



## Notice of Proposed Permanent Rulemaking

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

June 14, 2017

#### I. Hearing Notice

As required by the State Administrative Procedure Act,<sup>1</sup> the Secretary of State gives notice of proposed rulemaking. A hearing is scheduled for **July 17, 2017 from 1:00 p.m. - 3:00 p.m.** in the Blue Spruce Conference Room on the 2nd floor of the Secretary of State's Office at 1700 Broadway, Denver, Colorado 80290.

#### II. Subject

The Secretary intends to permanently adopt amendments to the bingo and raffles games rules<sup>2</sup> that were temporarily adopted on June 14, 2017. The rule amendments are necessary to implement Senate Bill 17-232, which made technical and substantive changes to the Bingo and Raffles Law.<sup>3</sup> The Secretary is also considering other amendments to the rules in order to improve the administration and enforcement of Colorado bingo and raffles laws<sup>4</sup>, answer questions arising under these laws, and improve the administration of bingo and raffles games in Colorado.

A detailed Statement of Basis, Purpose, and Specific Statutory Authority follows this notice and is incorporated by reference.

#### III. Statutory authority

The Secretary proposes the rule revisions and amendments in accordance with the following statutory provisions:

1. Section 24-21-605(1)(b), C.R.S., (2017), which authorizes the Secretary of State to "supervise the administration and enforcement of [the Bingo and Raffles Law] and, in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance . . . .[.]"
2. Section 12-21-617(5), C.R.S., (2017), which authorizes the Secretary of State to "establish by rule the method of play and amount of prizes that may be awarded . . . [.]"

<sup>1</sup> Section 24-4-103(3) (a), C.R.S. (2016).

<sup>2</sup> 8 CCR 1505-2.

<sup>3</sup> Part 6, Article 21, Title 24 of the Colorado Revised Statutes.

<sup>4</sup> Article XVIII, Section 2 of the Colorado Constitution and Part 6, Article 21, Title 24 of the Colorado Revised Statutes.

**IV. Copies of draft rules**

A preliminary draft of the proposed rules is posted on the Secretary of State’s rules and notices of rulemaking website at:

[http://www.sos.state.co.us/pubs/rule\\_making/hearings/2017/BingoRulesHearing20170717.html](http://www.sos.state.co.us/pubs/rule_making/hearings/2017/BingoRulesHearing20170717.html).

You may also contact our office to request a paper or editable electronic copy of the draft rules.

As required by the State Administrative Procedure Act,<sup>5</sup> if changes are made before the hearing, revised proposed draft rules will be available to the public and posted on the website by July 12, 2017.

**V. Opportunity to testify and submit written comments**

The Secretary values your feedback in our rulemaking process and we would very much like to hear your thoughts on the proposed amendments. Please review and consider the attached proposed draft rules.

Everyone will have the opportunity to testify and provide written comment concerning the rule amendments. To ensure that the hearing is prompt and efficient, oral testimony may be time-limited.

You may submit written comments by mail, email, or in person to our office any time before the hearing. If you attend the hearing, you may submit written comments to the hearing panel as well. Additional opportunity to comment in writing may be announced at the conclusion of the hearing.

All written comments will be posted online at the Secretary of State website [http://www.sos.state.co.us/pubs/rule\\_making/hearings/2017/BingoRulesHearing20170717.html](http://www.sos.state.co.us/pubs/rule_making/hearings/2017/BingoRulesHearing20170717.html). We will redact contact information, including home address, email address, and telephone number(s), from submissions before posting the information online, unless otherwise directed by the contributor.

**VI. Broadcast and audio recording of hearing**

If you are unable to attend the hearing, you may listen to the live broadcast from the Blue Spruce Conference Room online at [www.sos.state.co.us/pubs/info\\_center/audioBroadcasts.html](http://www.sos.state.co.us/pubs/info_center/audioBroadcasts.html). After the hearing, visit the same website and click on “archived recordings” to access an audio recording of the hearing.

**VII. Office contact**

If you have any questions or would like to submit written comments, please contact Andrea Gyger with the Administration Division at [SoS.Rulemaking@sos.state.co.us](mailto:SoS.Rulemaking@sos.state.co.us) or (303) 894-2200 ext. 6329.

Dated this 14<sup>th</sup> day of June, 2017,



Suzanne Staiert  
Deputy Secretary of State

For

Wayne W. Williams  
Colorado Secretary of State

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<sup>5</sup> Section 24-4-103(3)(a), C.R.S. (2016). “Any 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.”



## **Draft Statement of Basis, Purpose, and Specific Statutory Authority**

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

**June 14, 2017**

#### **I. Basis and Purpose**

This statement explains amendments to the Colorado Secretary of State Rules Concerning Bingo and Raffles Games. The amendments are necessary to ensure uniform and proper administration, implementation, and enforcement of Colorado bingo and raffles laws.

Senate Bill 17-232 amended and relocated the Bingo and Raffles Law to Part 6, Article 21, Title 24 of the Colorado Revised Statutes. The following rule revisions are necessary to implement Senate Bill 17-32 and correct statutory citations:

- Repeal of Rule 2.4.4(c) which duplicates statutory language.
- New Rule 2.5 to clarify the requirements for preselling tickets as authorized in section 24-21-604(4), C.R.S.
- Amendments to Rule 3.1.1 to clarify that players cannot save specific seats and to remove the unnecessary reference to “playing space.”
- Amendments to Rule 3.4.4 to make consistent with section 24-21-604(4), C.R.S., which authorizes licensees to pre-sell entry tickets for charitable gaming events.
- Amendments to Rule 6.4.2 to make consistent with section 24-21-618(7)(c), C.R.S., which authorizes bingo players using the aid of an electronic device to play a maximum of fifty-four cards.
- Amendments to Rule 14.1.1 to consolidate sections and remove unnecessary portions.

Other changes to rules not specifically listed are non-substantive corrections to statutory citations.

#### **II. Rulemaking Authority**

The constitutional and statutory authority is as follows:

1. Section 24-21-605(1)(b), C.R.S. (2017), which authorizes the Secretary of State to “supervise the administration and enforcement of [the Bingo and Raffles Law] and, in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance . . . .[.]”
2. Section 12-21-617(5), C.R.S. (2017), which authorizes the Secretary of State to “establish by rule the method of play and amount of prizes that may be awarded . . . [.]”

# Preliminary Draft of Proposed Rules

## Office of the Colorado Secretary of State Bingo and Raffle Games Rules 8 CCR 1505-2

June 14, 2017

### Disclaimer:

In accordance with the State Administrative Procedure Act, this draft is filed with the Secretary of State and submitted to the Department of Regulatory Agencies.<sup>1</sup>

This is a preliminary draft of the proposed rules that our office may revise before the July 17, 2017 rulemaking hearing. If changes are made, a revised copy of the proposed rules will be available to the public and a copy will be posted on the Department of State's website no later than **July 12, 2017**.<sup>2</sup>

Please note the following formatting key:

Font effect	Meaning
Sentence case	Retained/modified current rule language
SMALL CAPS	New language
<del>Strikethrough</del>	Deletions
<i>[Italic blue font text]</i>	Annotations

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1 *[Current 8 CCR 1505-2 is amended as follows:]*

2 *Amendments to Rule 1.9 correcting a statutory citation:*

3 1.9 “Licensee” ~~means, as used in these rules unless otherwise specified, a bingo raffle licensee as~~  
4 ~~defined~~ HAS THE SAME MEANING AS SET FORTH in section ~~12-9-102(1.2), C.R.S.-24-21-602(3),~~  
5 C.R.S.

6 *Amendments to Rule 1.15.2 correcting a statutory citation:*

7 1.15.2 “Remuneration” does not include food offered to volunteers in accordance with section  
8 ~~12-9-107(6), C.R.S.,~~ 24-21-617(6), C.R.S., when the retail value of the food does not  
9 exceed \$10.00 per volunteer-duty shift.

10 *Repeal of Rule 2.4.4(c):*

11 2.4.4 Prize information.

12 (a) ~~The~~ AT THE BEGINNING OF EACH OCCASION, THE licensee ~~shall~~ MUST  
13 conspicuously post ~~information at the beginning of each occasion specifying the~~

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<sup>1</sup> Section 24-4-103(2.5), C.R.S. (2016). A draft must be submitted to the Department at the time that a notice of proposed rulemaking is filed with the Secretary of State.

<sup>2</sup> Section 24-4-103(4)(a), C.R.S. (2016). “[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.”

1 number and amount of cash prizes, and how the prizes may be won, including the  
2 cost to players.

3 (b) The licensee must either display the available merchandise prizes or post a list  
4 and complete description of the prizes, and how the prizes may be won, including  
5 the cost to players. If the licensee designates an alternative cash prize in the case  
6 of multiple bingo winners, the licensee must post details about the alternative  
7 prize in accordance with Rule 2.4.4(a).

8 ~~(c) Merchandise prizes are not redeemable or convertible into cash directly or~~  
9 ~~indirectly, in accordance with section 12-9-107.1(4), C.R.S.~~

10 ~~(d)~~(C) If the licensee offers prize payouts on the basis of number of players or gross  
11 amount of sales, the licensee must conspicuously post a statement to that effect.

12 *New Rule 2.5 concerning pre-selling tickets:*

13 2.5 A LICENSEE MAY PRESELL TICKETS IN ACCORDANCE WITH SECTION 24-21-604(4), C.R.S. AS  
14 FOLLOWS:

15 2.5.1 PRESELLING IS LIMITED TO THE NON-ELECTRONIC SALE, NOT MORE THAN SEVEN DAYS IN  
16 ADVANCE OF A BINGO GAMING EVENT, OF A TICKET EVIDENCING A PERSON'S RIGHT TO  
17 ENTER THE EVENT; AND

18 2.5.2 A LICENSEE MAY NOT PRESELL OR AUTHORIZE RESERVING A:

19 (A) "CARD," AS DEFINED IN SECTION 24-21-602(7), C.R.S.;

20 (B) "PULL TAB," AS USED IN SECTION 24-21-602(36), C.R.S.; OR

21 (C) SPECIFIC SEAT.

22 *Amendments to Rule 3.1.11 concerning reserving seats during gaming:*

23 3.1.11 Prohibition on saving seats ~~and playing space~~. A SPECIFIC seat ~~or playing space~~ may only  
24 be reserved to provide a reasonable accommodation for a player with a disability.

25 *Amendments to Rule 3.4.4 concerning the prohibition on preselling tickets:*

26 3.4 Multiple Bingo Occasions. A licensee may conduct multiple bingo occasions on the same day, if:

27 3.4.1 The licensee concludes all games of chance from the first occasion and completes all  
28 player-related activities, including, but not limited to, the purchase, opening, and  
29 redemption of pull tabs, ~~prior to~~ BEFORE the end of the occasion.

30 3.4.2 The licensee does not begin the next occasion for 15 minutes after the conclusion of the  
31 previous occasion, or until the final accounting for games of bingo played and pull tabs  
32 sold is completed and the books are closed for all of the first occasion activities,  
33 whichever comes later.

34 3.4.3 The licensee does not offer to sell pull tabs or other raffle tickets after an occasion  
35 concludes and before the next occasion begins.

1           3.4.4   The licensee does not continue activities from an occasion during the next occasion, and  
2           does not offer to sell, distribute or reserve any cards, sheets, tickets (EXCEPT AS  
3           AUTHORIZED BY SECTION 24-21-604(4), C.R.S., AND RULE 2.5), ~~admissions~~, or chances  
4           for the next occasion during the previous occasion or during the period between the two  
5           occasions.

6           *Amendments to Rule 4.1.1(a)(2) correcting a statutory citation:*

7           4.1.1   Player ~~Payment~~PAYMENT method. A licensee ~~must~~MAY not extend credit to a player.

8           (a)       When accepting payment, the licensee must:

9                       (1)       Collect the consideration for playing a game of chance in full, in  
10                      advance, by check, cash, or debit or credit card.

11                     (2)       Directly deposit all proceeds into the licensee's segregated checking or  
12                      savings account. The licensee may not commingle proceeds with funds  
13                      in a general account or other account. [Section ~~12-9-108(3)~~, C.R.S.-24-  
14                      21-622(3)(A), C.R.S.]

15           *Amendments to Rule 6.4.2 concerning the number of allowable of electronic aid device faces:*

16           6.4.2   Maximum number of faces. A licensee may not program an electronic bingo aid device to  
17           play more than ~~36~~54 faces per bingo game.

18           *Amendments to Rule 7.1.1 correcting a statutory citation:*

19           7.1.1   Reporting requirements. A licensee that conducts a promotion must report awarded prize  
20           information to the licensing authority in accordance with section ~~12-9-102.5(4)(e)~~, C.R.S.-  
21           24-21-604(3)(C), C.R.S.

22           *Amendments to Rule 8.5 correcting a statutory citation:*

23           8.5       Games not classified as raffles. The games of chance commonly known as "Animal Plop Bingo,"  
24           "Golf Ball Drops," plastic or rubber "Duck Races," "Coin Flip Games," and variations of these  
25           games are not raffles as defined by section ~~12-9-102(19.3)~~, C.R.S.-, 24-21-602(38), C.R.S., and  
26           are not raffles as authorized by subsections (2) to (4) of Section 2 of Article XVIII of the  
27           Colorado Constitution. Therefore, these games of chance are not licensed or regulated by the  
28           Secretary of State. In certain circumstances, these games of chance may be considered unlawful  
29           gambling. Licensees or other organizations who wish to conduct these games should contact law  
30           enforcement authorities or legal counsel to determine how to comply with Colorado law.

31           *Amendments to Rule 10.1.3(a) correcting a statutory citation:*

32           10.1.3   Progressive games

33                     (a)       All receipts from the sale of progressive games must be accounted for separately  
34                      within the licensee's bingo-affle checking or savings account created in  
35                      accordance with sections ~~12-9-108(3)(a) and (3)(b)~~, C.R.S.-24-21-622(3)(A) AND  
36                      (B), C.R.S.

1 *Amendments to Rule 14.1.1 and 14.1.1(d) and (e) correcting statutory citations:*

2 14.1.1 Application for approval. Any Colorado licensed manufacturer of an electronic bingo aid  
3 device and computer system may apply for a letter ruling in accordance with section ~~12-~~  
4 ~~9-103(1)(d), C.R.S.,~~ 24-21-605(1)(D), C.R.S., by submitting a written request to the  
5 Secretary of State. The request must include:

6 (A) ~~the~~THE manufacturer's name, license number, address, telephone and fax  
7 numbers, and an email address;

8 (B) ~~the~~THE make, model and description of the bingo aid device and computer  
9 system for which approval is sought; ~~and~~

10 (C) ~~the~~THE name and specific contact information of the manufacturer's  
11 representative who is an expert on the construction, programming, and operation  
12 of the device and system. ~~All requests must also include;~~

13 ~~(a)~~(D) A complete user's manual of the bingo aid device or system;

14 ~~(b)~~(E) Either a working prototype or a location in Colorado where the manufacturer can  
15 demonstrate the prototype;

16 ~~(c)~~(F) An affirmation from the manufacturer stating that the manual and prototype  
17 submitted to the Secretary of State do not differ materially from the manual,  
18 device and system that will be distributed in Colorado after approval of the  
19 prototype;

20 ~~(d)~~(G) In the case of a bingo aid device, a verified certificate from the manufacturer  
21 stating that the device meets all the standards set forth in section ~~12-9-~~  
22 ~~107.1(8)(a)(II)(A) through (D), C.R.S.,~~ 24-21-618(8)(A)(II)(A) THROUGH (D),  
23 C.R.S., and that the device can and will be restricted to allow the play of no more  
24 than ~~3654~~ faces per bingo game;

25 ~~(e)~~(H) In the case of a bingo aid computer system, a verified manufacturer's certificate  
26 stating that:

27 (1) ~~the~~THE system meets all the requirements set forth in section ~~12-9-~~  
28 ~~107.1(9)(a) through (c), C.R.S.,~~ 24-21-618(9)(A) THROUGH (C), C.R.S.;  
29 and

30 (2) ~~that the~~THE system, if constructed or intended for more than one  
31 ~~licensee~~LICENSEE'S USE, CAN:

32 (A) Clearly identify each user's data;

33 (B) ~~is capable of segregating, securing, and restricting access to~~  
34 SEGREGATE AND SECURE each ~~licensee's~~USER'S data ~~so that no~~  
35 ~~other licensee can~~FROM OTHERS' access the data; and

36 ~~(f)~~(C) ~~The manufacturer must verify that a bingo aid computer system~~  
37 ~~that is designed for use by more than one user only allows users~~



1 ~~to RESTRICT access the system~~ TO EACH USER'S DATA through a  
2 unique user identification and password, smart card, token, or  
3 other method. ~~Identification and access must:~~ THAT LIMITS  
4 ACCESS SOLELY TO THE UNIQUE IDENTIFIER'S BEARER, THE  
5 SECRETARY OF STATE AND THE MANUFACTURER.

6 (1) ~~Ensure that the licensee's data is accessible only to the bearer of the~~  
7 ~~licensee's unique identifier, the Secretary of State and the personnel of~~  
8 ~~the system's manufacturer; and~~

9 (2) ~~Clearly identify all of the licensee's data and only the licensee's data.~~

10 *Amendments to Rule 15.3.2(g) correcting a statutory citation:*

11 15.3.2 Class 2 violations include:

12 (g) Reserving or setting aside bingo cards or pull tabs for use by players, except as  
13 authorized in section ~~12-9-107.1(3)(d), C.R.S.,~~ 24-21-618(3)(D), C.R.S., or,  
14 except as authorized by these rules, reserving or allowing to be reserved any seat  
15 or playing space for use by players.

16 *Amendments to Rule 15.6.1 correcting a statutory citation:*

17 15.6.1 Request for hearing. In accordance with section ~~12-9-103(1)(a)(II), C.R.S.,~~ 24-21-  
18 605(1)(A)(II), C.R.S., a licensee may request a hearing before an administrative law judge  
19 to appeal the imposition of a fine. The Secretary of State must receive a written request  
20 for a hearing within 20 days of the date that the Secretary of State denied a fine  
21 suspension or reduction request.