



## Notice of Proposed Rulemaking

### Office of the Secretary of State Rules Concerning Bingo and Raffles Games 8 CCR 1505-2

Date of notice: July 15, 2021

Date and time of public hearing: August 24, 2021 at 1:00 p.m.

#### I. Hearing Notice

As required by the State Administrative Procedure Act,<sup>1</sup> the Secretary of State gives notice of proposed rulemaking. The hearing is scheduled for August 24, 2021 at 1:00 p.m. **This meeting will be conducted via webinar.** Details regarding how to join the webinar and testify during the hearing are outlined in section VI of this notice.

#### II. Subject

The Secretary is considering amendments to the bingo and raffles games rules<sup>2</sup> to improve the administration and enforcement of Colorado bingo and raffles laws.<sup>3</sup>

Specifically, the Secretary proposes permanent rule revisions necessary to: implement changes made by Senate Bill 21-055 concerning collection of state debts; update rules concerning closing a bingo game, opening a new pull tab deal during progressive bingo, suspending progressive pull tab operations, and authorizing prepackaged games for playing progressive raffles; eliminate obsolete provisions; organize existing rules for clarity; simplify the language of existing rules; and ensure consistency with Department rulemaking standards. The Secretary may consider additional rule amendments.

A detailed Statement of Basis, Purpose, and Specific Statutory Authority follows this notice and is incorporated by reference.

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<sup>1</sup> Section 24-4-103(3)(a), C.R.S. (2020).

<sup>2</sup> 8 CCR 1505-2.

<sup>3</sup> Article XVIII, Section 2 of the Colorado Constitution and Part 6, Article 21, Title 24 of the Colorado Revised Statutes.

### **III. Statutory authority**

The Secretary proposes the rule revisions and amendments in accordance with the following statutory provisions:

- Section 24-21-605(1)(b), C.R.S., (2020), which authorizes the Secretary of State to “supervise the administration and enforcement of [the Bingo and Raffles Law] and, in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance . . . .[.]”
- Section 24-21-617(5), C.R.S., (2020), which requires the Secretary of State to establish by rule the method of play for games of chance.
- Section 24-21-620(2)(f)(I), C.R.S., (2020), which authorizes the Secretary of State to establish by rule the permitted methods of conducting a progressive raffle.
- Senate Bill 21-055; enacted March 21, 2021.

### **IV. Copies of draft rules**

A preliminary draft of the proposed rules is posted on the Secretary of State’s rules and notices of rulemaking website at:

[www.sos.state.co.us/pubs/rule\\_making/hearings/2021/BingoRulesHearing20210824.html](http://www.sos.state.co.us/pubs/rule_making/hearings/2021/BingoRulesHearing20210824.html).

You may also contact our office to request an editable electronic copy of the draft rules.

As required by the State Administrative Procedures Act,<sup>4</sup> if changes are made before the hearing, revised proposed draft rules will be available to the public and posted on the website by August 19, 2021.

### **V. Opportunity to testify and submit written comments**

The Secretary values your feedback in our rulemaking process and we would very much like to hear your thoughts on the proposed amendments. Please review and consider the attached proposed draft rules.

Everyone will have the opportunity to testify and provide written comment concerning the rule amendments. You may submit written comments to [SoS.Rulemaking@sos.state.co.us](mailto:SoS.Rulemaking@sos.state.co.us) any time before and during the hearing. Additional opportunity to comment in writing will be announced at the conclusion of the hearing. Information regarding how to testify during the webinar hearing is providing in section VI of this notice.

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<sup>4</sup> Section 24-4-103(3)(a), C.R.S. (2020). “Any proposed rule or revised proposed rule by an agency which is to be considered at the public hearing...shall be made available to any person at least five days prior to said hearing.”

As soon as possible after receipt, written comments will be posted online at the Secretary of State website:

[www.sos.state.co.us/pubs/rule\\_making/hearings/2021/BingoRulesHearing20210824.html](http://www.sos.state.co.us/pubs/rule_making/hearings/2021/BingoRulesHearing20210824.html).

We will redact apparent personal contact information, including home address, email address, and telephone number(s), from submissions before posting the information online, unless otherwise directed by the contributor. All written comments will be added to the official rulemaking record.

## **VI. Webinar and audio recording of hearing**

### *Register for the webinar hearing*

To join and listen to the hearing, you must register for the webinar online: <https://attendee.gotowebinar.com/register/3975766292490274571>

When you register, you must provide your full name and email address. Please provide additional contact information including your address and telephone number. You may also provide your job title and organization. Lastly, indicate whether you plan to testify during the hearing. When you submit your registration, you should receive a confirmation email including details about how to join the webinar.

### *Webinar hearing procedures*

At the beginning of the webinar, we will mute all public participants. After the introduction and a brief summary of the rulemaking, we will open the hearing to testimony as follows:

- Referencing registration records, we will identify and individually unmute participants who indicated that they plan to testify during the hearing.
- When we exhaust the list, we will ask whether any additional attendees wish to testify. Attendees may raise/lower their hand by clicking the icon in their control panel.
- To ensure that the hearing is prompt and efficient, oral testimony may be time-limited.

Before the hearing concludes, we will announce an additional opportunity to submit written comments and the associated deadline.

### *Webinar audio requirements*

**Please be advised:** we strongly encourage attendees to join the webinar through their computer even if they use their telephone to dial in for audio. To testify during the hearing, it is best to use your computer microphone and speakers or a headset. As outlined above, we will first receive testimony from attendees whose registration indicates that they plan to provide testimony and then we will offer attendees the option to raise their hand. If you access the webinar only by telephone, you may not appear in our webinar attendee list meaning we may not be able to unmute you. Moreover, the raise your hand feature is only available to attendees who access the webinar by computer.

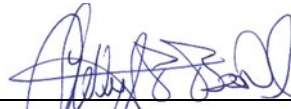
*Audio recording*

After the hearing concludes, a recording will be available on our audio broadcasts page here: [https://www.sos.state.co.us/pubs/info\\_center/audioBroadcasts.html](https://www.sos.state.co.us/pubs/info_center/audioBroadcasts.html).

**VII. Office contact**

If you have any questions or would like to submit written comments, please contact the Department Rulemaking Program Manager at [SoS.Rulemaking@sos.state.co.us](mailto:SoS.Rulemaking@sos.state.co.us) or (303) 894-2200 ext. 6329.

Dated this 15<sup>th</sup> day of July, 2021,



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Christopher P. Beall  
Deputy Secretary of State

For

Jena Griswold  
Colorado Secretary of State



## Draft Statement of Basis, Purpose, and Specific Statutory Authority

### Office of the Secretary of State Rules Concerning Bingo and Raffles Games 8 CCR 1505-2

July 15, 2021

#### I. Basis and Purpose

This statement explains proposed amendments to the Colorado Secretary of State Bingo and Raffles Games Rules. The Secretary is considering amendments to ensure uniform and proper administration, implementation, and enforcement of Colorado bingo and raffles laws,<sup>1</sup> answer questions arising under these laws, and improve the administration of bingo and raffles games in Colorado. Such amendments include revisions proposed by Colorado Bingo-Raffle Advisory Board members and bingo-raffle stakeholders.

Specific proposed changes include:

- Amendments to Rules 3.1.5(b) and (d) to clarify the procedures for closing a bingo. Specifically, the amendments provide procedures if a caller fails to hear a player signal bingo and for verifying a bingo. These amendments increase fairness in bingo playing and decrease the potential for disputes.
- Amendments to Rule 5.4.1 to clarify that a licensee may only open the next deal in a progressive pull tab game when a winner is not immediately discovered and to specify the requirements for ensuring that a winner has sufficient notice. These amendments increase efficiency for licensees by allowing them to proceed to the next deal when the sole outstanding issue is to determine the last deal's winner. The amendment also ensures that a winner has sufficient time to come forward to claim a prize.
- Amendments to Rule 5.4.3 to clarify that a licensee may suspend play of a progressive pull tab game only while operating a pari-mutuel bingo operation. Pari-mutuel bingo is played during short and rapidly played sessions. Suspension of the requirement to sell progressive pull tabs during a pari-mutuel session increases efficiency for licensees.

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<sup>1</sup> Article XVIII, Section 2 of the Colorado Constitution and Part 6, Article 21, Title 24 of the Colorado Revised Statutes.

- Amendments to Rule 8.4 to authorize licensees to use prepackaged games for playing card progressive raffles and to specify the requirements for these games. These amendments increase variety for licensees conducting progressive raffle games and create additional opportunities for licensed suppliers.
- Repeal of Current Rule 15.6.3 which references referral of fines to the Central Collection Services (CSS) for collection. This Rule is outdated because SB 21-055 eliminated the CSS and made state agencies responsible for collecting their own debts.

Other changes to rules not specifically listed are non-substantive and necessary for consistency with Department rulemaking format and style. Cross-references in rules are also corrected or updated.

## **II. Rulemaking Authority**

The statutory authority is as follows:

- Section 24-21-605(1)(b), C.R.S., (2020), which authorizes the Secretary of State to “supervise the administration and enforcement of [the Bingo and Raffles Law] and, in consultation with the board, to adopt, amend, and repeal rules governing the holding, operating, and conducting of games of chance . . . .[.]”
- Section 24-21-617(5), C.R.S., (2020), which requires the Secretary of State to establish by rule the method of play for games of chance.
- Section 24-21-620(2)(f)(I), C.R.S., (2020), which authorizes the Secretary of State to establish by rule the permitted methods of conducting a progressive raffle.
- Senate Bill 21-055; enacted March 21, 2021.

# Preliminary Draft of Proposed Rules

## Office of the Colorado Secretary of State Bingo and Raffle Games 8 CCR 1505-2

July 15, 2021

### Disclaimer:

In accordance with the State Administrative Procedure Act, this draft is filed with the Secretary of State and submitted to the Department of Regulatory Agencies.<sup>1</sup>

This is a preliminary draft of the proposed rules that may be revised before the August 24, 2021 rulemaking hearing. If changes are made, a revised copy of the proposed rules will be available to the public and a copy will be posted on the Department of State’s website no later than **August 19, 2021**.<sup>2</sup>

Please note the following formatting key:

Font effect	Meaning
Sentence case	Retained/modified current rule language
SMALL CAPS	New language
<del>Strikethrough</del>	Deletions
<i>Italic blue font text</i>	Annotations

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1 *Amendments to 8 CCR 1505-2 follow:*

2 *Amendments to Rules 3.1.5(b) and (d) concerning closing a bingo game:*

3 (b) The caller may not call the next ball removed from the machine or otherwise  
4 selected, until the signaled bingo is verified or invalidated. IF A BINGO HAS BEEN  
5 SIGNALLED AND A WORKER ACKNOWLEDGES THE PLAYER BUT THE CALLER WAS  
6 UNAWARE AND CONTINUES TO CALL THE NEXT BALL, THE EFFECT OF THE PRECEDING  
7 BALL IS SUSPENDED PENDING VERIFICATION OR INVALIDATION OF THE LAST BINGO. If the  
8 signaled bingo is verified, the caller must return the ball to the machine unless  
9 the verified bingo is part of a multi-part or continuing game.

10 *[No changes to (c)]*

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<sup>1</sup> Sections 24-4-103(2.5) and (3)(a), C.R.S. (2020). A draft must be submitted to the Department at the time that a notice of proposed rulemaking is filed with the Secretary of State.

<sup>2</sup> Section 24-4-103(4)(a), C.R.S. (2020). “[A]ny proposed rule or revised proposed rule by an agency which is to be considered at the public hearing...shall be made available to any person at least five days prior to said hearing.”

1 (d) When a player or worker signals "Bingo", a worker on the floor must place the  
2 card, sheet, or electronic bingo aid device in front of at least one other player AT A  
3 DIFFERENT TABLE to confirm the bingo.

4 *Amendments to Rule 5.4.1 and 5.4.3 concerning progressive pull tab operations:*

5 5.4.1 Number allowed. A licensee may not offer, put into play or have in play more than one  
6 progressive pull tab deal at any time. A LICENSEE MAY OPEN THE NEXT DEAL IN THE PULL TAB  
7 GAME IF A WINNER IS NOT IMMEDIATELY DISCOVERED. THE LICENSEE MUST ANNOUNCE THE  
8 WINNER OF THE DEAL TWICE AND ALLOW A REASONABLE AMOUNT OF TIME FOR THE WINNER TO  
9 CLAIM THEIR PRIZE. IF NO WINNER COMES FORWARD, THE LICENSEE MUST DISPLAY THE FLARE  
10 CARD FOR AT LEAST 15 DAYS TO ALLOW TIME FOR THE WINNER TO CLAIM THEIR PRIZE.

11 *[No changes to 5.4.2]*

12 5.4.3 Offered for play. Once a progressive pull tab game starts at a bingo occasion, a licensee  
13 must offer the game at each succeeding bingo occasion sponsored by the licensee until  
14 the jackpot is won. If a progressive pull tab game starts on the licensee's premises, the  
15 licensee must offer the game on each successive day that the premises are open. A  
16 LICENSEE MAY SUSPEND PLAY OF PROGRESSIVE PULL TAB GAMES ONLY WHILE OPERATING A  
17 PARI-MUTUEL BINGO OCCASION. ONCE THE PARI-MUTUEL OCCASION HAS ENDED, THE  
18 PROGRESSIVE PULL TAB GAME MUST CONTINUE DURING THE NEXT REGULAR BINGO OCCASION.

19 *Amendments to Rule 8.4 concerning progressive raffles, including New Rule 8.4.1(b)(1). Current Rule*  
20 *8.4.1(b)(1) is amended and re-codified as Rule 8.4.1(b)(1)(ii):*

21 (b) Playing card progressive raffles

22 (1) ~~The licensee must select a Jackpot Prize Card from either a~~ A LICENSEE  
23 MAY CONDUCT A PLAYING CARD PROGRESSIVE RAFFLE GAME BY SELECTING A  
24 JACKPOT PRIZE CARD FROM EITHER:

25 (i) A SPECIFICALLY DESIGNED PREPACKAGED GAME PURCHASED FROM A  
26 LICENSED SUPPLIER; OR

27 (ii) A standard deck of 52 cards or a standard deck of 52 cards plus  
28 two joker cards (for a total of 54 playing cards).

29 *New Rule 8.4.1(b)(2):*

30 (2) IF USING A PREPACKAGED GAME:

31 (i) THE BOARD MUST HAVE A SERIAL NUMBER AND THE LICENSEE MUST  
32 RETAIN THE USED BOARD FOR AT LEAST SIX MONTHS AFTER THE FINAL  
33 GAME.

34 (ii) THE LICENSEE MUST POST THE JACKPOT PRIZE CARD FOR THE  
35 RAFFLE WITH THE BOARD'S SERIAL NUMBER AT THE LOCATION OF THE  
36 PROGRESSIVE RAFFLE GAME. THE LICENSEE MUST POST JACKPOT  
37 PRIZE CARD SO THAT IT IS OUT OF THE REACH OF ALL PLAYERS BUT  
38 ALSO FULLY VISIBLE TO ALL PLAYERS.

39 (iii) THE LICENSEE MUST BREAK OR TEAR OPEN THE JACKPOT PRIZE  
40 CARD'S WINDOW IN PLAIN VIEW OF ALL INDIVIDUALS PRESENT.



1 *Current Rule 8.4.1(b)(2) is re-codified as Rule 8.4.1(b)(3)(i) and Current Rules 8.4.2(a) through (c) are re-*  
2 *codified as Rules 8.4.1(b)(3)(ii) through (iv):*

3 ~~(2)~~(3) IF USING A PLAYING CARD DECK WITH ENVELOPES OR OTHER CONTAINERS:

4 (i) The licensee must place the cards from the deck in identical  
5 separate envelopes or other containers, one card per container,  
6 through which the card is not visible. The container must be  
7 sealed so that the licensee must tear, break, or rip a portion of  
8 the container in order to access the card.

9 ~~8.4.2(a)~~(ii) Before sealing cards in the containers, the games  
10 manager and at least one other licensee member must verify  
11 that all cards are present.

12 ~~8.4.2(b)~~(iii) The licensee must shuffle the envelopes containing the  
13 cards before putting them on public display.

14 ~~8.4.2(c)~~(iv) Once the licensee places the envelopes on display, the  
15 licensee must keep them in a locked container at all times except  
16 during drawings. Only the games manager and licensee officers  
17 are allowed access to the keys for the container.

18 *Current Rules 8.4.1(b)(3) through (6) are amended and re-codified as Rule 8.4.1(b)(4)(i) through (iv):*

19 ~~(3)~~(4) FOR BOTH METHODS OF PLAYING CARD PROGRESSIVE RAFFLES:

20 (i) After selling raffle tickets, the licensee must hold a drawing with  
21 the pool containing all tickets purchased for that drawing.

22 ~~(4)~~(ii) The purchaser of the drawn ticket is given the opportunity to  
23 select one or more of the WINDOWS OR envelopes. The number of  
24 WINDOWS OR envelopes selected per draw must remain constant  
25 throughout the progression.

26 ~~(5)~~(iii) If the ticket purchaser selects the WINDOW OR envelope  
27 containing the Jackpot Prize Card, the ticket purchaser wins the  
28 raffle prize amount, consisting of the prize money accumulated  
29 since the last winning draw.

30 ~~(6)~~(iv) If the ticket purchaser's selected WINDOW OR envelope does not  
31 contain the Jackpot Prize Card, there is no winner and the prize  
32 amount is added to the jackpot for the next drawing.

33 8.4.2 Additional rules for BOTH METHODS OF playing card progressive raffles

34 *[Current Rules 8.4.2 (a) through (c) are re-codified as Rules 8.4.1(b)(3)(ii) through (iv) above]*

35 *Amendments to Current Rules 8.4.2(d) through (g), including renumbering:*

36 ~~(d)~~(A) A ticket holder must be present at the drawing in order to claim a progressive  
37 raffle prize. If the winning ticket purchaser is not present at the drawing, the  
38 licensee must continue to draw tickets until selecting a ticket purchaser who is  
39 present.

- 1                   (e)-(B) If the WINDOW OR envelope selected by the drawing winner does not contain the  
2                   Jackpot Prize Card, the licensee must display the selected card at all future  
3                   drawings until the licensee awards the jackpot prize.
- 4                   (f)-(C) The A-licensee must determine the amount of the jackpot based on a percentage  
5                   of gross raffle ticket sales from each raffle in the progressive sequence, not to  
6                   exceed 70%.
- 7                   (g)-(D) The licensee may offer a cash consolation prize for a winning ticket purchaser  
8                   that does not select the Jackpot Prize Card.
- 9                   (1)        Consolation prizes do not count against the \$15,000 maximum  
10                  progressive raffle prize limit.
- 11                  (2)        Before conducting a progressive raffle offering a consolation prize, the  
12                  licensee must designate the consolation prize as either a specified  
13                  amount or a specified percentage of the gross proceeds collected from  
14                  the sale of raffle tickets for a particular drawing.

15    *Current Rule 15.6.3 is repealed:*

16                   ~~15.6.3—The Secretary of State will send a fine to Central Collection Services for collection if it is~~  
17                   ~~not paid within 90 days of the payment deadlines listed in Rules 15.6.2(a) (c).~~