



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

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

June 24, 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, by the Longmont Moose Lodge 1548, 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.

1. Amendments proposed by the Colorado Bingo Raffle Advisory Board.

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.

Regarding 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.

2. Amendments proposed by the Longmont Moose Lodge 1548.

On June 13, 2011, the Secretary of State received a petition for issuance of rules from the Longmont Moose Lodge 1548 that requests that this office engage in rulemaking with respect to progressive raffles and specifically the raffle named “Queen of Hearts.” The Secretary of State has drafted a proposed rule for the purposes of consideration. Within the Secretary of State’s

discretion and in accordance with section 24-4-103(7), C.R.S., proposed New Rule 9.0(E)(7) concerning the “Queen of Hearts” progressive raffle will be considered during the rulemaking hearing on June 30th, 2011 to afford opportunity for all interested persons to be heard and for the Secretary of State to receive public comment regarding the requested amendments.

Regarding the amendments proposed by the Longmont Moose Lodge 1548, the Secretary of State’s office questions whether the Secretary of State has statutory authority to authorize progressive raffle games by rule. The Colorado General Assembly has expressly authorized specific progressive games of chance, including progressive jackpot bingo games and progressive pull tab games in Bingo and Raffle Laws. However, progressive raffle games have not been authorized by the General Assembly. Given that progressive raffle games, including the “Queen of Hearts”, are games in which the participants win a prize and a chance to win an additional prize, they also do not appear to fall within the definition of a raffle, as set forth in section 12-9-102(19.3), C.R.S. This section states that raffle means “a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random method of selecting numbers”.

3. Amendments proposed by the Colorado Secretary of State.

- 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 5.0(A)(1) is amended to clarify that payments received by the licensee must be deposited directly into a segregated checking or savings account.
- 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)(8) 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.

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.