

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0308.01 Thomas Morris x4218

SENATE BILL 17-232

SENATE SPONSORSHIP

Fenberg, Court

HOUSE SPONSORSHIP

Rosenthal,

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING CONTINUATION UNDER THE SUNSET LAW OF THE
102 BINGO-RAFFLE ADVISORY BOARD, AND, IN CONNECTION
103 THEREWITH, IMPLEMENTING THE RECOMMENDATIONS OF THE
104 2016 SUNSET REPORT OF THE DEPARTMENT OF REGULATORY
105 AGENCIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Sunset Process - Senate State, Veterans, and Military Affairs Committee. The bill implements the recommendations of the sunset

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

review and report on the licensing of bingo and other games of chance through the secretary of state by:

- ! Extending the automatic termination date of the Colorado bingo-raffle advisory board to September 1, 2026, pursuant to the sunset law (**sections 1 and 2** of the bill);
- ! Reducing the number of times that the board must meet each year from 6 to 2 (**section 3**);
- ! Specifying that a person whose license has been revoked or surrendered in lieu of revocation must wait for 3 years to reapply for a license (**sections 4 through 6**);
- ! Clarifying that a licensee may not change the location of a pull-tab device without the secretary's approval (**section 7**);
- ! Prohibiting a person who has been convicted of a felony or a misdemeanor involving gambling from being a games manager, caller, or caller assistant (**sections 8 and 12**);
- ! Allowing a person who has not been convicted within the previous 10 years of a felony or a gambling-related offense to apply for a license (**sections 9 through 11**);
- ! Clarifying that licensees may donate bingo equipment to entities that offer free bingo and other licensees (**section 13**); and
- ! Making a variety of technical changes to the law (**sections 4, 5, 11, and 13 through 16**).

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **amend**
3 (27)(a) introductory portion; **repeal** (12)(a)(V); and **add** (27)(a)(V) and
4 (27)(a)(VI) as follows:

5 **24-34-104. General assembly review of regulatory agencies**
6 **and functions for repeal, continuation, or reestablishment - legislative**
7 **declaration - repeal.** (12) (a) The following agencies, functions, or both,
8 will repeal on July 1, 2017:

9 (V) ~~The Colorado bingo-raffle advisory board created in section~~
10 ~~12-9-201, C.R.S.;~~

11 (27) (a) The following agencies, functions, or both, ~~will~~ ARE
12 SCHEDULED FOR repeal on September 1, 2026:

1 (V) THE LICENSING OF BINGO AND OTHER GAMES OF CHANCE
2 THROUGH THE SECRETARY OF STATE IN ACCORDANCE WITH ARTICLE 9 OF
3 TITLE 12;

4 (VI) THE COLORADO BINGO-RAFFLE ADVISORY BOARD CREATED
5 IN SECTION 12-9-201.

6 **SECTION 2.** In Colorado Revised Statutes, **amend** 12-9-301 as
7 follows:

8 **12-9-301. Repeal - review of functions.** This ~~article~~ ARTICLE 9
9 is repealed, effective ~~July 1, 2017.~~ Prior to such SEPTEMBER 1, 2026.
10 BEFORE THE repeal, the licensing functions of the secretary of state and
11 the functions of the Colorado bingo-raffle advisory board in the
12 department of state ~~shall be reviewed as provided for in~~ ARE SCHEDULED
13 FOR REVIEW IN ACCORDANCE WITH section 24-34-104. ~~C.R.S.~~

14 **SECTION 3.** In Colorado Revised Statutes, 12-9-201, **amend** (2)
15 introductory portion and (2)(i) as follows:

16 **12-9-201. Colorado bingo-raffle advisory board - creation.**
17 (2) The board ~~shall consist~~ CONSISTS of nine members, all of whom ~~shall~~
18 MUST be citizens of the United States who have been residents of the state
19 for at least the past five years. ~~No~~ A member ~~shall~~ MUST NOT have been
20 convicted of a felony or gambling-related offense, notwithstanding the
21 provisions of section 24-5-101. ~~C.R.S.~~ No more than five of the nine
22 members ~~shall~~ MAY be members of the same political party. At the first
23 meeting of each fiscal year, A MAJORITY OF THE MEMBERS MUST CHOOSE
24 a chair and vice-chair of the board ~~shall be chosen~~ from the membership.
25 ~~by a majority of the members.~~ Membership and operation of the board
26 ~~shall~~ MUST additionally meet the following requirements:

27 (i) The board shall hold at least ~~six~~ TWO meetings each year and

1 such additional meetings as the members may deem necessary. In
2 addition, special meetings may be called by the chair, any three board
3 members, or the secretary of state if written notification of ~~such~~ THE
4 meeting is delivered to each member at least seventy-two hours ~~prior to~~
5 ~~such~~ BEFORE THE meeting. Notwithstanding ~~the provisions of~~ section
6 24-6-402, ~~C.R.S.~~, in emergency situations in which a majority of the
7 board certifies that exigencies of time require that the board meet without
8 delay, the requirements of public notice and of seventy-two hours' actual
9 advance written notice to members may be dispensed with, and board
10 members as well as the public shall receive such notice as is reasonable
11 under the circumstances.

12 **SECTION 4.** In Colorado Revised Statutes, 12-9-103, **amend**
13 **(3)(a); and repeal (6)** as follows:

14 **12-9-103. Licensing and enforcement authority - powers -**
15 **rules - duties - license suspension or revocation proceedings -**
16 **definitions.** (3) (a) Upon a finding by an administrative law judge of a
17 violation of this ~~article~~ ARTICLE 9, the rules adopted pursuant to this
18 ~~article~~ ARTICLE 9, or any other provision of law, such as would warrant
19 the revocation, suspension, annulment, limitation, or modification of a
20 license, in addition to any other penalties that may be imposed, the
21 licensing authority may declare the violator ineligible to conduct a game
22 of bingo and to apply for a license pursuant to this ~~article~~ ARTICLE 9 for
23 a period not exceeding ~~five~~ THREE years after the date of ~~such~~ THE
24 declaration or a shorter period designated by the licensing authority
25 pursuant to this subsection (3). The licensing authority shall designate a
26 shorter period of license ineligibility only in the absence of aggravating
27 factors associated with the violation for which the revocation was

1 imposed. Aggravating factors shall include willfulness, intent, a previous
2 intentional violation of this ~~article~~ ARTICLE 9, and violations involving
3 theft or fraud. ~~Such~~ THE declaration of ineligibility may be extended to
4 include, in addition to the violator, any of its subsidiary organizations, its
5 parent organization, or otherwise, affiliated with the violator when, in the
6 opinion of the licensing authority, the circumstances of the violation
7 warrant such action.

8 ~~(6) (a) The secretary of state shall confer with the executive~~
9 ~~director of the department of revenue or his or her designee concerning:~~

10 ~~(I) The desirability and practicability of transferring the~~
11 ~~responsibility for enforcement, licensing, or both under this article from~~
12 ~~the secretary of state to the department of revenue;~~

13 ~~(II) The constitutional and statutory changes that would be~~
14 ~~necessary to effectuate such transfer; and~~

15 ~~(III) The recommendations of the secretary of state and the~~
16 ~~executive director of the department of revenue for any other or~~
17 ~~additional constitutional or statutory changes to improve the regulation of~~
18 ~~bingo and raffles in Colorado.~~

19 ~~(b) On or before December 31, 2008, the secretary of state and the~~
20 ~~executive director of the department of revenue shall jointly prepare and~~
21 ~~transmit a report of their findings and recommendations to the house and~~
22 ~~senate committees on finance and the house and senate committees on~~
23 ~~state, veterans, and military affairs, or their successor committees.~~

24 **SECTION 5.** In Colorado Revised Statutes, **amend** 12-9-104 as
25 follows:

26 **12-9-104. Bingo-affle license - fee.** (1) A bona fide chartered
27 branch, lodge, or chapter of a national or state organization or any bona

1 fide religious, charitable, labor, fraternal, educational, voluntary
2 firefighters', or veterans' organization or any association, successor, or
3 combination of association and successor of any of ~~the said~~ THESE
4 organizations that operates without profit to its members, ~~and that~~ has
5 been in existence continuously for a period of five years immediately
6 prior to the making of application for a bingo-raffle license under this
7 ~~article~~ ARTICLE 9, and has had during the entire five-year period
8 dues-paying members engaged in carrying out the objects of ~~said~~ THE
9 corporation or organization is eligible for a bingo-raffle license to be
10 issued by the licensing authority under this ~~article~~ ARTICLE 9. If a license
11 is revoked, the bingo-raffle licensee and holder thereof is not eligible to
12 apply for another license under subsection (2) of this section until ~~after~~
13 ~~the expiration of the period of five~~ THREE years after the date of ~~such~~ THE
14 revocation.

15 (2) The bingo-raffle licenses provided by this ~~article~~ ARTICLE 9
16 shall be issued by the licensing authority to applicants qualified under this
17 ~~article~~ ARTICLE 9 upon payment of a fee established in accordance with
18 section 12-9-103.5 (3). Licenses ~~shall~~ expire at the end of the calendar
19 year in which they were issued by the licensing authority and may be
20 renewed by the licensing authority upon the filing of an application for
21 renewal thereof provided by the licensing authority and the payment of
22 the fee established for ~~such~~ THE renewal. No license granted under this
23 ~~article~~ ARTICLE 9 or any renewal thereof ~~shall be~~ IS transferable. The fees
24 required to be paid for a new or renewal license shall be deposited in the
25 ~~bingo-raffle~~ DEPARTMENT OF STATE cash fund CREATED IN SECTION
26 24-21-104 (3)(b).

27 **SECTION 6.** In Colorado Revised Statutes, **amend** 12-9-110 as

1 follows:

2 **12-9-110. Forfeiture of license - ineligibility to apply for**
3 **license.** Any person who makes ~~any~~ A false statement in ~~any~~ AN
4 application for ~~any such~~ A license or in any statement annexed thereto,
5 fails to keep sufficient books and records to substantiate the quarterly
6 reports required under section 12-9-108, falsifies any books or records
7 insofar as they relate to any transaction connected with the holding,
8 operating, and conducting of ~~any~~ A game of chance under ~~any such~~ THE
9 license, or violates ~~any of the provisions of this article~~ ARTICLE 9 or of
10 any term of ~~such~~ THE license, if convicted, in addition to suffering any
11 other penalties that may be imposed, shall forfeit any license issued to it
12 under this ~~article~~ ARTICLE 9 and ~~shall be~~ IS ineligible to apply for a license
13 under this ~~article~~ ARTICLE 9 for at least ~~one year~~ THREE YEARS thereafter.

14 **SECTION 7.** In Colorado Revised Statutes, 12-9-107.2, **amend**
15 (6)(d) as follows:

16 **12-9-107.2. Conduct of pull tabs - license revocation - rules -**
17 **definitions.** (6) (d) A device licensed pursuant to this subsection (6) is
18 licensed for and may only be used in one specific licensed location
19 identified by the licensing authority. Any movement of the device from
20 the licensed location for use at another licensed location shall be reported
21 to AND MUST BE APPROVED BY the licensing authority in advance.

22 **SECTION 8.** In Colorado Revised Statutes, 12-9-105.1, **amend**
23 (2) as follows:

24 **12-9-105.1. Games managers - certification.** (2) A person ~~shall~~
25 IS not be eligible for certification or TO act as a games manager in the
26 conduct of any game of chance pursuant to this ~~article~~ ARTICLE 9 if ~~such~~
27 THE person has been convicted of any MISDEMEANOR INVOLVING

1 GAMBLING OR ANY felony. ~~or any offense involving gambling.~~

2 **SECTION 9.** In Colorado Revised Statutes, 12-9-105.3, **amend**
3 (3) as follows:

4 **12-9-105.3. Application for landlord license - fee.** (3) ~~There~~
5 ~~shall be attached to~~ Each application MUST INCLUDE an affidavit signed
6 by the applicant stating ~~that~~ WHETHER the landlord has ~~not~~ been convicted
7 of any felony, THEFT BY DECEPTION, or ~~any~~ gambling-related offense as
8 defined in article 10 of title 18 ~~C.R.S.~~ WITHIN THE PREVIOUS TEN YEARS.
9 If the landlord is a corporation, limited liability company, or partnership,
10 ~~such~~ THE affidavit ~~shall~~ MUST make ~~such~~ THE verification as to each
11 officer and director of ~~such~~ THE corporation, each member and manager
12 of ~~such~~ THE limited liability company, or each partner and associate of
13 ~~such~~ THE partnership. A PERSON THAT HAS BEEN CONVICTED OF ANY
14 FELONY, THEFT BY DECEPTION, OR GAMBLING-RELATED OFFENSE AS
15 DEFINED IN ARTICLE 10 OF TITLE 18 WITHIN THE PREVIOUS TEN YEARS IS
16 INELIGIBLE FOR A LICENSE ISSUED PURSUANT TO THIS SECTION. A PERSON
17 THAT HAS BEEN CONVICTED OF ANY FELONY, THEFT BY DECEPTION, OR
18 GAMBLING-RELATED OFFENSE AS DEFINED IN ARTICLE 10 OF TITLE 18
19 WITHIN MORE THAN THE PREVIOUS TEN YEARS SHALL DISCLOSE THE
20 INFORMATION RELATED TO THE CONVICTION REQUIRED BY THE LICENSING
21 AUTHORITY.

22 **SECTION 10.** In Colorado Revised Statutes, 12-9-105.5, **amend**
23 (2) as follows:

24 **12-9-105.5. Application for manufacturer license.** (2) ~~To~~ Each
25 application for a manufacturer license ~~shall be attached~~ MUST INCLUDE a
26 statement ~~that~~ REGARDING WHETHER the applicant or its owners or its
27 officers or directors if a corporation, or its members, managers, partners,

1 or associates if another business entity, has ~~not~~ been convicted of any
2 felony, THEFT BY DECEPTION, or ~~any~~ GAMBLING-RELATED offense
3 ~~involving gambling~~ as defined in article 10 of title 18. ~~C.R.S.~~ A PERSON
4 THAT HAS BEEN CONVICTED OF ANY FELONY, THEFT BY DECEPTION, OR
5 GAMBLING-RELATED OFFENSE AS DEFINED IN ARTICLE 10 OF TITLE 18
6 WITHIN THE PREVIOUS TEN YEARS IS INELIGIBLE FOR A LICENSE ISSUED
7 PURSUANT TO THIS SECTION. A PERSON THAT HAS BEEN CONVICTED OF
8 ANY FELONY, THEFT BY DECEPTION, OR GAMBLING-RELATED OFFENSE AS
9 DEFINED IN ARTICLE 10 OF TITLE 18 WITHIN MORE THAN THE PREVIOUS TEN
10 YEARS SHALL DISCLOSE THE INFORMATION RELATED TO THE CONVICTION
11 REQUIRED BY THE LICENSING AUTHORITY.

12 **SECTION 11.** In Colorado Revised Statutes, 12-9-105.7, **amend**
13 (1) introductory portion, (1)(e), and (2) as follows:

14 **12-9-105.7. Application for supplier license.** (1) Each
15 application for a supplier license ~~shall~~ MUST include, but not be limited
16 to, the following information:

17 (e) The names and addresses of the Colorado MANUFACTURERS
18 AND COLORADO agents of the supplier; and

19 (2) ~~To~~ Each application for a supplier license ~~shall be attached~~
20 MUST INCLUDE a statement ~~that~~ REGARDING WHETHER the applicant or its
21 owners or its officers or directors if a corporation, or its members,
22 managers, partners, or associates if another business entity, has ~~not~~ been
23 convicted of any felony, THEFT BY DECEPTION, or ~~any~~ offense involving
24 gambling as defined in article 10 of title 18. ~~C.R.S.~~ A PERSON THAT HAS
25 BEEN CONVICTED OF ANY FELONY, THEFT BY DECEPTION, OR
26 GAMBLING-RELATED OFFENSE AS DEFINED IN ARTICLE 10 OF TITLE 18
27 WITHIN THE PREVIOUS TEN YEARS IS INELIGIBLE FOR A LICENSE ISSUED

1 PURSUANT TO THIS SECTION. A PERSON THAT HAS BEEN CONVICTED OF
2 ANY FELONY, THEFT BY DECEPTION, OR GAMBLING-RELATED OFFENSE AS
3 DEFINED IN ARTICLE 10 OF TITLE 18 WITHIN MORE THAN THE PREVIOUS TEN
4 YEARS SHALL DISCLOSE THE INFORMATION RELATED TO THE CONVICTION
5 REQUIRED BY THE LICENSING AUTHORITY.

6 **SECTION 12.** In Colorado Revised Statutes, 12-9-107.1, **amend**
7 (2)(a) as follows:

8 **12-9-107.1. Conduct of bingo games.** (2) (a) A person shall not
9 act as a caller or assistant to the caller in the conduct of any game of
10 bingo unless the person has been a member in good standing of the
11 bingo-affle licensee conducting the game or one of its licensed
12 auxiliaries for at least three months immediately prior to the date of the
13 game, is of good moral character, and never has been convicted of a
14 MISDEMEANOR INVOLVING GAMBLING OR ANY felony. ~~or a crime involving~~
15 ~~gambling.~~

16 **SECTION 13.** In Colorado Revised Statutes, 12-9-107.5, **amend**
17 (4) and (5) as follows:

18 **12-9-107.5. Persons permitted to manufacture and distribute**
19 **games of chance equipment - reporting requirements.** (4) Except to
20 the extent otherwise provided in section 12-9-106 (1), a manufacturer or
21 supplier licensee or licensed agent shall not buy, receive, sell, lease,
22 furnish, or distribute any pull tabs, bingo cards or sheets, electronic
23 devices used as aids in the game of bingo, or other games of chance
24 equipment from or to any person within Colorado other than
25 manufacturer or supplier licensees or agents and bingo-affle licensees;
26 except that:

27 (a) A landlord licensee, supplier, or manufacturer or its agent may

1 sell, DONATE, or distribute cards, sheets, equipment, or electronic devices
2 used as aids in the game of bingo for the playing of bingo not for resale
3 to nursing homes and other entities that distribute the cards, sheets, or
4 electronic devices and allow playing of the game free of charge, without
5 consideration given or received by any person for the privilege of playing;
6 and

7 (b) A bingo-raffle licensee may sell OR DONATE its used
8 equipment to another bingo-raffle licensee.

9 (5) Every manufacturer and supplier licensee shall file, upon
10 forms prescribed by the licensing authority, quarterly reports on its
11 licensed activities within Colorado. ~~Such~~ THE reports ~~shall~~ MUST be
12 accompanied by quarterly fees established by the licensing authority in
13 accordance with section 12-9-103.5 (3) and deposited in the ~~bingo-raffle~~
14 DEPARTMENT OF STATE cash fund ~~Such~~ CREATED IN SECTION 24-21-104
15 (3)(b). THE reports shall be filed with the licensing authority no later than
16 April 30, July 31, October 31, and January 31 of each year licensed, and
17 each report ~~shall~~ MUST cover the preceding calendar quarter. Reports ~~shall~~
18 MUST enumerate by quantity, purchaser or lessee, and price the pull tabs,
19 bingo cards or sheets, electronic devices used as aids in the game of
20 bingo, and other games of chance equipment manufactured, conveyed, or
21 distributed within Colorado or for use or distribution in Colorado and
22 ~~shall~~ MUST include the licensee's total sales, including amounts realized
23 from leases, of equipment as defined in section 12-9-102 (5) and
24 electronic devices used as aids in the game of bingo and the names and
25 addresses of all Colorado suppliers or agents of the licensee and shall be
26 signed and verified by the owner or the chief executive officer of the
27 licensee. These quarterly reports ~~shall~~ ARE not ~~be~~ public records as

1 defined in section 24-72-202. ~~C.R.S.~~

2 **SECTION 14.** In Colorado Revised Statutes, 12-9-102.3, **amend**
3 (1) introductory portion as follows:

4 **12-9-102.3. Fraud and deception prohibited.** (1) ~~No~~ A
5 bingo-raffle licensee, landlord licensee, ~~bingo-raffle~~ supplier ~~bingo-raffle~~
6 LICENSEE, manufacturer LICENSEE, or any member or agent thereof
7 engaged in any charitable gaming activity shall NOT, directly or indirectly:

8 **SECTION 15.** In Colorado Revised Statutes, 12-9-102.5, **amend**
9 (4)(b) as follows:

10 **12-9-102.5. Legislative declaration - consideration for tickets**
11 **- conditions - rules.** (4) (b) Before conducting a promotion under this
12 section, the licensee shall provide evidence of ownership, free and clear,
13 of the prizes to be offered unless all of the prizes are available for
14 viewing on the premises on the day they are to be awarded. The licensee
15 offering any promotional prize shall disclose, at the beginning of the
16 promotion, full and complete information identifying the prizes to be
17 awarded and the method by which the prizes may be won. ~~This disclosure~~
18 ~~need not be made separately or personally to each participant, but may be~~
19 ~~made by conspicuously posting or displaying, at the premises where the~~
20 ~~promotion is being conducted, either the available prizes themselves or~~
21 ~~a list and complete description of the prizes and the method by which they~~
22 ~~may be won.~~

23 **SECTION 16.** In Colorado Revised Statutes, 12-9-107.3, **amend**
24 (2)(b) as follows:

25 **12-9-107.3. Conduct of raffles - rules.** (2) (b) A bingo-raffle
26 licensee may award a consolation prize for a progressive raffle. ~~in which~~
27 ~~the jackpot is not won.~~ The bingo-raffle licensee may designate the

1 consolation prize as either a specified amount or a specified percentage
2 of the gross proceeds collected from the sale of raffle tickets for a
3 particular drawing. The bingo-raffle licensee may determine the amount
4 of the jackpot based on the gross proceeds collected from the sale of
5 raffle tickets for a particular drawing plus the value of the jackpot carried
6 over from previous drawings in which the jackpot was not awarded. IF A
7 CONSOLATION PRIZE IS OFFERED AND THE PROGRESSIVE PRIZE IS WON, THE
8 LICENSEE MAY OPT TO AWARD THE CONSOLATION PRIZE FOR THAT
9 PARTICULAR DRAWING.

10 **SECTION 17. Applicability.** This act applies to conduct
11 occurring on or after the effective date of this act.

12 **SECTION 18. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.