

CHAPTER 330

PROFESSIONS AND OCCUPATIONS

HOUSE BILL 02-1321

BY REPRESENTATIVE(S) Crane, Daniel, Sanchez, Decker, Kester, Stengel, and Weddig;
also SENATOR(S) Phillips, Hillman, and Nichol.

AN ACT

CONCERNING THE REGULATION OF GAMES OF CHANCE BY THE SECRETARY OF STATE, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 12-9-102 (11.5), (12.5), and (18.1), Colorado Revised Statutes, are amended, and the said 12-9-102 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

12-9-102. Definitions. As used in this article, unless the context otherwise requires:

(2.7) "DEAL" MEANS EACH SEPARATE PACKAGE OR SERIES OF PACKAGES OF PULL TABS WITH THE SAME NAME, FORM NUMBER, SERIAL NUMBER, AND COLOR CODE.

(11.5) "License" means any license OR CERTIFICATION issued by the licensing authority pursuant to this article, INCLUDING, WITHOUT LIMITATION, THE CERTIFICATION OF A GAMES MANAGER PURSUANT TO SECTION 12-9-105.1.

(12.5) "Licensee" means the holder of any license OR CERTIFICATION issued by the licensing authority pursuant to this article. "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.

(18.1) "Pull tab game" means ~~the specific~~ A TYPE OF game of chance commonly known as a pickle, break-open, or 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

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

known or revealed until the ticket is broken or torn apart.

SECTION 2. 12-9-102.5, Colorado Revised Statutes, is amended to read:

12-9-102.5. Legislative declaration - consideration for tickets - conditions.

(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 article. Such giveaways shall be exempt from regulation under this article when all of the conditions set forth in ~~subsection (2)~~ of this section are satisfied.

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

(3) (Deleted by amendment, L. 99, p. 1411, § 1, effective June 5, 1999.)

(4) (a) NOTWITHSTANDING SUBSECTION (2) OF THIS SECTION, AND EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (d) OF THIS SUBSECTION (4), THIS SECTION SHALL NOT AUTHORIZE THE AWARD BY ANY LANDLORD LICENSEE, AT PREMISES WHERE GAMES OF CHANCE ARE CONDUCTED, OF A CASH PRIZE IN ANY AMOUNT, A PRIZE THAT IS REDEEMABLE FOR CASH IN ANY AMOUNT, OR A PRIZE OF A PRODUCT OR SERVICE HAVING A VALUE GREATER THAN ONE THOUSAND DOLLARS, WHETHER OR NOT A FEE IS PAID FOR ADMISSION TO THE PREMISES AS A CONDITION OF PARTICIPATING IN AN AWARD OF PRIZES AS SET FORTH IN SUBSECTION (2) OF THIS SECTION. WITHIN TEN DAYS AFTER THE AWARD OF ANY PRIZE, THE LANDLORD 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 SHALL BE AWARDED BY THE END OF THE CALENDAR QUARTER IN WHICH IT WAS OFFERED.

(b) A LANDLORD LICENSEE MAY CONDUCT A PRIZE PROMOTION ON ITS PREMISES EITHER BEFORE OR AFTER A BINGO-RAFFLE LICENSEE'S BINGO OCCASION. A LANDLORD LICENSEE MAY CONDUCT A PROMOTION DURING AN OCCASION HELD ON ITS PREMISES IF THE PROMOTION AND ITS COST, IF ANY, TO THE BINGO-RAFFLE LICENSEE IS CLEARLY DISCLOSED IN THE RENTAL AGREEMENT PURSUANT TO RULES ADOPTED BY THE LICENSING AUTHORITY. 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 SUCH PROMOTION CONDUCTED DURING AN OCCASION. PRIZES OFFERED AS PART OF A PROMOTION SHALL NOT BE CONSIDERED AS PART OF THE PRIZES SUBJECT TO LIMITATION UNDER SECTION 12-9-107 (13).

(c) BEFORE CONDUCTING A PROMOTION UNDER THIS SECTION, THE LANDLORD

LICENSEE SHALL PROVIDE EVIDENCE OF OWNERSHIP, FREE AND CLEAR, OF THE PRIZES TO BE OFFERED UNLESS ALL SUCH PRIZES ARE AVAILABLE FOR VIEWING ON THE PREMISES ON THE DAY THEY ARE TO BE AWARDED. THE LANDLORD 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 SUCH PRIZES MAY BE WON. THIS DISCLOSURE NEED NOT BE MADE SEPARATELY OR PERSONALLY TO EACH PARTICIPANT, BUT MAY BE MADE BY CONSPICUOUSLY POSTING OR DISPLAYING, AT THE PREMISES WHERE THE PROMOTION IS BEING CONDUCTED, EITHER THE AVAILABLE PRIZES THEMSELVES OR A LIST AND COMPLETE DESCRIPTION OF THE PRIZES AND THE METHOD BY WHICH THEY MAY BE WON.

(d) THE LICENSING AUTHORITY MAY INCREASE BY RULE THE AMOUNT OR VALUE OF A PRIZE OF A PRODUCT OR SERVICE THAT MAY BE ALLOTTED.

SECTION 3. 12-9-103 (1) (a) (III), Colorado Revised Statutes, is amended, and the said 12-9-103 (1) (a) is further amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

12-9-103. Licensing authority - powers - duties - license suspension or revocation proceedings. (1) The secretary of state is hereby designated as the "licensing authority" of this article. As state licensing authority, the secretary of state's powers and duties are as follows:

(a) (III) The refusal of the licensing authority to grant OR RENEW a license shall entitle the applicant to administrative review of such refusal by an administrative law judge in accordance with subsection (2) of this section. ~~For purposes of such review, the refusal to grant a license shall be treated as the equivalent of a suspension or revocation.~~

(IV) IF A LICENSEE FAILS TO FILE A REPORT WITHIN THE TIME REQUIRED BY THIS ARTICLE, 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 SUBPARAGRAPH (IV), THE LICENSEE SHALL NOT ENGAGE IN ACTIVITY AUTHORIZED BY SUCH LICENSE UNTIL SUCH LICENSE IS RENEWED.

SECTION 4. 12-9-103 (1) (d) and (3) (a), Colorado Revised Statutes, are amended, and the said 12-9-103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

12-9-103. Licensing authority - powers - duties - license suspension or revocation proceedings. (1) The secretary of state is hereby designated as the "licensing authority" of this article. As state licensing authority, the secretary of state's powers and duties are as follows:

(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 article. 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 ~~submission~~ 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 article; 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 ARTICLE. An adverse ruling on such application may be appealed to an administrative law judge.

(3) (a) Upon a finding by an administrative law judge of a violation of this article, ~~or the rules ADOPTED PURSUANT TO THIS ARTICLE, or both ANY OTHER PROVISION OF LAW, such as would warrant the suspension or revocation of a license, the administrative law judge in addition to any other penalties that may be imposed, by the administrative law judge,~~ THE LICENSING AUTHORITY may declare the violator ineligible to conduct a game of bingo and to apply for a license ~~under said laws~~ PURSUANT TO THIS ARTICLE for a period not exceeding twelve months after the date of such declaration. Such 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.

(5) UPON AN ADMINISTRATIVE OR JUDICIAL FINDING OF A VIOLATION OF THIS ARTICLE, THE RULES ADOPTED PURSUANT TO THIS ARTICLE, 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.

SECTION 5. 12-9-103.5 (1), (2), and (3), Colorado Revised Statutes, are amended to read:

12-9-103.5. Fees - department of state cash fund. (1) All fees collected by the licensing authority pursuant to this article shall be transmitted to the state treasurer who shall credit the same to the ~~bingo-raffle~~ DEPARTMENT OF STATE cash fund CREATED IN SECTION 24-21-104 (3) (b), C.R.S., also referred to in this section as the "fund". ~~which fund is hereby created in the state treasury.~~ The moneys in the fund shall be 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 article. ~~Any unexpended balance remaining in said fund at the end of any fiscal year shall remain in the fund.~~

(2) ~~There shall be no commingling of moneys between the fund and the department of state cash fund created in section 24-21-104 (3) (b), C.R.S.~~

(3) Fees authorized by this article 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 article. The

amounts of all fees shall be reviewed annually. The licensing authority shall ~~annually~~ furnish to the board BOTH an ANNUAL AND A QUARTERLY accounting of all fee AND FINE revenues received AND EXPENDITURES MADE pursuant to this article, together with a list of all fees in effect, for purposes of inclusion in the board's annual report to the general assembly pursuant to section 12-9-202 (1) (c).

SECTION 6. Part 1 of article 9 of title 12, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

12-9-105.1. Games managers - certification. (1) THE LICENSING AUTHORITY SHALL ISSUE A GAMES MANAGER CERTIFICATION TO ANY QUALIFIED APPLICANT WHO HAS DEMONSTRATED SUFFICIENT KNOWLEDGE OF THIS ARTICLE, AS DETERMINED BY THE LICENSING AUTHORITY, AND WHO HAS PAID THE FEE ESTABLISHED IN ACCORDANCE WITH SECTION 12-9-103.5 (3). 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 ARTICLE OR ANY RULE OR ORDER OF THE LICENSING AUTHORITY PROMULGATED OR ISSUED PURSUANT TO THIS ARTICLE.

(2) A PERSON SHALL NOT BE ELIGIBLE FOR CERTIFICATION OR ACT AS A GAMES MANAGER IN THE CONDUCT OF ANY GAME OF CHANCE PURSUANT TO THIS ARTICLE IF SUCH PERSON HAS BEEN CONVICTED OF ANY FELONY OR ANY OFFENSE INVOLVING GAMBLING.

(3) 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, BUT IN NO EVENT MORE THAN FIVE, BINGO-RAFFLE LICENSEES WITHIN A SPECIFIED PERIOD OF TIME.

SECTION 7. 12-9-105 (2), Colorado Revised Statutes, is amended to read:

12-9-105. Application for bingo-raffle license. (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 the provisions of this article.

(b) Each designated games manager shall have been an active member of the applicant for at least the six months immediately preceding his or her designation and ~~must~~ SHALL be certified by the licensing authority PURSUANT TO SECTION 12-9-105.1 before assuming games management duties. ~~A person shall not act as a games manager in the conduct of any game of chance for more than three bingo-raffle licensees at any one time.~~

SECTION 8. 12-9-105.3 (3), Colorado Revised Statutes, is amended to read:

12-9-105.3. Application for landlord license - fee. (3) There shall be attached

to each application an affidavit signed by the applicant stating that the landlord has not been convicted of any felony or any gambling-related offense as defined in article 10 of title 18, C.R.S. If the landlord is a corporation, LIMITED LIABILITY COMPANY, or partnership, such affidavit shall make such verification as to each officer and director OF SUCH CORPORATION, EACH MEMBER AND MANAGER OF SUCH LIMITED LIABILITY COMPANY, or each partner and associate ~~respectively~~ OF SUCH PARTNERSHIP.

SECTION 9. 12-9-105.5 (2), Colorado Revised Statutes, is amended to read:

12-9-105.5. Application for manufacturer license. (2) To each application for a manufacturer license shall be attached a statement that the applicant or its owners or its officers or directors if a corporation, or its MEMBERS, MANAGERS, partners, or associates if another business entity, has not been convicted of any felony or any offense involving gambling as defined in article 10 of title 18, C.R.S.

SECTION 10. 12-9-105.7 (2), Colorado Revised Statutes, is amended to read:

12-9-105.7. Application for supplier license. (2) To each application for a supplier license shall be attached a statement that the applicant or its owners or its officers or directors if a corporation, or its MEMBERS, MANAGERS, partners, or associates if another business entity, has not been convicted of any felony or any offense involving gambling as defined in article 10 of title 18, C.R.S.

SECTION 11. 12-9-107 (9) (a) and (13), Colorado Revised Statutes, are amended to read:

12-9-107. Persons permitted to conduct games of chance - premises - equipment - expenses. (9) (a) Equipment, prizes, and supplies for games of bingo shall 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 ARTICLE OR BY RULES ADOPTED BY THE LICENSING AUTHORITY PURSUANT TO THIS ARTICLE.

(13) (a) No prize greater, in amount or value, than two hundred fifty dollars shall be offered or given in any single game of bingo or lotto conducted under any such license; except that, not more than once during a bingo occasion, a single prize in an amount or value greater than two hundred fifty dollars but not exceeding five hundred dollars may be awarded in a single game of bingo or lotto. The aggregate amount of all prizes offered or given in all games played on a single occasion shall not exceed one thousand five hundred dollars.

(b) NOTWITHSTANDING THE LIMITATIONS STATED IN PARAGRAPH (a) OF THIS SUBSECTION (13), DURING A BINGO OCCASION A BINGO-RAFFLE LICENSEE MAY ALSO START A SINGLE GAME OF PROGRESSIVE BINGO, IN AN AMOUNT NOT TO EXCEED ONE HUNDRED DOLLARS, 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 SHALL BE REPLAYED DURING SUBSEQUENT OCCASIONS USING THE PREVIOUSLY DESIGNATED ARRANGEMENT OF NUMBERS OR SPACES, WITH

OR WITHOUT A CHANGE IN THE NUMBER OF OBJECTS OR BALLS DRAWN, UNTIL THE GAME IS WON. IN EACH OCCASION AFTER THE FIRST OCCASION, THE AMOUNT OF THE PRIZE SHALL BE INCREASED BY SEVENTY PERCENT OF THE GROSS PROCEEDS COLLECTED FROM THE SALE OF PROGRESSIVE BINGO CARDS OR SHEETS AT SUCH OCCASION.

(c) NO MORE THAN ONE GAME OF PROGRESSIVE BINGO 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 SUCH NUMBER OF OCCASIONS SHALL BE NOT LESS THAN THIRTY.

(d) 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. SUCH GAME MAY INCLUDE A SUBSEQUENT PULL TAB DEAL BEARING A DIFFERENT SERIAL NUMBER FROM THAT OFFERED IN A PREVIOUS DEAL. NO PRIZE GREATER, IN AMOUNT OR VALUE, THAN FIVE THOUSAND DOLLARS SHALL BE OFFERED OR GIVEN IN ANY PROGRESSIVE PULL TAB GAME.

(e) 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 SHALL BE PLACED OUT FOR PLAY AT THE SAME TIME.

(f) 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 NON-WINNING STATUS AS REVEALED IF BROKEN OR TORN APART.

(g) 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.

SECTION 12. 12-9-108 (6), Colorado Revised Statutes, is amended to read:

12-9-108. Bingo-affle licensee's statement of receipts - expenses - fee.

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

(I) "Goods, wares, and merchandise" means prizes, equipment as defined in section 12-9-102 (5), electronic devices used as aids in the game of bingo, and articles of a minor nature.

(II) "Services rendered" means:

(A) THE repair ~~to~~ OF equipment and electronic devices used as aids in the game of bingo;

(B) Compensation to bookkeepers or accountants, not more than two in the aggregate, for services in preparing financial reports for a reasonable amount as determined by the licensing authority in rules for each occasion;

(C) THE rental of premises; ~~in a reasonable amount as determined by the licensing authority in rules for each occasion,~~

(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 12-9-103.5 (3), upon the gross receipts of any game of chance held, operated, or conducted under the provisions of this article; 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 article shall be deposited in the ~~bingo-raffle~~ DEPARTMENT OF STATE cash fund created in section ~~12-9-103.5~~ 24-21-104, C.R.S.

SECTION 13. Part 1 of article 9 of title 12, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

12-9-112.5. Common members - bingo-raffle licensees. (1) FOR THE PURPOSES OF THIS SECTION, "BINGO-RAFFLE LICENSEE AFFILIATE" MEANS THE FOLLOWING:

(a) ANY 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) ANY PERSON THAT HAS AN OFFICER, DIRECTOR, MEMBER, MANAGER, PARTNER, GAMES MANAGER, SALARIED EMPLOYEE, OR MEMBER OF THEIR IMMEDIATE FAMILIES 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. ALL SUCH TRANSFERRED PROCEEDS SHALL BE DEPOSITED BY THE DONEE ENTITY OR ORGANIZATION IN A SEGREGATED ACCOUNT THAT CONTAINS ONLY SUCH DONATIONS, AND SUCH 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 IN SO FAR AS THEY MAY RELATE TO ACCOUNT OR TO ANY TRANSACTIONS CONNECTED WITH BINGO OR RAFFLE PROCEEDS.

SECTION 14. 12-9-114, Colorado Revised Statutes, is amended to read:

12-9-114. 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 article commits a class 2 misdemeanor and shall be punished as provided in section 18-1-106, C.R.S.; EXCEPT THAT, IF THE UNDERLYING FACTUAL BASIS OF THE VIOLATION CONSTITUTES A CRIME AS DEFINED BY ANY OTHER PROVISION OF LAW, THEN SUCH PERSON MAY BE

CHARGED, PROSECUTED, AND PUNISHED IN ACCORDANCE WITH SUCH OTHER PROVISION OF LAW.

SECTION 15. 24-21-104 (3) (b), Colorado Revised Statutes, is amended, and the said 24-21-104 (3) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

24-21-104. Fees of secretary of state - repeal. (3) (b) The department of state shall adjust its fees so that the revenue generated from the fees approximates its direct and indirect costs; except that the department may reduce its fees to generate revenue in an amount less than costs if necessary pursuant to section 24-75-402 (3). Such costs shall not include the costs paid by the amounts appropriated by the general assembly from the general fund to the department of state for elections pursuant to section 24-21-104.5. Such fees shall remain in effect for the fiscal year following the adjustment. All fees collected by said department, ~~shall be transmitted to the state treasurer, except moneys collected pursuant to subparagraph (H) of paragraph (f) of this subsection (3), and~~ article 55 of title 12, C.R.S., SHALL BE TRANSMITTED TO THE STATE TREASURER, who shall credit the same to the department of state cash fund, which fund is hereby created. All moneys credited to the department of state cash fund shall be used as provided in this section and shall not be deposited in or transferred to the general fund of this state or any other fund. The moneys credited to the department of state cash fund shall be available for appropriation by the general assembly to the department of state in the general appropriation bill or pursuant to section 24-9-105 (2).

(j) (I) WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (j), THE UNEXPENDED AND UNENCUMBERED BALANCE OF THE BINGO-RAFFLE CASH FUND CREATED IN SECTION 12-9-103.5, C.R.S., SHALL BE TRANSFERRED TO THE DEPARTMENT OF STATE CASH FUND.

(II) THIS PARAGRAPH (j) IS REPEALED, EFFECTIVE JULY 1, 2003.

SECTION 16. 12-9-201 (2) (a) (VI), (2) (f), and (2) (i), Colorado Revised Statutes, are amended to read:

12-9-201. Colorado bingo-raffle advisory board - creation. (2) The board shall consist of nine members, all of whom shall be citizens of the United States who have been residents of the state for at least the past five years. No member shall have been convicted of a felony or gambling-related offense, notwithstanding the provisions of section 24-5-101, C.R.S. No more than five of the nine members shall be members of the same political party. At the first meeting of each fiscal year, a chair and vice-chair of the board shall be chosen from the membership by a majority of the members. Membership and operation of the board shall additionally meet the following requirements:

(a) (VI) One member of the board shall be a registered elector of the state who is ~~not a member of, or employed by, a licensee~~ 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.

(f) 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, shall be terminated ~~and~~ BY THE APPOINTING OFFICER. Such member's successor shall be appointed in the manner provided for appointments under this section.

(i) The board shall hold at least ~~one meeting each month~~ SIX 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 secretary of state if written notification of such meeting is delivered to each member at least seventy-two hours prior to such meeting. Notwithstanding the provisions of section 24-6-402, C.R.S., 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.

SECTION 17. Appropriation - adjustments in 2002 long bill. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the bingo-raffle cash fund created in section 12-9-103.5, Colorado Revised Statutes, to the department of state, for the fiscal year beginning July 1, 2002, the sum of eight thousand seven hundred thirty-one dollars (\$8,731) and 0.1 FTE, or so much thereof may be necessary, for the implementation of this act. Upon transfer of the unexpended and unencumbered balance of the bingo-raffle cash fund, pursuant to section 24-21-104 (3) (j) (I), Colorado Revised Statutes, the unexpended and unencumbered amount of the appropriation made in this subsection (1) is hereby appropriated, out of any moneys in the department of state cash fund created in section 24-21-104, Colorado Revised Statutes, to the department of state, for the fiscal year beginning July 1, 2002, for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated, to the department of law, for the fiscal year beginning July 1, 2002, the sum of five hundred eighty-four dollars (\$584), or so much thereof as may be necessary, for the provision of legal services to the department of state related to the implementation of this act. Such sum shall be from cash funds exempt received from the department of state out of the appropriation made in subsection (1) of this section.

(3) For the implementation of this act, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 2002, shall be adjusted as follows: The appropriation to the department of state, from the bingo-raffle cash fund created in section 12-9-103.5, Colorado Revised Statutes, upon transfer of the unexpended and unencumbered balance of the bingo-raffle cash fund, pursuant to section 24-21-104 (3) (j) (I), Colorado Revised Statutes, is hereby reduced by the unexpended and unencumbered amount of such appropriation, and such sum is hereby appropriated to the department of state, out of any moneys in the department of state cash fund not otherwise appropriated, for the fiscal year beginning July 1, 2002, for the implementation of the annual general appropriation act for the fiscal year beginning July 1, 2002.

SECTION 18. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final

adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to games of chance conducted on or after the applicable effective date of this act.

Approved: June 7, 2002