



# Bingo-Raffles Law Handbook

Colorado Constitution  
Article XVIII, Section 2

Colorado Revised Statutes  
Title 24, Article 21, Part 6

Code of Colorado Regulations  
Rules Covering and Regulating Bingo and Raffle Games

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## Colorado Constitution, Article XVIII, Section 2 (2013)

### Section 2. Lotteries prohibited – exceptions.

(1) The general assembly shall have no power to authorize lotteries for any purpose; except that the conducting of such games of chance as provided in subsections (2) to (4) of this section shall be lawful on and after January 1, 1959, and the conducting of state-supervised lotteries pursuant to subsection (7) of this section shall be lawful on and after January 1, 1981.

(2) No game of chance pursuant to this subsection (2) and subsections (3) and (4) of this section shall be conducted by any person, firm, or organization, unless a license as provided for in this subsection (2) has been issued to the firm or organization conducting such games of chance. The secretary of state shall, upon application therefor on such forms as shall be prescribed by the secretary of state and upon the payment of an annual fee as determined by the general assembly, issue a license for the conducting of such games of chance to any bona fide chartered branch or lodge or chapter of a national or state organization or to any bona fide religious, charitable, labor, fraternal, educational, voluntary firemen's or veterans' organization which operates without profit to its members and which has been in existence continuously for a period of five years immediately prior to the making of said application for such license and has had during the entire five-year period a dues-paying membership engaged in carrying out the objects of said corporation or organization, such license to expire at the end of each calendar year in which it was issued.

(3) The license issued by the secretary of state shall authorize and permit the licensee to conduct games of chance, restricted to the selling of rights to participate and the awarding of prizes in 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 and in the specific game of chance commonly known as raffles, conducted by the drawing of prizes or by the allotment of prizes by chance.

(4) Such games of chance shall be subject to the following restrictions:

(a) The entire net proceeds of any game shall be exclusively devoted to the lawful purposes of organizations permitted to conduct such games.

(b) No person except a bona fide member of any organization may participate in the management or operation of any such game.

(c) No person may receive any remuneration or profit for participating in the management or operation of any such game.

(5) Subsections (2) to (4) of this section are self-enacting, but laws may be enacted supplementary to and in pursuance of, but not contrary to, the provisions thereof.

(6) The enforcement of this section shall be under such official or department of government of the state of Colorado as the general assembly shall provide.

(7) Any provision of this constitution to the contrary notwithstanding, the general assembly may establish a state-supervised lottery. Unless otherwise provided by statute, all proceeds from the lottery, after deduction of prizes and expenses, shall be allocated to the conservation trust fund of the state for distribution to municipalities and counties for park, recreation, and open space purposes.

# Colorado Revised Statutes 2017

## TITLE 24

### GOVERNMENT - STATE

#### ARTICLE 21

Secretary of State - Department of State

#### PART 6

#### BINGO AND RAFFLES LAW

**Editor's note:** (1) This part 6 was added with relocations in 2017. Former C.R.S. section numbers are shown in editor's notes following those sections that were relocated. For a detailed comparison of this part 6, see the comparative tables located in the back of the index.

(2) Section 6 of chapter 233 (SB 17-232), Session Laws of Colorado 2017, provides that the act adding this part 6 applies to conduct occurring on or after May 23, 2017.

**24-21-601. Short title.** The short title of this part 6 is the "Bingo and Raffles Law".

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 908, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-101 as it existed prior to 2017.

**24-21-602. Definitions.** As used in this part 6, unless the context otherwise requires:

(1) "Bingo" means 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.

(2) "Bingo aid computer system" means a computer system that interfaces with and controls the use of electronic devices used as aids in the game of bingo.

(3) "Bingo-affle licensee" means any qualified organization to which a bingo-affle license has been issued by the licensing authority.

(4) "Bingo-affle manufacturer" means a person, other than a bingo-affle licensee, who makes, assembles, produces, or otherwise prepares pull tabs, bingo cards or sheets, electronic devices used as aids in the game of bingo, or other equipment or parts thereof for games of chance. "Bingo-affle manufacturer" does not include a person who prints raffle tickets, other than pull tabs, for and at the request of a bingo-affle licensee.

(5) "Bingo-affle supplier" means a person, other than a bingo-affle licensee, who sells, distributes, or otherwise furnishes pull tabs, bingo cards or sheets, electronic devices used as aids in the game of bingo, or other games of chance equipment. "Bingo-affle supplier" does not include a person who prints raffle tickets, other than pull tabs, for and at the request of a bingo-affle licensee.

(6) "Board" means the Colorado bingo-affle advisory board created in section 24-21-630.

(7) "Card" means 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.

(8) "Charitable gaming" means bingo, pull tab games, and raffles.

(9) "Charitable organization" means any organization, not for pecuniary profit, that is operated for the relief of poverty, distress, or other condition of public concern within this state and that has been so engaged for five years prior to making application for a license under this part 6.

(10) "Chartered branch or lodge or chapter of a national or state organization" means any such branch or lodge or chapter that is a civic or service organization, not for pecuniary profit, and authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a fraternal, civic, or service purpose within this state and that has been so engaged for five years prior to making application for a license under this part 6.

(11) "Commercial bingo facility" means premises rented by a bingo-raffle licensee for the purpose of conducting games of chance.

(12) "Commercial landlord" means any person renting or offering to rent a commercial bingo facility to any bingo-raffle licensee.

(13) "Deal" means each separate package or series of packages of pull tabs with the same name, form number, serial number, and color code.

(14) "Dues-paying membership" means those members of an organization who pay regular monthly, annual, or other periodic dues or who are excused from paying such dues by the bylaws, articles of incorporation, or charter of the organization and those who contribute voluntarily to the corporation or organization to which they belong for the support of such corporation or organization.

(15) "Educational organization" means any organization within this state, not organized for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction and that has been in existence for five years prior to making application for a license under this part 6.

(16) "Equipment" means: With respect to bingo or lotto, the receptacle and numbered objects drawn from it, the master board upon which such objects are placed as drawn, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the board or signs, however operated, used to announce or display the numbers or designations as they are drawn, public address system, and all other articles essential to the operation, conduct, and playing of bingo or lotto; or, with respect to raffles, implements, devices, and machines designed, intended, or used for the conduct of raffles and the identification of the winning number or unit and the ticket or other evidence or right to participate in raffles. "Equipment" includes electronic devices used as aids in the game of bingo.

(17) "Exempt organization" means an organization:

(a) That is exempt from taxation under section 501 (c)(3) of the federal "Internal Revenue Code of 1954", as amended;

(b) Of the type commonly known as a community chest, which organizes and carries out intensive, limited-time, and community-wide fund drive campaigns by volunteer workers soliciting charitable contributions from a broad base of citizens and businesses in the community with the objective of providing financial support to other organizations that are exempt from taxation under section 501 (c)(3) of the federal "Internal Revenue Code of 1954", as amended, and that provides charitable, educational, civic, health, or human services within the same community and that has the further objective of minimizing the necessity for multiple, overlapping, and competing fund drives by such recipient organizations to enable them to deliver such services;

(c) That assists in acquiring noncash prizes donated by participating private businesses or government agencies as an ancillary means of creating interest in a charitable fund-raising drive held by such business or agency;

(d) That collects voluntary contributions and distributes more than eighty percent of such contributions to other organizations that are exempt from taxation under section 501 (c)(3) of the federal "Internal Revenue Code of 1954", as amended, and that provide charitable, educational, civic, health, or human services;

(e) On behalf of whose fund-raising drives drawings are held by participating private businesses or government agencies, which drawings are open only to the employees of such businesses or agencies and are

not open to the general public;

(f) Whose fund-raising drives are jointly planned and managed by the participating private businesses and government agencies; and

(g) Whose fund-raising drives include only the awarding of noncash prizes by the participating private businesses or government agencies.

(18) "Fraternal organization" means any organization within this state, including college and high school fraternities, not for pecuniary profit, that is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members and that has so existed for five years prior to making application for a license under this part 6. "Fraternal organization" also includes a graduate or alumni division or branch of a college fraternity, which division or branch holds a charter issued by the state of Colorado and that meets all other criteria set forth in this subsection (18). As used in this subsection (18), "fraternity" includes a sorority.

(19) "Game of chance" means that 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 and that specific kind of game of chance commonly known as raffles that is conducted by drawing for prizes or the allotment of prizes by chance, by the selling of shares or tickets or rights to participate in such a game.

(20) "Gross receipts" means receipts from the sale of shares, tickets, or rights in any manner connected with participation in a game of chance or the right to participate therein, including any admission fee or charge, the sale of equipment or supplies, the sale or lease of electronic devices used as aids in the game of bingo, and all other miscellaneous receipts.

(21) "Labor organization" means any organization, not for pecuniary profit, within this state that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work and that has existed for such purpose and has been so engaged for five years prior to making application for a license under this part 6.

(22) "Landlord licensee" means the holder of a current, valid commercial landlord license.

(23) "Lawful purposes" means the lawful purposes of organizations permitted to conduct games of chance, as provided in section 2 of article XVIII of the state constitution.

(24) "Lawful use" means the devotion of the entire net proceeds of a game of chance exclusively to lawful purposes.

(25) "License" means any license or certification issued by the licensing authority pursuant to this part 6, including, without limitation, the certification of a games manager pursuant to section 24-21-610.

(26) "Licensed agent" means an individual who holds a current, valid agent's license for a bingo-raffle manufacturer or supplier.

(27) "Licensee" means the holder of any license or certification issued by the licensing authority pursuant to this part 6. "Licensee" includes the former holder of such license or certification for purposes of investigation of activities that took place during the period in which such license or certification was effective.

(28) "Licensing authority" means the secretary of state or his or her duly authorized deputy.

(29) "Manufacturer's agent" means an individual who represents a manufacturer in any of its activities in connection with the presales, driver sales, or distribution with excess stock of pull tabs, bingo cards or sheets, electronic devices used as aids in the game of bingo, or other games of chance equipment; except employees of commercial delivery services.

(30) "Manufacturer licensee" means the holder of a current, valid Colorado manufacturer license.

(31) "Member" means an individual who has qualified for membership in a qualified organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement.

(32) "Net proceeds" means the receipts less such expenses, charges, fees, and deductions as are specifically authorized under this part 6.

(33) "Occasion" means a single gathering or session at which a series of successive bingo games is played.

(34) "Person" means a natural person, firm, association, corporation, or other legal entity.

(35) "Premises" means any room, hall, enclosure, or outdoor area used for the purpose of playing a game of chance.

(36) "Pull tab game" means a type of game of chance commonly known as a pickle, break-open, jar raffle, last sale ticket, or seal card for which tickets are preprinted with markings distinguishing winners and nonwinners, each ticket so made that its markings and winning or nonwinning status cannot be known or revealed until the ticket is broken or torn apart.

(37) (a) "Qualified organization" means any bona fide chartered branch, lodge, or chapter of a national or state organization or any bona fide religious, charitable, labor, fraternal, educational, voluntary firefighters', or veterans' organization operating without profit to its members that has been in existence continuously for a period of five years immediately prior to the making of an application for a license under this part 6 and that has had, during the entire five-year period, a dues-paying membership engaged in carrying out the objects of said corporation or organization.

(b) "Qualified organization" includes, without limitation:

(I) A political party; and

(II) The Colorado state fair authority.

(38) "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 as determined by rules of the licensing authority, or a pull tab ticket as described in subsection (36) of this section. The term "raffle" does not include any activity that is authorized or regulated by the state lottery division pursuant to part 2 of article 35 of this title 24 or the "Limited Gaming Act of 1991", article 47.1 of title 12.

(39) "Religious organization" means any organization, church, body of communicants, or group, not for pecuniary profit, gathered in common membership for mutual support and edification in piety, worship, and religious observances or a society, not for pecuniary profit, of individuals united for religious purposes at a definite place, which organization, church, body of communicants, group, or society has been so gathered or united for five years prior to making application for a license under this part 6.

(40) "Sheet" means a leaf of paper upon which is printed one or more disposable bingo cards.

(41) "Supplier's agent" means an individual who represents a bingo-raffle supplier in the course of the bingo-raffle supplier's presales, driver sales, or distribution with excess bingo-supplier stock, electronic devices used as aids in the game of bingo, or chance equipment on hand; except that the term does not include employees of commercial delivery services.

(42) "Supplier licensee" means the holder of a current, valid Colorado supplier license.

(43) "Veterans' organization" means any organization within this state or any branch, lodge, or chapter of a national or state organization within this state, not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States, that has been in existence for five years prior to making application for a license under this part 6.

(44) "Voluntary firefighters' organization" means any organization within this state, not for pecuniary profit, established by the state or any of its political subdivisions that has been in existence for five years prior to making application for a license under this part 6.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 908, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-102 as it existed prior to 2017.

**24-21-603. Fraud and deception prohibited.** (1) A bingo-raffle licensee, landlord licensee, supplier licensee, manufacturer licensee, or any member or agent thereof engaged in any charitable gaming activity shall not, directly or indirectly:

(a) Employ any device, scheme, or artifice to defraud or deceive;

(b) Intentionally make any untrue or misleading statement of fact; or

(c) Engage in any act, practice, or course of conduct constituting fraud or deceit.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 913, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-102.3 as it existed prior to 2017.

**24-21-604. Legislative declaration - consideration for tickets - conditions - rules.** (1) The general assembly hereby finds and declares that prize promotions involving the conduct of free product giveaways through the use of free chances for purposes of commercial advertisement, the creation of goodwill, the promotion of new products or services, or the collection of names should not be subject to regulation under this part 6. The giveaways described in this subsection (1) are exempt from regulation under this part 6 when all of the conditions set forth in this section are satisfied.

(2) No award of prizes by chance for a purpose set forth in subsection (1) of this section is a lottery or game of chance, nor is any share, ticket, or right to participate in an award of prizes deemed to have been sold or charged for, notwithstanding that the award is made to persons who have paid a fee entitling them to general admission to the grounds or premises on which the award is made, if each share or ticket by means of which the award is made is given away free of charge and without any obligation on the part of the person receiving it.

(3) (a) (I) A licensee may conduct a prize promotion on the licensed premises, whether the premises are rented or owned by the licensee. A licensee shall clearly disclose, in the rental agreement or otherwise, the promotion and its cost, if any, to the licensee, pursuant to rules adopted by the licensing authority.

(II) A landlord licensee shall not require a bingo-raffle licensee to participate in or conduct a promotion under this section, nor may a games manager for any occasion assist in any promotion conducted during an occasion by a landlord licensee. Prizes offered as part of a promotion are not prizes subject to limitation under section 24-21-617 (5).

(b) Before conducting a promotion under this section, the licensee shall provide evidence of ownership, free and clear, of the prizes to be offered unless all of the prizes are available for viewing on the premises on the day they are to be awarded. The licensee offering any promotional prize shall disclose, at the beginning of the promotion, full and complete information identifying the prizes to be awarded and the method by which the prizes may be won.

(c) Within ten days after the award of any prize, the licensee shall file with the licensing authority a written report containing a description of the prize, the value of the prize, and such other information as the licensing authority may require by rule. Any prize offered pursuant to this section must be awarded by the end of the calendar quarter in which it was offered.

(d) The licensing authority may establish by rule the maximum amount or value of a cash prize or a prize of a product or service that may be awarded; except that such maximum amount must be at least one thousand dollars.

(4) A bingo-raffle licensee may, directly or through a third party, presell tickets to a charitable gaming event.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 913, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-102.5 as it existed prior to 2017.

**24-21-605. Licensing and enforcement authority - powers - rules - duties - license suspension or revocation proceedings - definitions.** (1) The secretary of state is hereby designated as the "licensing authority" of this part 6. As licensing authority, the secretary of state's powers and duties are as follows:

(a) (I) To grant or refuse to grant bingo-raffle licenses under this part 6 and to grant or refuse to grant licenses to landlords, manufacturers, manufacturers' agents, suppliers, and suppliers' agents. If any such license application has not been approved or disapproved within forty-five days after the licensing authority has received all information that constitutes a complete application, the license shall be deemed to be approved. The licensing authority shall notify the applicant upon receipt of all information that the licensing authority deems a complete application. Such notification shall be the start of the forty-five-day period in which the licensing authority shall affirmatively act upon the application. The licensing authority's failure to

act upon an application within forty-five days after receipt shall not preclude the licensing authority from later filing a complaint challenging the application on the ground that it is in conflict with the Colorado constitution or this part 6. All such licenses and applications for such licenses shall be made available for inspection by the public. In addition, the licensing authority has the power and the responsibility, after investigation and hearing before an administrative law judge, to suspend or revoke any license issued by the licensing authority, in accordance with any order of such administrative law judge. When a license is ordered suspended or revoked, the licensee shall surrender the license to the licensing authority on or before the effective date of the suspension or revocation. No license is valid beyond the effective date of the suspension or revocation, whether surrendered or not. Any bingo-raffle license may be temporarily suspended for a period not to exceed ten days pending any prosecution, investigation, or public hearing.

(II) In lieu of seeking a suspension or revocation of any license issued by the licensing authority, the licensing authority may impose a reasonable fine for any violation of this part 6 or any rule adopted pursuant to this part 6, not to exceed one hundred dollars per citation. The imposition of any such fine may be appealed to an administrative law judge.

(III) An applicant may request administrative review of a refusal by the licensing authority to grant or renew a license in accordance with subsection (3) of this section. To be entitled to administrative review, the applicant must request the review in writing within sixty days after the date of the licensing authority's refusal.

(IV) If a licensee or bingo-raffle affiliate fails within forty-five days after a written request by the licensing authority to voluntarily produce records at the office of the licensing authority, or if a licensee fails to file a report within the time required by this part 6, or if such report is not properly verified or is not fully, accurately, and truthfully completed on its face, the licensing authority may refuse to renew the licensee's license until the licensee has corrected such failure or deficiency. If the licensing authority refuses to renew a license pursuant to this subsection (1)(a)(IV), the licensee shall not engage in activity authorized by such license until such license is renewed.

(b) To supervise the administration and enforcement of this part 6 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 part 6 or of rules adopted pursuant to this part 6, 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 part 6;

(c) To provide forms for and supervise the filing of any reports made by mail, computer, electronic mail, or any other electronic device by any licensee. As soon as possible after July 1, 2006, the licensing authority shall ensure that delivery of a document subject to this part 6 by an applicant or a licensee may be accomplished electronically without the necessity for presentation of a physical original document, report, or image, if all required information is included and is readily retrievable from the data transmitted. The licensing authority may, by rule, require certain organizations to file reports and other documents electronically. All electronically filed documents shall be stored by the licensing authority in an electronic or other medium and shall be retrievable by the licensing authority in an understandable and readable form. Notwithstanding any other provision of law requiring the signature of, or execution by, a person on a document, no such signature shall be required when the document is submitted electronically. Causing a document to be delivered to the licensing authority by an applicant or a licensee shall constitute the affirmation or acknowledgment of the individual causing the delivery, under penalty of perjury, that the document is the individual's act and deed or the act and deed of the organization or entity on whose behalf the document was delivered and that the facts stated in the document are true.

(d) Upon application by any licensee, to issue a letter ruling granting approval for any new concept, method, technology, practice, or procedure that may be applied to, or used in the conduct of, games of chance that are not in conflict with the constitution or this part 6. Application for such approval shall be submitted in a form prescribed by the licensing authority. If an application is not acted upon within forty-five days after receipt by the licensing authority, the licensee may implement such concept, method, technology,

practice, or procedure so long as it is not in conflict with the constitution or this part 6; except that the licensing authority's failure to act upon an application within forty-five days after receipt shall not preclude the licensing authority from later filing a complaint challenging such concept, method, technology, practice, or procedure on the ground that it is in conflict with the constitution or this part 6. An adverse ruling on such application may be appealed to an administrative law judge.

(e) To keep records of all actions and transactions relating to licensing and enforcement activity;

(f) To prepare and transmit annually, in the form and manner prescribed by the heads of the principal departments pursuant to section 24-1-136, a report accounting to the governor for the efficient discharge of all responsibilities assigned by law or directive to the authority, and to issue publications of the authority intended for circulation in quantity outside the executive branch in accordance with section 24-1-136;

(g) To license devices for reading pull tabs as provided in section 24-21-619; except that the licensing authority shall not impose or collect any fee for the issuance of such a license.

(2) For the purpose of any investigation or examination of records, the licensing authority or any officer designated by the licensing authority may require, at the office of the licensing authority, the production of any books, papers, correspondence, memoranda, agreements, or other documents or records that the licensing authority deems relevant or material to the inquiry. In case of refusal to obey a request for the production of documents issued to any licensee or an affiliate of a licensee, the district court of the city and county of Denver, upon application by the licensing authority, may issue an order requiring that person to appear before the licensing authority or the officer designated by the licensing authority to produce documents or to give evidence touching upon the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.

(3) The licensing authority may revoke, suspend, annul, limit, modify, or refuse to grant or renew a license in accordance with section 24-4-104. Hearings that are held to administratively review the licensing authority's decision to refuse to grant or renew a license or to determine whether a licensee's license should be revoked, suspended, annulled, limited, or modified shall be conducted by an administrative law judge appointed pursuant to part 10 of article 30 of this title 24 and shall be held in the manner and pursuant to the rules and procedures described in sections 24-4-104, 24-4-105, and 24-4-106. An administrative law judge shall hold and conclude hearings in accordance with the rules, with reasonable dispatch and without unnecessary delay, and shall issue a decision within ten days after the hearing.

(4) (a) Upon a finding by an administrative law judge of a violation of this part 6, the rules adopted pursuant to this part 6, or any other provision of law, such as would warrant the revocation, suspension, annulment, limitation, or modification of a license, in addition to any other penalties that may be imposed, the licensing authority may declare the violator ineligible to conduct a game of bingo and to apply for a license pursuant to this part 6 for a period not exceeding one year after the date of the declaration or a shorter period designated by the licensing authority pursuant to this subsection (4). The licensing authority shall designate a shorter period of license ineligibility only in the absence of aggravating factors associated with the violation for which the revocation was imposed. Aggravating factors include willfulness, intent, a previous intentional violation of this part 6, and violations involving theft or fraud. The declaration of ineligibility may be extended to include, in addition to the violator, any of its subsidiary organizations, its parent organization, or otherwise, affiliated with the violator when, in the opinion of the licensing authority, the circumstances of the violation warrant such action.

(b) The decision of the administrative law judge in any controversy concerning licensing, the imposition of a fine, or the approval of any proposed new concept, method, technology, practice, or procedure is final and subject to review by the court of appeals, pursuant to section 24-4-106 (11).

(5) Upon an administrative or judicial finding of a violation of this part 6, the rules adopted pursuant to this part 6, or any other provision of law, such as would warrant the suspension or revocation of a license, the licensing authority, in addition to any other penalties that may be imposed, may issue an order excluding the violator or any owner, officer, director, or games manager of the violator from the licensed premises during the conduct of games of chance.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 914, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-103 as it existed prior to 2017.

**24-21-606. Fees - department of state cash fund.** (1) All fees collected by the licensing authority pursuant to this part 6 shall be transmitted to the state treasurer, who shall credit them to the department of state cash fund created in section 24-21-104 (3)(b), also referred to in this section as the "fund". The money in the fund is subject to annual appropriation by the general assembly for the purposes of financing the licensing and enforcement activities of the secretary of state as specified in this part 6.

(2) (a) Fees authorized by this part 6 shall be established by the licensing authority, in consultation with the board, in amounts sufficient to ensure that the total revenue generated by the collection of such fees approximates the direct and indirect costs incurred by the licensing authority in carrying out its duties under this part 6. The amounts of all fees shall be reviewed annually. The licensing authority shall furnish to the board both an annual and a quarterly accounting of all fee and fine revenues received and expenditures made pursuant to this part 6, together with a list of all fees in effect.

(b) The cost of implementing the electronic application and report filing system required by section 24-21-605 (1)(c), including the cost of promulgating any new or amended rules for use of the system, shall be recovered through a temporary fee increase or surcharge assessed on licensees during the first five years of operation of the system. The licensing authority shall establish the temporary fee or surcharge on a sliding or graduated scale, based on the quarterly gross receipts of each licensee that is required to file quarterly reports or pay fees under section 24-21-621 (4) or 24-21-622 (6)(b), and in an amount sufficient to recover all of such costs within the five-year period.

(3) All fines assessed pursuant to this part 6 shall be paid to the state treasurer who shall credit the same to the general fund of the state.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 918, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-103.5 as it existed prior to 2017.

**24-21-607. Bingo-affle license - fee.** (1) A bona fide chartered branch, lodge, or chapter of a national or state organization or any bona fide religious, charitable, labor, fraternal, educational, voluntary firefighters', or veterans' organization or any association, successor, or combination of association and successor of any of these organizations that operates without profit to its members, has been in existence continuously for a period of five years immediately prior to the making of application for a bingo-affle license under this part 6, and has had during the entire five-year period dues-paying members engaged in carrying out the objects of the corporation or organization is eligible for a bingo-affle license to be issued by the licensing authority under this part 6. If a license is revoked, the bingo-affle licensee and holder thereof is not eligible to apply for another license under subsection (2) of this section for no more than one year after the date of the revocation.

(2) The bingo-affle licenses provided by this part 6 shall be issued by the licensing authority to applicants qualified under this part 6 upon payment of a fee established in accordance with section 24-21-606 (2). Licenses expire at the end of the calendar year in which they were issued by the licensing authority and may be renewed by the licensing authority upon the filing of an application for renewal thereof provided by the licensing authority and the payment of the fee established for the renewal. No license granted under this part 6 or any renewal thereof is transferable. The fees required to be paid for a new or renewal license shall be deposited in the department of state cash fund created in section 24-21-104 (3)(b).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 918, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-104 as it existed prior to 2017.

**24-21-608. Landlord licensees - stipulations.** (1) A person other than a landlord licensee shall not rent or offer to rent to any bingo-affle licensee any premises to be used to conduct games of chance. A lease

of the premises for a bingo occasion must be for a period of at least five consecutive hours unless the landlord licensee and bingo-raffle licensee agree to a shorter or longer period. The amount of rent to be charged, and the method used to calculate such rent, shall be established by agreement between the parties.

(2) No landlord licensee or any employee of a landlord licensee shall require, induce, or coerce a bingo-raffle licensee to enter into any contract, agreement, or lease contrary to this part 6.

(3) No landlord licensee or any employee of a landlord licensee shall require, induce, or coerce a bingo-raffle licensee to purchase supplies or equipment, or to purchase or lease electronic devices used as aids in the game of bingo, from a particular supplier, distributor, or manufacturer as a condition of conducting games of chance at a commercial bingo facility.

(4) Rent charged to a bingo-raffle licensee by a landlord licensee for the use of a commercial bingo facility shall cover all expenses and items reasonably necessary for the use of the commercial bingo facility for a bingo occasion including, but not limited to, insurance and maintenance for such facility, adequate and secure storage space, restrooms, janitorial services, and utilities.

(5) No activity or business other than licensed games of chance may be conducted in a commercial bingo facility within space leased to a bingo-raffle licensee during the time allocated to the bingo-raffle licensee with the exception of the sale of food, beverages, bingo-related merchandise and supplies, the operation of an automated cash service device, and such other activities and businesses as the bingo-raffle licensee may agree to. A landlord licensee may conduct other businesses and activities in space not included in the bingo-raffle licensee's rental agreement and in which games of chance are not held.

(6) A landlord licensee or any employee or agent of a landlord licensee shall not be a party responsible for or assisting with the conduct, management, or operation of any game of chance within Colorado; except that a landlord licensee that is also a bingo-raffle licensee may conduct such activities as its bingo-raffle license allows exclusively on its own behalf.

(7) Notwithstanding subsection (6) of this section, a landlord, supplier, or manufacturer licensee may instruct and train a bingo-raffle licensee in the repair, operation, and maintenance of bingo-raffle equipment, subject to specific criteria established by rule.

(8) Every landlord licensee shall file with the licensing authority all leases, agreements, and other documents required in order for a bingo-raffle licensee to lease its commercial bingo facility.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 919, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-104.5 as it existed prior to 2017.

**24-21-609. Application for bingo-raffle license.** (1) Each applicant for a bingo-raffle license to be issued under this section shall file with the licensing authority a written application in the form prescribed by the licensing authority, duly executed and verified, and in which shall be stated:

(a) The name and address of the applicant;

(b) Sufficient facts relating to its incorporation and organization to enable the licensing authority to determine whether or not it is a bona fide chartered branch, lodge, or chapter of a national or state organization or a bona fide religious, charitable, labor, fraternal, educational, voluntary firefighters', or veterans' organization that operates without profit to its members, has been in existence continuously for a period of five years immediately prior to the making of said application for such license, and has had during the entire five-year period dues-paying members engaged in carrying out the objectives of said applicant;

(c) The names and addresses of its officers;

(d) The specific kind of games of chance intended to be held, operated, and conducted by the applicant;

(e) (I) The place where such games of chance are intended to be held, operated, and conducted by the applicant under the license applied for; or

(II) In the case of the application of an exempt organization, the place or places where drawings are intended to be held, operated, and conducted by the organization under the license applied for;

(f) A statement that no commission, salary, compensation, reward, or recompense will be paid to any

person for holding, operating, or conducting such games of chance or for assisting therein except as otherwise provided in this part 6;

(g) Such other information deemed advisable by the licensing authority to ensure that the applicant falls within the restrictions set forth by the state constitution.

(2) (a) In each application there shall be designated active members of the applicant organization under whom the games of chance described in the application are to be held, operated, and conducted, and to the application shall be appended a statement executed by the applicant and by the members so designated that they will be responsible for the holding, operation, and conduct of such games of chance in accordance with the terms of the license and this part 6.

(b) Each designated games manager must have been an active member of the applicant for at least the six months immediately preceding his or her designation and shall be certified by the licensing authority pursuant to section 24-21-610 before assuming games management duties.

(3) In the event any premises are to be leased or rented in connection with the holding, operating, or conducting of any game of chance under this part 6, a written statement shall accompany the application signed and verified by the applicant, which must state the address of the leased or rented premises and the amount of rent that will be paid for said premises and which must certify that the premises are to be rented from a landlord licensee.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 920, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-105 as it existed prior to 2017.

**24-21-610. Games managers - certification.** (1) The licensing authority shall issue a games manager certification to any qualified applicant who has demonstrated sufficient knowledge of this part 6, as determined by the licensing authority, and who has paid the fee established in accordance with section 24-21-606 (2). A games manager certification shall be valid for a time period to be determined by the licensing authority by rule, and may be denied, suspended, or revoked for any violation of this part 6 or any rule or order of the licensing authority promulgated or issued pursuant to this part 6.

(2) A person is not eligible for certification or to act as a games manager in the conduct of a game of chance pursuant to this part 6 unless the person is eighteen years of age or older.

(3) A person is not eligible for certification or to act as a games manager in the conduct of any game of chance pursuant to this part 6 if the person has been convicted of any misdemeanor involving gambling or any felony.

(4) Unless authorized by the licensing authority in accordance with the rules of the licensing authority, a person shall not be designated or serve as a games manager for more than three bingo-raffle licensees simultaneously. The licensing authority may promulgate rules establishing the circumstances under which a person may be designated and serve as games manager for more than three bingo-raffle licensees.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 921, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-105.1 as it existed prior to 2017.

**24-21-611. Application for landlord license - fee.** (1) Each applicant for a landlord license shall file with the licensing authority a written application, duly executed and verified, in the form presented by the licensing authority, which application shall include, but not be limited to, the following information:

(a) The name and address of the landlord and, if such commercial landlord is a corporation, partnership, association, or other business entity, the names and addresses of all partners, associates, and persons holding an ownership interest of ten percent or more;

(b) The name and address of the landlord's resident agent if the commercial landlord does not reside in Colorado and the location in Colorado where its records will be available to the licensing authority;

(c) The location of the premises for which the applicant is seeking such license;

(d) A statement by the landlord or the chief executive officer of the landlord that the landlord is

familiar with the provisions of this part 6 as to commercial bingo facilities and landlords thereof and accepts responsibility for compliance with such provisions;

(e) A statement by the landlord or the chief executive of the landlord that the primary purpose of the premises described in subsection (1)(c) of this section is the conduct of bingo occasions.

(2) Each application shall designate an individual who shall act as agent for the landlord and who shall receive all communications concerning the license.

(3) Each application must include an affidavit signed by the applicant stating whether the landlord has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within the previous ten years. If the landlord is a corporation, limited liability company, or partnership, the affidavit must make the verification as to each officer and director of the corporation, each member and manager of the limited liability company, or each partner and associate of the partnership. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within the previous ten years is ineligible for a license issued pursuant to this section. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within more than the previous ten years shall disclose the information related to the conviction required by the licensing authority.

(4) A landlord license expires at the end of the calendar year in which it was issued. Each license issued shall be conspicuously displayed at the premises for which the license has been issued. No landlord license is transferable. The annual fee for each landlord license shall be established in accordance with section 24-21-606 (2).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 921, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-105.3 as it existed prior to 2017.

**24-21-612. Application for manufacturer license.** (1) Each application for a manufacturer license must include, but not be limited to, the following information:

(a) The name and address of the applicant;

(b) The name and address of the manufacturer and, if the manufacturer is a corporation, the name and address of each officer, director, and shareholder holding an ownership interest of ten percent or more;

(c) A description of the equipment manufactured in connection with games of chance activities in Colorado;

(d) The name and address of the resident agent of the manufacturer if the applicant does not reside in Colorado and the location in Colorado where the records of the manufacturer will be available to the licensing authority;

(e) The names and addresses of the Colorado suppliers and agents of the manufacturer; and

(f) A statement by the manufacturer or the chief executive officer of the manufacturer that such manufacturer is familiar with the provisions of this part 6 as to bingo-raffle manufacturers and accepts responsibility for compliance with such provisions.

(2) Each application for a manufacturer license must include a statement regarding whether the applicant; its owners; its officers or directors if a corporation; or its members, managers, partners, or associates if another business entity, has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within the previous ten years is ineligible for a license issued pursuant to this section. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within more than the previous ten years shall disclose the information related to the conviction required by the licensing authority.

(3) Any bingo-raffle manufacturer, upon filing a true, complete, written, verified application in the form presented by the licensing authority, together with the fee for the license, is eligible for a manufacturer license. A manufacturer license shall be renewed annually, on or before March 31 of each year in which such licensee engages in or anticipates engaging in a licensed activity. A manufacturer license is nontransferable.

The annual fee for each license shall be established in accordance with section 24-21-606 (2).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 922, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-105.5 as it existed prior to 2017.

**24-21-613. Application for supplier license.** (1) Each application for a supplier license must include, but not be limited to, the following information:

- (a) The name and address of the applicant;
- (b) The name and address of the supplier and, if the supplier is a corporation, the name and address of each officer, director, and shareholder holding an ownership interest of ten percent or more;
- (c) A description of the equipment and supplies sold or distributed in connection with games of chance activities in Colorado;
- (d) The name and address of the resident agent of the supplier if the applicant does not reside in Colorado and the location in Colorado where the records of the supplier will be available to the licensing authority;
- (e) The names and addresses of the Colorado manufacturers and Colorado agents of the supplier; and
- (f) A statement by the supplier or the chief executive officer of the supplier that such supplier is familiar with the provisions of this part 6 as to bingo-raffle suppliers and accepts responsibility for compliance with such provisions.

(2) Each application for a supplier license must include a statement regarding whether the applicant; its owners; its officers or directors if a corporation; or its members, managers, partners, or associates if another business entity, has been convicted of any felony, theft by deception, or offense involving gambling as defined in article 10 of title 18. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within the previous ten years is ineligible for a license issued pursuant to this section. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within more than the previous ten years shall disclose the information related to the conviction required by the licensing authority.

(3) Any bingo-raffle supplier, upon filing a true, complete, written, verified application in the form presented by the licensing authority, together with the fee for the license, is eligible for a supplier license. A supplier license shall be renewed annually, on or before March 31 of each year in which such licensee engages in or anticipates engaging in a licensed activity. A supplier license is nontransferable. The annual fee for each license shall be established in accordance with section 24-21-606 (2).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 923, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-105.7 as it existed prior to 2017.

**24-21-614. Application for manufacturer's agent license or supplier's agent license.** (1) Each application for a manufacturer's agent license or supplier's agent license must include, but not be limited to, the following information:

- (a) The name and address of the applicant;
- (b) The name and address of the supplier or manufacturer represented by the applicant;
- (c) A statement by the applicant that he or she has read, understands, and will comply with this part 6 as to manufacturer's and supplier's agents and the conditions of the agent's license;
- (d) A statement by the chief executive officer of the manufacturer or supplier represented by the agent, which statement acknowledges consent to representation by the applicant; and
- (e) The location in Colorado where the agent's records of sales and distributions of bingo and raffle equipment and supplies will be available to the licensing authority.

(2) Each agent's application must include a statement regarding whether the applicant has been convicted of any felony, theft by deception, or offense involving gambling as defined in article 10 of title 18. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in

article 10 of title 18 within the previous ten years is ineligible for a license issued pursuant to this section. A person that has been convicted of any felony, theft by deception, or gambling-related offense as defined in article 10 of title 18 within more than the previous ten years shall disclose the information related to the conviction required by the licensing authority.

(3) Any supplier's agent or manufacturer's agent, upon filing a complete, written, verified application in the form presented by the licensing authority, together with the fee for the license, is eligible for a manufacturer's or supplier's agent license. A manufacturer's or supplier's agent license shall be renewed annually, on or before March 31 of each year in which such licensee engages in or anticipates engaging in a licensed activity. Neither a manufacturer's agent license nor a supplier's agent license is transferable. The annual fee for each license shall be established in accordance with section 24-21-606 (2).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 924, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-105.9 as it existed prior to 2017.

**24-21-615. Persons permitted to conduct games of chance - form of bingo-raffle licenses - display.** (1) A person, firm, or organization within this state shall not conduct a game of chance without a bingo-raffle license issued by the licensing authority. Only an active member of the organization to which the bingo-raffle license is issued may hold, operate, or conduct games of chance under a license issued under this part 6, and a person shall not assist in the holding, operating, or conducting of any games of chance under a bingo-raffle license except an active member or a member of an organization or association that is an auxiliary to the licensee, a member of an organization or association of which the licensee is an auxiliary, or a member of an organization or association that is affiliated with the licensee by being, with it, auxiliary to another organization or association. A licensee shall incur or pay only bona fide expenses in a reasonable amount for goods, wares, and merchandise furnished or services rendered that are reasonably necessary for the holding, operating, or conducting of a game of chance.

(2) Each bingo-raffle license must contain a statement of the name and address of the licensee and the place where bingo or lotto games or the drawing of the raffles is to be held. If the bingo-raffle licensee moves from the games or drawing location listed on its license, the bingo-raffle licensee must notify the licensing authority in writing prior to commencing bingo or conducting a raffle drawing at the new location. The licensing authority may issue a letter of authorization to move the location of the bingo or lotto games or the drawing of the raffles. The letter of authorization must remain with the original license and must be available for inspection at the place where games or drawings are to be held. A license issued for an exempt organization must include the place or places where drawings are to be held. Except as specified in subsection (4) of this section, each bingo-raffle license issued for the conduct of any games of chance must be conspicuously displayed at the place where the game is to be conducted or the drawings held at all times during the conduct thereof. An exempt organization may comply with this section by providing written notice of a license to all employees of a participating private business or government agency holding a fund-raising drive that includes a drawing on behalf of the organization. The notice must state that the license is available for public inspection during reasonable business hours and must specify where the license is maintained for inspection.

(3) A licensee shall conspicuously display, at the place where a game is being conducted, its license issued for the conduct of games of chance at all times during the conduct of the game and for at least thirty minutes after the last game has been concluded.

(4) Notwithstanding subsection (2) of this section, a bingo-raffle licensee conducting a pull tab game for the benefit of its members and guests on premises that are owned by it, or leased by it for purposes other than the conduct of a bingo occasion, may display a copy of its license, in a format approved by the licensing authority, on the premises during any time the licensee is also conducting a bingo or raffle occasion at a separate location.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 925, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-106 as it existed prior to 2017.

**24-21-616. Form of landlord license - display - fee.** (1) Each landlord license must contain a statement of the name and address of the licensee and the location of the premises. Each license issued shall be conspicuously displayed at the premises for which the license has been issued.

(2) A landlord license shall be issued to qualified applicants by the licensing authority upon payment of a fee and completion and approval of the landlord license application pursuant to section 24-21-611. The license expires at the end of the calendar year in which it was issued by the licensing authority and may be renewed upon the filing and approval of an application for renewal provided by the licensing authority and the payment of a fee. No landlord license is transferable. The fees required to be paid for new and renewed licenses shall be established in accordance with section 24-21-606 (2).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 926, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-106.5 as it existed prior to 2017.

**24-21-617. General conduct games of chance - premises - equipment - expenses - rules.** (1) A licensee shall not hold, operate, or conduct a game of bingo or lotto more often than as specified by the licensing authority by rule, after consultation with the board.

(2) A person or licensee shall not permit any person under eighteen years of age to purchase the opportunity to participate in any game of chance or purchase pull tab games.

(3) A person or licensee shall not permit any person under fourteen years of age to assist in the conduct of bingo or pull tabs.

(4) A licensee shall not offer or give an alcoholic beverage as a prize in a game of chance.

(5) The licensing authority shall establish by rule the method of play and amount of prizes that may be awarded; except that the maximum prize that may be awarded must be at least five hundred dollars.

(6) Food offered in the course of a volunteer duty shift and consumed on the premises where the game of chance is being conducted is not remuneration if the retail value of the food offered does not exceed the maximum amount per volunteer set by rule.

(7) (a) The officers of a bingo-raffle licensee shall designate one or more bona fide, active members of the licensee as its games managers to be in charge of and primarily responsible for the conduct of the games of bingo or lotto on each occasion. The games managers shall supervise all activities on the occasion for which they are in charge and are responsible for making all required reports. The games managers, governing board of the licensee, and the individual acting in the role of a treasurer on behalf of the licensee must be familiar with all applicable provisions of state law, the rules of the licensing authority, and the license. The governing board of the licensee is ultimately responsible for the maintenance of books and records and the filing of the reports pursuant to this section. At least one games manager shall be present on the premises continuously during the games and for a period sufficient to ensure that all books and records for the occasion have been closed and that all supplies and equipment have been secured.

(b) An exempt organization may designate more than one of its bona fide, active members in order to comply with this subsection (7).

(8) The officers of a bingo-raffle licensee shall designate an officer to be in full charge of and primarily responsible for the proper utilization of the entire net proceeds of any game in accordance with the state law.

(9) The premises where any game of chance is being held, operated, or conducted, or is intended to be held, operated, or conducted, or where it is intended that any equipment be used, must be kept open to inspection at all times by the licensing authority, its agents and employees, and peace officers of any political subdivision of the state.

(10) (a) In conducting a bingo or pull tab game, a bingo-raffle licensee may operate equipment if the bingo-raffle licensee:

(I) Leases the equipment from a manufacturer licensee or supplier licensee on premises that are

owned, leased, or rented by the licensee, used as the licensee's principal place of business, and controlled so that admittance to the premises is limited to the licensee's members and bona fide guests;

(II) Owns the equipment; or

(III) Leases equipment that is owned or leased by a landlord licensee.

(b) Nothing in this subsection (10) prohibits a bingo-raffle licensee from leasing electronic devices used as aids in the game of bingo.

(11) A licensee shall not possess, use, sell, offer for sale, or put into play any bingo or pull tab game, ticket, card, or sheet unless it conforms to the definitions and requirements of this part 6 and was purchased by the licensee from a licensed bingo-raffle manufacturer or supplier or licensed agent thereof. A licensee shall not possess, use, sell, offer for sale, or put into play any electronic device used as an aid in the game of bingo unless it conforms to the requirements of this part 6 and was purchased or leased by the licensee from a licensed bingo-raffle manufacturer or supplier or licensed agent thereof.

(12) In order to possess, use, sell, offer for sale, or put into play any bingo or pull tab game, ticket, card, or sheet, a licensee must have at the location of the game an invoice from its licensed supplier showing at least the name, description, color code, if any, and serial number of the pull tab, card, or sheet.

(13) The licensing authority shall establish, by rule, safeguards to protect the bingo-raffle licensee's players against defaults in charitable gaming debts owed or to become payable by the bingo-raffle licensee.

(14) The net proceeds derived from the holding of games of chance must be devoted, within one year, to the lawful purposes of the organization permitted to conduct the game of chance. Any organization desiring to hold the net proceeds of games of chance for a period longer than one year must apply to the licensing authority for special permission and, upon good cause shown, the licensing authority may grant the request.

(15) The licensing authority may require a licensee that does not report, during any one-year licensing period, positive net proceeds to show cause before the licensing authority why its right to conduct games of chance should not be suspended or revoked. The licensing authority may establish by rule the conditions for suspending, revoking, or refusing to renew a license to conduct charitable gaming for failure to report positive net proceeds.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 926, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-107 as it existed prior to 2017.

**24-21-618. Conduct of bingo games.** (1) In the playing of bingo, only persons who are physically present on the premises where the game is actually conducted may participate as players in the game.

(2) (a) A person shall not act as a caller or assistant to the caller in the conduct of any game of bingo unless the person has been a member in good standing of the bingo-raffle licensee conducting the game or one of its licensed auxiliaries for at least three months immediately prior to the date of the game, is of good moral character, and never has been convicted of a misdemeanor involving gambling or any felony.

(b) An owner, co-owner, or lessee of premises or, if a corporation is the owner of the premises, any officer, director, or stockholder owning more than ten percent of the outstanding stock must not be a person responsible for or assisting in the holding, operating, or conducting of any game of bingo.

(3) (a) The equipment used in the playing of bingo and the method of play must be such that each card has an equal opportunity to win. The objects or balls to be drawn must be essentially the same as to size, shape, weight, balance, and all other characteristics that may influence their selection. All objects or balls must be present in the receptacle before each game begins. All numbers announced must be plainly and clearly audible to all the players present. Where more than one room is used for any one game, the receptacle and the caller must be present in the room where the greatest number of players are present, and all numbers announced must be plainly audible to the players in the aforesaid room and also audible to the players in the other rooms.

(b) The receptacle and the caller must be visible to all the players at all times except where more than one room is used for any one game, in which case subsection (3)(a) of this section applies.

(c) The particular arrangement of numbers required to be covered in order to win the game and the amount of the prize must be clearly and audibly described and announced to the players immediately before each game begins.

(d) An operator shall not reserve or allow to be reserved any bingo cards for use by players except braille cards or other cards for use by legally blind players. A person who is legally blind may use his or her personal braille cards when a licensed organization does not provide such cards. A licensed organization may inspect and reject any personal braille card. A person who is legally blind or an individual with a disability may use a braille card or hard card in place of a purchased disposable paper bingo card.

(e) Any player may call for a verification of all numbers drawn at the time a winner is determined and for a verification of the objects or balls remaining in the receptacle and not yet drawn. The verification shall be made in the immediate presence of the member designated to be in charge of the occasion, but if that member is also the caller, then in the immediate presence of any officer of the licensee.

(4) When any merchandise prize is awarded in a game of bingo, its value is its current retail price. A merchandise prize is not redeemable or convertible into cash directly or indirectly.

(5) (a) Notwithstanding the limitations stated in section 24-21-617 (5), during a bingo occasion a bingo-affle licensee may also start a single game of progressive bingo, in an amount established by rule by the licensing authority, in which the game is won when a previously designated arrangement of numbers or spaces on the card or sheet is covered within a previously designated number of objects or balls drawn. If the game is not won within the drawing of the previously designated number of objects or balls, the game must be replayed either during each subsequent occasion the licensee conducts at the same location or during each subsequent occasion that falls on the same day of the week at the same location, using the previously designated arrangement of numbers or spaces.

(b) A bingo-affle licensee may award a consolation prize for a game of progressive bingo. The bingo-affle licensee determines the amount of the consolation prize. Notice of the amount must be conspicuously displayed before the beginning of the bingo-affle occasion, and the amount is included as part of the aggregate amount of all prizes offered or given in games played on a single occasion, as set forth in subsection (5)(a) of this section. If a consolation prize is offered and the progressive prize is not won, the game continues until the previously designated arrangement of numbers or spaces on the card or sheet is covered, regardless of the number of balls drawn, in order to determine the winner of the consolation prize. If a consolation prize is not offered, the progressive game ends when the last of the previously designated number of balls is drawn and must be replayed in accordance with subsection (5)(a) of this section. If a consolation prize is offered and the progressive prize is won, the licensee may opt to award the consolation prize during that occasion. If the consolation prize is awarded, the licensee must include the total amount of the consolation prize in the total amount of any subsequent games offered in the session, not to exceed the maximum allowed for the occasion.

(c) A bingo-affle licensee may fund a secondary jackpot from ten percent of the gross proceeds collected from the sale of progressive cards or sheets at the occasion where the game is offered. Notwithstanding the limitation stated in subsection (5)(a) of this section, the amount in the secondary jackpot may be used to start a single game of progressive bingo after a previous progressive jackpot is won.

(d) The licensing authority may establish by rule the maximum jackpot that may be awarded in a progressive bingo game; except that the maximum jackpot must be at least fifteen thousand dollars.

(e) The licensing authority may establish by rule the maximum number of progressive bingo games, not less than one, that may be conducted during an occasion. In order to ensure that all prizes offered are timely awarded, the licensing authority may limit by rule the number of occasions in which a progressive bingo game may be conducted before a prize must be awarded; except that the maximum number of occasions must be at least thirty.

(6) (a) Equipment, prizes, and supplies for games of bingo must not be purchased or sold at prices in excess of the usual price thereof. A licensee shall not sell or offer for sale any game of chance, or supplies for a game of chance, that is not authorized by this part 6 or by rules adopted by the licensing authority pursuant to this part 6.

(b) Cards and sheets that are designed or intended for use with electronic devices used as aids in the game of bingo shall not be purchased or sold at prices in excess of the usual price of cards and sheets that are not designed or intended for use with electronic devices used as aids in the game of bingo. Charges imposed by any manufacturer, supplier, agent thereof, or bingo-raffle licensee for cards and sheets that are designed or intended for use with electronic devices used as aids in the game of bingo shall be stated and imposed separately from any charges imposed by the manufacturer, supplier, agent thereof, or bingo-raffle licensee for the purchase, lease, or use of electronic devices used as aids in the game of bingo. Manufacturers, suppliers, and their agents shall not include costs attributable to the manufacture or distribution of electronic devices used as aids in the game of bingo in charges imposed for the purchase or lease of equipment, including cards and sheets.

(7) (a) If a card or sheet is played with the aid of an electronic device, a winning bingo may be determined and verified either by reference to the card or sheet or by reference to the electronic device. Nothing in this part 6 authorizes the playing of bingo solely by means of an electronic device.

(b) A bingo-raffle licensee shall adequately mark, destroy, or dispose of cards or sheets played with the aid of an electronic device in order to prevent the reuse of those cards or sheets.

(c) The licensing authority may establish by rule the maximum number of bingo cards that a bingo player who plays using the aid of an electronic device is permitted to use with the aid of such a device per game; except that the maximum number must be at least fifty-four.

(d) A bingo-raffle licensee is not required to use or offer the use of electronic devices used as aids in the game of bingo during a bingo session.

(8) (a) With the application for a letter ruling pursuant to section 24-21-605 (1)(d) for the approval of a new type of electronic device used in the aid of bingo, the manufacturer of the device must provide the following to the licensing authority:

(I) A prototype of the new type of electronic device used in the aid of bingo with a prototype bingo aid computer system and a user's manual used for such electronic device; and

(II) A certification by the manufacturer that the new type of electronic device used in the aid of bingo and all such electronic devices used in the state meet the following standards:

(A) The electronic device provides a means for the input of numbers announced by a bingo caller;

(B) The electronic device compares the numbers entered to the numbers contained on bingo cards previously stored in the electronic database of the electronic device;

(C) The electronic device identifies winning bingo patterns; and

(D) The electronic device signals when a winning bingo pattern is achieved.

(b) The licensing authority shall return the prototype electronic device used in the aid of bingo, the prototype bingo aid computer system, and the user's manual submitted pursuant to subsection (8)(a)(I) of this section no later than forty-five days after receiving the items.

(c) When a complaint regarding an electronic device used in the aid of bingo that is in use in the state of Colorado has been filed with the licensing authority, the manufacturer of the device shall provide to the licensing authority a sample of the device and bingo aid computer system to assist the investigation by the licensing authority. The licensing authority shall return the electronic device and bingo aid computer system no later than forty-five days after receiving them unless they are needed longer to complete the investigation.

(d) Any electronic device used in the aid of bingo, bingo aid computer system, or user's manual for such a device that is in the custody of the licensing authority pursuant to this section is not a public record.

(9) A bingo aid computer system used by a bingo-raffle licensee for bingo sessions must meet the following standards:

(a) The system must contain a record of all transactions occurring during a bingo-raffle session. The record must be retained in memory until the transactions have been totaled, printed, and cleared by the bingo-raffle licensee, regardless of whether the power supply has been interrupted.

(b) The system must be able to compute and total all transactions processed by the system during a bingo-raffle session and to print all information required by the licensing authority, in the form prescribed by the licensing authority.

(c) The system must maintain and control the time, date of sale, and transaction number, keeping the information secure enough that only a manufacturer's qualified personnel can change or reset the information. The manufacturer's qualified personnel shall retain a detailed record for each service call that involves a change of the time, date of sale, or transaction number.

(10) If an electronic device used as an aid in the game of bingo complies with subsections (8)(a)(II)(A) to (8)(a)(II)(D) of this section, and if the bingo aid computer system for the electronic device substantially complies with the requirements of subsection (9) of this section, the licensing authority shall approve the electronic device and computer system for use by a letter ruling pursuant to section 24-21-605 (1)(d).

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 928, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-107.1 as it existed prior to 2017.

**24-21-619. Conduct of pull tabs - license revocation - rules - definitions.** (1) A licensee shall not sell, offer for sale, or put into play any pull tab ticket except at the location of and during its licensed bingo occasions or upon premises that are:

(a) Owned, leased, or rented by the bingo-raffle licensee, used as its principal place of business, and controlled so that admittance to the premises is limited to the bingo-raffle licensee's members and bona fide guests; or

(b) Owned, leased, or rented by a landlord licensee.

(2) A bingo-raffle licensee may offer a prize to the purchaser of a last sale ticket in a pull tab game, deal, or series without regard to its winning or nonwinning status as revealed if broken or torn apart.

(3) A bingo-raffle licensee may offer an event pull tab series. For the purposes of this subsection (3):

(a) "Event pull tab series" means a pull tab series that includes a predetermined number of pull tabs that allow a player to advance to an event round.

(b) "Event round" means a secondary element of chance where the prizes are determined based on pull tabs that match specific winning numbers drawn in a bingo game and the winning numbers shall fall within numbers one to seventy-five, inclusive.

(4) (a) A bingo-raffle licensee may offer a progressive pull tab game in which a prize may be carried over and increased from one deal to another until a prize is awarded. The game may include a subsequent pull tab deal bearing a different serial number from that offered in a previous deal. A licensee shall not offer or give a prize greater, in amount or value, than five thousand dollars in any progressive pull tab game. The licensing authority may limit by rule the types of progressive pull tab games allowed to be sold by supplier licensees.

(b) When a deal of progressive pull tabs is received in two or more packages, boxes, or other containers, all of the progressive pull tabs from the respective packages, boxes, or other containers must be placed out for play at the same time.

(5) (a) A licensee shall not possess, use, sell, offer for sale, or put into play any computerized or electromechanical facsimile of a pull tab game.

(b) A licensee shall not possess, use, sell, offer for sale, or put into play any device that reveals the winning or nonwinning status of a pull tab ticket unless the device has been tested, approved, and licensed pursuant to subsection (6) of this section and not subsequently altered or tampered with.

(c) Any of the following persons that are found to have violated subsection (5)(a) of this section are subject to immediate and permanent revocation of all licenses issued under this part 6:

(I) The manufacturer of the device;

(II) The supplier through which the device was supplied;

(III) The landlord licensee on whose premises the device was found; and

(IV) The bingo-raffle licensee of the occasion during which the device was present.

(6) (a) The licensing authority shall test, inspect, and license every mechanical, electronic, or electromechanical device that reveals the winning or nonwinning status of a pull tab ticket before the device

is used in charitable gaming. The licensing authority shall employ an independent contractor to conduct the tests and inspections, the cost of which shall be borne by the manufacturer or supplier seeking approval of the device. The licensing authority shall not issue a license for a device until the device is secured in a manner prescribed by the licensing authority and the contractor receives payment in full for the cost of all tests and inspections.

(b) Every person shipping or importing into Colorado a device subject to subsection (6)(a) of this section shall provide the licensing authority with a copy of the shipping invoice at the time of shipment. The invoice must contain, at a minimum, the destination of the shipment and the serial number and description of each device being transported.

(c) Every person receiving a device subject to subsection (6)(a) of this section shall, upon receipt of the device, provide the licensing authority with the serial number and description of each device received and information describing the location of each device. The requirements of this subsection (6)(c) apply regardless of whether the device is received from a licensed supplier or from any other source.

(d) A device licensed pursuant to this subsection (6) is licensed for and may only be used in one specific licensed location identified by the licensing authority. Any movement of the device from the licensed location for use at another licensed location shall be reported to and must be approved by the licensing authority in advance.

(e) The licensing authority may adopt rules and prescribe all necessary forms in furtherance of this subsection (6).

(f) Notwithstanding any other provision of this part 6, the licensing authority shall not license:

(I) A pull tab game that is stored, electronically or otherwise, within a device and designed to be played on such device; or

(II) Any device that qualifies as a slot machine pursuant to section 9 (4)(c) of article XVIII of the Colorado constitution.

(g) The prohibition contained in subsection (6)(f) of this section does not prohibit the licensing of:

(I) A device that merely dispenses pull tab tickets to players; or

(II) A device that merely reads or validates a pull tab ticket inserted by a player, if:

(A) The pull tab ticket itself displays its winning or nonwinning status so that use of the device is not required to determine such status; and

(B) The device cannot be used in a manner that would qualify it as a slot machine pursuant to section 9 (4)(c) of article XVIII of the Colorado constitution.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 932, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-107.2 as it existed prior to 2017.

**24-21-620. Conduct of raffles - rules.** (1) The licensing authority shall not require an exempt organization to use raffle tickets in any particular form or displaying any particular information that would cause undue expense to the exempt organization and therefore interfere with the charitable fund-raising drive of the organization.

(2) (a) A bingo-raffle licensee may offer a progressive raffle in which a jackpot may be carried over and increased from one drawing to another until the jackpot is awarded. If the jackpot is not awarded at a drawing, the bingo-raffle licensee shall conduct a new drawing at the same location at a time and date determined by the bingo-raffle licensee.

(b) A bingo-raffle licensee may award a consolation prize for a progressive raffle. The bingo-raffle licensee may designate the consolation prize as either a specified amount or a specified percentage of the gross proceeds collected from the sale of raffle tickets for a particular drawing. The bingo-raffle licensee may determine the amount of the jackpot based on the gross proceeds collected from the sale of raffle tickets for a particular drawing plus the value of the jackpot carried over from previous drawings in which the jackpot was not awarded. If a consolation prize is offered and the progressive prize is won, the licensee may opt to award the consolation prize for that particular drawing.

(c) If the bingo-raffle licensee offers a consolation prize, the bingo-raffle licensee shall, before the drawing:

(I) Designate the specific amount or specific percentage of the gross proceeds collected from the sale of raffle tickets that the consolation prize equals; and

(II) Conspicuously display the amount or percentage of the gross proceeds collected that the consolation prize equals.

(d) The licensing authority may establish by rule the maximum jackpot that a bingo-raffle licensee may award for a progressive raffle; except that, notwithstanding section 24-21-617 (5), the maximum jackpot must be at least fifteen thousand dollars. The maximum jackpot does not include the aggregate amount of consolation prizes awarded.

(e) The licensing authority may establish by rule the maximum number of progressive raffles that a bingo-raffle licensee may conduct simultaneously. To ensure that all prizes offered are timely awarded, the licensing authority may limit by rule the number of drawings that a bingo-raffle licensee may conduct before a jackpot must be awarded; except that the maximum number of drawings must be at least thirty.

(f) (I) The licensing authority may establish by rule the permitted methods of conducting a progressive raffle.

(II) The licensing authority may not prohibit those methods of conducting a progressive raffle in which the participant whose ticket number is drawn wins both a prize for the winning ticket number and a chance to win the jackpot.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 934, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-107.3 as it existed prior to 2017.

**24-21-621. Persons permitted to manufacture and distribute games of chance equipment - reporting requirements.** (1) A person other than a manufacturer licensee or licensed agent shall not act as a bingo-raffle manufacturer within Colorado. The manufacture of electronic devices used as aids in the game of bingo, and the printing of raffle tickets other than pull tabs, as designed and requested by a licensee, does not constitute the manufacture of games of chance equipment; except that such electronic devices are subject to the reporting requirements of subsections (4) and (5) of this section, and the fees established by the licensing authority in accordance with section 24-21-606 (2) and subsection (4) of this section.

(2) An individual shall not act for or represent a landlord, manufacturer, or supplier licensee with respect to an activity covered by such license unless such individual is the licensee's owner, officer, director, partner, member, or ten percent or more shareholder of record with the licensing authority, or is the manufacturer's or supplier's licensed agent. A manufacturer or supplier licensee shall not allow any person not authorized by this subsection (2) to represent it or serve as its agent with regard to any Colorado transaction.

(3) Except to the extent otherwise provided in section 24-21-615 (1), a manufacturer or supplier licensee or licensed agent shall not buy, receive, sell, lease, furnish, or distribute any pull tabs, bingo cards or sheets, electronic devices used as aids in the game of bingo, or other games of chance equipment from or to any person within Colorado other than manufacturer or supplier licensees or agents and bingo-raffle licensees; except that:

(a) A landlord licensee, supplier, or manufacturer or its agent may sell, donate, or distribute cards, sheets, equipment, or electronic devices used as aids in the game of bingo for the playing of bingo not for resale to nursing homes and other entities that distribute the cards, sheets, or electronic devices and allow playing of the game free of charge, without consideration given or received by any person for the privilege of playing; and

(b) A bingo-raffle licensee may sell or donate its used equipment to another bingo-raffle licensee.

(4) Every manufacturer and supplier licensee shall file, upon forms prescribed by the licensing authority, quarterly reports on its licensed activities within Colorado. The reports must be accompanied by quarterly fees established by the licensing authority in accordance with section 24-21-606 (2) and deposited

in the department of state cash fund created in section 24-21-104 (3)(b). The reports shall be filed with the licensing authority no later than April 30, July 31, October 31, and January 31 of each year licensed, and each report must cover the preceding calendar quarter. Reports must enumerate by quantity, purchaser or lessee, and price the pull tabs, bingo cards or sheets, electronic devices used as aids in the game of bingo, and other games of chance equipment manufactured, conveyed, or distributed within Colorado or for use or distribution in Colorado and must include the licensee's total sales, including amounts realized from leases, of equipment and electronic devices used as aids in the game of bingo and the names and addresses of all Colorado suppliers or agents of the licensee and shall be signed and verified by the owner or the chief executive officer of the licensee. These quarterly reports are not public records as defined in section 24-72-202.

(5) Every manufacturer or supplier licensee, and every licensed agent for such licensee, shall keep and maintain complete and accurate records, in accord with generally accepted accounting principles, of all licensed activities. The records shall include invoices for all games of chance equipment or electronic devices used as aids in the game of bingo conveyed or distributed within Colorado, or for use or distribution in Colorado, which invoices are specific as to the nature, description, quantity, and serial numbers of the pull tabs, bingo cards or sheets, electronic devices used as aids in the game of bingo, and other equipment so conveyed or distributed. The records shall also show all receipts and expenditures made in connection with licensed activities, including, but not limited to, records of sales by dates, purchasers, and items sold or leased, monthly bank account reconciliations, disbursement records, and credit memos for any returned items. These records shall be maintained for a period of at least three years.

(6) A manufacturer or supplier licensee or licensed agent must not be a person responsible for or assisting in the conduct, management, or operation of any game of chance within Colorado.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 935, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-107.5 as it existed prior to 2017.

**24-21-622. Bingo-affle licensee's statement of receipts - expenses - fee - definitions.** (1) (a) On or before April 30, July 31, October 31, and January 31 of each year, every bingo-affle licensee shall file with the licensing authority upon forms prescribed by the licensing authority a duly verified statement covering the preceding calendar quarter showing the amount of the gross receipts derived during said periods from games of chance, the expenses incurred or paid, and a brief description of the classification of such expenses, the net proceeds derived from games of chance, and the uses to which such net proceeds have been or are to be applied. Each licensee shall maintain and keep such books and records as may be necessary to substantiate the particulars of each such report.

(b) Exempt organizations are not subject to the requirements of this subsection (1), except to the extent that they shall file with the licensing authority statements showing the amount of the gross proceeds from their fund-raising drives and identifying all organizations receiving portions of such proceeds and the amounts received by each such organization.

(2) (a) If a bingo-affle licensee fails to file reports within the time required or if reports are not properly verified or not fully, accurately, and truthfully completed, any existing license may be suspended until such time as the default has been corrected.

(b) Exempt organizations are subject to the requirements of this subsection (2) only to the extent that such requirements apply to subsection (1)(b) of this section.

(3) (a) All money collected or received from the sale of admission, extra regular cards, special game cards, sale of supplies, and all other receipts from the games of bingo, raffles, and pull tab games shall be deposited in a special checking or savings account, or both, of the licensee, which must contain only this money. If the licensee conducts progressive games of chance, the licensee may maintain one additional checking or savings account, which must contain only money received from the sale of progressive games. The licensee may withdraw money from these accounts only by consecutively numbered checks or withdrawal slips or by electronic transactions referenced by transaction number or date. A check or

withdrawal slip must not be drawn to "cash" or a fictitious payee. The licensee shall maintain all of its books and records in accordance with generally accepted accounting principles.

(b) Exempt organizations are not subject to this subsection (3).

(4) No part of the net proceeds, after they have been given over to another organization, shall be used by the donee organization to pay any person for services rendered or materials purchased in connection with the conducting of bingo by the donor organization.

(5) No item of expense shall be incurred or paid in connection with holding, operating, or conducting a game of chance pursuant to a bingo-raffle license except bona fide expenses of a reasonable amount. Such expenses include those incurred in connection with all games of chance, for the following purposes:

(a) Advertising and marketing;

(b) Legal fees related to any action brought by the licensing authority against the bingo-raffle licensee in connection with games of chance;

(c) The purchase of goods, wares, and merchandise furnished to the licensee for the purpose of operating games of chance pursuant to this part 6;

(d) The purchase or lease of electronic devices used as aids in the game of bingo;

(e) Payment for services rendered that are reasonably necessary for repairs of equipment and operating or conducting games of chance;

(f) Rent, if the premises are rented, or for janitorial services if not rented;

(g) Accountant's fees; and

(h) License fees.

(6) (a) For the purposes enumerated in subsection (5) of this section, the following terms have the following meanings:

(I) "Goods, wares, and merchandise" means prizes, equipment, and articles of a minor nature.

(II) "Services rendered" means:

(A) The repair of equipment;

(B) Compensation to bookkeepers or accountants for services in preparing financial reports for a reasonable amount as determined by the licensing authority by rule. A landlord, manufacturer, or supplier licensee, or employee of a landlord, manufacturer, or supplier licensee, shall not act as a bookkeeper or accountant for a bingo-raffle licensee, nor shall a landlord, manufacturer, or supplier licensee offer or provide accounting or bookkeeping services in connection with the preparation of financial reports on bingo-raffle activities, except for the transfer or encoding of data necessitated by the sale, upgrade, or maintenance of accounting software sold or leased to a bingo-raffle licensee by a landlord, manufacturer, or supplier licensee. A landlord licensee that is also a bingo-raffle licensee may act as a bookkeeper or accountant on such licensee's own behalf.

(C) The rental of premises;

(D) A reasonable amount for janitorial service as determined by the licensing authority in rules for each occasion; and

(E) A reasonable amount for security expense based on established need as determined by the licensing authority in rules for each occasion.

(b) There shall be paid to the licensing authority an administrative fee, established in accordance with section 24-21-606 (2), upon the gross receipts of any game of chance held, operated, or conducted under this part 6; except that an exempt organization shall not be charged more than twenty dollars per year. All administrative fees collected by the licensing authority under this part 6 shall be deposited in the department of state cash fund created in section 24-21-104 (3)(b).

(7) Each licensee, at the time each financial report is submitted to the licensing authority, shall pay to the order of the licensing authority the amount of administration expense provided in subsection (6) of this section.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 937, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-108 as it existed prior to 2017.

**24-21-623. Examination of books and records - rules.** The licensing authority and its agents have power to examine or cause to be examined the books and records of any licensee to which any license is issued pursuant to this part 6 insofar as they may relate to any transactions connected with activities under the license. The licensing authority may require by rule that licensees that have failed to keep proper books and records, or to maintain their books and records in accordance with generally accepted accounting principles, adopt certain internal financial controls and attend training to ensure the integrity of the reporting of games of chance activities pursuant to this part 6.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 939, § 2, effective May 23.  
**Editor's note:** This section is similar to former § 12-9-109 as it existed prior to 2017.

**24-21-624. Forfeiture of license - ineligibility to apply for license.** A person who makes a false statement in an application for a license or in any statement annexed thereto, fails to keep sufficient books and records to substantiate the quarterly reports required under section 24-21-622, falsifies any books or records insofar as they relate to any transaction connected with the holding, operating, and conducting of a game of chance under the license, or violates this part 6 or any term of the license, if convicted, in addition to suffering any other penalties that may be imposed, shall forfeit any license issued to it under this part 6 and is ineligible to apply for a license under this part 6 for no more than one year thereafter.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 939, § 2, effective May 23.  
**Editor's note:** This section is similar to former § 12-9-110 as it existed prior to 2017.

**24-21-625. Volunteer services - legislative declaration - immunity.** (1) The Colorado constitution recognizes that the conduct of charitable gaming activities is directly related to the need of nonprofit organizations to fulfill their lawful purposes. Notwithstanding this recognition, however, the willingness of bingo-raffle volunteers to offer their services has been increasingly deterred by a perception that they put personal assets at risk should a tort action be filed seeking damages arising from their volunteer activities.

(2) All bingo-raffle volunteers are immune from civil actions and liabilities pursuant to section 13-21-115.5, which provides that volunteers are not personally liable for their acts or omissions if they are acting in good faith and within the scope of their official function and duty for a charitable organization, with respect to such organization's conduct of games of chance. Bingo-raffle volunteers are not liable under this section if the harm is not caused by willful and wanton misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 940, § 2, effective May 23.  
**Editor's note:** This section is similar to former § 12-9-111 as it existed prior to 2017.

**24-21-626. Unfair trade practices.** (1) The provisions of the "Unfair Practices Act", article 2 of title 6, and the "Colorado Antitrust Act of 1992", article 4 of title 6, are specifically applicable to charitable gaming activities conducted by any licensee. Within thirty days after receiving a complaint alleging a violation of either of said acts, the licensing authority shall transmit such complaint to the attorney general.

(2) The licensing authority shall revoke the license of a licensee that violates any provision of article 2 of title 6 or article 4 of title 6 for a period of one year after the date of the finding of the violation. Upon the expiration of such period, the licensee may apply for the issuance of a new license.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 940, § 2, effective May 23.  
**Editor's note:** This section is similar to former § 12-9-112 as it existed prior to 2017.

**24-21-627. Common members - bingo-raffle licensees - definition.** (1) For the purposes of this section, "bingo-raffle licensee affiliate" means the following:

(a) A person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, a bingo-raffle licensee specified; or

(b) A person that has an officer, director, member, manager, partner, games manager, salaried employee, or immediate family member in common with a bingo-raffle licensee.

(2) Proceeds from a bingo or raffle game that are transferred from a bingo-raffle licensee to a bingo-raffle licensee's affiliate shall not be used to pay the salary, remuneration, or expenses of any officer, director, member, manager, partner, games manager, or employee of such affiliate. The donee entity or organization shall deposit all such transferred proceeds in a segregated account that contains only such donations, and the transferred proceeds shall not be commingled with other funds of the donee entity or organization. The licensing authority and its agents may examine or cause to be examined the books and records of any donee entity or organization insofar as they may relate to account or to any transactions connected with bingo or raffle proceeds.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 940, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-112.5 as it existed prior to 2017.

**24-21-628. Enforcement.** It is the duty of all sheriffs and police officers to enforce this part 6, to receive complaints, to initiate investigations, and to arrest and complain against any person violating this part 6. It is the duty of the district attorney of the respective districts of this state to prosecute all violations of this part 6 in the manner and form as is now provided by law for the prosecutions of crimes and misdemeanors, and it is a violation of this part 6 for any such person knowingly to fail to perform his or her duty under this section.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 941, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-113 as it existed prior to 2017.

**24-21-629. Penalties for violation.** Every licensee and every officer, agent, or employee of the licensee and every other person or corporation who willfully violates or who procures, aids, or abets in the willful violation of this part 6 commits a class 2 misdemeanor and shall be punished as provided in section 18-1.3-501; except that, if the underlying factual basis of the violation constitutes a crime as defined by any other provision of law, then the person may be charged, prosecuted, and punished in accordance with such other provision of law.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 941, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-114 as it existed prior to 2017.

**24-21-630. Colorado bingo-raffle advisory board - creation.** (1) There is hereby created, within the department of state, the Colorado bingo-raffle advisory board.

(2) The board consists of nine members, all of whom must be citizens of the United States who have been residents of the state for at least the past five years. A member must not have been convicted of a felony or gambling-related offense, notwithstanding section 24-5-101. No more than five of the nine members may be members of the same political party. At the first meeting of each fiscal year, a majority of the members must choose a chair and vice-chair of the board from the membership. Membership and operation of the board must additionally meet the following requirements:

(a) (I) Three members of the board must be bona fide members of a bingo-raffle licensee that is classified as a religious organization, a charitable organization, a labor organization, an educational organization, or a voluntary firefighter's organization; except that no more than one member shall be appointed from any one such classification;

- (II) One member of the board must be a bona fide member of a bingo-raffle licensee that is a veterans' organization;
- (III) One member of the board must be a bona fide member of a bingo-raffle licensee that is a fraternal organization;
- (IV) One member of the board must be a supplier licensee;
- (V) Two members of the board must be landlord licensees; and
- (VI) One member of the board must be a registered elector of the state who is not employed by or an officer or director of a licensee, does not have a financial interest in any license, and does not have an active part in the conduct or management of games of chance by any bingo-raffle licensee.
- (b) (I) Of the five members of the board who are categorized as bona fide members of a bingo-raffle licensee, two shall be appointed by the president of the senate, two shall be appointed by the speaker of the house of representatives, and one shall be appointed jointly by the president and the speaker.
- (II) Of the two members of the board who are categorized as landlord licensees, one shall be appointed by the president of the senate and one shall be appointed by the speaker of the house of representatives.
- (III) The president of the senate shall appoint the member of the board who is a supplier licensee. The speaker of the house shall appoint the member of the board who is a registered elector.
- (c) All appointments are for terms of four years. No member of the board is eligible to serve more than two consecutive terms.
- (d) Any vacancy on the board shall be filled for the unexpired term in the same manner as the original appointment. The member appointed to fill such vacancy shall be from the same category described in subsection (2)(a) of this section as the member vacating the position.
- (e) A member of the board having a direct personal or private interest in any matter before the board shall disclose such fact on the board's record. A member may disqualify himself or herself for any cause deemed by him or her to be sufficient.
- (f) The appointing officer shall terminate the term of any member of the board who misses more than two consecutive regular board meetings without good cause, or who no longer meets the requirements for membership imposed by this section. The member's successor shall be appointed in the manner provided for appointments under this section.
- (g) Board members are entitled to receive as compensation for their services fifty dollars for each day spent in the conduct of board business, not to exceed five hundred dollars per member per year, and are entitled to be reimbursed for necessary travel and other reasonable expenses incurred in the performance of their official duties.
- (h) Prior to commencing his or her term of service, each person nominated to serve on the board shall file with the secretary of state a financial disclosure statement in the form required and prescribed by the licensing authority and as commonly used for other Colorado boards and commissions. Such statement shall be renewed as of each January 1 during the member's term of office.
- (i) The board shall hold at least two meetings each year and such additional meetings as the members may deem necessary. In addition, special meetings may be called by the chair, any three board members, or the licensing authority if written notification of the meeting is delivered to each member at least seventy-two hours before the meeting. Notwithstanding section 24-6-402, in emergency situations in which a majority of the board certifies that exigencies of time require that the board meet without delay, the requirements of public notice and of seventy-two hours' actual advance written notice to members may be dispensed with, and board members as well as the public shall receive such notice as is reasonable under the circumstances.
- (j) A majority of the board constitutes a quorum, and the concurrence of a majority of the members present is required for any final determination by the board.
- (k) The board shall keep a complete and accurate record of all its meetings.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 941, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-201 as it existed prior to 2017.

**24-21-631. Board - duties.** (1) In addition to any other duties set forth in this part 6, the board shall:

(a) Conduct a continuous study of charitable gaming throughout the state for the purpose of ascertaining any defects in this part 6 or in the rules promulgated pursuant to this part 6; and

(b) Formulate and recommend changes to this part 6 to the general assembly.

(2) The board shall offer advice to the licensing authority upon subjects that include, but are not limited to, the following:

(a) The types of charitable gaming activities to be conducted, the rules for those activities, and the number of occasions per year upon which a licensee may hold, operate, or conduct a game of bingo or lotto;

(b) The requirements, qualifications, and grounds for the issuance of all types of permanent and temporary licenses required for the conduct of charitable gaming;

(c) The requirements, qualifications, and grounds for the revocation, suspension, and summary suspension of all licenses required for the conduct of charitable gaming;

(d) Activities that constitute fraud, cheating, or illegal activities;

(e) The granting of licenses with special conditions or for limited periods, or both;

(f) The establishment of a schedule of reasonable fines to be assessed in lieu of license revocation or suspension for violations of this part 6 or any rule adopted pursuant to this part 6;

(g) The amount of fees for licenses issued by the licensing authority and for the performance of administrative services pursuant to this part 6;

(h) The establishment of criteria under which a person may serve as a games manager;

(i) The content and conduct of classes or training seminars to benefit bingo-raffle charitable licensees, officers, and volunteers to better account for funds collected from games of chance;

(j) Standardized rules, procedures, and policies to clarify and simplify the auditing of licensees' records;

(k) The types of charitable gaming activities to be conducted in the future, based upon a continuing review of the available state of the art of equipment in Colorado and elsewhere, and the policies and procedures approved and implemented by other states for the conduct of their charitable gaming activities; and

(l) The conditions for a licensee's plan for disposal of any equipment and the distribution of any remaining net proceeds upon termination of a bingo-raffle license for the licensee's failure to timely or sufficiently renew such license.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 943, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-202 as it existed prior to 2017.

**24-21-632. Repeal of part - review of functions.** This part 6 is repealed, effective September 1, 2024. Before the repeal, the licensing functions of the licensing authority and the functions of the Colorado bingo-raffle advisory board in the department of state are scheduled for review in accordance with section 24-34-104.

**Source: L. 2017:** Entire part added with relocations, (SB 17-232), ch. 233, p. 944, § 2, effective May 23.

**Editor's note:** This section is similar to former § 12-9-301 as it existed prior to 2017.

# Code of Colorado Regulations

## COLORADO SECRETARY OF STATE BINGO AND RAFFLES GAMES [8 CCR 1505-2]

### Rule 1. Definitions

- 1.1 “Bucket raffle” means an event where a licensee conducts many small raffles at the same time. Ticket purchasers may deposit one or more of the purchased tickets into various receptacles from which a winner or winners will be drawn for a prize or prizes.
- 1.2 “Call-fulfillment center” means a registered company that employs telephone operators to answer calls and provide data-entry services.
- 1.3 “Concealed face card” means a non-reusable bingo card containing five rows of five squares with a free center space, one number preprinted on each of the remaining 24 spaces, and the letters “B I N G O” printed in order over the five columns. No part of the card’s face is detectable or discernible until the card is purchased and opened by the player.
- 1.4 “Double Action Game” means a bingo game that uses a bingo card containing the letters “B I N G O” placed horizontally over a five by five matrix of squares with the center square blank, where each of the other squares contains two numbers in the range of one to 75.
- 1.5 “Face” means a bingo card.
- 1.6 “Flare” means a piece of heavy paper stock or other material accompanying a pull tab deal that shows at minimum the following about the matching deal:
  - 1.6.1 The name and form number of the game;
  - 1.6.2 The manufacturer name or logo;
  - 1.6.3 The number of tickets in the deal and the cost per play; and
  - 1.6.4 The prize structure, including the number of winning tickets by denomination and their respective winning symbol combinations.
- 1.7 “House rules” means the licensee’s rules governing the conduct of games, consistent with the Colorado constitution, the Bingo and Raffles Law, and these rules.
- 1.8 “Licensed Premises” means the premises owned, leased by, or controlled by a licensee and used for games of chance, and that are not leased to other licensees for the conduct of games of chance.

- 1.9 “Licensee” has the same meaning as set forth in section 24-21-602(3), C.R.S.
- 1.10 “Master Board” means the rack in which a bingo ball is placed after it is taken from the receptacle. If a master board is electronically connected to a lighted display board with an electronic random number generator that calls numbers, the lighted display board is the master board.
- 1.11 “Pack” means a collation of disposable paper bingo cards or sheets.
- 1.12 “Pre-Draw Concealed Face Game” means a bingo game in which a designated number of balls, objects, or numbers are drawn or randomly generated in the presence of at least ten players prior to the purchase of the cards. Players purchase concealed face cards after the designated number of balls, objects, or numbers is drawn or randomly generated. The licensee announces the resumption of the game and continues to draw balls or generate numbers until a player signals a bingo.
- 1.13 “Progressive Pull Tab” means a game consisting of one or more seal pull tab deals with identical form numbers that offers a cumulative or carryover jackpot prize. The prize structure for a progressive pull tab game is predetermined by the game’s manufacturer. The structure includes a cumulative jackpot prize, to which each deal of the game in which the jackpot prize is not won contributes a pre-designated amount.
- 1.14 “Progressive Jackpot (“Progressive”) Bingo Game” means a bingo game in which a prize amount is carried over to the subsequent game in the progression if no bingo is achieved within a specified number of balls drawn and called.
- 1.15 “Remuneration” means a payment given to a member of an organization in return for that member’s participation in the operation of charitable gaming.
- 1.15.1 “Remuneration” includes, but is not limited to:
- (a) Cash;
  - (b) Reduced-price or free packs;
  - (c) Reduced dues based on the number of volunteer hours that the member works in the operation of charitable gaming;
  - (d) Meal vouchers;
  - (e) Reimbursement of travel expenses when other members who do not participate in the operation of charitable gaming are not reimbursed for travel;
  - (f) Non-competitive scholarships where the selection of the scholarship recipient

is based on the amount of time volunteered in charitable gaming operations, whether by the recipient or a member of the organization related to the recipient; or

- (g) Tips received from a player as a result of the member's participation in charitable gaming operations.

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

1.16 "Renewal Application" means an application for bingo-raffle license renewal filed by a currently licensed qualified organization.

1.17 "Seal Pull tab" means a pull tab game that offers one or more prizes by means of a flare or a jackpot card that is part of a pull tab deal. The flare or jackpot card includes a section bearing a tab or tabs that must be torn or broken apart to reveal a winning combination or combinations.

1.18 "Stub" means the portion of a raffle ticket kept by the licensee.

1.19 "Ticket" means a slip of paper or any other object that is discrete from every other object sold, which evidences that the person to whom it is issued, or the current holder, is entitled to some right or privilege as indicated by the licensee.

## **Rule 2. Bingo-Raffle Licensees**

### **2.1 Application**

#### **2.1.1 Initial Application**

- (a) An applicant seeking a bingo-raffle license must submit a complete application, using the form prescribed by the Secretary of State, in addition to the following:
  - (1) The application fee;
  - (2) A list of all members of the organization, and all members of auxiliary and affiliate organizations who will participate in the operation of games of chance. If the organization has a large number of members, the applicant may submit a copy of the entire membership;
  - (3) The names, addresses, and titles of all officers and directors of the organization; and

(4) Proof that the organization has functioned for the five years immediately preceding the application date and that the organization has had members throughout this period. Proof of existence consists of:

- (i) Articles of Incorporation dated more than five years from the date of application, stating that the organization has members; and
- (ii) Copies of at least one bank statement per year for the five- year period; or
- (iii) Copies of minutes from at least one general membership meeting per year for the five-year period.
- (iv) Repealed.

(b) The organization must qualify as one of the following types of organizations: religious, charitable, labor, fraternal, educational, volunteer fire, or veterans. The Secretary of State may require submission of supporting documentation.

(c) The 45 day period for approval or rejection of the application will start upon notification that the Secretary of State received the required information outlined in Rule 2.1.1(a).

2.1.2 Renewal Application. To renew a bingo-raffle license, a licensee must submit a complete renewal application, using the form prescribed by the Secretary of State, in addition to the following:

- (a) The items listed in Rule 2.1.1(a)(1-3); and
- (b) If the organization changed names in the last year, evidence of the name change. For entities organized under Colorado law, articles of amendment, articles of merger, or other documentation of changes filed with the Secretary of State qualify as evidence of the name change.

2.1.3 Board-only organizations without members. An organization that does not have members but is managed by a board of directors or trustees may apply for a bingo-raffle license but only in the name of the board of directors. Only board members may participate in the operation of charitable gaming.

2.2 A licensee may, as a membership condition or qualification, require all of its active members to assist with its charitable gaming operations. Members are considered bona fide volunteer workers when operating or assisting with the licensee's bingo-raffle activities if:

- 2.2.1 The licensee does not provide any remuneration, including but not limited to, any fee, expense, travel, tuition, or other credit that is based on the amount of service or assistance rendered or time spent by a member in the course of operating any licensed bingo-raffle activity; and
  - 2.2.2 The licensee does not offer or give to any member an option to pay money or donate anything of value to the licensee nor offer or give a reduction in any member's benefits, privileges, or powers as an alternative to assistance with bingo-raffle activities.
- 2.3 Games managers.
- 2.3.1 A licensee may not conduct any bingo, raffle, or other game of chance unless one of its designated games managers holds a current, valid games manager certificate issued by the Secretary of State.
    - (a) The Secretary of State may issue a games manager certificate to any individual who has successfully completed a games manager training program and passed a test.
    - (b) The Secretary of State may issue games manager certificates that are valid for the management of all licensed bingo-raffle activities or may issue a limited certificate valid only for licensed raffles.
    - (c) Each games manager must execute a games manager's oath on a form prescribed by the Secretary of State.
    - (d) A games manager certificate is valid for a period of four years from the date of issuance.
  - 2.3.2 The designated games manager must be continuously present during and for at least 30 minutes after a raffle drawing, a bingo occasion, or a bingo occasion related pull tab game.
- 2.4 Materials and notices that a licensee must post
- 2.4.1 Constitution, Statutes and Rules. Each licensee must keep a current copy of the bingo-raffle constitutional provisions, statutes, and rules at the location and during the time that an activity is held. The licensee must show the law and rules to any person on demand.
    - (a) Before the start of the first bingo game, the licensee must inform the players in attendance, by posting or announcement, that the players may obtain copies of the Bingo and Raffles Law and rules from the Secretary of State's office. The notice must include the Secretary of State's address and phone number.

- (b) The licensee must post a sign stating that the games manager has a copy of the Bingo and Raffles Law and rules available for inspection. The licensee must use at least 12-point font and post the sign in a conspicuous location.
- (c) The licensee must post any material as required by the Secretary of State from time to time.

2.4.2 License. A licensee must post a copy of the license for all players to see until the conclusion of the occasion.

2.4.3 Occasion Rules. Each licensee must post a sign, in a conspicuous location and in at least 12-point font, that includes the following information:

- (a) All house rules in effect during that occasion;
- (b) That the games manager is the final authority in the event of a dispute; and
- (c) The procedure for determining refunds and the amount of the refund in the event of a power failure.

2.4.4 Prize information.

- (a) At the beginning of each occasion, the licensee must conspicuously post the number and amount of cash prizes and how the prizes may be won, including the cost to players.
- (b) The licensee must either display the available merchandise prizes or post a list and complete description of the prizes and how the prizes may be won, including the cost to players. If the licensee designates an alternative cash prize in the case of multiple bingo winners, the licensee must post details about the alternative prize in accordance with Rule 2.4.4(a).
- (c) If the licensee offers prize payouts on the basis of number of players or gross amount of sales, the licensee must conspicuously post a statement to that effect.

2.4.5 Notice of Cancellation of Bingo Occasion. A licensee may only cancel a previously scheduled occasion by posting a notice of cancellation at the location of the scheduled game at least one hour prior to the scheduled beginning of the occasion.

- (a) For occasions played at commercial bingo facilities, the scheduled beginning of the occasion is the occasion start time stated in the rental agreement.
- (b) For occasions played at facilities owned by the licensee or used without charge, the start time is the time the licensee normally admits players into the

facility.

2.5 A licensee may presell tickets in accordance with section 24-21-604(4), C.R.S. as follows:

2.5.1 Preselling is limited to the non-electronic sale, not more than fourteen days in advance of a bingo gaming event, of a ticket evidencing a person's right to enter the event; and

2.5.2 A licensee may not presell or authorize reserving a:

- (a) "Card," as defined in section 24-21-602(7), C.R.S.;
- (b) "Pull tab," as used in section 24-21-602(36), C.R.S.; or
- (c) Specific seat.

### **Rule 3. Bingo Games**

3.1 Conduct of Bingo Games in General

3.1.1 Bingo game. A bingo game starts when the first numbered object, ball or number is selected at random or randomly generated by machine, and called. The game continues until all the objects or balls have been returned to the receptacle or the machine has been cleared. A game may have two or more parts with different winning patterns for each part, if the total amount of prizes offered or given for all parts of one game does not exceed, in amount or value, the maximum prize that may be offered or given in a single game of bingo.

3.1.2 Authorized equipment and cards. A licensee must keep authorized equipment and cards, including all bingo-related items, in good repair and sound working condition. The Secretary of State may order, in writing, any equipment, cards, or related items immediately repaired or replaced if they are found to be defective.

- (a) A licensee may not use balls with creases, holes or other damage during a bingo game.
- (b) Balls used during bingo games must be in the master board before each occasion, and at least one player must verify that all balls are present immediately prior to the first game of the occasion. Licensees that use electronic random number generators must ensure that all numbers on the lighted board can be illuminated.
- (c) Once a ball is removed from the receptacle, it may not be returned until the conclusion of that game.

- (d) A licensee must select balls one at a time.
- 3.1.3 Call and display of balls. A caller must draw a ball from the receptacle and immediately display the letter and number on the ball to the players. The caller must loudly and clearly announce the letter and number on the ball so that all players can hear. The caller must make the announcement twice before drawing the next ball. The ball is not official until it has been properly called.
- (a) If more than one room is used, the receptacle and the caller must be in the room with the greatest number of players.
  - (b) The caller may use a camera and monitor to display the letter and number. If the caller uses a monitor, the licensee must post a sign by each monitor that reads: “Ball on TV is not official until called.”
- 3.1.4 Master board. The master board is the only official scorer unless the licensee is using a random number generator, in which case a lighted display board may serve as the official scorer.
- (a) If a lighted display is used, the letter and number of the called ball must be lit immediately after the ball is called.
  - (b) If the caller discovers that the wrong letter or number was called, the caller must announce: “I am reading the correct number, please correct your card or sheet.” The caller must then correct the master board and the lighted display, if applicable, before continuing with the game.
- 3.1.5 Closing a bingo game. Each bingo game must close in accordance with the following procedure:
- (a) The licensee must stop the game after “Bingo” is signaled by a player or a worker. A player is responsible for ensuring that a signaled “Bingo” is acknowledged by a floor worker, the bingo caller, or both.
  - (b) The caller may not call the next ball removed from the machine or otherwise selected, until the signaled bingo is verified or invalidated. If the signaled bingo is verified, the caller must return the ball to the machine unless the verified bingo is part of a multi-part or continuing game.
  - (c) The last number called does not need to be part of the signaled bingo, unless the licensee has conspicuously posted a bingo occasion rule with this requirement.
  - (d) When a player or worker signals “Bingo”, a worker on the floor must place the card, sheet, or electronic bingo aid device in front of at least one other player to confirm the bingo.

- (e) The worker must call the numbers of the winning combination to the caller or, in the case of a coverall or blackout bingo, the caller may announce the numbers that have not been called, unless an electronic bingo number verification device is used to verify the bingo.
- (f) If an electronic verification device is used to invalidate a signaled bingo, the worker on the floor must announce the numbers of the winning combination so the caller can check the numbers against those actually called.
- (g) The caller must then ask the players two times: “Are there any other bingos?” If no player answers, the caller must announce “This game is completed.”

#### 3.1.6 Multiple bingo winners.

- (a) If multiple bingos are announced and verified and the prize is a cash prize, the licensee must divide the prize for that game or game part so that each verified bingo receives the appropriate amount, regardless of the number or identity of players involved. If a prize is divided, the licensee may round up the prize amount given to any player holding a verified bingo only to the nearest dollar.
- (b) If the licensee is offering a merchandise prize, the licensee may designate an alternative cash prize in the case that more than one person achieves a valid bingo. The alternative cash prize must be equal to the current retail value of the merchandise prize, and information on the alternative prize must be posted in accordance with Rule 2.4.4.

#### 3.1.7 Workers.

- (a) No individual who works or assists at a bingo occasion may play bingo or purchase or play any pull tabs at the occasion which that individual works.
- (b) A licensee must file with the Secretary of State a revised list of members who will work any bingo-raffle activities if the list submitted with the licensee’s application is changed by the addition of new members.
- (c) An individual may not work or assist in the operation of licensed activities unless that individual is a member of the licensee or of an auxiliary as defined in Rule 3.1.8 and the licensee has provided a list of members containing that individual’s name to the Secretary of State.
- (d) An individual working or assisting at any bingo-raffle activity must present photo identification upon request of the Secretary of State.

#### 3.1.8 Auxiliaries

- (a) Auxiliaries of licensee. An association or organization is an auxiliary of a licensee if:
  - (1) It is subsidiary to the licensee;
  - (2) It is subordinate to the licensee;
  - (3) Its primary purpose is to support and assist, particularly by donations and volunteer services, the licensee; and
  - (4) It is constituted, chartered, governed, or otherwise formally recognized as an adjunct by the licensee.
  
- (b) Licensee auxiliary of another organization. A licensee is an auxiliary of an association or organization if:
  - (1) The licensee is subsidiary to the association or organization;
  - (2) The licensee is subordinate to the association or organization;
  - (3) The primary purpose of the licensee is to support and assist, particularly by donations and volunteer services, the association or organization to which it is subsidiary; and
  - (4) The licensee is constituted, chartered, governed, or otherwise formally recognized as an adjunct by the association or organization to which it is subsidiary.
  
- (c) Auxiliary affiliated with licensee. An association or organization is affiliated with a licensee and the association or organization and the licensee are auxiliaries of another organization or association if:
  - (1) The licensee and the affiliated organization are both subsidiary to an association or organization;
  - (2) The licensee and the affiliated organization are both subordinate to the association or organization;
  - (3) The primary purpose of the licensee and the affiliated organization is to support and assist, particularly by donations and volunteer services, the association or organization to which they both are subsidiary; and
  - (4) Both the licensee and the affiliate are constituted, chartered, governed,

or otherwise formally recognized as adjuncts by the association or organization to which they are subsidiary.

3.1.9 Security personnel

- (a) Security personnel must wear a badge or uniform.
- (b) Security personnel, whether volunteer or paid, may not play or participate in the operation of any bingo-raffle activities.

3.1.10 Number of games allowed. No licensee may hold, operate, or conduct more than 220 bingo occasions in any calendar year.

3.1.11 Prohibition on saving seats. A specific seat may only be reserved to provide a reasonable accommodation for a player with a disability.

3.2 Progressive Jackpot Bingo Games. The following requirements apply specifically to progressive jackpot bingo.

3.2.1 Required Postings. In addition to any postings otherwise required by these rules, a licensee that conducts a progressive jackpot game must also post, a sign in at least 12-point font stating:

- (a) The amount of the progressive jackpot at the beginning of the bingo occasion;
- (b) The percentage of gross sales of progressive cards that is contributed to the jackpot and whether the contribution amount is added to the jackpot during the present occasion or during the next occasion;
- (c) The price and description, including color and design, of the cards for the progressive game;
- (d) The bingo pattern or number arrangement a player must complete to win the progressive jackpot prize, together with a clear diagram of the number arrangement, if any pattern other than a full card (“blackout” or “coverall”) is required to win;
- (e) The maximum number of calls in which a player must complete the required pattern in order to win the progressive jackpot prize;
- (f) The date, time, and location of the occasion at which the next game in the progression will be conducted if the jackpot is not awarded;
- (g) The amount of the regular game prize if the licensee elects to continue a progressive game as a regular game when the progressive jackpot is not won;

and

- (h) If the licensee is operating a progressive jackpot bingo game and is withholding 10% of the gross sales of progressive cards as a secondary jackpot, a statement to that effect.

3.2.2 Number of Progressive Games Allowed. A licensee may not conduct more than three progressive bingo games simultaneously, except that a licensee that conducts a members-only bingo occasion may conduct successive games of a progression during a single bingo occasion.

3.2.3 Method of Play.

- (a) A licensee may start a single game of progressive bingo, in an amount not to exceed \$500 or the amount of the secondary jackpot from a prior progression, whichever is greater. A progressive game is won when a previously designated arrangement of numbers or spaces on a card or sheet is covered within a previously designated number of objects or balls drawn.
- (b) If the game is not won within the drawing of the previously designated number of objects or balls, the licensee must replay the game at the same location using the previously designated arrangement of numbers or spaces, until the game is won.
- (c) On the second and subsequent occasions, the jackpot amount increases by a percentage of the gross proceeds, not greater than 70%, collected from the sale of progressive bingo cards or sheets during that occasion or on the prior occasion. If a licensee is conducting a progressive jackpot bingo game with a secondary jackpot, 10% of the gross proceeds collected from the sale of progressive bingo cards or sheets at that occasion or the prior occasion must be set aside and segregated from the jackpot amount in the bingo-raffle account.
- (d) A progressive jackpot may not exceed \$15,000. Upon reaching \$15,000, the licensee must award the jackpot to the player completing the designated pattern regardless of the number of objects or balls called. If the jackpot reaches \$15,000, the licensee may award the jackpot on that or the following occasion.
- (e) A licensee may impose a progressive jackpot maximum below the \$15,000 maximum ceiling set by rule. Upon reaching the self-imposed maximum, the licensee must award the jackpot to the player completing the designated pattern regardless of the number of objects or balls called. When the maximum is reached, the licensee may choose to stop contributing the set percentage of the proceeds to the jackpot (hard cap) or continue to contribute the same percentage until the jackpot prize is won (soft cap). The licensee

must award the jackpot at the occasion during which the maximum was reached or at the following occasion. The licensee must post notice of self-imposed caps in accordance with Rule 3.2.1.

- 3.2.4 Members-only occasions. A licensee must restrict a members-only occasion to bona fide members of the licensee, accompanying spouses, and guests of bona fide members. The public may not access the premises where members-only bingo is conducted.
- 3.2.5 Successive bingo occasions. Once a progressive jackpot bingo game begins at a public bingo occasion, it must continue at each successive bingo occasion of the licensee at the same location until a player wins the jackpot. If a progressive is started at a members-only occasion, successive progressive games for that jackpot must occur at successive members-only occasions.
- 3.2.6 Card type. The licensee must use the same type of progressive game card throughout all games in a progression.
- 3.2.7 Bingo pattern. The licensee must require the same bingo pattern or number arrangement to win the progressive jackpot prize throughout all games in a progression.
- 3.2.8 Number of balls called during successive occasions. For each successive game in a progression, the number of balls called may remain the same or increase.
- 3.2.9 Percentage added to the jackpot. For each successive game in a progression, the licensee must not change the percentage of gross proceeds added to the jackpot or the timing of when the amount is added.
- 3.2.10 Pre-game Announcements. Immediately before drawing the first ball for any progressive game, the caller must clearly announce the maximum number of balls to be called in which a player must complete the pattern or number arrangement required to win the progressive jackpot prize, the jackpot prize amount, the card description, and the date and time of the next occasion if the jackpot prize is not awarded.
- 3.2.11 No winner of progressive. If no player wins a progressive jackpot in the designated number of balls called, the entire jackpot prize amount, without deduction for consolation prizes, will carry over to the next game in the progression. After the designated number of balls is called, the licensee may either proceed to its next regular bingo game or continue the current game as its next regular game. If the game is continued as a regular game, the licensee must publicly announce the start of the regular bingo game, the pattern or arrangement required to win may not change, and the prize amount is subject to the limitations in these rules.
- 3.2.12 Winner of progressive. The caller, a floor worker, and a player other than the winning

player must verify a winning card by manufacturer's identification number, series number, and balls called.

- 3.2.13 Loss of license before award of jackpot. If a licensee's license expires, is not renewed, is suspended, revoked, or surrendered, or if the licensee permanently terminates its bingo operations or terminates its operations at a particular location before a progressive jackpot is awarded, the licensee must determine a winner and award the jackpot prize and secondary jackpot, if any, on the licensee's last authorized bingo occasion at the location where the progression was started, regardless of the number of balls called.
- 3.2.14 Inability to conduct occasion at regular licensed premises. If a licensee cannot conduct the next game in the progression at the location where the progression started, the licensee must post a notice on the premises where the last game in the progression was conducted announcing the date, time, and location of the next game in the progression. If known at the time, the caller must make this announcement at the conclusion of the progressive jackpot game before the change in location.
- 3.2.15 Multiple locations. If a licensee regularly conducts bingo occasions at least weekly at each of two licensed commercial bingo facilities, the licensee may offer and continue one progressive jackpot bingo progression at each facility as long as all games in a single progression are conducted at the location where the progression began except where the provisions of Rules 3.2.13 or 3.2.14 apply.

### 3.3 Disputed games.

- 3.3.1 If the licensee discovers verifiable problems with the bingo balls, equipment, or operation of the equipment, the games manager must settle the dispute in the following manner:
- (a) Discovered before start of next game. If a problem is discovered before the start of the next game and if the error affected the outcome of the previous game, then the licensee must void and replay the previous game during the same occasion at no cost to players.
  - (b) Discovered after occasion. If a problem is discovered after a bingo occasion is completed, then no games will be replayed.
  - (c) Void game. If a game is voided and the number of bingo cards that each player was playing during the voided game can be determined, then each player must receive that same number of bingo cards for the replay. If the number of bingo cards played cannot be determined for all players, the licensee must give each player an equal number of bingo cards.

- (d) Mechanical defect of electronic bingo aid device. If the licensee discovers or is advised by a player that the player's electronic bingo aid device malfunctioned during a game, the licensee is not required to suspend the calling of new balls or numbers until the player replaces the malfunctioning device.
- (e) Mechanical failure of electronic bingo system. If the licensee discovers or is advised by a player that the computer system controlling radio frequency signal transmission to electronic bingo aid devices has failed, the games manager must either:
  - (1) Instruct players using electronic bingo aid devices to manually daub the numbers of the balls called;
  - (2) Provide packs or sheets to players using electronic bingo aid devices and continue the occasion if the failure of the bingo aid system does not render the blower and master board inoperative; or
  - (3) Terminate the occasion and refund all or a portion of the pack and sheet sales and rental of electronic bingo aid devices.
- (f) Player has no right to prize. If the licensee discovers after the start of another game that a winner does not have the right to claim a previous game's prize, the licensee must replay the disputed game.
- (g) Prize money payment in disputed game. In a disputed game, the licensee may not pay any prize money until the dispute is resolved in accordance with Rule 3.
- (h) Payment exceeds occasion limit. If prize payment exceeds the maximum prize limit permitted by these rules, the licensee must note the cause of the overpayment in the game records and corresponding financial report for that time period. The Secretary of State may consider repeated or excessive overpayments of this nature a violation of these rules.
- (i) Loss of electrical power. If electrical power is lost during an occasion, the games manager must wait a minimum of 30 minutes but no more than one hour before terminating an occasion. Reimbursement for games not played or for the rental of electronic bingo aid devices will be as set forth in the occasion rules posted prior to the game.
- (j) Secretary of State. While investigating disputed prizes, the Secretary of State may instruct a licensee to pay a disputed prize if the preponderance of the evidence is in favor of the player.

- 3.3.2 Games Manager's Log. The games manager must keep a written log of all disputed games. The entries must include the occasion date, the game played, a short description of the dispute, the names and addresses of players involved in the dispute if the dispute involves a called bingo, and the resolution determined by the games manager.
- 3.4 Multiple Bingo Occasions. A licensee may conduct multiple bingo occasions on the same day, if:
  - 3.4.1 The licensee concludes all games of chance from the first occasion and completes all player-related activities, including, but not limited to, the purchase, opening, and redemption of pull tabs, before the end of the occasion.
  - 3.4.2 The licensee does not begin the next occasion for 15 minutes after the conclusion of the previous occasion, or until the final accounting for games of bingo played and pull tabs sold is completed and the books are closed for all of the first occasion activities, whichever comes later.
  - 3.4.3 The licensee does not offer to sell pull tabs or other raffle tickets after an occasion concludes and before the next occasion begins.
  - 3.4.4 The licensee does not continue activities from an occasion during the next occasion, and does not offer to sell, distribute or reserve any cards, sheets, tickets (except as authorized by section 24-21-604(4), C.R.S., and Rule 2.5), or chances for the next occasion during the previous occasion or during the period between the two occasions.

**Rule 4. Sale and use of Bingo Cards, Packs, and Sheets**

- 4.1 Sales
  - 4.1.1 Player payment method. A licensee may not extend credit to a player.
    - (a) When accepting payment, the licensee must:
      - (1) Collect the consideration for playing a game of chance in full, in advance, by check, cash, or debit or credit card.
      - (2) Directly deposit all proceeds into the licensee's segregated checking or savings account. The licensee may not commingle proceeds with funds in a general account or other account. [Section 24-21-622(3)(a), C.R.S.]
    - (b) A licensee accepts all risks and losses associated with credit and debit card

payment cancellations and returned checks. A licensee may not subtract these losses from its gross proceeds.

- (c) A licensee may pay fees to a check guarantee service or debt collection firm for recovery of bad checks or cancelled credit charges from the licensee's segregated checking or savings account.

4.1.2 Premises only sales. All sales of cards, packs, and sheets must take place on the licensed premises during the bingo occasion.

4.1.3 Set price. A licensee:

- (a) Must sell all cards, packs, and sheets at a set price.
- (b) May offer discounts on the basis of criteria available to all players, such as quantity purchased.
- (c) Must set a price for the purchase, lease, or use of an electronic bingo aid device and that price must not change throughout the bingo occasion.
- (d) Must charge identical fees for electronic and non-electronic bingo card faces.
- (e) Must post the price of each card, pack, or sheet, including discounts offered, and the charge, if any, for the purchase, lease, or use of each electronic bingo aid device, during the occasion, and before players may purchase items.

4.1.4 Sales of individual sheets and cards. At all bingo occasions where individual disposable cards or sheets are sold, the following procedures apply:

- (a) The licensee must issue individual disposable cards or sheets and a change fund to the workers. The licensee must record the exact number of disposable cards or sheets issued using the form prescribed by the Secretary of State.
- (b) After the cards or sheets for a game are sold, the games manager or other designated individual must count the amount on hand, subtract the change fund, and compare cards or sheets sold against the money received.
- (c) The licensee must record and retain the exact number of cards or sheets that are removed from inventory, sold, and returned to inventory using the form prescribed by the Secretary of State.
- (d) Sellers of individual disposable cards or sheets may not use proceeds from sales to pay prizes.

- 4.1.5 Progressive bingo cards and sheets. The following procedures and requirements, in addition to those for bingo operations generally, apply to the sale and use of progressive jackpot bingo cards and sheets:
- (a) The licensee must sell only disposable paper cards and must only lease electronic bingo aid devices where card faces are distinguishable by a color or design that the licensee does not use for any other game.
  - (b) Each card or face sold for a progressive game must contain five rows of five squares with 24 preprinted numbers, or 48 preprinted numbers in the case of double action games, from the range of 1-75, a free center space, and the letters B I N G O printed in order over the five columns.
  - (c) A licensee must determine a set card price before the first game in a progression. Discounts, free cards or faces, price changes, and variable pricing are prohibited.
  - (d) A licensee must sell progressive bingo cards prior to the drawing of the first number for the game, except that, if the progressive game is a pre- draw concealed face game, the licensee may sell cards after the first drawing of numbers and before the game resumes.
  - (e) A licensee must sell and account for progressive cards separately from other cards, sheets, or packs sold or used at a bingo occasion. A licensee may, by house rule, make purchase of a pack or door card a prerequisite for purchase of a progressive card.

## 4.2 Use

- 4.2.1 Packs. A licensee must collate each pack sold for use at a bingo occasion from a series of consecutively numbered sheets, and each sheet must contain its individual consecutive series number and the identification number assigned by the manufacturer to that series. Nothing in this rule requires a licensee to sell packs in any particular order.
- 4.2.2 Tally cards. A licensee must provide a tally card or cash receipt to anyone who purchases cards or packs at the door. At a minimum, the tally card or cash receipt must show the date of purchase and the total number of cards or packs purchased. A licensee must only award a prize when the purchaser provides the tally card or cash receipt.
- 4.2.3 Manufacturer's identification number. Prior to starting any game using disposable sheets or packs, the bingo caller must have the manufacturer's identification number and/or card number and the series number of the set of cards sheets or packs offered for sale for that particular occasion. When a player completes a bingo, the worker on

the floor checking the bingo must read the manufacturer's identification number and/or card number and the series number of each winning sheet. Payment may not be made unless both numbers were among those offered for sale for that game.

- 4.3 Concealed face cards. At all bingo occasions where pre-draw concealed face cards are sold or used, the following procedures, in addition to those applicable to the sale and use of bingo cards generally, apply:
  - 4.3.1 All pre-draw concealed face cards must be conspicuously identified prior to sale or transfer to any player so that the concealed face card may not be played at any occasion other than the one at which the card was sold or transferred.
  - 4.3.2 A licensee must sell all pre-draw concealed face cards for a uniform price, except that a licensee may permit players to trade one previously purchased card for one new one with the purchase of an additional card.
  - 4.3.3 A licensee that allows pre-draw concealed face card trade-ins must maintain two sets of cards for each pre-draw concealed face game. One set is the original set and is a different color from the second set, which is the trade-in set. Players may purchase cards only from the original set, and may only trade for cards in the trade-in set.
  - 4.3.4 A licensee that allows pre-draw concealed face card trade-ins must mark or otherwise deface all returned cards.
- 4.4 Cash shortages. A licensee must notify the Secretary of State within 72 hours if, at the end of the bingo occasion or a bingo occasion related pull tab game, the cash counted is short by \$30 or more.

## **Rule 5. Sale and use of Pull Tabs**

- 5.1 Pull Tabs
  - 5.1.1 Price. A licensee may not sell a pull tab ticket for a price different than the price stated on the deal's flare.
  - 5.1.2 Pull tab construction. A licensee may not sell a pull tab ticket unless it has a pull tab or seal to be opened by the purchaser.
  - 5.1.3 Reservation of pull tabs. A licensee may not reserve pull tabs for any person.
  - 5.1.4 Prohibition against information to players. No person selling pull tabs or managing or working at any bingo game or other place where pull tabs are sold may state, imply, or in any way indicate to the purchaser the number or type of tickets that have been redeemed or that remain in the container.

5.1.5 Defective pull tabs. A licensee may not permit the display, sale, or operation of a defective pull tab.

(a) The following are types of defective pull tabs:

- (1) A pull tab that is marked, defaced, tampered with, or otherwise placed in a condition that may deceive the public.
- (2) A series or deal of pull tabs that consists of more than one serial number, color code, or ticket name.
- (3) A pull tab that contains printer or manufacturer mistakes or misstatements that adversely affect the gross receipts and/or profit of the pull tab series or deal.

(b) The licensee must immediately remove a defective pull tab deal or series from display and refund the purchase price of all presented winning tickets and all unopened tickets in the players' possession.

(c) The licensee must notify the Secretary of State in writing within 72 hours of discovering a defective series or deal of pull tabs.

(d) The licensee must return the defective pull tabs in the licensee's possession, including all returned, redeemed, and unopened tickets, to the manufacturer no earlier than the thirtieth day after discovery or the inspection of the defective deal or series by the Secretary of State, whichever comes first.

5.1.6 No commingling. A licensee may not commingle pull tab deals or display, or sell a commingled deal. A commingled series or deal of pull tabs is one containing two or more serial numbers of the same form number.

5.1.7 Identical form and serial numbers. A licensee may not knowingly obtain or allow, a deal of pull tabs or portion thereof with the same serial number, form number, and color code combination as another deal of pull tabs, or portion thereof, in the possession or on the premises of the licensee.

5.1.8 Removal of deal from play. A licensee may not remove any deal or series of pull tab tickets or any unsold portion thereof from display or sale after the first ticket from the deal or series is sold unless the Secretary of State or any law enforcement authority orders the removal or when the deal is unsalable.

(a) A ticket or portion of a pull tab deal or series is unsalable if it was displayed and openly offered throughout the duration of at least two consecutive bingo occasions at the same location. Pull tabs at bar and clubrooms are unsalable if

they were displayed and offered for sale for a two-week period without any pull tab tickets from that deal or series being sold.

- (b) The licensee must keep any unsold or unsalable pull tab tickets unopened for a period of six months following the end of the quarter in which the tickets were removed from sale unless the pull tabs were removed from sale because of defects.
- (c) The licensee must destroy, after the time specified in Rule 5.1.8(b), all pull tabs that were removed from sale.

5.1.9 Defacing winning pull tabs. Before the end of the bingo occasion, the licensee must ensure that the winning combination of every winning pull tab ticket is defaced so that the winning ticket combination is identifiable but cannot be altered or used again.

- (a) A licensee that conducts pull tabs only on its premises, must deface the winning pull tab tickets daily.
- (b) The licensee must keep all redeemed winning tickets of \$20 or more and all opened flares and sign-up sheets for seal pull tabs for six months following the end of the quarter in which the tickets were redeemed.

5.1.10 Paying pull tab prizes.

- (a) The licensee may not redeem a ticket from a seal or pull tab for any other prize than the prize on the flare for the symbol combination on the winning ticket.
- (b) The licensee must award a prize only upon presentation, verification, and redemption of a ticket showing a winning combination, except when the deal of pull tabs is a last sale deal as designated by the manufacturer of the pull tab deal.
- (c) If pull tab tickets are sold at a bar or clubroom, the licensee may maintain a separate cash fund in a secure container on the premises to track proceeds and pay out pull tab prizes. This cash fund may not exceed \$2,000.

5.2 Seal Pull Tab Operations.

5.2.1 Number of deals in play. A licensee may not operate, sell, or put into play more than one seal pull tab deal of the same game name, form number, and serial number at one time.

- 5.2.2 Flare. The licensee must post the flare for the deal with the deal's serial number at the location of the seal game. The flare must be posted out of reach but fully visible to any player, and must contain a correct and accurate record of all holders of redeemed tickets that offer a chance on the seal tab prizes, as well as the potential winning combination of each ticket redeemed.
- 5.2.3 Hold tickets. The licensee must deface and return to the purchaser those tickets redeemed for a chance to win the seal pull tab prize.
- 5.2.4 Sign-up sheet. The licensee must maintain a separate list of redeemed ticket holders' addresses to contact them if they are not present when the winning combinations are revealed.
- 5.2.5 Small deals.
- (a) The licensee is not required to maintain a list of names and addresses of those winners entitled to a chance to win the seal pull tab prize if the game consists of 600 or fewer tickets and is reasonably anticipated to sell out in the course of a single bingo occasion or in one day at a licensee's bar or club room.
  - (b) Small deals, sign-up sheet required. The licensee must prepare a complete and accurate sign-up sheet and address record for any small deal pull tab game that does not sell out as anticipated in a single occasion or day.
- 5.2.6 Opening seal tab. A player who is eligible to win the seal tab prize must break or tear open the seal tab for the deal in plain view of all individuals present when tickets from a seal pull tab deal are sold or when the deal is declared unsalable.
- 5.2.7 Announcements and postings. The licensee must announce the winning combination(s), the specific form number, the name of the game, the serial number of the deal, and the date the seal tab was opened and must post the information at the game. The licensee must record the name and license number of the licensee on the flare.
- 5.2.8 Unsold deals. The licensee must announce and post the game name, form number, and serial number of any seal pull tab deal that is not sold out before the end of a bingo occasion or the closing time for a bar or clubroom where the deal was offered for sale. The licensee shall also announce and post the date, time, and place of the next scheduled pull tab operation and advise the players to retain potential winning tickets until the flare is opened.
- 5.2.9 Notification of winner. If the winning ticket is not redeemed upon the opening of the seal, the licensee must, within 15 days of seal opening, send written notice to the holder of the winning ticket at the address shown on the sign-up sheet. The notification must give the game name, form number, and serial number of the deal,

and state that the winner must present the winning ticket for verification to receive the prize.

5.2.10 Unclaimed prizes. The licensee may retain a seal pull tab prize if the prize goes unclaimed for 15 days after sending notification to the winner.

5.2.11 Redemption of pull tabs. The licensee must redeem and retain seal flare prize winning tickets in the same manner as other winning pull tab tickets.

### 5.3 Last Sale Pull Tab Operations.

5.3.1 Upon opening a last sale deal of pull tabs for sale, a licensee must display and make available for sale all pull tabs contained in the deal. If the pull tab deal exceeds 5,000 tickets, the licensee is not required to display all pull tabs, but must post a conspicuous notice upon the receptacle indicating whether all unsold tickets in the deal are contained in the receptacle.

5.3.2 If the licensee uses a mechanical pull tab dispensing device, the licensee must post a conspicuous notice upon the machine indicating whether all unsold tickets in the deal are loaded in the machine.

5.3.3 A licensee may sell or pay in full any pull tab deal that offers a prize for the last sale in the deal if the licensee:

(a) Completes the forms required by the Secretary of State for last sale pull tab prizes and retains the forms for four months after the end of the quarter in which the prize was paid.

(b) Verifies the identification of the winner of the last sale pull tab prize, regardless of amount, including name, address, and driver's license number or Colorado identification number. No last sale prize may be paid without such verified information.

### 5.4 Progressive Pull Tab Operations. A licensee may conduct a progressive pull tab game if it complies with all rules and regulations concerning the sale and operation of pull tabs in general and the following specific requirements:

5.4.1 Number allowed. A licensee may not offer, put into play or have in play more than one progressive pull tab deal at any time.

5.4.2 Continuous play. Once a progressive pull tab game starts, it must continue until a jackpot winner is determined.

5.4.3 Offered for play. Once a progressive pull tab game starts at a bingo occasion, a

licensee must offer the game at each succeeding bingo occasion sponsored by the licensee until the jackpot is won. If a progressive pull tab game starts on the licensee's premises, the licensee must offer the game on each successive day that the premises are open.

5.4.4 Award of prizes. A licensee must only award prizes in a progressive pull tab game in accordance with the manufacturer's pre-designated prize structure for the game.

5.4.5 Flare

(a) Format. The flare or jackpot card for each deal in a progressive pull tab game must show, the amount dedicated to the progressive jackpot prize and the current total of the prize. The jackpot prize amount must be modified on the flare each time a contribution is made to the jackpot from sales of progressive pull tab tickets at the immediately preceding occasion and the sales of progressive pull tab tickets during the current occasion.

(b) Display. The licensee must display or keep available for viewing the flare or jackpot card for each deal in a progressive pull tab game played or that has been played during the course of a progressive game. The flare must be available for viewing at all times the game is in play until the progressive jackpot prize is won.

5.4.6 Maximum prize.

(a) The maximum jackpot prize for a progressive pull tab is \$5,000.

(b) Once the jackpot amount reaches \$5,000, the licensee may not make any further contributions to the jackpot amount.

(c) All proceeds from the sale of progressive pull tabs after the jackpot amount reaches \$5,000 are considered part of the bingo-raffles licensee's gross proceeds from the progressive game.

(d) If a jackpot prize reaches \$5,000 without a winner:

(1) The licensee must award the prize in accordance with the manufacturer's specifications for determining a winner upon accumulation of the maximum amount; or

(2) If there are no specifications built into the progressive game being conducted, the game must continue in accordance with the manufacturer's specifications until the game is won. The licensee however, may not make further contributions to the jackpot amount in accordance with Rule 5.4.6(c).

- 5.4.7 Loss of license before award of jackpot.
- (a) If a licensee's license expires, is not renewed, is suspended, revoked or surrendered, or if the licensee permanently terminates its bingo operations or terminates its operations at a particular location before a progressive pull tab jackpot is awarded, the licensee must determine a winner and award the jackpot prize on the licensee's last authorized bingo occasion at the location where the progression was started.
  - (b) If there is no winner of the jackpot prize on the last authorized occasion, the licensee must conduct a public drawing for the prize by issuing one free ticket to each eligible member of the public who is present at the end of the occasion, without regard to whether the individual was a participant during the occasion. The jackpot winner is the individual whose ticket is drawn at random.
- 5.4.8 Serial and form numbers. The licensee may not pay a prize amount unless the serial and form numbers of the winning ticket match the serial and form numbers of a deal contributing to the jackpot amount.
- 5.4.9 Conclusion of game. A progressive pull tab game must end with the award of the cumulative jackpot prize or, if the jackpot prize is unclaimed, upon expiration of a 15-day period after determination of the winner. If a jackpot prize is not claimed by the next day or occasion on which the licensee conducts pull tab activities, the licensee may begin a new progressive pull tab game.
- 5.4.10 Display of winner(s) and notice to winner(s). If a jackpot prize is not claimed upon determination of a winner, a licensee shall continue to display all flares and jackpot cards for 15 days after such determination. The display must be in plain view of all players at the licensee's bingo occasions or pull tab operations. The licensee shall also provide the winner with the notice prescribed for all winners.
- 5.4.11 Unclaimed prizes. The licensee may retain a progressive pull tab prize if the prize goes unclaimed for 15 days after a winner is determined.
- 5.5 Multiple locations. A licensee that conducts bingo occasions at two or more locations may conduct pull tab operations at each location if the bingo-raffle licensee:
- 5.5.1 Uses a different deal of pull tabs at each location.
  - 5.5.2 Does not use pull tabs with the same name, form number and serial number at more than one location.
  - 5.5.3 Termination of operations at premises. If the licensee terminates operations at one

location, the licensee must display and sell all opened pull tab deals from the terminated location with the pull tabs at one of the remaining locations.

- 5.5.4 Records. The licensee must maintain the required records for all deals regardless of where the pull tabs were sold and must make those records available to the Secretary of State upon request at the location where the pull tabs were sold.

## **Rule 6. Electronic Bingo Aid Devices**

### 6.1 Usage of electronic bingo aid devices.

6.1.1 New usage. A licensee that intends to use any electronic bingo aid device must provide the following to the Secretary of State in writing:

- (a) The name and address of the manufacturer and the licensed Colorado supplier; and
- (b) The make, model, and description of the electronic bingo aid device or bingo aid computer system that the licensee intends to offer.

6.1.2 Bingo aid system. A licensee that uses a bingo aid computer system to record, track, or process any bingo transactions during a bingo occasion must use the system to record, track, and process all bingo transactions occurring during that occasion.

6.1.3 Use of bingo aid system without bingo aid devices. A licensee may use a bingo aid computer system at any time. A licensee must use a bingo aid computer system if players are allowed to use electronic bingo aid devices during a bingo occasion.

6.2 Required reports. A licensee that uses a bingo aid computer system must produce and attach to its daily bingo occasion records the report generated by the bingo aid computer system. The report must show at least the following information:

6.2.1 The reporting licensee's name;

6.2.2 The date and time of the bingo occasion reported;

6.2.3 A description of each transaction processed, including all voids and refunds, which shows:

- (a) The time the transaction took place;
- (b) The quantity, description and price of all cards and sheets, including specials, progressives and extras that were sold, refunded or voided in the course of the transaction;

- (c) The charges for any electronic bingo aid device furnished in connection with the transaction;
- (d) The manufacturer's identification number (serial number) for all cards and sheets sold in conjunction with an electronic bingo aid device; and
- (e) The total number and related charges for all electronic bingo aid devices sold, leased or furnished in connection with the reported occasion.

### 6.3 Data backup and security.

6.3.1 Data backup. At the end of an occasion, a licensee must save all transaction data and keep an electronic copy of the data for two calendar years after the occasion.

#### 6.3.2 Data security

- (a) A licensee must not access or attempt to access a bingo aid computer system data that does not belong to the licensee.
- (b) A licensee must protect, secure and safeguard its unique system identification from unauthorized disclosure or use. If the licensee discovers or suspects that system security has been breached or compromised, the licensee must:
  - (1) Immediately Report the breach or compromise to the Secretary of State; and
  - (2) Disable access to the system and either issue new identification and passwords or stop using the system until new identification and methods of access have been provided by the manufacturer, supplier or agent.
- (c) Control of the means of access, like identification, passwords, or tokens, to the licensee's bingo aid computer system is the responsibility of designated games managers or officers. The disclosure or transfer of the means of access is strictly prohibited unless disclosure or transfer is ordered by the Secretary of State or a law enforcement authority.

### 6.4 Player usage

6.4.1 Single player usage. A bingo player may use only one electronic bingo aid device during an occasion.

6.4.2 Maximum number of faces. A licensee may not program an electronic bingo aid

device to play more than 54 faces per bingo game.

- 6.4.3 **Passive Play.** The passive play of a bingo game by means of an electronic bingo aid device is prohibited. Players must physically enter each number called by either manually entering the number or by touching a button or a screen icon.

## **Rule 7. Promotions by Bingo-Raffle Licensees**

- 7.1 **Promotions allowed.** A licensee may conduct a promotion on its own or on leased premises where no purchase is necessary to enter the contest. A licensee may charge an admission fee to enter its premises to participate in a bingo occasion separate from the promotion, but the licensee must allow anyone participating in the promotional contest to be present when the prize is awarded.
- 7.1.1 **Reporting requirements.** A licensee that conducts a promotion must report awarded prize information to the licensing authority in accordance with section 24-21-604(3)(c), C.R.S.
- 7.1.2 **Promotion prize limits.** The licensee must not offer merchandise, services, or cash that exceeds \$1,000 in value as a prize for any single promotion.
- 7.2 **Relationship with landlord licensee promotions.** A licensee may conduct a promotion concurrently with any promotion sponsored by a landlord licensee. If the licensee agrees to participate in the landlord licensee's promotion and agrees to pay a portion of the costs of the promotion, such costs must not exceed \$1,000.

## **Rule 8. Raffles**

- 8.1 **General requirements.** Licensees that conduct raffles shall comply with the following:
- 8.1.1 **Selling Tickets.**
- (a) Except as provided in Rule 8.1.1(e), only members of the licensee may sell tickets for entry into a raffle drawing. Members may not receive remuneration for selling raffle tickets, and may not sell raffle tickets while they are receiving compensation for performing regular duties for the licensee.
  - (b) A licensee must sell tickets for entry in a raffle drawing at a stated price, and each ticket must constitute a separate and equal chance to win.
  - (c) A licensee must provide any conditions that may affect the stated price of a raffle ticket to the public prior to the sale of the first raffle ticket. If any of the following apply, then the licensee must provide the information to the ticket purchaser at the time of sale:

- (1) The date or dates that the price of an individual ticket or group of tickets may increase or decrease.
  - (2) Any discounted price that is based on the purchase of a minimum number of tickets.
  - (3) The method of determining the number of tickets at a set price, such as in a stretch raffle.
- (d) A licensee may sell raffle tickets at bingo occasions if:
- (1) The proceeds from raffle ticket sales are recorded separately from bingo sales; and
  - (2) Purchase of a raffle ticket is not conditioned on the purchase of bingo cards or faces, pull tabs, or payment of an admission fee to play bingo.
- (e) Licensees may contract with a call fulfillment center to process raffle ticket orders if:
- (1) The call fulfillment center only receives incoming calls from ticket-purchasers and process ticket-purchaser information;
  - (2) The call fulfillment center does not process payments for raffle tickets and does not make outgoing calls to solicit purchases or encourage incoming callers to purchase additional raffle tickets; and
  - (3) The licensee submits a form prescribed by the Secretary of State that contains details of the agreement between the licensee and the call fulfillment center prior to the sale of raffle tickets through the call fulfillment center.

8.1.2 Format of tickets. All tickets must be discrete from every other ticket sold and may be identified by symbols, numbers, color, design or combination thereof.

8.1.3 Ownership of prizes. The licensee must fully own merchandise offered as a raffle prize except as provided in Rules 8.2, 8.3, and 8.4. The raffle prize must be free of debt, lien and encumbrance prior to the sale of raffle tickets.

8.1.4 If the total retail value of the raffle prize or prizes in a single raffle exceeds \$1,000, a licensee must satisfy the following requirements:

<b>Total Retail Value of Prizes Over \$1,000</b>			
<b>Requirement Type</b>	<b>When Ticketholder's Presence is Required To Win</b>	<b>When Ticketholder's Presence is Not Required To Win</b>	
		<b>If licensee notifies winners by mail</b>	<b>If licensee notifies winners by online posting</b>
<b>Ticket Content</b>	Print a paper ticket with the following: 1. License number; 2. Licensee name exactly as it appears on the license; 3. Date, time and place of the drawing; 4. Ticket cost; 5. Adequate description of the major prize(s) offered; 6. Date(s) when the ticket price will increase or decrease; 7. Cost if tickets purchased as a package; and 8. The word "RAFFLE."	Print a paper ticket with the following: 1. License number; 2. Licensee name exactly as it appears on the license; 3. Date, time and place of the drawing; 4. Ticket cost; 5. Adequate description of the major prize(s) offered; 6. Date(s) when the ticket price will increase or decrease; 7. Cost if tickets purchased as a package; and 8. The word "RAFFLE."	Print a paper ticket with the following: 1. License number; 2. Licensee name exactly as it appears on the license; 3. Date, time and place of the drawing; 4. Ticket cost; 5. Adequate description of the major prize(s) offered; 6. Date(s) when the ticket price will increase or decrease; 7. Cost if tickets purchased as a package; and 8. The word "RAFFLE."
	Print on each ticket a statement indicating that the ticketholder must be present to win prize.	Print on each ticket a statement indicating that the ticketholder <b>need not</b> be present to win prize.	Print on each ticket a statement indicating that the ticketholder <b>need not</b> be present to win prize.
	Print ticket stub providing for entry of ticketholder's name and mailing address if raffle tickets are sold on any day or at any location other than the day and location of the drawing.	Print ticket stub providing for entry of ticketholder's name and mailing address.	Print on each ticket the web address where the licensee will post the winning number, the period of time for which the winning number will be posted, and a phone number that ticketholders can call to verify the winning number.

<b>Total Retail Value of Prizes Over \$1,000</b>			
<b>Requirement Type</b>	<b>When Ticketholder's Presence is Required To Win</b>	<b>When Ticketholder's Presence is Not Required To Win</b>	
		<b>If licensee notifies winners by mail</b>	<b>If licensee notifies winners by online posting</b>
<b>Pre-Raffle Filing</b>	Before the sale of any tickets, file a voided ticket for the raffle with the Secretary of State.	Before the sale of any tickets, file a voided ticket for the raffle with the Secretary of State.	Before the sale of any tickets, file a voided ticket for the raffle with the Secretary of State.
			At least 14 calendar days before any ticket sale, submit to the Secretary of State the website address where winning ticket numbers will be posted. The website must indicate when the winning ticket numbers will be available.
<b>Claiming Prize</b>	Provide a reasonable amount of time, not to exceed 30 minutes, for winner(s) to claim prize(s).  If winner(s) fails to claim a prize, the licensee must continue drawing tickets until the prize is claimed.	Within 30 days of the drawing, notify all winners who have not claimed their prizes by U.S. postal service certified mail, return receipt requested.  The notification must indicate the prize won, a contact person's telephone number, and the time and location where the winner may claim the prize(s).  If a winner fails to claim a prize within 30 days of receiving notification, the licensee may retain the prize or offer it in another raffle.	Within 24 hours of the drawing, post all winning ticket numbers and a contact phone number to the website listed on raffle tickets. The winning ticket numbers and phone number must remain posted on the website for at least 30 days after the raffle drawing.
	Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.	Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.	Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.

8.1.5 If the total retail value of the raffle prize or prizes in a single raffle is \$1,000 or less, a licensee must satisfy the following requirements:

<b>Total Retail Value of Prizes \$1,000 and Under</b>			
<b>Requirement Type</b>	<b>When Ticketholder's Presence is Required To Win</b>	<b>When Ticketholder's Presence is Not Required To Win</b>	
		<b>If licensee notifies winners by mail</b>	<b>If licensee notifies winners by online posting</b>
<b>Ticket Content</b>		Print ticket stub providing for entry of ticketholder's name and mailing address.	Print on each ticket the web address where the licensee will post the winning number, the period of time for which the winning number will be posted, and a phone number that ticketholders can call to verify the winning number.
<b>Pre-Raffle Filing</b>			At least 14 calendar days before any ticket sale, submit to the Secretary of State the website address where winning ticket numbers will be posted. The website must indicate when the winning ticket numbers will be available.
<b>Claiming Prize</b>	Provide a reasonable amount of time, not to exceed 30 minutes, for winner(s) to claim prize(s).  If winner(s) fails to claim a prize, the license must continue drawing tickets until the prize is claimed.	Within 30 days of the drawing, notify all winners who have not claimed their prizes by U.S. postal service certified mail, return receipt requested.  The notification must indicate the prize won, a contact person's telephone number, and the time and location where the winner may claim the prize(s).  If a winner fails to claim a prize within 30 days of receiving notification, the licensee may retain the prize or offer it in another raffle.	Within 24 hours of the drawing, post all winning ticket numbers and a contact phone number to the website listed on raffle tickets. The winning ticket numbers and phone number must remain posted on the website for at least 30 days after the raffle drawing.
	Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.	Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.	Retain all raffle ticket stubs and unsold tickets for six months following the quarter in which the raffle was held.

- 8.1.6 Cancellation. A licensee may not cancel a raffle after the first raffle ticket is sold unless the licensee demonstrates to the Secretary of State that it will provide notice of cancellation to all ticket purchasers and refund the purchase amount to every purchaser.
  - 8.1.7 Postponing or altering a drawing. A licensee must not alter or postpone a raffle after the first raffle ticket has been sold unless the licensee can demonstrate to the Secretary of State that purchasers of raffle tickets will not be adversely affected by a substitution of prizes, a change of time or location and that the information concerning the raffle specifically states that a purchaser need not be present at the drawing to win.
  - 8.1.8 A licensee may not conduct more than one regular (non-progressive) raffle drawing at a bingo occasion.
- 8.2 Motor vehicle, real estate, or real estate under construction as a prize.
- 8.2.1 A licensee may raffle a motor vehicle, if:
    - (a) The licensee files proof of ownership of the motor vehicle with the Secretary of State; or
    - (b) A contract exists between the owner of the motor vehicle and the licensee to transfer title to the motor vehicle to the holder of the winning ticket; and
    - (c) The licensee must announce prior to the sale of the first raffle ticket and the raffle ticket must contain information as to whether there are any encumbrances on the motor vehicle that the winner of the raffle will be subject to, including federal, state and local income taxes; and
    - (d) The licensee maintains, during the course of the sale of raffle tickets and continuing through the date of the raffle drawing, a certificate of deposit in the amount of the purchase price of the motor vehicle described in the contract required by Rule 8.2.1(b). If the motor vehicle owner fails to transfer title, the licensee must use the certificate of deposit to purchase an equivalent motor vehicle for delivery to the holder of the winning ticket; and
    - (e) Prior to the sale of the first raffle ticket, the licensee must submit evidence of the contract and certificate of deposit to the Secretary of State.
  - 8.2.2 A licensee may raffle real estate, or real estate containing an existing house, if:
    - (a) The licensee files proof of ownership (such as a bill of sale); or

- (b) A contract exists between the owner of the real estate and the licensee to transfer title to the real estate or the real estate that includes an existing house to the holder of the winning ticket; and
- (c) The licensee must announce prior to the sale of the first raffle ticket and the raffle ticket must contain information as to whether there are any encumbrances on the real estate that the winner of the raffle will be subject to, including a mortgage and federal, state and local income taxes; and
- (d) The licensee maintains, during the course of the sale of raffle tickets and continuing through the date of the raffle drawing, a certificate of deposit or bond in the amount of the purchase price of the real estate and/or house described in the contract required by Rule 8.2.2(b). If the owner fails to transfer ownership, the licensee must purchase an equivalent real estate and house for delivery to the holder of the winning ticket; and
- (e) Prior to the sale of the first raffle ticket, the licensee must submit evidence of the contract and certificate of deposit or bond to the Secretary of State.

8.2.3 A licensee may raffle a house under construction, if:

- (a) A contract exists between the owner of the real estate and the licensee to transfer title to the real estate and existing house to the holder of the winning ticket; and
- (b) The licensee must announce prior to the sale of the first raffle ticket and the raffle ticket must contain information as to whether there are any encumbrances on the real estate that the winner of the raffle will be subject to, including a mortgage and federal, state and local income taxes; and
- (c) The licensee maintains, during the course of the sale of raffle tickets and continuing through the date of the raffle drawing, a certificate of deposit or bond in the amount of the purchase price of the real estate and house described in the contract required by Rule 8.2.3(a). If the owner fails to transfer ownership, the licensee must purchase an equivalent house for delivery to the holder of the winning ticket; and
- (d) Prior to the sale of the first raffle ticket, the licensee must submit evidence of the contract and certificate of deposit or bond to the Secretary of State.

### 8.3 Specific types of raffles

8.3.1 Key raffles. Licensees may conduct a key raffle where the purchaser receives a key that may open the particular prize being raffled, such as an automobile, if:

- (a) The licensee conducts a raffle where the keys are sold only to participants at an

event sponsored by the licensee; and

- (b) The purchaser selects the key from a receptacle containing all of the keys being sold; and
- (c) The licensee provides a separate paper ticket to the purchaser that contains a stub with the name, address and telephone number of the purchaser and each stub sold is placed in a separate receptacle containing all stubs sold. The receptacle must be designed so that each stub has an equal chance of being drawn.
- (d) In the event that not all keys are sold, and none of the keys that are sold will open the prize, the licensee will determine the winner by drawing a ticket stub from the receptacle containing all stubs sold.

8.3.2 Card raffles. A licensee may conduct a card raffle where the purchaser receives a card containing numbers, symbols, colors or a combination thereof, where one-half of the card is torn off and placed in the receptacle from which the winning card will be drawn, if:

- (a) The portion of each card deposited into the receptacle is approximately the same size and shape as all other portions deposited; and
- (b) Each card sold is distinct from every other card sold, although multiple decks of playing cards may be used if the decks are of different colors or design.

8.3.3 Bucket raffles. A licensee may conduct bucket raffles using theater style tickets only if the total retail value of the prizes offered for a specific receptacle in which raffle tickets are placed does not exceed \$1,000. If the total retail value of the prizes offered for a specific receptacle in which raffle tickets are placed exceeds \$1,000, the licensee must print a ticket conforming to Rule 8.1.4. The licensee must either display merchandise prizes or display descriptions of merchandise prizes offered for each receptacle.

8.3.4 Sporting event raffles. A licensee may conduct raffles where the winner is determined on the basis of scores from sporting events if and only if the licensee can demonstrate to the Secretary of State that each ticket sold has an equal chance to win with every other ticket sold.

8.3.5 Wheel raffles. A licensee may conduct a wheel raffle, where the winning ticket is determined by spinning a wheel until a pointer lands in one of the discrete segments marked on the wheel.

- (a) The number of raffle tickets must be less than or equal to the number of discrete numbers or symbols on the wheel, and each ticket sold matches only one of the numbers or symbols on the wheel.

- (b) If fewer tickets than the number of segments are sold, the licensee must continue to spin the wheel until there is a winner.
- (c) A licensee may use a wheel containing symbol(s), 0, or 00 only if it offers to sell tickets for those segments.

8.3.6 Stretch raffles. A stretch raffle is a raffle where the number of raffle tickets purchased for a set price is determined by a specific measurement method. For example, a stretch raffle may use a raffle participant's arm span to determine how many raffle tickets may be purchased for a set price. A licensee may conduct a stretch raffle only if the same measurement method is used to determine the number of tickets for all purchasers.

8.4 Progressive Raffles. In addition to all other applicable raffle requirements, a licensee that conducts a progressive raffle must comply with the following:

8.4.1 Progressive raffle games are restricted to members-only progressive drawings and playing card progressive raffles as follows:

- (a) Members-only progressive drawings
  - (1) Licensee members are given the opportunity to buy raffle tickets.
  - (2) At the drawing, the licensee places the names of all members or a subset of members into a pool and selects one name. The names of each member who bought a progressive raffle ticket for a specific drawing must be included in the pool for that drawing.
  - (3) If the member whose name is drawn purchased a ticket for that drawing, that member wins the raffle prize amount, consisting of the prize money accumulated since the last winning draw.
  - (4) If the member whose name is drawn did not purchase a ticket for that drawing, there is no winner and the prize amount is added to the jackpot for the next drawing.
- (b) Playing card progressive raffles
  - (1) The licensee must select a Jackpot Prize Card from either a standard deck of 52 cards or a standard deck of 52 cards plus two joker cards (for a total of 54 playing cards).
  - (2) The licensee must place the cards from the deck in identical separate envelopes or other containers, one card per container, through which the card is not visible. The container must be sealed so that the licensee

must tear, break, or rip a portion of the container in order to access the card.

- (3) After selling raffle tickets, the licensee must hold a drawing with the pool containing all tickets purchased for that drawing.
- (4) The purchaser of the drawn ticket is given the opportunity to select one or more of the envelopes. The number of envelopes selected per draw must remain constant throughout the progression.
- (5) If the ticket purchaser selects the envelope containing the Jackpot Prize Card, the ticket purchaser wins the raffle prize amount, consisting of the prize money accumulated since the last winning draw.
- (6) If the ticket purchaser's selected envelope does not contain the Jackpot Prize Card, there is no winner and the prize amount is added to the jackpot for the next drawing.

#### 8.4.2 Additional rules for playing card progressive raffles

- (a) Before sealing cards in the containers, the games manager and at least one other licensee member must verify that all cards are present.
- (b) The licensee must shuffle the envelopes containing the cards before putting them on public display.
- (c) Once the licensee places the envelopes on display, the licensee must keep them in a locked container at all times except during drawings. Only the games manager and licensee officers are allowed access to the keys for the container.
- (d) A ticket holder must be present at the drawing in order to claim a progressive raffle prize. If the winning ticket purchaser is not present at the drawing, the licensee must continue to draw tickets until selecting a ticket purchaser who is present.
- (e) If the envelope selected by the drawing winner does not contain the Jackpot Prize Card, the licensee must display the selected card at all future drawings until the licensee awards the jackpot prize.
- (f) A licensee must determine the amount of the jackpot based on a percentage of gross raffle ticket sales from each raffle in the progressive sequence, not to exceed 70%.
- (g) The licensee may offer a cash consolation prize for a winning ticket purchaser that does not select the Jackpot Prize Card.

- (1) Consolation prizes do not count against the \$15,000 maximum progressive raffle prize limit.
- (2) Before conducting a progressive raffle offering a consolation prize, the licensee must designate the consolation prize as either a specified amount or a specified percentage of the gross proceeds collected from the sale of raffle tickets for a particular drawing.

8.4.3 The licensee may conduct a maximum of one playing card progressive raffle and one members-only progressive raffle simultaneously.

#### 8.4.4 Progressive Raffles Ticket Sales.

- (a) If the licensee only sells progressive raffle tickets to licensee members, Rule 8.1.4 requirements do not apply.
- (b) Tickets sold for a specific drawing are void and ineligible for future drawings.
- (c) The licensee must determine ticket prices before selling progressive raffle tickets and must not change ticket prices for any drawing in that progressive sequence.

#### 8.4.5 Progressive Jackpot Prizes.

- (a) A progressive raffle jackpot prize must not exceed \$15,000. When the jackpot prize reaches \$15,000, the licensee must award it in the following manner:
  - (1) In a members-only drawing, the licensee must continue to draw member names until a member who purchased a ticket is drawn. The licensee must award the progressive prize to that member.
  - (2) In a playing card progressive raffle, the licensee must either:
    - (i) Award the jackpot to the ticket purchaser whose ticket is first drawn after the prize limit is reached; or
    - (ii) Determine the winner by drawing raffle tickets and allow ticket holders to select envelopes until a drawing winner selects the jackpot prize card.
  - (3) The licensee may retain any proceeds from raffle tickets sold after the progressive prize reaches the \$15,000 prize limit.
  - (4) A licensee may impose a progressive raffle jackpot maximum below the \$15,000 maximum set by rule. Upon reaching the self-imposed

maximum, the licensee must award the jackpot according to procedures listed in Rule 8.4.5(a). The licensee must post notice of self-imposed maximums in accordance with Rule 8.4.6.

- (b) A licensee may seed a single progressive raffle with an amount not to exceed \$500.

8.4.6 Required Postings. In addition to any postings otherwise required by these rules, a licensee that conducts a progressive raffle must also post a sign in at least 12- point font stating:

- (a) The amount of the progressive raffle jackpot and any consolation prizes;
- (b) The percentage of gross sales of progressive raffle tickets that will be contributed to the jackpot;
- (c) If applicable, the maximum number of progressive raffle drawings without a jackpot winner or the maximum jackpot amount before the licensee will automatically award the prize according to procedures listed in Rule 8.4.5(a);
- (d) If the jackpot is not awarded, the date, time, and location of the occasion at which the next drawing will occur; and
- (e) In a playing card progressive raffle, the Jackpot Prize Card and the number of envelopes to be selected per drawing.

8.4.7 If a licensee's license expires, is not renewed, is suspended, revoked, or surrendered, or if the licensee permanently terminates its operations or terminates its operations at a particular location before awarding a progressive raffle jackpot, the licensee must determine a winner and award the jackpot prize on the last posted drawing date at the location where the progression was started.

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

## **Rule 9. Prize Amounts and Payment of Prizes**

9.1 Occasion prizes

9.1.1 Maximum occasion prizes. The total value of prizes offered during a bingo occasion may not exceed \$2,000.

9.1.2 Maximum game prize. Licensees may award any amount as a prize for any single game of bingo so long as the total value of prizes offered at the bingo occasion does not exceed \$2,000.

## 9.2 Progressive prizes

9.2.1 Progressive bingo. The maximum progressive jackpot prize may not exceed \$15,000.

9.2.2 Progressive pull tab games. The maximum progressive pull tab prize may not exceed \$5,000.

9.2.3 Progressive raffle. The maximum progressive raffle prize may not exceed \$15,000.

## 9.3 Payment of prizes

9.3.1 Pull tab prize payment. Licensees must award all pull tab prizes immediately upon determination of a winner.

9.3.2 Time to redeem pull tab. If a ticket holder presents a pull tab ticket more than 21 days after the licensee closes the pull tab deal, the ticket is void and irredeemable except as otherwise provided in these rules and unless the licensee's house rules provide an alternative redemption deadline.

9.3.3 Method of payment. Licensees must award all pull tab prizes in cash, by check, or in merchandise, except that winning pull tab tickets may be exchanged for an equivalent amount in new tickets of the same deal and serial number.

(a) All progressive prizes in excess of \$500 must be paid by check.

(b) A progressive prize need not be paid immediately upon the determination of a winner if:

(1) The prize amount exceeds \$500;

(2) The prize amount is paid in full within 48 hours after the winner was declared;

(3) The prize amount is paid at a location and in a manner acceptable to the winner; and

- (4) The winner is presented with a voucher or promissory note for the full amount of the jackpot prize before the end of the occasion during which the winner was declared. The licensee's games manager and one other member of the licensee must sign the voucher or promissory note. The note must state the following:
  - (i) The name and license number of the licensee;
  - (ii) The date, time, and location of verification of the winning card;
  - (iii) In the case of progressive bingo and progressive pull tabs, the manufacturer's serial and identification numbers of the winning card;
  - (iv) The identification of the winner of the prize; and
  - (v) The date, time, place and manner in which the check for the prize amount will be delivered to the winner.

## **Rule 10. Accounting for Receipts and Deposits**

### 10.1 Maintenance of records

10.1.1 Retention period. Each licensee conducting charitable gaming activities must maintain records on forms prescribed or approved by the Secretary of State. These forms must cover bingo occasions, bar and club room sales and raffles. The records must be retained for a period of two years following the calendar year in which bingo, pull tabs or raffles were conducted.

10.1.2 Each licensee must record the following receipts:

- (a) Gross receipts collected for all cards, packs and sheets sold for each occasion.
- (b) Gross receipts collected for all pull tabs sold for each occasion and in bars and clubrooms.
- (c) Gross receipts collected for all raffle tickets sold.

10.1.3 Progressive games

- (a) All receipts from the sale of progressive games must be accounted for separately within the licensee's bingo-raffle checking or savings account created in accordance with sections 24-21-622(3)(a) and (b), C.R.S.

- (b) All receipts from the sale of progressive games must be deposited in the bingo-raffle account by means of separate deposit slips. Deposit slips for progressive bingo and progressive pull tab games must indicate the serial numbers of the progressive bingo cards sold and the serial numbers of the progressive pull tabs sold. Deposit slips for progressive raffles must contain the words "Progressive Raffle." All deposits must be made no later than the close of the business day after the occasion at which the progressive took place.
- (c) Unless the licensee starts a progressive jackpot bingo game with a secondary jackpot amount, the licensee must continuously hold an amount equal to at least the accrued progressive jackpot prize in the licensee's bingo-raffle checking or savings account for the entire duration of the progression. No part of this amount may be expended, transferred, or otherwise removed from the account prior to the payment of the progressive jackpot to a winner.
- (d) If the licensee has started a progressive jackpot bingo game with a secondary jackpot amount, the licensee must continuously hold an amount equal to at least the accrued primary and secondary jackpots in the licensee's bingo-raffle checking or savings account for the entire duration of the progression. No part of this amount may be expended, transferred, or otherwise removed from the account prior to the payment of the progressive jackpot to a winner.
- (e) If the licensee conducts a progressive pull tab game or a progressive raffle, the licensee must maintain an amount in the bingo-raffle account sufficient to pay out the total of all prize amounts in the game.
- (f) If the licensee fails to maintain account balances in accordance with this rule or uses such balances for unlawful purposes, the failure or action is prima facie evidence of fraud.

## 10.2 Method of accounting

10.2.1 Accrual method. The licensee must use the accrual accounting method and must report all bingo-raffle related expenses incurred on the licensee's quarterly financial statement. The licensee must report these expenses regardless of whether the expense is paid when incurred or at a later date. The licensee must not report a payment that was reported in a previous quarter as an expense to be paid.

### 10.2.2 Segregated bank accounts.

- (a) The licensee must indicate on forms provided by the Secretary of State, the financial institution and account numbers for all segregated bingo- raffle checking or savings accounts.
- (b) The licensee must notify the Secretary of State in writing if the licensee changes the financial institution it uses to maintain the segregated checking or

savings accounts or if the licensee closes an account or starts a new account.

10.2.3 Accounting for prizes and payouts. The licensee must maintain prize and payout records on forms prescribed or approved by the Secretary of State covering each occasion, bar and club room sales, and each raffle. The licensee must retain the records for a period of two years following the calendar year in which bingo, pull tabs or raffles were conducted. The records must disclose the following information:

- (a) The amount of the prizes paid to winners in cash or in merchandise for each bingo game at each occasion.
- (b) The amount of the prizes paid to all pull tab winners at each occasion and bar and club room.
- (c) The amount of prizes paid to raffle winners for each raffle conducted.
- (d) The cost of all merchandise given as prizes in any bingo game, pull tab game, or raffle.

10.2.4 Records. The licensee must maintain administrative records on forms prescribed or approved by the Secretary of State covering each occasion, bar and club room sales, and each raffle. The licensee must retain the records for a period of two years following the calendar year in which bingo, pull tabs or raffles were conducted. The records must disclose the following information:

- (a) The name, address and signature of each games manager for the licensee at each bingo occasion, bar and club room or raffle.
- (b) The full name of each member working the occasion.

10.2.5 Availability of records. The licensee must have available on its premises all required daily records for the current quarter and the quarter immediately preceding on forms prescribed or approved by the Secretary of State. A licensee must be able to print records maintained on a computer upon request of the Secretary of State or authorized representative.

10.2.6 Pull tab records. Each licensee that sells pull tabs must record sales and prize payout information on forms prescribed or approved by the Secretary of State, including a current summary of such sales. The licensee must retain the records for a period of two years. The licensee must maintain the records for the current and immediately preceding quarter on the premises where the pull tabs are sold and must make them available to the Secretary of State or authorized representatives upon request.

10.2.7 Submission of bank statements to the Secretary of State. Any licensee that turns in its license, has had its license suspended or revoked or for whatever reason ceases to conduct charitable gaming activities after it has opened a segregated bingo- raffle

checking or savings account, or both, must send a copy of the bank statement for each account to the Secretary of State within 30 days after the licensee ceased operations.

### 10.3 Allowable expenses limitations

10.3.1 Bookkeeper. A licensee must not pay more than \$100 per occasion for bookkeeper or accountant services. The licensee must notify the Secretary of State in writing, signed by an officer of the licensee, if it remunerates its games manager for performing bookkeeping or accounting services.

#### 10.3.2 Security.

- (a) A bingo-raffle licensee must not pay more than \$100 per occasion for security unless:
  - (1) Security is provided by one or more off-duty law enforcement officers; or
  - (2) The occasion requires additional security, for example, a large number of people or large amount of money will be present on the premises.
- (b) If a bingo-raffle licensee uses off-duty law enforcement officers, the licensee must notify the Secretary of State and list the names and badge numbers of those officers who perform security duties prior to paying more than \$100 per occasion.
- (c) If a bingo-raffle licensee uses security other than off-duty law enforcement officers, and payment will exceed \$100 for a single occasion, the licensee must notify the Secretary of State and provide a reason for the increase before making the payment.

10.3.3 Janitorial. A licensee must not pay more than \$100 per occasion for janitorial services. The licensee may only pay for janitorial services in facilities owned by the licensee or in its sole control, or which it uses rent-free.

10.3.4 Advertising. A licensee must not pay more than the amount customarily charged by the medium used for advertisements of the same size and duration of publication.

10.3.5 Call Fulfillment Center. A licensee may pay a reasonable amount to contract a call fulfillment center for call reception and data entry only. All activities of the call fulfillment center must comply with Rule 8.1.1(e).

10.3.6 Legal Services. A licensee may only pay for legal services directly related to an administrative action brought by the Secretary of State or the Colorado Department of Law or for legal advice relating to the interpretation of the Bingo and Raffles Law or these rules.

## **Rule 11. Rental Agreements**

### 11.1 General

11.1.1 License required. A licensee may only rent premises from landlords licensed by the Secretary of State.

11.1.2 Lease fees.

- (a) The rental fee may only cover the expenses reasonably necessary for the use of the premises for the occasion, plus any expenses related to landlord sponsored promotions.
- (b) Rental agreements must not specify any fee that the licensee must charge for a player's right to participate in any games of chance conducted during a bingo occasion.
- (c) A licensee must not conduct any activity under the Bingo and Raffles law if the lease, rent, contract or any other arrangement under which the rights to use the premises for the conduct of the activity is based on a percentage of receipts or profits derived from such licensed activities.

### 11.2 Termination

11.2.1 Termination by bingo-raffle licensee. A licensee may terminate a rental agreement upon at least two weeks notice to the landlord licensee or upon the voluntary cessation of bingo-raffle operations by the licensee or suspension or revocation of the licensee's license by the Secretary of State.

11.2.2 Termination by landlord licensee. A landlord licensee may terminate a rental agreement between the landlord licensee and any bingo-raffle license by giving at least two weeks notice to the licensee or upon failure of the licensee to make payment for at least three bingo occasions.

## **Rule 12. Landlord Licensees**

### 12.1 Application

12.1.1 Forms. A landlord license applicant must use the forms prescribed and provided by the Secretary of State.

12.1.2 Fees. The fee established by the Secretary of State must accompany all applications for a landlord license. There is no proration of the annual license fee.

12.1.3 Duration. A landlord license is issued for a period of one calendar year (January through December).

## 12.2 Lease agreements

12.2.1 Copy to Secretary of State. A landlord licensee must submit an executed copy of the rental agreement between the landlord licensee and each licensee to the Secretary of State prior to the conduct of any games of chance on the licensed premises.

12.2.2 Equipment lease. If a landlord licensee provides equipment on the licensed premises and the licensee has agreed to the use of the equipment, the landlord licensee must submit an executed copy of the equipment agreement between the landlord licensee and each licensee to the Secretary of State prior to the conduct of any games of chance in or on the licensed premises.

12.2.3 Substitutions. A landlord licensee may negotiate with a licensee to have the licensee operate a bingo-raffle occasion that was not provided in the original rental agreement between the landlord licensee and the licensee. The landlord licensee must submit an executed copy of the rental agreement to the Secretary of State within five working days of the date of the substituted occasion.

12.3 Promotions. A Landlord licensee may award a prize of merchandise, services, or cash in a promotion that does not exceed \$10,000. A landlord licensee must not require participation by any licensee, and the landlord licensee must not require payment in excess of \$1,000 from any licensee that agrees to participate in the promotion.

12.4 Assistance with licensee games. A landlord licensee and its employees must not assist a licensee in the conduct or operation of games of chance. This assistance includes but is not limited to:

12.4.1 Acting as a caller;

12.4.2 Selling bingo packs, sheets or electronic bingo aid devices;

12.4.3 Acting as a floor worker;

12.4.4 Operating a bingo computer aid system other than instructing a licensee on its use and maintenance;

12.4.5 Providing bookkeeping or accounting services to a licensee.

## 12.5 Prohibited Activities

12.5.1 A landlord licensee must not require any licensee that operates games of chance on the premises to adopt a specific set of occasion rules.

- 12.5.2 A landlord licensee must not require, coerce or induce a licensee to purchase supplies from a specific supplier as a condition of rental of the premises.
- 12.5.3 A landlord licensee must not require, coerce or induce a licensee to charge players a set pack price, admission to the premises, or other fee as a condition of rental of the premises.
- 12.5.4 A landlord licensee must not require, coerce or induce a licensee to conduct a set number of bingo games during an occasion or set a minimum prize amount per game or occasion as a condition of rental of the premises.

### **Rule 13. Manufacturer and Supplier Licensees**

#### 13.1 Application

- 13.1.1 Forms. A manufacturer's or supplier's license applicant must use the forms prescribed by the Secretary of State.
- 13.1.2 Fees. The fee established by the Secretary of State must accompany all applications for a manufacturer's or supplier's license. There is no proration of the annual license fee.
- 13.1.3 Duration. A manufacturer's or supplier's license is issued for a 12-month period commencing April 1 and ending March 31 of the following calendar year.
- 13.1.4 Software Manufacturers. Companies that produce bingo, pull tab, or raffle software must hold a manufacturer's license and comply with all statutes and rules pertaining to bingo-raffle manufacturers in Colorado

#### 13.2 Authorized sales

- 13.2.1 Licensed purchasers. A licensed supplier or manufacturer may sell supplies and equipment only to licensed licensees.
- 13.2.2 Financial terms. A licensed supplier or manufacturer may sell supplies and equipment to licensed bingo-raffle licensees for cash or on terms agreed to between the licensed supplier or manufacturer and the licensee, but such terms may not exceed 60 days.

#### 13.3 Delinquent accounts. If a licensee's account with a supplier or manufacturer is more than 60 days past due, then

- 13.3.1 The supplier or manufacturer must report to the Secretary of State by the tenth day of each month the name of the licensee whose account is in arrears.
- 13.3.2 The Secretary of State will notify all licensed suppliers, suppliers' agents, and manufacturers and the licensee that, until further notice from the Secretary of State, all sales of bingo supplies and equipment to the delinquent licensee must be on a cash-

only basis.

13.3.3 No supplier, supplier's agent, or manufacturer may extend credit to the delinquent licensee until the Secretary of State approves, in writing, credit sales to the licensee.

13.4 Discontinued pull tabs. A licensed supplier or manufacturer that sells progressive pull tab games to any licensee may discontinue distribution or production of specific progressive pull tab games if:

13.4.1 The licensed supplier or manufacturer provides at least 60 days written notice to the Secretary of State and to all licensees that have purchased the pull tab game from the supplier or manufacturer within the previous 12 months. The notice must state that the supplier or manufacturer intends to discontinue the distribution or manufacture of the progressive pull tab game on a specified future date that is at least 60 days after notice is received by the Secretary of State; and

13.4.2 The supplier or manufacturer maintains a sufficient inventory of pull tab deals for that progressive pull tab game to ensure that all licensees that have purchased the game within the previous 12 months can close the game by awarding a jackpot.

#### **Rule 14. Electronic Devices used as Bingo Aids and Bingo Aid Computer Systems Manufacturers and Supplier Requirements**

14.1 General

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

- (a) The manufacturer's name, license number, address, telephone and fax numbers, and an email address;
- (b) The make, model and description of the bingo aid device and computer system for which approval is sought;
- (c) The name and specific contact information of the manufacturer's representative who is an expert on the construction, programming, and operation of the device and system;
- (d) A complete user's manual of the bingo aid device or system;
- (e) Either a working prototype or a location in Colorado where the manufacturer can demonstrate the prototype;
- (f) An affirmation from the manufacturer stating that the manual and prototype

submitted to the Secretary of State do not differ materially from the manual, device and system that will be distributed in Colorado after approval of the prototype;

- (g) In the case of a bingo aid device, a verified certificate from the manufacturer stating that the device meets all the standards set forth in section 24-21-618(8)(a)(II)(A) through (D), C.R.S., and that the device can and will be restricted to allow the play of no more than 54 faces per bingo game;
- (h) In the case of a bingo aid computer system, a verified manufacturer's certificate stating that:
  - (1) The system meets all the requirements set forth in section 24-21-618(9)(a) through (c), C.R.S.; and
  - (2) The system, if constructed or intended for more than one licensee's use, can:
    - (A) Clearly identify each user's data;
    - (B) Segregate and secure each user's data from others' access; and
    - (C) Restrict access to each user's data through a unique user identification and password, smart card, token, or other method that limits access solely to the unique identifier's bearer, the Secretary of State and the manufacturer.

14.1.2 Letter ruling. The Secretary of State will issue a letter ruling within 45 days after receipt of the letter ruling request complete with all attachments required by these rules.

14.1.3 Authorization required. A manufacturer or supplier licensee must not distribute any electronic bingo aid device or bingo aid computer system that differs materially in construction, hardware, software, or operation from a previously approved device or system until the Secretary of State approves the differing device or system. A manufacturer or supplier does not have to request authorization for nonfunctional differences in a device or system, including but not limited to, changes in screen appearance, case color or size, or power supply.

14.2 Agreements with bingo-raffle licensees. Any contract or agreement between a manufacturer, supplier or agent and a bingo-raffle licensee concerning the rental, lease or use of any bingo aid device or bingo aid computer system are subject to the following:

14.2.1 Initial term. The initial term and any subsequent term of the contract or agreement must not exceed one year.

14.2.2 Extensions. The contract or agreement may be extended only upon the written affirmative consent of the licensee.

14.2.3 Termination. The contract may be terminated if:

- (a) The licensee ceases bingo-raffle operations;
- (b) The Secretary of State suspends or revokes the license of the licensee;
- (c) The licensee gives the other party to the contract or agreement written notice at least 30 days in advance of the licensee's intention to terminate the contract.

14.3 Secretary of State powers.

14.3.1 Violation of law. The Secretary of State, in addition to or in lieu of any other penalties or corrective actions, may restrict or prohibit the use of any electronic bingo aid device or computer system that violates any provision of law or these rules.

14.3.2 Access and audit.

- (a) Upon request, a manufacturer, supplier, or agent of a bingo aid computer system must grant the Secretary of State access to all systems in use within the state. The Secretary of State will use this access to audit any system and verify that the system is operated in compliance with the law and rules regulating bingo aid computer systems.
- (b) Independent testing.
  - (1) Upon initiating an audit, the Secretary of State may require the manufacturer to submit any electronic bingo aid device, bingo aid computer system, random number generator, or the operating software of any electronic bingo aid device, bingo computer system, or random number generator for testing by an independent testing facility. Testing is at the manufacturer's expense and the Secretary of State will specify the independent testing facility.
  - (2) The Secretary of State, in consultation with the independent testing facility, will determine if the electronic bingo aid device and software is operating in compliance with the requirements and restrictions of applicable laws and rules.
- (c) If the Secretary of State requests access to a particular system and the manufacturer, supplier or agent does not comply, the manufacturer, supplier and agent are prohibited from allowing a licensee to use the bingo aid computer system until authorized by the Secretary of State.

- 14.4 Random number generators. Any manufacturer or supplier that intends to sell or lease bingo equipment that generates numbers electronically must submit the following to the Secretary of State prior to the sale or lease of such equipment to licensees:
- 14.4.1 An operator's manual for the model or models intended for sale or lease;
  - 14.4.2 Technical specifications for the model or models to be sold or leased that describe the method and algorithm of randomly generating numbers, along with the method used to ensure that duplicate numbers cannot be called;
  - 14.4.3 Letters of authorization regarding the sale, lease, use or restrictions on use for each state in which the model or models is currently being sold, leased or otherwise used; and
  - 14.4.4 Upon request of the Secretary of State, a working model capable of demonstrating play or a location where such equipment can be demonstrated to the Secretary of State.

## **Rule 15. Fines**

- 15.1 General. The schedule of fines provided in this rule applies to any violation of the Bingo and Raffles Law or Rules for which the Secretary of State elects to impose an administrative fine in lieu of seeking a license suspension or revocation.
- 15.2 Class 1 Violations. A Class 1 violation is a willful act that is specifically prohibited by statute or rule and does, may, or is intended to result directly in the profit or enrichment of the violator or any person associated with the violator.
- 15.2.1 The fine for a Class 1 violation is \$100.
  - 15.2.2 Class 1 violations include, but are not limited to:
    - (a) Employing a device, scheme, or artifice to defraud or deceive in connection with any charitable gaming activity;
    - (b) Engaging in an act, practice, or conduct that constitutes fraud or deceit, including any intentional misstatement of fact, in charitable gaming operations;
    - (c) Transferring any license issued in accordance with the Colorado Bingo and Raffles Law;
    - (d) Authorizing or permitting any person other than active member of a licensee to assist in the management or operation of games of chance;
    - (e) Conducting more than 220 bingo occasions in one calendar year under color of a single bingo-raffle license;

- (f) Possessing, using, selling, offering for sale or putting into play any computerized or electro-mechanical facsimile of a pull tab game, any pull tab game not purchased from a licensed supplier and accompanied by a complete supplier's invoice; any pull tab game that is marked, altered, tampered with, commingled or known to be defective; any pull tab game in any unlicensed premises, other than the licensee's own premises; or any pull tab game that does not conform to the definitions and requirements of the Bingo and Raffles Law.
- (g) Permitting any person under the age of eighteen to purchase the opportunity to participate in a game of chance.
- (h) Allowing any person other than a licensee's owner, officer, director, member, shareholder of more than 10% of the licensee's ownership interests, or licensed agent to represent a supplier, manufacturer or landlord licensee with regard to any Colorado transaction.
- (i) Buying, selling, receiving, furnishing, or distributing games of chance equipment to any person in Colorado other than a licensee, a supplier licensee and its licensed agents, or a manufacturer licensee.
- (j) Filing any falsified and/or materially misleading renewal application or quarterly financial statement.
- (k) Authorizing, permitting, or receiving any remuneration or inurement for participating in the management or operation of a licensed game of chance.
- (l) Requiring, inducing or coercing a licensee to enter into any agreement contrary to the Bingo and Raffles Law, or to purchase supplies or equipment from a particular supplier as a condition of conducting games of chance at a commercial bingo facility.

15.3 Class 2 Violations. A Class 2 violation is a willful act that is specifically prohibited by statute or rule and is not intended to and does not directly result in the profit or enrichment of the violator.

15.3.1 The fine for a Class 2 violation is \$75.

15.3.2 Class 2 violations include:

- (a) Using bingo or pull tab equipment that is not owned or leased by a landlord licensee or owned or leased by a licensee.
- (b) Paying other than reasonable, bona fide, lawful expenses in connection with the conduct of licensed games of chance, purchasing games of chance prizes or equipment at prices exceeding reasonable and usual amounts, or other use of

games of chance proceeds for other than the lawful purposes of the licensee.

- (c) Converting into or redeeming for cash any bingo merchandise prizes.
- (d) Offering or giving any alcoholic beverage as a prize in a licensed game of chance.
- (e) Giving, receiving, authorizing, or permitting the assistance in the conduct of games of chance of any person disqualified or prohibited by statute or rule from rendering such assistance.
- (f) Offering or giving any bingo door prizes or jackpot prizes exceeding the statutory maximum amounts set for prizes.
- (g) Reserving or setting aside bingo cards or pull tabs for use by players, except as authorized in section 24-21-618(3)(d), C.R.S., or, except as authorized by these rules, reserving or allowing to be reserved any seat or playing space for use by players.
- (h) Drawing a check on a bingo-raffle account payable to “cash” or to a fictitious payee.
- (i) Authorizing or allowing the play of bingo by a person not present on the premises where the game is conducted, or the play of any game of chance on credit, or without collecting the consideration required in full and in advance.
- (j) Engaging in any act, practice or conduct described as a Class 1 violation in Rule 15.2, or that would otherwise be a Class 1 violation, when the act or conduct is not intended to and does not directly result in the profit, inurement or remuneration of the violator.

15.4 Class 3 Violations. A Class 3 violation is one that occurs when a licensee omits, fails or neglects to comply with a requirement set forth in the statutes or rules, but that does not involve the affirmative performance of an act specifically prohibited by statute or rule. Class 3 violations are deemed negligent rather than willful, unless a specific violation is repeated within a two-year period or the facts of the violation show that the violator knowingly and deliberately failed or refused to comply with a requirement or standard set by statute or rule.

15.4.1 The fine for a Class 3 violation is \$20 unless the violation is repeated or knowing and deliberate, in which case the fine is \$50.

15.4.2 Class 3 violations include, but are not limited to:

- (a) Neglecting to display a license or other document at a time and place where display is required.

- (b) Failing to file with the Secretary of State any quarterly report, administrative fee, or rental or other document at the time required for the filing, or omitting required information on such a filing.
- (c) Failing to keep or furnish required records in connection with any licensed activity.
- (d) Omitting any required procedure in the conduct of bingo-raffle activities.
- (e) Failing to designate an officer responsible for the use of games of chance proceeds.
- (f) Neglecting to have a certified games manager present continuously during the conduct of any raffle or bingo occasion and for thirty minutes after the last game in an occasion.
- (g) Failing to have games of chance premises or equipment open or available for inspection by the Secretary of State or police officers.
- (h) Failing to deposit or maintain all games of chance receipts in a special segregated checking or savings account of the licensee, or to withdraw any funds expended from such account by means of consecutively numbered checks or withdrawal slips signed by an officer or officers of the licensee and showing the payee and a description of reason for the payment for which the check or withdrawal slip is made, or by electronic funds transfer.
- (i) Failing to submit the required administrative fee, or a portion thereof, at the time of filing a required quarterly financial report.
- (j) Neglecting to give required notice of the termination of a rental agreement or the cancellation of a bingo occasion.
- (k) Omitting required information from a raffle ticket, if the ticket has been offered for sale or sold without the approval of the Secretary of State.

## 15.5 Citations.

15.5.1 Issuance. The Secretary of State will issue all citations in writing, signed and dated by the authorized agent of the Secretary of State and will identify the licensee cited; the facts and/or conduct constituting the violation; the specific rule or statutory provision violated; and the fine assessed in accordance with this rule and the Bingo and Raffles Law.

15.5.2 Delivery. Citations may be delivered to the cited licensee, to the attention of its games manager, games managers, officer or officers on record in the files of the Secretary of State, either personally or by first class mail.

- 15.5.3 Suspension or reduction of fine. The Secretary of State, for good cause shown, may suspend or reduce any fine imposed in accordance with this rule. Requests for fine suspensions or reductions must be in writing, must be received by the Secretary of State within 20 days of the date of the citation, and must state and document with particularity the facts, circumstances and arguments supporting the request.
- 15.5.4 Referral to law enforcement. Irrespective of whether a citation was issued, the Secretary of State reserves the right to refer any violation to a law enforcement agency.

15.6 Hearings, payment of fines, and collections.

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

15.6.2 Payment of fines.

- (a) If a licensee does not request a fine suspension, fine reduction, or hearing before an administrative law judge, then the licensee must pay within 20 days of the date of the citation imposing the fine.
- (b) If the Secretary of State denies a fine suspension request or grants a reduction request, then the licensee must pay the fine or reduced fine within 20 days of the date of the notice of denial or reduction.
- (c) If an administrative law judge denies an appeal of a fine, then the licensee must pay the appealed fine within 20 days of the date of the issuance of the administrative law judge's order.
- (d) A licensee must pay fines by check or money order, payable to the Colorado Secretary of State.

15.6.3 The Secretary of State will send a fine to Central Collection Services for collection if it is not paid within 90 days of the payment deadlines listed in Rules 15.6.2(a)-(c).