

## CHAPTER 66

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**GOVERNMENT - STATE**

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**HOUSE BILL 96-1099**

BY REPRESENTATIVE Lawrence;  
also SENATORS Dennis and Weddig.

**AN ACT**

**CONCERNING CONTRACTS ENTERED INTO WITH THE DIRECTOR OF THE STATE LOTTERY DIVISION.**

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

**SECTION 1.** The introductory portion to 24-35-204 (3) and 24-35-204 (3) (i), Colorado Revised Statutes, 1988 Repl. Vol., are amended to read:

**24-35-204. Director - qualifications - powers and duties.** (3) The director, as administrative head of the division, shall direct and supervise all its administrative and technical activities. In addition to the duties imposed upon ~~him~~ THE DIRECTOR elsewhere in this part 2, it shall be ~~his~~ THE DIRECTOR'S duty:

(i) With the concurrence of the commission or pursuant to commission requirements and procedures, to enter into contracts for materials, equipment, and supplies to be used in the operation of the lottery, for the design and installation of games or lotteries, and for promotion of the lottery. No contract shall be legal or enforceable ~~which~~ THAT provides for the management of the lottery or for the entire operation of its games by any private person, firm, or corporation, because management of the lottery and control over the operation of its games shall remain with the state. Except for advertising and promotional contracts, when a contract is awarded, a performance bond satisfactory to the ~~state~~ COMMISSION, executed by a surety company authorized to do business in this state or otherwise secured in a manner satisfactory to the state, in an amount ~~equal to the price of the contract~~ SET ANNUALLY BY THE COMMISSION shall be delivered to the state and shall become binding on the parties upon execution of the contract.

**SECTION 2.** 24-35-205 (7), Colorado Revised Statutes, 1988 Repl. Vol., is amended, and the said 24-35-205, as amended, is further amended BY THE

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

ADDITION OF A NEW SUBSECTION, to read:

**24-35-205. Contractors supplying gaming equipment - disclosures.** (7) In the case of any procurement for a contract for lottery tickets, lottery consulting services, or lottery terminals or equipment having a value of one hundred thousand dollars or more, or in the case of procurement for a contract for drawing equipment regardless of value, each prospective corporate supplier shall, prior to entering into a contract, provide a verified affidavit as to ownership, if any, of any interest, direct or indirect, in any operator of a casino, jai alai fronton, racetrack, or other gaming establishment, a current personal financial statement, and individual federal and state income tax returns from the past three years for each of its officers and each of the directors. ~~who is also an employee of the supplier.~~ The executive director of the department of revenue shall determine, depending upon the organization of each company, by rule or regulation, which officers of any parent, intermediary, and holding companies, ~~affiliated with the supplier,~~ and which directors of the supplier or of a parent, intermediary, or holding company, ~~affiliated with the supplier,~~ are affiliated with the lottery and are required to file a current personal financial statement and individual federal and state income tax returns from the past three years. The provision of said affidavit, financial statement, and tax returns shall not be required at the time of submission of the prospective corporate supplier's bid or proposal.

(9) EVERY CONTRACT FOR THE SUPPLY OF GAMING EQUIPMENT OR MATERIAL SHALL PROVIDE THE FOLLOWING:

(a) THE DIRECTOR SHALL EXCLUDE FROM LOTTERY FACILITIES AN EMPLOYEE OF A CONTRACTOR WHO HAS BEEN CONVICTED OF A FELONY.

(b) THE DIRECTOR SHALL ALSO EXCLUDE EMPLOYEES OF A CONTRACTOR FROM PARTICIPATING IN ACTIVITIES INVOLVING THE GAMING MATERIALS OR EQUIPMENT SUPPLIED PURSUANT TO THE CONTRACT.

**SECTION 3.** 24-35-208 (1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**24-35-208. Commission - powers and duties.** (1) In addition to any other powers and duties set forth in this part 2, the commission shall have the following powers and duties:

(h) TO ANNUALLY SET THE AMOUNT OF THE PERFORMANCE BOND REQUIRED OF PERSONS ENTERING INTO CONTRACTS TO PROVIDE MATERIALS, EQUIPMENT, OR SUPPLIES USED IN THE OPERATION OF THE LOTTERY OR TO DESIGN OR INSTALL GAMES OR LOTTERIES.

**SECTION 4. No appropriation.** The general assembly has determined that this act can be implemented within existing appropriations, therefore no separate appropriation of state moneys is necessary to carry out the purpose of this act.

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 8, 1996