

CHAPTER 216

PROFESSIONS AND OCCUPATIONS

HOUSE BILL 06-1086

BY REPRESENTATIVE(S) Crane, Berens, and Kerr J.;
also SENATOR(S) Johnson.

AN ACT

CONCERNING THE REGULATION OF GAMES OF CHANCE BY THE SECRETARY OF STATE, AND MAKING AN APPROPRIATION THEREFOR.

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

SECTION 1. 12-9-102 (5) and (19.3), Colorado Revised Statutes, are amended to read:

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

(5) "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" ~~does not include~~ INCLUDES electronic devices used as aids in the game of bingo.

(19.3) "Raffle" means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random ~~drawing to take place at a set location and date~~ METHOD OF SELECTING NUMBERS, AS DETERMINED BY RULES OF THE LICENSING AUTHORITY, or a pull tab ticket as described in subsection (18.1) of this section. The term "raffle" does not mean and shall not be interpreted to include any activity that is authorized or regulated by the state lottery division pursuant to

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

part 2 of article 35 of title 24, C.R.S., or the "Limited Gaming Act of 1991", article 47.1 of this title.

SECTION 2. 12-9-102.5 (4), Colorado Revised Statutes, is amended to read:

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

(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~~ A 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~~ THE AMOUNT ESTABLISHED BY THE LICENSING AUTHORITY PURSUANT TO PARAGRAPH (d) OF THIS SUBSECTION (4), 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) (I) A ~~landlord~~ licensee may conduct a prize promotion on ~~its~~ THE LICENSED 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~~ WHETHER SUCH PREMISES ARE RENTED OR OWNED BY THE LICENSEE. The promotion and its cost, if any, to the ~~bingo-raffle~~ licensee ~~is~~ SHALL BE clearly disclosed, in the rental agreement OR OTHERWISE, 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 such promotion conducted during an occasion BY A LANDLORD LICENSEE. 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~~ ESTABLISH by rule the MAXIMUM amount or value of a prize of a product or service that may be ~~allotted~~ AWARDED; EXCEPT THAT SUCH MAXIMUM AMOUNT SHALL NOT BE LESS THAN ONE THOUSAND DOLLARS.

SECTION 3. 12-9-103 (1) (a) (I), (1) (a) (IV), (1) (c), (2), (3) (a), and (4), 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 - definitions. (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) (I) To grant or refuse to grant bingo-raffle licenses under this article 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 ARTICLE. 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.

(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 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.

(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 ARTICLE 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.

(1.5) 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.

(2) The licensing authority may ~~suspend or~~ revoke, SUSPEND, ANNUL, LIMIT, OR MODIFY a license pursuant to ~~the provisions of~~ section 24-4-104, C.R.S. Hearings that are held for the purpose of determining whether a licensee's license should be revoked, ~~or~~ suspended, ANNULLED, LIMITED, OR MODIFIED shall be conducted by an administrative law judge appointed pursuant to part 10 of article 30 of title 24, C.R.S., 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, C.R.S. Hearings shall be held and concluded, in accordance with such rules, with reasonable dispatch and without unnecessary delay, and a decision shall be issued within ten days after such hearing.

(3)(a) Upon a finding by an administrative law judge 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, 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 article for a period not exceeding ~~twelve months~~ FIVE YEARS after the date of such declaration OR A SHORTER PERIOD DESIGNATED BY THE LICENSING AUTHORITY PURSUANT TO THIS SUBSECTION (3). 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 SHALL INCLUDE WILLFULNESS, INTENT, A PREVIOUS

INTENTIONAL VIOLATION OF THIS ARTICLE, AND VIOLATIONS INVOLVING THEFT OR FRAUD. 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.

~~(4) The licensing authority shall forward to the bingo-raffle advisory board, created in section 12-9-201, within seven days after receipt, a copy of every complaint against a licensee that is received by the licensing authority.~~

SECTION 4. 12-9-103.5 (3), Colorado Revised Statutes, is amended to read:

12-9-103.5. Fees - department of state cash fund. (3) (a) 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 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.

(b) THE COST OF IMPLEMENTING THE ELECTRONIC APPLICATION AND REPORT FILING SYSTEM REQUIRED BY SECTION 12-9-103 (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 12-9-107.5 (5) OR SECTION 12-9-108 (6) (b), AND IN AN AMOUNT SUFFICIENT TO RECOVER ALL OF SUCH COSTS WITHIN THE FIVE-YEAR PERIOD.

SECTION 5. 12-9-104 (1), Colorado Revised Statutes, is amended to read:

12-9-104. Bingo-raffle license - fee. (1) ~~Any~~ 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 the said organizations that operates without profit to its members and that has been in existence continuously for a period of five years immediately prior to the making of application for a bingo-raffle license under this article and has had during the entire five-year period dues-paying members engaged in carrying out the objects of said corporation or organization is eligible for a bingo-raffle license to be issued by the licensing authority under this article. ~~In the event any~~ IF A license is revoked, the bingo-raffle licensee and holder thereof is not eligible to apply for another license under subsection (2) of this section until after the expiration of the period of ~~one year from~~ FIVE YEARS AFTER the date of such revocation.

SECTION 6. 12-9-105.1, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

12-9-105.1. Games managers - certification. (1.5) A PERSON SHALL NOT BE ELIGIBLE FOR CERTIFICATION OR ACT AS A GAMES MANAGER IN THE CONDUCT OF A GAME OF CHANCE PURSUANT TO THIS ARTICLE UNLESS THE PERSON IS EIGHTEEN YEARS OF AGE OR OLDER.

SECTION 7. 12-9-105.5 (1) (c), Colorado Revised Statutes, is amended to read:

12-9-105.5. Application for manufacturer license. (1) Each application for a manufacturer license shall include, but not be limited to, the following information:

(c) A description of the equipment ~~and the electronic devices used as aids in the game of bingo~~ manufactured in connection with games of chance activities in Colorado;

SECTION 8. 12-9-105.7 (1) (c), Colorado Revised Statutes, is amended to read:

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

(c) A description of the equipment ~~electronic devices used as aids in the game of bingo~~, and supplies sold or distributed in connection with games of chance activities in Colorado;

SECTION 9. 12-9-105.9 (1) (e), Colorado Revised Statutes, is amended to read:

12-9-105.9. 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 shall include, but not be limited to, the following information:

(e) The location in Colorado where the agent's records of sales and distributions of bingo and raffle equipment ~~electronic devices used as aids in the game of bingo~~, and supplies will be available to the licensing authority.

SECTION 10. 12-9-106 (1), Colorado Revised Statutes, is amended to read:

12-9-106. Form of bingo-raffle licenses - display. (1) Each bingo-raffle license shall contain a statement of the name and address of the licensee and the place where such 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 SHALL 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. ANY SUCH LETTER OF AUTHORIZATION SHALL REMAIN WITH THE ORIGINAL LICENSE AND BE AVAILABLE FOR INSPECTION AT THE PLACE WHERE SUCH GAMES OR DRAWINGS ARE TO BE HELD. Any such license issued for an exempt organization shall provide for the inclusion of the place or places where drawings are to be held. Each bingo-raffle license issued for the conduct of any such games of chance shall be conspicuously displayed at the place where the ~~same~~ GAME is to be conducted or the drawings held at all times during the conduct

thereof. An exempt organization may comply with the requirements of this section by providing written notice of such 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 such organization. Such notice shall state that the exempt organization shall make such license available for public inspection during reasonable business hours and shall specify where such license shall be maintained for inspection.

SECTION 11. 12-9-107 (1), (2) (a), (13), (19), (28) (a), and (28) (c), Colorado Revised Statutes, are amended to read:

12-9-107. Persons permitted to conduct games of chance - premises - equipment - expenses. (1) (a) No games of chance shall be conducted by any person, firm, or organization within this state, unless a bingo-raffle license as provided in this article has been issued by the licensing authority. No person shall hold, operate, or conduct ~~any~~ games of chance under ~~any~~ A license issued under this article except an active member of the organization to which the bingo-raffle license is issued, and no person shall assist in the holding, operating, or conducting of any games of chance under such license, except such 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 such 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. ~~and except bookkeepers or accountants as provided in this section.~~ No item of expense shall be incurred or paid in connection with the holding, operating, or conducting of ~~any~~ A game of chance held, operated, or conducted pursuant to ~~any~~ A license issued under this article, except bona fide expenses in A reasonable amount for goods, wares, and merchandise furnished or services rendered, reasonably necessary for the holding, operating, or conducting thereof.

(b) No games of chance shall be conducted with any equipment unless it is owned by a bingo-raffle licensee, owned or leased by a landlord licensee, or owned or leased by a bingo-raffle licensee operating such equipment on premises that are 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. NOTHING IN THIS PARAGRAPH (b) SHALL PROHIBIT A BINGO-RAFFLE LICENSEE FROM LEASING ELECTRONIC DEVICES USED AS AIDS IN THE GAME OF BINGO.

(2) (a) The officers of a bingo-raffle licensee shall designate ~~a~~ ONE OR MORE bona fide, active ~~member~~ MEMBERS of the licensee AS ITS GAMES MANAGERS to be in charge and primarily responsible for the conduct of the games of bingo or lotto on each occasion. The ~~member in charge~~ GAMES MANAGERS shall supervise all activities on the occasion for which ~~he or she is~~ THEY ARE in charge and ~~is~~ ARE responsible for the making of the required report thereof. The ~~member in charge~~ GAMES MANAGERS, GOVERNING BOARD OF THE LICENSEE, AND THE INDIVIDUAL ACTING IN THE ROLE OF A TREASURER ON BEHALF OF THE LICENSEE shall be familiar with the provisions of the state laws, the rules of the licensing authority, and the provisions of the license. ~~The member in charge~~ THE GOVERNING BOARD OF THE LICENSEE SHALL BE 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 ~~of at least thirty minutes after the last game~~ SUFFICIENT TO ENSURE THAT ALL BOOKS AND RECORDS FOR THE OCCASION HAVE BEEN CLOSED AND THAT ALL SUPPLIES AND EQUIPMENT HAVE BEEN SECURED.

(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.~~ 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 SHALL BE AT LEAST FIVE HUNDRED DOLLARS.

(b) Notwithstanding the limitations stated in paragraph (a) of this subsection (13), during a bingo occasion a bingo-affle licensee may also start a single game of progressive bingo, in an amount ~~not to exceed one hundred dollars~~ 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 shall be replayed during ~~subsequent occasions~~ EACH OCCASION THE LICENSEE CONDUCTS AT THE SAME LOCATION, 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) A BINGO-RAFFLE LICENSEE MAY AWARD A CONSOLATION PRIZE FOR A GAME OF PROGRESSIVE BINGO IN WHICH THE PROGRESSIVE PRIZE IS NOT WON. THE AMOUNT OF THE CONSOLATION PRIZE SHALL BE AN AMOUNT DETERMINED BY THE BINGO-RAFFLE LICENSEE. NOTICE OF THE AMOUNT SHALL BE CONSPICUOUSLY DISPLAYED PRIOR TO THE BEGINNING OF THE BINGO-RAFFLE OCCASION, AND THE AMOUNT SHALL BE INCLUDED AS PART OF THE AGGREGATE AMOUNT OF ALL PRIZES OFFERED OR GIVEN IN GAMES PLAYED ON A SINGLE OCCASION, AS SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (13). IF A CONSOLATION PRIZE IS OFFERED, THE GAME SHALL BE CONTINUED 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 NO CONSOLATION PRIZE IS OFFERED, THE PROGRESSIVE GAME SHALL END WITHOUT A PRIZE AWARDED WHEN THE LAST OF THE PREVIOUSLY DESIGNATED NUMBER OF BALLS IS DRAWN, AND SHALL BE REPLAYED AT THE NEXT OCCASION THE LICENSEE CONDUCTS, IN ACCORDANCE WITH PARAGRAPH (b) OF THIS SUBSECTION (13).

(d) A BINGO-RAFFLE 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 PARAGRAPH (b) OF THIS SUBSECTION

(13), THE AMOUNT IN THE SECONDARY JACKPOT MAY BE USED TO START A SINGLE GAME OF PROGRESSIVE BINGO AFTER A PREVIOUS PROGRESSIVE JACKPOT IS WON.

(e) THE LICENSING AUTHORITY MAY ESTABLISH BY RULE THE MAXIMUM JACKPOT THAT MAY BE AWARDED IN A PROGRESSIVE BINGO GAME; EXCEPT THAT SUCH MAXIMUM MAY NOT BE LESS THAN FIFTEEN THOUSAND DOLLARS.

~~(f)~~ (f) ~~No more than one game~~ 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 such number of occasions shall be not less than thirty.

~~(g)~~ (g) 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. THE LICENSING AUTHORITY MAY LIMIT BY RULE THE TYPES OF PROGRESSIVE PULL TAB GAMES ALLOWED TO BE SOLD BY SUPPLIER LICENSEES. A BINGO-RAFFLE LICENSEE MAY OFFER AN EVENT PULL TAB SERIES. FOR THE PURPOSES OF THIS PARAGRAPH (g):

(I) "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.

(II) "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.

~~(h)~~ (h) 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.

~~(i)~~ (i) 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~~ NONWINNING status as revealed if broken or torn apart.

~~(j)~~ (j) 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.

(19) (a) No person shall act as a caller or assistant to the caller in the conduct of any game of bingo unless such person has been a member in good standing of the bingo-raffle licensee conducting such game or one of its licensed auxiliaries for at least three months immediately prior to the date of such game, is of good moral character, and never has been convicted of a felony OR A CRIME INVOLVING GAMBLING.

(b) ~~No person shall act as games manager in the conduct of any game of chance if such person has been convicted of a felony or a crime involving gambling.~~

(28) (a) If a card or sheet is played with the aid of an electronic device, a winning bingo ~~shall~~ MAY BE DETERMINED AND VERIFIED BY REFERENCE TO such card or sheet, ~~not~~ OR MAY BE DETERMINED AND VERIFIED BY REFERENCE TO the electronic device. Nothing in this article shall be construed to authorize the playing of bingo solely by means of an electronic device.

(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 shall be permitted to use ~~up to thirty-six bingo cards~~ with the aid of such a device per game; ~~and a bingo player shall not use more than thirty-six bingo cards with the aid of an electronic device per bingo game~~ EXCEPT THAT SUCH MAXIMUM NUMBER SHALL NOT BE LESS THAN THIRTY-SIX.

SECTION 12. 12-9-108 (3) (a), (5), (6) (a) (I), (6) (a) (II) (A), and (6) (a) (II) (B), Colorado Revised Statutes, are amended to read:

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

(3) (a) All moneys 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 shall contain only such money. All funds shall be withdrawn from said account by consecutively numbered checks or withdrawal slips ~~duly signed by specified officers of the licensee and payable to a specific person or organization. There shall also be written on the check or withdrawal slip the nature of the item for which the check is drawn or withdrawal slip made~~ OR BY ELECTRONIC TRANSACTIONS REFERENCED BY TRANSACTION NUMBER OR DATE. No check or withdrawal slip shall 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.

(5) No item of expense shall be incurred or paid in connection with holding, operating, or conducting ~~any~~ A game of chance pursuant to ~~any~~ 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 ARTICLE;

(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 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 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~~; BY RULE. NO LANDLORD, MANUFACTURER, OR SUPPLIER LICENSEE, OR EMPLOYEE OF A LANDLORD, MANUFACTURER, OR SUPPLIER LICENSEE, SHALL 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.

SECTION 13. 12-9-109, Colorado Revised Statutes, is amended to read:

12-9-109. Examination of books and records. 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 article 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 ARTICLE.

SECTION 14. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the department of state cash fund created in section 24-21-104 (3) (b), Colorado Revised Statutes, not otherwise appropriated, to the department of state, for the fiscal year beginning July 1, 2006, the sum of two hundred sixty-five thousand five hundred fifty-seven dollars (\$265,557) and 0.5

FTE, or so much thereof as may be necessary, for the implementation of this act.

SECTION 15. Applicability. This act shall apply to all licensees on or after the effective date of this act.

SECTION 16. 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: May 25, 2006