressive pull tab game is predetermined by the game's manufacturer
37 and built into the game. The structure includes a cumulative jackpot prize, to which each
38 deal of the game in which the jackpot prize is not won contributes to a specifically pre-
39 designated amount.

- 1 N.P. **Progressive Jackpot (“Progressive”) Bingo Game**. A progressive jackpot bingo game
 2 is one in which a prize amount is carried over to a subsequent game if no bingo is
 3 achieved within a specified number of balls drawn and called.
- 4 Q-Q. **Remuneration**. Any monetary or non-monetary payment, no matter how small, given to
 5 a member of an organization in return for that member’s participation in the operation of
 6 charitable gaming. Items that are included in the definition include, but are not limited to:
 7 direct payments of cash; reduced pack prices or free packs to a member who plays bingo
 8 when that member is not participating in the operation of the charitable gaming DURING
 9 AN OCCASION; reduced dues based on the number of volunteer hours that the member
 10 works in the operation of charitable gaming; meal vouchers; reimbursement of travel
 11 expenses when other members who do not participate in the operation of charitable
 12 gaming are not reimbursed for travel; non-competitive scholarships where the selection
 13 of the scholarship recipient is based on the amount of time volunteered in the operation of
 14 charitable gaming, whether by the recipient or a member of the organization related to the
 15 recipient; tips received from players by a member as a result of the member’s
 16 participation in the operation of charitable gaming.
- 17 P-R. **Renewal Application**. An application received from a qualified organization which
 18 organization holds a bingo-raffle license for the calendar year immediately preceding the
 19 year for which the renewal application is submitted.
- 20 Q-S. **Seal PulltabTAB**. A pull tab game that offers one or more prizes by means of a flare or a
 21 jackpot card that is part of a pull tab deal. The flare or jackpot card includes a section
 22 bearing a tab or tabs that must be torn or broken apart to reveal a winning combination or
 23 combinations.
- 24 1. —Each seal pull tab deal shall include:
- 25 a.1. A ticket or tickets that entitle the purchaser to a chance to win the prize(s)
 26 identified by the winning combination-(s) imprinted on the flare or jackpot card;
 27 and
- 28 b.2. A ~~flare preprinted~~ PRE-PRINTED FLARE, or AS otherwise prepared by the game’s
 29 manufacturer, to show:
- 30 (1)A. ~~the~~THE serial number of the pull tab deal;
- 31 (2)B. aA section that shall record the names of all holders of tickets that entitle
 32 the bearer to a chance on the seal prizes, together with the potential
 33 winning combination of each such ticket; and
- 34 (3)C. allALL other information required by this rule to be shown on pull tab
 35 flares. The jackpot card, if separate from the flare, shall be ~~preprinted~~PRE-
 36 PRINTED with the name and form number of the game and the
 37 manufacturer’s name.

1 ~~R.T.~~ **Sheet:** A leaf of paper upon which are printed two or more disposable paper bingo cards
2 OR WITH RESPECT TO ELECTRONIC BINGO AIDS, A GRAPHICAL REPRESENTATION OF
3 MULTIPLE BINGO CARDS ON A SINGLE SCREEN THAT ARE GENERATED ELECTRONICALLY BY
4 THE BINGO AID.

5 ~~S.~~ **Stretch raffle.** A method of determining the amount of raffle tickets that may be
6 purchased for a set price. For example, a stretch raffle may use the length of the arm span
7 of one of the participants of the raffle to determine the number of tickets that a specific
8 dollar amount will purchase. The stretch raffle must use the same method to determine
9 the amount of tickets for all purchasers of raffle tickets in the specific raffle declared to
10 be a stretch raffle.

11 *[Note: current Rule 2.0(S) would be re-codified in New Rule 9.0(E)(6)]*

12 ~~T.U.~~ **Stub:** That portion of a raffle ticket kept by the bingo-raffle licensee. In the case of a
13 raffle prize that has a RETAIL value greater than \$1,000.00, the stub is that portion of the
14 ticket containing the name, address, and telephone number of the purchaser of the ticket.

15 ~~U.V.~~ **Ticket:** As used in these rules, “ticket” means a slip of paper or any other object that is
16 discrete from every other object sold or that contains a discrete number or symbol, which
17 evidences that the person to whom it is issued, or the holder thereof, is entitled to some
18 right or privilege therein mentioned or described.

19 ~~X.W.~~ **24 NUMBER BINGO.** A BINGO GAME PLAYED ON AN ELECTRONIC BINGO AID IN WHICH 24
20 NUMBERS ARE RANDOMLY DRAWN , WHETHER BY A CALLER OR RANDOMLY GENERATED BY
21 AN APPROVED RANDOM NUMBER GENERATOR, CALLED, AND DISPLAYED ON A LIGHTED
22 DISPLAY. FOR PURPOSES OF 24 NUMBER BINGO, THE LIGHTED DISPLAY SHALL CONSTITUTE
23 THE MASTER BOARD. UP TO SIX BONUS NUMBERS MAY BE RANDOMLY DRAWN, ANNOUNCED
24 AND POSTED ON THE LIGHTED DISPLAY. ANY BONUS NUMBERS THAT ARE DRAWN MUST BE
25 SEPARATELY IDENTIFIED ON THE LIGHTED DISPLAY FROM THE 24 NUMBERS THAT WERE
26 DRAWN. THE 24 NUMBERS AND ANY BONUS NUMBERS MUST BE DRAWN AND DISPLAYED IN
27 THE PRESENCE OF AT LEAST ONE PLAYER. ALL RULES PERTAINING TO THE DRAWING OF
28 BINGO NUMBERS SHALL APPLY. EACH SEPARATE DRAWING OF NUMBERS SHALL
29 CONSTITUTE A GAME. THE WINNING PATTERNS TO WIN A BINGO AND THE PRIZES TO BE
30 AWARDED SHALL BE CLEARLY IDENTIFIED IN ADVANCE TO EACH PLAYER ON THE BINGO AID
31 DEVICE. PASSIVE PLAY IS NOT ALLOWED. ANY PLAYER USING AN ELECTRONIC BINGO AID
32 DEVICE IN CONNECTION WITH 24 NUMBER BINGO GAMES SHALL BE REQUIRED TO ACTIVELY
33 INDICATE THE NUMBER OF CARDS TO BE PLAYED AND THE AMOUNT OF MONEY WAGERED
34 AND THE COMMENCEMENT OF PLAY FOR EACH SET OF CARDS PURCHASED BY EITHER
35 MANUALLY ENTERING THE NUMBERS OR BY TOUCHING A BUTTON OR BUTTONS OR SCREEN
36 ICONS.

37 ~~V.~~ **Wheel Raffle:** A raffle where the winning ticket is determined by spinning a wheel until
38 a pointer lands in one of THE discrete segments marked on the wheel. The wheel consists
39 of a board mounted on a spindle with a specific number of discrete numbers or symbols
40 marking each segment on the outer circumference.

1 [Note: current Rule 2.0(V) would be re-codified in New Rule 9.0(E)(5)]

2 Rule 4.0(A)(2) would be amended as follows:

3 2. **Call and display of balls.** Immediately following the drawing of a ball from the
4 receptacle, the caller shall display, or cause to be displayed to the players, the letter and
5 number on the ball. The caller may use a camera and monitor or may physically show the
6 letter and number to the players so that the players may know that the proper number has
7 been called. If monitors are used, a sign shall be placed by each monitor that shall read:
8 “Ball on TV is not official until called.”

9 a. The letter and number on the ball shall be called out loudly and clearly and
10 announced twice prior to the drawing of the next ball. The ball is not official until
11 it has been properly called. A BINGO-RAFFLE LICENSEE THAT EMPLOYS A SYSTEM
12 WHICH INCORPORATES A RANDOM NUMBER GENERATOR MAY USE AN
13 ELECTRONICALLY GENERATED SYNTHETIC VOICE TO ANNOUNCE THE RANDOMLY
14 SELECTED BALL OR NUMBER IF SUCH SYSTEM HAS BEEN APPROVED BY THE
15 LICENSING AUTHORITY.

16 b. Where more than one room is used for any one game, the receptacle and the caller
17 must be present in the room where the greatest number of players is present, and
18 all balls called shall be plainly audible to the players in all of the rooms where
19 players are present.

20 c. IF THE BINGO-RAFFLE LICENSEE USES A RANDOM NUMBER GENERATOR AND/OR AN
21 ELECTRONICALLY GENERATED SYNTHETIC VOICE, THE ANNOUNCEMENT MUST BE
22 ABLE TO BE HEARD BY ALL INDIVIDUALS IN THE HALL.

23 New Rules 4.0(A)(4)(h) and (i) would be adopted as follows:

24 h. THE ABOVE CLOSING PROCEDURE SHALL NOT APPLY TO A 24 NUMBER BINGO GAME
25 WHICH MAY BE CLOSED AT THE DISCRETION OF THE BINGO-RAFFLE LICENSEE,
26 PROVIDED HOWEVER THAT SUCH GAME SHALL BE CLOSED BEFORE THE MAXIMUM
27 PRIZE PAYOUT PER GAME IS EXCEEDED.

28 i. THE BINGO-RAFFLE LICENSEE WILL ENSURE THAT A TIMELY ANNOUNCEMENT OF
29 THE CLOSING OF AN OCCASION WILL BE MADE TO ALL PLAYERS OF 24 NUMBER
30 BINGO IN SUCH A MANNER AS TO PRECLUDE A GAME FROM BEING STARTED THAT
31 WOULD CAUSE THE MAXIMUM PAYOUT PER OCCASION TO BE EXCEEDED.

32 Rule 4.0(A)(9) would be amended as follows:

33 9. **Number of games allowed.** No BINGO-RAFFLE licensee may hold, operate, or conduct a
34 game of bingo or lotto more often than ON ~~two hundred twenty~~ 440 occasions in any
35 calendar year.

36 Rule 7.0(B)(2) would be amended as follows:

1 2. **Maximum number of faces.** A bingo-raffle licensee shall not knowingly allow a player
2 to use an electronic bingo aid device that has more than ~~thirty-six (36)~~ 54 faces IN PLAY
3 AT ANY ONE TIME.

4 Rule 9.0(E)(5) would be amended as follows:

5 5. **Wheel raffles.** A bingo-raffle licensee may conduct a ~~wheel-raffle~~“WHEEL”
6 RAFFLE, WHERE THE WINNING TICKET IS DETERMINED BY SPINNING A WHEEL UNTIL
7 A POINTER LANDS IN ONE OF DISCRETE SEGMENTS MARKED ON THE WHEEL, if the
8 number of tickets sold for a particular raffle is no greater than the number of
9 discrete numbers or symbols on the wheel, and each ticket sold matches one and
10 only one of the numbers or symbols on the wheel. If fewer tickets than the
11 number of segments are sold, the licensee must continue to spin the wheel until
12 there is a winner. A licensee shall not use any wheel containing 0 or 00 unless it
13 offers to sell tickets for those segments, and a purchaser must win if he or she
14 possesses a ticket bearing the numbers 0 or 00.

15 New Rules 9.0(E)(6) and (7) would be adopted as follows:

16 6. **STRETCH RAFFLES.** A BINGO-RAFFLE LICENSEE MAY CONDUCT A STRETCH RAFFLE
17 TO DETERMINE THE AMOUNT OF RAFFLE TICKETS THAT MAY BE PURCHASED FOR A
18 SET PRICE. FOR EXAMPLE, A STRETCH RAFFLE MAY USE THE LENGTH OF THE ARM
19 SPAN OF ONE OF THE PARTICIPANTS OF THE RAFFLE TO DETERMINE THE NUMBER OF
20 TICKETS THAT A SPECIFIC DOLLAR AMOUNT WILL PURCHASE. A LICENSEE MAY
21 CONDUCT A STRETCH RAFFLE ONLY IF THE SAME METHOD IS USED TO DETERMINE
22 THE AMOUNT OF TICKETS FOR ALL PURCHASERS OF RAFFLE TICKETS IN THE SPECIFIC
23 RAFFLE DECLARED TO BE A STRETCH RAFFLE.

24 7. **GAMES NOT CLASSIFIED AS RAFFLES.** THE GAMES OF CHANCE COMMONLY KNOWN
25 AS “ANIMAL PLOP BINGO,” “GOLF BALL DROPS,” PLASTIC OR RUBBER “DUCK
26 RACES,” AND VARIATIONS OF SUCH GAMES ARE NOT CLASSIFIED AS TRADITIONAL
27 RAFFLES.

28 Rule 10.0(A) would be amended as follows:

29 1. **Maximum occasion prizes.** Bingo-raffle licensees may award an aggregate
30 amount not to exceed \$2,000.00 for prizes for bingo games played during an
31 occasion-, EXCEPT THAT A SINGLE 24 NUMBER BINGO OCCASION SHALL BE LIMITED
32 TO AN AGGREGATE AMOUNT OF \$5,000.00 FOR PRIZES FOR BINGO GAMES PLAYED
33 DURING A 24 NUMBER BINGO OCCASION.

34 2. **Maximum game prize.** Bingo-raffle licensees may award any amount as a prize
35 for any single game of bingo so long as the aggregate amount of all prizes
36 awarded for all games played during the occasion does not exceed \$2,000.00,
37 EXCEPT THAT FOR A 24 NUMBER BINGO OCCASION OR AN OCCASION THAT IS MADE
38 UP SOLELY OF PERCENTAGE PRIZE PAYOUT BINGO GAMES, BINGO-RAFFLE LICENSEES
39 MAY AWARD ANY AMOUNT AS A PRIZE FOR ANY SINGLE GAME OF BINGO SO LONG AS

1 THE AGGREGATE AMOUNT OF ALL PRIZES AWARDED FOR ALL GAMES PLAYED
2 DURING THE OCCASION DOES NOT EXCEED \$5,000.00.

3 Rule 15.0(D) would be amended as follows:

4 **D. Random number generators.** Any manufacturer or supplier that intends to sell or lease
5 bingo equipment that generates numbers electronically rather than the use of balls,
6 blowers, and master boards AND/OR THAT USES AN ELECTRONICALLY GENERATED
7 SYNTHETIC VOICE FOR ANNOUNCING BALLS OR NUMBERS, must submit the following to the
8 Licensing Authority prior to the sale or lease of such equipment to bingo-raffle licensees:

9 *[Note: subsequent sections of current Rule 15.0(D) would be retained unaltered]*

STATE OF COLORADO
Department of State

1700 Broadway
Suite 200
Denver, CO 80290



Bernie Buescher
Secretary of State

Tom Downey
Director of Licensing & Business
Licensing & Enforcement Division

MEMORANDUM

To: Bingo-Raffle Advisory Board and Other Interested Persons
From: Bill Hobbs, Deputy Secretary of State
Subject: Use of the B3 24 Number Electronic Bingo Game Machine in Colorado
Date: September 30, 2010

Introduction

As the Licensing Authority under the Bingo-Raffle Law, the Secretary of State was asked whether the B3 24 Number bingo game may be authorized for use in Colorado. As a result, the Licensing Authority undertook an examination of the game, authorized a limited test period during which the game could be used on a trial basis, and reviewed applicable law.

Conclusion

For reasons explained in this memorandum, the Licensing Authority believes that currently there is insufficient statutory and constitutional authority to support the use of B3 games. However, the Colorado General Assembly could enact authorizing legislation, such as it did in 2001 when it authorized electronic devices used as player aids in the game of bingo.

Background

On May 20, 2009, then Director of the Licensing and Enforcement Division, Mike Shea sent a letter to Derek Smith, Technical Compliance Manager of Game Tech International, Inc. The letter advised Game Tech that the state determined that the B3 device proposed by GTI is not an “electronic device used as an aid in the game of bingo”, and that the B3 device is not authorized for sale, lease, or use in Colorado.

Nevertheless, in January of 2010, after additional discussions in meetings of the Bingo-Raffle Advisory Board, the Licensing Authority allowed the B3 24 Number electronic bingo game to be used on a test basis by limited number bingo licensees. The test period was allowed to further evaluate the B3 24 Number game and to understand the way the game would be played.

The Licensing Authority believed that it was important to observe the game being operated by licensees in an actual bingo occasion environment. Observing B3 gaming being operated by

licensees and played by real bingo players in fact helped our staff evaluate whether the use and play of the game conflicted with current bingo laws and rules.

The test was originally scheduled to run during the months of February, March and April 2010, but authority to use the B3 device was temporarily extended through the month of September 2010 while the Licensing Authority researched applicable legal authority and consulted with the Attorney General's Office.

Description of the game

The B3 24 Number game is played primarily on the B3 electronic game machine after 24 plus 6 bingo ball numbers have been pre-drawn. Prior to anyone playing the game, 24 numbers are drawn from the bingo receptacle, and those numbers are then posted for all to see. Additionally those numbers are entered into the memory of the B3 system. Then six more bonus numbers are called and they are also posted for all to see.

In the B3 24 Number game, the player chooses an amount to wager by giving it to the cashier at a Point of Sale (POS) station. The cashier then enters the amount and gives a receipt to the player. The player then chooses an empty station to play. At that station the player enters the discrete number on the receipt. This number is recognized by the system and it enables that station to be accessed with that players designated wager amount displayed on the screen and available to be used for the game.

The screen displays six bingo faces and the option to wager 25 cents, 50 cents, and \$1.00 up to \$3.00 per face. The player chooses the amount per face to wager and then chooses from one to six faces to play. There is a countdown timer on the screen which displays how many seconds remain before the start of the game; during this interval the player can change their wager or the number of cards they are choosing to play. Once the game starts, all bets are locked in, and in mere seconds the card faces are populated by the 30 pre-called numbers. If the player wins, the winning combination flashes, and the screen display indicates how many and what combinations have been hit and their attendant payouts. Payouts vary according to the amount wagered per face.

Bonus Feature. During the play of the game, if a bonus number appears in a winning combination for the player, then a bonus feature is initiated. This bonus feature gives additional games and chances for the player to win more cash.

Once a player either runs out of money or decides to quit playing, the player takes his or her receipt to the cashier at the POS. Using the number on the receipt, the system then tallies up with the balance in winnings owed to the player, and the player is paid.

The game is designed to be played utilizing a system-embedded random number generator, which reduces the number of volunteers to run the game. However, due to statutory and rule requirements in Colorado, the Licensing Authority required that during the test period the participating licensees had to pre-call the numbers from a bingo machine and then prominently post those numbers for the players, and those same numbers had to be used during the entire time period that the game was being played at that specific occasion.

Observations

The test identified various issues with the use and playing of the B3, mostly stemming from the fact that the B3 24 Number game is quite different than the traditional game of bingo. As noted in this memorandum, some features of the game raise issues about whether the game could be authorized and regulated in accordance with current statutes and rules.

Although the game could conceivably be played with paper bingo cards or sheets, it was played entirely electronically during the authorized test, and it would appear that requiring the use of paper cards to play the game would significantly undermine the economic attractiveness of the game to licensees. Thus, in practice the game is played very much as an all-electronic game.

The pre-drawing of the 24 plus 6 bingo ball numbers is similar to a conventional bingo game defined in bingo rules as a “Pre-Draw Concealed Face Game”. That game is played in a conventional way with paper concealed face bingo cards. Thirty bingo ball numbers are pre-drawn and posted on a display board. Players are then allowed to purchase concealed face paper bingo cards. All cards are sold for a uniform price. The players open their cards and mark any numbers on their cards which match any of the posted pre-called numbers. The players are allowed to trade one previously purchased card for one new card with the purchase of an additional card. The players are playing for the same prize amount, and, once a bingo is achieved, the player with the bingo must verbally shout “Bingo” to stop the game and collect the winning payout amount.

However, in the B3 24 Number electronic game, the players are not playing for the same prize amount. In addition, when a winning number combination is achieved, the player does not shout “bingo”, and game machine play does not stop. Individual players can stop or continue game play on an individual basis. Thus, the B3 24 Number game is significantly different from paper-based pre-draw concealed face bingo.

B3 is a fast-paced game, and game play and payouts may quickly exceed the \$2,000 prize limit. Rule 10 of the Rules Covering and Regulating Bingo/Raffles (8 CCR 1505-2), restricts the maximum occasion prize award amount to \$2,000 for standard bingo games, which does not include “Progressive” bingo games. Progressive bingo games, by rule, are regulated separately from regular bingo occasion games. When the B3 game is played during a regular bingo occasion, prize payouts from the B3 game will impact the prize payout limit of \$2,000 for the occasion.

Legal Considerations

Constitutional issue:

In 1958 the voters of Colorado approved the constitutional amendment to Article XVIII, section 2 of the Colorado Constitution that legalized two specific games of chance: (1) “the specific game of chance commonly known as raffles” and (2) “the specific kind of game of chance commonly known as bingo or lotto, in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random”.

As described elsewhere in this memorandum, games played with the B3 bingo device are different in several ways from the “game of chance commonly known as bingo”, as contemplated by voters in 1958. Thus, it is not entirely clear that the game may be authorized without a constitutional amendment. However, if the General Assembly were to pass legislation authorizing games such as B3 24 Number bingo, then the legislation would be presumed constitutional and entitled to be implemented by the state Licensing Authority.

Statutory issues:

The concept expressed in the constitution concerning the traditional game of bingo is carried forward in the statutes enacted to carry out the constitutional provisions.

- “Bingo” is defined in section 12-9-102 (1), C.R.S., as:
“a game of chance played, with or without the aid of an electronic device, for prizes using cards or sheets containing five rows of five squares bearing numbers, except for the center square which is a free space. Traditional bingo also requires that the letters "B I N G O" appear in order over each column. The holder of a card or sheet matches the numbers on such card or sheet to numbers randomly drawn. The game is won when a previously designated arrangement of numbers on such card or sheet is covered.”
- “Card” is defined in section 12-9-102 (1.6), as:
“either a disposable and nonreusable paper bingo card identified by color, serial number, and card number, or a reusable bingo card intended for repeated use, including but not limited to a hard card or shutter card. "Card" does not include an electronic representation or electronic image of a bingo card.” (Emphasis added).

As previously noted, the B3 electronic bingo game bears relatively little resemblance to a “traditional bingo” game. The B3 game is played electronically fast-paced and plays 24 to 30 bingo numbers as opposed to the traditional 75 bingo numbers traditionally used in a traditional bingo game. Players do not play as a group, and they do not compete against one another.

In addition, the B3 game is played in a manner where it is not clear as to what constitutes a “bingo game” as referenced in section 12-9-102 (16), C.R.S. That statute defines “occasion” as “a single gathering or session at which a series of successive bingo or lotto games is played, not to exceed thirty-five in number”. It is unclear how this 35-game statutory limitation would apply to B3 games. One play of the B3 game occurs in seconds after the play button is activated. Thus, it is unclear if one play of the B3 game also constitutes a bingo game for purposes of the 35-game limitation.

It might be argued that the B3 device is similar to electronic devices that are already authorized in statute. Specifically, section 12-9-107 (28), C.R.S., authorizes the playing of bingo with the aid of an electronic device.

However, the statute requires that player aid devices must be used in conjunction with paper cards or sheets. By contrast, the B3 game is intended to be used without paper, and it was used without paper during the test period. The game is played entirely on the device itself. In other words, the B3 device is not used as an aid in the play of bingo. Thus, the B3 device is not a player aid device authorized by section 12-9-107 (28), C.R.S.

Without paper cards or sheets, the B3 game is essentially an electronic game. However, the statute that authorizes player aid devices expressly states that, “Nothing in this article shall be construed to authorize the playing of bingo solely by means of an electronic device.” As currently used, the B3 device appears to permit the playing of bingo “solely by means of an electronic device”, contrary to current law.

For these reasons, the Licensing Authority believes that current law does not provide legal authority for the B3 24 Number game. It would appear that, for the Licensing Authority to approve the B3 device in Colorado, the General Assembly must pass authorizing legislation.