



**COLORADO**

**Department of  
Regulatory Agencies**

Colorado Office of Policy, Research &  
Regulatory Reform

**2016 Sunset Review:  
Bingo and Raffles Law  
and the Bingo-Raffle Advisory Board**

*October 14, 2016*





**COLORADO**

**Department of  
Regulatory Agencies**

Executive Director's Office

October 14, 2016

Members of the Colorado General Assembly  
c/o the Office of Legislative Legal Services  
State Capitol Building  
Denver, Colorado 80203

Dear Members of the General Assembly:

This year, Colorado's sunset review process celebrates its 40<sup>th</sup> anniversary with the publication of the 2016 sunset reports. The Colorado General Assembly established the sunset review process in 1976 as a way to analyze and evaluate regulatory programs and determine the least restrictive regulation consistent with the public interest. Since that time, Colorado's sunset process has gained national recognition and is routinely highlighted as a best practice as governments seek to streamline regulation and increase efficiencies.

The Colorado Office of Policy, Research and Regulatory Reform (COPRRR), located within my office, is responsible for fulfilling these statutory mandates. To emphasize the statewide nature and impact of this endeavor, COPRRR recently launched a series of initiatives aimed at encouraging greater public participation in the regulatory reform process, including publication of a new "Citizen's Guide to Rulemaking" (available online at [www.dora.colorado.gov/opr](http://www.dora.colorado.gov/opr)).

Section 24-34-104(5)(a), Colorado Revised Statutes (C.R.S.), directs the Department of Regulatory Agencies to:

- Conduct an analysis of the performance of each division, board or agency or each function scheduled for termination; and
- Submit a report and supporting materials to the office of legislative legal services no later than October 15 of the year preceding the date established for termination.

Accordingly, COPRRR has completed the evaluation of the Colorado Bingo and Raffles Law and the Bingo-Raffle Advisory Board (Board). I am pleased to submit this written report, which will be the basis for COPRRR's oral testimony before the 2017 legislative committee of reference.

The report discusses the question of whether there is a need for the regulation provided under Article 9 of Title 12, C.R.S. The report also discusses the effectiveness of the Secretary of State's Office and the Board in carrying out the intent of the statutes and makes recommendations for statutory changes in the event this regulatory program is continued by the General Assembly.

Sincerely,

Joe Neguse  
Executive Director





# COLORADO

## Department of Regulatory Agencies

Colorado Office of Policy, Research &  
Regulatory Reform

## 2016 Sunset Review Bingo and Raffles Law and the Bingo-Raffle Advisory Board

### SUMMARY

#### ***What Is Regulated?***

The Colorado Constitution authorizes charitable organizations meeting certain criteria to apply for a license to conduct games of chance, including bingo, raffles, and lotto. To be eligible for a license, an organization must operate without profit to its members and have been in existence for at least five years.

#### ***Why Is It Regulated?***

Regulation assures that charitable games are conducted fairly and protects charitable organizations from potential fraud.

#### ***How Is It Regulated?***

The Colorado Constitution vests the Secretary of State's Office (Office) with the authority to regulate charitable gaming in Colorado. The Office promulgates rules governing the conduct of charitable games and issues bingo-raffle licenses to charitable organizations wishing to hold them. The Office also issues licenses to landlords who rent commercial bingo facilities to bingo-raffle licensees; manufacturers who make bingo-raffle supplies and equipment, and the agents who represent them; and suppliers who distribute bingo-raffle supplies and equipment, and the agents who represent them. The nine-member Bingo-Raffle Advisory Board (Board) provides guidance to the Office.

#### ***Who Is Regulated?***

In 2015, there were a total of 1,283 licensees, including:

- 1,185 bingo-raffle licensees,
- 25 landlords,
- 16 manufacturers,
- 17 manufacturer agents,
- 12 suppliers, and
- 28 supplier agents.

#### ***What Does It Cost?***

In calendar year 2015, the total cost of regulation was \$287,779, and there were four full-time equivalent employees associated with the program.

#### ***What Disciplinary Activity Is There?***

In 2015, the Office received 22 complaints and took 12 disciplinary actions against licensees. The Office also assessed 517 administrative fines, totaling \$29,070.

## KEY RECOMMENDATIONS

### ***Continue the Bingo and Raffles Law and the Board-Raffle Advisory Board for nine years, until 2026.***

By establishing clear rules for how games of chance must be conducted and engaging in routine inspections of bingo-raffle licensees' records, the Office allows Coloradans participating in bingo and raffles to feel confident they have a fair chance of winning and also protects charitable organizations from potential fraud. Through its licensing and enforcement activities, including audits and inspections, the Office protects the safety and welfare of Colorado citizens and fulfills its constitutional mandate. The Board, by representing the diverse interests of commercial and non-profit stakeholders, provides industry insight that assists the Office in fulfilling its mission.

### ***Revise section 12-9-201(2)(i), Colorado Revised Statutes, to reduce the number of times that the Board must meet from six times to at least twice a year.***

The Board provides a cost-effective way to maintain contact with and solicit feedback from the diverse stakeholders involved in charitable gaming, and should be continued. However, there is no need to mandate six meetings per year. Because it is difficult to predict how many issues affecting the industry will arise in a given year, and consequently, how many meetings will be necessary, the General Assembly should reduce the number of required meetings from six to two. The Board chair, the Office, or any three members would retain their statutory authority to call additional meetings as needed.

## METHODOLOGY

As part of this review, staff of the Colorado Office of Policy, Research, and Regulatory Reform interviewed Secretary of State staff and Advisory Board members, reviewed Office records and Board minutes, listened to recordings of meetings, interviewed officials with state and professional associations, interviewed stakeholders, reviewed Colorado statutes and rules, and reviewed the laws of other states.

## MAJOR CONTACTS MADE DURING THIS REVIEW

Colorado Charitable Bingo Association

Colorado Gaming Association

Colorado Secretary of State's Office

### **What is a Sunset Review?**

A sunset review is a periodic assessment of state boards, programs, and functions to determine whether they should be continued by the legislature. Sunset reviews focus on creating the least restrictive form of regulation consistent with protecting the public. In formulating recommendations, sunset reviews consider the public's right to consistent, high quality professional or occupational services and the ability of businesses to exist and thrive in a competitive market, free from unnecessary regulation.

Sunset Reviews are prepared by:  
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Colorado Office of Policy, Research and Regulatory Reform  
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# Background

## Introduction

Enacted in 1976, Colorado's sunset law was the first of its kind in the United States. A sunset provision repeals all or part of a law after a specific date, unless the legislature affirmatively acts to extend it. During the sunset review process, the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) within the Department of Regulatory Agencies (DORA) conducts a thorough evaluation of such programs based upon specific statutory criteria<sup>1</sup> and solicits diverse input from a broad spectrum of stakeholders including consumers, government agencies, public advocacy groups, and professional associations.

Sunset reviews are based on the following statutory criteria:

- Whether regulation by the agency is necessary to protect the public health, safety and welfare; whether the conditions which led to the initial regulation have changed; and whether other conditions have arisen which would warrant more, less or the same degree of regulation;
- If regulation is necessary, whether the existing statutes and regulations establish the least restrictive form of regulation consistent with the public interest, considering other available regulatory mechanisms and whether agency rules enhance the public interest and are within the scope of legislative intent;
- Whether the agency operates in the public interest and whether its operation is impeded or enhanced by existing statutes, rules, procedures and practices and any other circumstances, including budgetary, resource and personnel matters;
- Whether an analysis of agency operations indicates that the agency performs its statutory duties efficiently and effectively;
- Whether the composition of the agency's board or commission adequately represents the public interest and whether the agency encourages public participation in its decisions rather than participation only by the people it regulates;
- The economic impact of regulation and, if national economic information is not available, whether the agency stimulates or restricts competition;
- Whether complaint, investigation and disciplinary procedures adequately protect the public and whether final dispositions of complaints are in the public interest or self-serving to the profession;
- Whether the scope of practice of the regulated occupation contributes to the optimum utilization of personnel and whether entry requirements encourage affirmative action;

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<sup>1</sup> Criteria may be found at § 24-34-104, C.R.S.

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- Whether the agency through its licensing or certification process imposes any disqualifications on applicants based on past criminal history and, if so, whether the disqualifications serve public safety or commercial or consumer protection interests. To assist in considering this factor, the analysis prepared pursuant to paragraph (a) of subsection (5) of this section must include data on the number of licenses or certifications that were denied, revoked, or suspended based on a disqualification and the basis for the disqualification; and
  - Whether administrative and statutory changes are necessary to improve agency operations to enhance the public interest.

## Types of Regulation

Consistent, flexible, and fair regulatory oversight assures consumers, professionals and businesses an equitable playing field. All Coloradans share a long-term, common interest in a fair marketplace where consumers are protected. Regulation, if done appropriately, should protect consumers. If consumers are not better protected and competition is hindered, then regulation may not be the answer.

As regulatory programs relate to individual professionals, such programs typically entail the establishment of minimum standards for initial entry and continued participation in a given profession or occupation. This serves to protect the public from incompetent practitioners. Similarly, such programs provide a vehicle for limiting or removing from practice those practitioners deemed to have harmed the public.

From a practitioner perspective, regulation can lead to increased prestige and higher income. Accordingly, regulatory programs are often championed by those who will be the subject of regulation.

On the other hand, by erecting barriers to entry into a given profession or occupation, even when justified, regulation can serve to restrict the supply of practitioners. This not only limits consumer choice, but can also lead to an increase in the cost of services.

There are also several levels of regulation.

### Licensure

Licensure is the most restrictive form of regulation, yet it provides the greatest level of public protection. Licensing programs typically involve the completion of a prescribed educational program (usually college level or higher) and the passage of an examination that is designed to measure a minimal level of competency. These types of programs usually entail title protection - only those individuals who are properly licensed may use a particular title(s) - and practice exclusivity - only those individuals who are properly licensed may engage in the particular practice. While these requirements can be viewed as barriers to entry, they also afford the highest level of consumer protection in that they ensure that only those who are deemed competent may practice and the public is alerted to those who may practice by the title(s) used.



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## Certification

Certification programs offer a level of consumer protection similar to licensing programs, but the barriers to entry are generally lower. The required educational program may be more vocational in nature, but the required examination should still measure a minimal level of competency. Additionally, certification programs typically involve a non-governmental entity that establishes the training requirements and owns and administers the examination. State certification is made conditional upon the individual practitioner obtaining and maintaining the relevant private credential. These types of programs also usually entail title protection and practice exclusivity.

While the aforementioned requirements can still be viewed as barriers to entry, they afford a level of consumer protection that is lower than a licensing program. They ensure that only those who are deemed competent may practice and the public is alerted to those who may practice by the title(s) used.

## Registration

Registration programs can serve to protect the public with minimal barriers to entry. A typical registration program involves an individual satisfying certain prescribed requirements - typically non-practice related items, such as insurance or the use of a disclosure form - and the state, in turn, placing that individual on the pertinent registry. These types of programs can entail title protection and practice exclusivity. Since the barriers to entry in registration programs are relatively low, registration programs are generally best suited to those professions and occupations where the risk of public harm is relatively low, but nevertheless present. In short, registration programs serve to notify the state of which individuals are engaging in the relevant practice and to notify the public of those who may practice by the title(s) used.

## Title Protection

Finally, title protection programs represent one of the lowest levels of regulation. Only those who satisfy certain prescribed requirements may use the relevant prescribed title(s). Practitioners need not register or otherwise notify the state that they are engaging in the relevant practice, and practice exclusivity does not attach. In other words, anyone may engage in the particular practice, but only those who satisfy the prescribed requirements may use the enumerated title(s). This serves to indirectly ensure a minimal level of competency - depending upon the prescribed preconditions for use of the protected title(s) - and the public is alerted to the qualifications of those who may use the particular title(s).

Licensing, certification and registration programs also typically involve some kind of mechanism for removing individuals from practice when such individuals engage in enumerated proscribed activities. This is generally not the case with title protection programs.

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## Regulation of Businesses

Regulatory programs involving businesses are typically in place to enhance public safety, as with a salon or pharmacy. These programs also help to ensure financial solvency and reliability of continued service for consumers, such as with a public utility, a bank or an insurance company.

Activities can involve auditing of certain capital, bookkeeping and other recordkeeping requirements, such as filing quarterly financial statements with the regulator. Other programs may require onsite examinations of financial records, safety features or service records.

Although these programs are intended to enhance public protection and reliability of service for consumers, costs of compliance are a factor. These administrative costs, if too burdensome, may be passed on to consumers.

## **Sunset Process**

Regulatory programs scheduled for sunset review receive a comprehensive analysis. The review includes a thorough dialogue with agency officials, representatives of the regulated profession and other stakeholders. Anyone can submit input on any upcoming sunrise or sunset review via COPRRR's website at: [dora.colorado.gov/opr](http://dora.colorado.gov/opr).

The functions of the Secretary of State's Office (Office) and the Bingo-Raffles Advisory Board (Board) as enumerated in Article 9 of Title 12, Colorado Revised Statutes (C.R.S.), shall terminate on July 1, 2017, unless continued by the General Assembly. During the year prior to this date, it is the duty of COPRRR to conduct an analysis and evaluation of the administration of the Bingo and Raffles Law by the Office and the Board pursuant to section 24-34-104, C.R.S.

The purpose of this review is to determine whether the currently prescribed regulation of bingo and raffles should be continued and to evaluate the performance of the Office and Board. During this review, the Office must demonstrate that the program serves the public interest. COPRRR's findings and recommendations are submitted via this report to the Office of Legislative Legal Services.

## **Methodology**

As part of this review, COPRRR staff interviewed Office staff and members of the Board; reviewed Office records and minutes; interviewed stakeholders and officials with state professional associations; reviewed Colorado's Constitution, statutes, and rules; and reviewed the laws of other states.

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## Profile of the Industry

Games of chance are games where the outcome depends upon an element of chance, though a player's skill may also affect the outcome. Generally, when a person places something of value at stake as part of such a game, it is considered gambling. Charitable gambling, or gaming, is a form of incentivized giving where players pay a charitable organization for the opportunity to participate in the game and win prizes, and the organization conducting the game uses the proceeds to underwrite operational costs or worthy causes.

Forty-eight states currently allow some form of charitable gaming. States typically require participating charitable organizations to meet certain criteria, limit the maximum dollar amount for prizes, and impose reporting requirements and conditions for how proceeds must be spent.

Popular games of chance include:

- **Bingo.** In traditional bingo, each player has at least one paper card marked with a grid of letters and numbers. A non-playing person known as a bingo caller draws numbers randomly from a bucket or spinner and announces them to players. As numbers are called, players mark off the corresponding numbered squares on the bingo card. The first player to complete the designated winning pattern wins. Examples of typical bingo patterns include five in a row; coverall or blackout, where all squares are covered; and frame outside, where all the squares on the perimeter of the card are covered. Bingo games are typically played in commercial bingo halls leased by the charitable organization, or, if applicable, in a lodge or hall the charitable organization owns.
- **Pull tabs.** Pull tabs, or pickles, are cards with perforated tabs that break open to reveal numbers or symbols. The winning combinations of numbers or symbols are printed on the reverse of each ticket. A charitable organization may offer pull-tab games during a scheduled bingo occasion or, if the organization owns a lodge, club or hall for its members' use, the pull tabs may be available on that site during normal business hours.
- **Raffles.** To participate in a raffle, a person generally purchases a ticket bearing a unique number or other identifier. The purchaser keeps one portion of the ticket and the other is placed in a receptacle. The charitable organization must designate a time and place where the raffle will occur: at that time, the raffle organizer randomly draws a ticket from the jar or bucket, and whoever holds the ticket with the corresponding number wins the prize.

In Colorado, charitable organizations may offer progressive games in each of the above categories. In a progressive game, the winning jackpot gets bigger each time the jackpot is not won.

The profitability of each type of game depends on the costs associated with conducting the game.

Table 1 illustrates, for calendar year 2015, the total dollar amount wagered and the net profit for each type of game for Colorado organizations conducting games of chance.

**Table 1**  
**Profitability Comparison of Games of Chance Conducted in Colorado, 2015**

Type of Game	Total Amount Wagered	Net Profit*	Net Profit* as a Percent of Dollars Wagered
Raffles	\$25,846,235	\$11,320,791	44%
Progressive raffles	\$207,227	\$104,376	50%
Bingo	\$31,612,936	\$2,286,263	7%
Progressive bingo	\$10,025,363	\$3,263,560	33%
Pull tabs sold at bars or clubrooms	\$16,680,378	\$2,781,978	17%
Pull tabs sold at bingo occasions	\$43,422,588	\$2,828,368	7%
Progressive pull tabs	\$124,125	\$7,204	6%
TOTAL for all charitable gaming	\$127,711,615	\$24,066,100	19%

\*Not including the administrative fees paid to the Office, which range from 0.45 to 0.6 percent of an organization's total charitable gaming proceeds.

Although traditional bingo and the pull-tab games sold at bingo occasions represent the two categories with highest total dollars wagered, the profit they generate is relatively low compared with raffles and progressive bingo games.

While the number of people participating in charitable gaming has declined in Colorado over the past 10 years, the total revenues associated with charitable gaming remain considerable. In 2005, the Office reported a total of 2,274,124 players wagered a total of \$145,977,171 on charitable gaming, generating a net profit of \$28,071,957. In 2015, the Office reported a total of 1,322,470 players wagered a total of \$127,711,615, generating a net profit of \$23,365,586.<sup>2</sup> This represents a 42 percent decline in the number of players, but only a 17 percent decline in the revenue benefiting Colorado's charitable organizations.

<sup>2</sup> The figures for total net profits for 2005 and 2015 do not include the administrative fees paid to the Office, which range from 0.45 to 0.6 percent of an organization's total charitable gaming proceeds.

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## Legal Framework

### History of Regulation

Colorado voters paved the way for charitable gaming in 1958, when they authorized an amendment to the state Constitution. The amendment permitted certain non-profit organizations to apply for a license to operate games of chance, including bingo, lotto, and raffles. Only organizations that had been in existence for at least five years and had, during those five years, a dues-paying membership, were eligible for a license. The amendment vested the office of the Secretary of State (Office) with the authority to issue licenses.

The paragraphs below highlight the notable changes the Bingo and Raffles Law (Law) has undergone over the course of its 48-year history.

- House Bill 90-1299 established licensing requirements for landlords who lease space to bingo-raffle licensees, manufacturers of bingo supplies and equipment, and suppliers of such supplies and equipment and imposed training requirements on games managers.
- House Bill 99-1187 created the nine-member Bingo-Raffle Advisory Board (Board), established clear prohibitions against licensees engaging in any act constituting fraud or deceit, and granted the Office the authority to assess fines against licensees found to have violated the Law.
- House Bill 02-1321 imposed a mandatory certification program for games managers, granted bingo-raffle licensees the ability to conduct progressive bingo and progressive pull-tab games, and reduced the number of times the Board must meet each year from 12 to 6.
- House Bill 06-1086 directed the Office to establish a system that would allow licensees to file required reports electronically, and permitted the Office to cover the cost of developing such a system with a temporary fee increase.
- House Bill 08-1273 removed the statutory limit on the number of bingo occasions that a bingo-raffle licensee could conduct in a year, and allowed the Office, in cooperation with the Board, to establish such limits in rule. The bill also directed the Office to produce, with the Department of Revenue (Department), a report addressing the viability of moving bingo-raffle regulation to the Department and making any other constitutional or statutory changes that would improve bingo regulation.

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The Office issued its report in December of 2008, recommending that the General Assembly submit a referred measure to Colorado voters that would move bingo-raffle regulation to the Department. Accordingly, Referendum P appeared on the Colorado ballot in 2010. Along with moving regulation of charitable gaming to the Department, Referendum P would have amended the Constitution to permit the General Assembly to establish the minimum number of years a charitable organization must be in existence to be eligible for a bingo-raffle license. The amendment failed, with 62.33 percent of voters rejecting the measure.

- House 14-1265 established that bingo-raffle licensees could offer volunteers food without being in violation of the Constitution's ban on paying volunteers, provided the value of the food did not exceed a value specified in rule.
- House Bill 16-1189 established that if the Office denies or refuses to renew a license, the affected applicant has 60 days to request an administrative review of such denial or refusal. The bill also permitted the Office to authorize games managers to serve more than five bingo-raffle licensees at one time.

## Legal Summary

Section 2 of Article XVIII of the Colorado Constitution authorizes the Office to issue licenses to conduct games of chance to certain charitable organizations. Eligible organizations include any chartered branch, lodge or chapter of a national or state organization or any religious, charitable, labor, fraternal, educational, voluntary firemen's or veterans' organization which operates without profit to its members and has been in existence for at least five years.<sup>3</sup>

The Law, located Article 9 of Title 12, Colorado Revised Statutes (C.R.S.), delineates the Office licensing program and addresses who may legally operate such games and how such games must be conducted.

The Office issues licenses to qualified organizations. A license authorizes the licensee to conduct the following games of chance:

- **Bingo**, a game played with or without the aid of an electronic device, for prizes using cards or sheets containing five rows of five squares bearing numbers, except for the center square which is a free space. In a game of bingo, players match the numbers on their cards or sheets to numbers randomly drawn. The game is won when a previously designated arrangement of numbers on such card or sheet is covered.<sup>4</sup>

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<sup>3</sup> Colo. Const. Art. XVIII, § 2(2).

<sup>4</sup> § 12-9-102(1), C.R.S.

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- **Raffles**, a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random method, or a pull-tab ticket.<sup>5</sup> In a pull-tab game—commonly known as a pickle, break-open, or jar raffle—tickets are preprinted with markings distinguishing winners and non-winners, and the winning or non-winning status of each ticket is known only when the ticket is broken or torn apart.<sup>6</sup>

### Duties of the Secretary of State

As the Law’s designated licensing authority, the powers and responsibilities of the Office include:<sup>7</sup>

- To grant or refuse to grant bingo-raffle licenses and to grant or refuse to grant licenses to landlords, manufacturers, manufacturers’ agents, suppliers, and suppliers’ agents.
- To suspend or revoke any license after investigation and hearing before an administrative law judge.
- To impose a reasonable fine for any violation of the Law or any rule, not to exceed \$100 per citation.
- To supervise the administration and enforcement of the Law and, in consultation with the Board, to adopt rules governing the conducting of games of chance.
- To provide forms for and supervise the filing of licensee reports submitted by mail or any electronic means.
- Upon application by any licensee, to grant approval for any new concept, technology, or procedure that may be used in the conduct of games of chance.
- To keep records of all actions and transactions relating to licensing and enforcement activity.

### Licensing

In order to qualify for a bingo-raffle license, applicants must submit an application that includes the following information:<sup>8</sup>

- The name and address of the applicant,
- Evidence that the applicant is a non-profit organization meeting the qualifications laid out in the Constitution,
- The names and addresses of the organization’s officers,
- A list of the specific kind of games of chance the applicant intends to hold and the place where the applicant intends to conduct these games, and
- A statement affirming that no compensation of any kind will be paid to any person for conducting or assisting in conducting such games of chance.

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<sup>5</sup> § 12-9-102(19.3), C.R.S.

<sup>6</sup> § 12-9-102(18.1), C.R.S.

<sup>7</sup> § 12-9-103(1), C.R.S.

<sup>8</sup> § 12-9-105(1), C.R.S.

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Each bingo-raffle license applicant must also designate at least one games manager who is responsible for conducting the games of chance.<sup>9</sup> Games managers must have been active members of the applying organization for at least six months immediately preceding the date of application,<sup>10</sup> be at least 18 years old, and not have been convicted of any gambling offense or any felony.<sup>11</sup> Before assuming games management duties, designated games managers must obtain certification from the Office by demonstrating sufficient knowledge of the Law and paying a fee.<sup>12</sup> Games manager certifications are valid for a period of four years from the date of issuance.<sup>13</sup>

The Office also issues licenses to the following types of individuals and businesses:

- Landlords, who rent commercial bingo facilities to bingo-raffle licensees;
- Manufacturers, who make bingo-raffle supplies and equipment, and the agents who represent them; and
- Suppliers, who distribute bingo-raffle supplies and equipment, and the agents who represent them.

Anyone wishing to perform any of the above services must hold the appropriate license.<sup>14</sup>

Generally speaking, applicants for a license as a landlord, manufacturer, or supplier must provide the following information to the Office:

- The name and address of the applicant, and, if the applicant is a corporation, partnership, or other business entity, the names and addresses of all partners, associates, and persons holding an ownership interest of 10 percent or more;<sup>15</sup>
- The name and address of the applicant's resident agent if the applicant does not reside in Colorado and the location where the records of the applicant will be available for the Office to review;<sup>16</sup>
- A statement by the applicant stating that the applicant is familiar with the provisions of the Law and accepts responsibility for compliance with such provisions;<sup>17</sup> and
- A statement affirming that the applicant (and its owners, officers, directors, or members) has not been convicted of any gambling offense or any felony.<sup>18</sup>

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<sup>9</sup> § 12-9-105(2)(b), C.R.S.

<sup>10</sup> § 12-9-105(2)(b), C.R.S.

<sup>11</sup> §§ 12-9-105.1(1.5) and (2), C.R.S.

<sup>12</sup> § 12-9-105.1(1), C.R.S.

<sup>13</sup> 8 CCR §1505-2-2.3.1(d), Colorado Secretary of State Rules.

<sup>14</sup> § 12-9-107.5(3), C.R.S.

<sup>15</sup> §§ 12-9-105.3(1), 105.5(1) and 105.7(1), C.R.S.

<sup>16</sup> §§ 12-9-105.3(1)(b), 105.5(1)(d), and 105.7(1)(d), C.R.S.

<sup>17</sup> §§ 12-9-105.3(1)(d), 105.5(1)(f), and 105.7(1)(f), C.R.S.

<sup>18</sup> §§ 12-9-105.3(3), 105.5(2), and 105.7(2), C.R.S.



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Each license type also has to submit some license-specific information:

- **Landlords** must provide the address of the premises for which they are seeking a license,<sup>19</sup> as well as a statement affirming that the primary purpose of the premises is the conduct of bingo occasions.<sup>20</sup>
- **Manufacturers** must include the names and addresses of their Colorado suppliers and agents<sup>21</sup> and a description of the bingo-raffle equipment manufactured in connection with games of chance.<sup>22</sup>
- **Suppliers** must include the names and addresses of their Colorado agents<sup>23</sup> and description of the equipment and supplies sold or distributed in connection with games of chance activities in Colorado.<sup>24</sup>

Bingo-raffle licenses<sup>25</sup> and landlord licenses<sup>26</sup> expire at the end of the calendar year in which they were issued and become eligible for renewal at that time. Manufacturer<sup>27</sup> and supplier<sup>28</sup> licenses, as well as those issued to their agents,<sup>29</sup> must be renewed on or before March 31 of each year.

### Bingo/Raffle Advisory Board

The Board, which is intended to assist the Office in fulfilling its statutory duties, consists of nine members appointed as follows:<sup>30</sup>

- Five bona fide members of a bingo-raffle licensee: one representing a fraternal organization, one representing a veterans' organization; and three representing a religious, charitable, educational, labor, or voluntary firefighter's organization, except that no more than one member can be appointed from any one such classification. The President of the Senate and the Speaker of the House of Representatives each appoint two of these members independently and one member jointly.
- One supplier licensee, appointed by the President of the Senate;
- Two landlord licensees, one appointed by the President of the Senate and the other appointed by the Speaker of the House; and

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<sup>19</sup> § 12-9-105.3(1)(c), C.R.S.

<sup>20</sup> § 12-9-105.3(1)(f), C.R.S.

<sup>21</sup> § 12-9-105.5(1)(e), C.R.S.

<sup>22</sup> § 12-9-105.5(1)(c), C.R.S.

<sup>23</sup> § 12-9-105.7(1)(e), C.R.S.

<sup>24</sup> § 12-9-105.7(1)(c), C.R.S.

<sup>25</sup> § 12-9-104(2), C.R.S.

<sup>26</sup> § 12-9-105.3(4), C.R.S.

<sup>27</sup> § 12-9-105.5(3), C.R.S.

<sup>28</sup> § 12-9-105.7(3), C.R.S.

<sup>29</sup> § 12-9-105.9(3), C.R.S.

<sup>30</sup> § 12-9-201(2), C.R.S.

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- One registered elector of the state who is not 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, appointed by the Speaker of the House.

All Board members must be U.S. citizens and have lived in Colorado for at least five years. Members must not have been convicted of a gambling-related offense or any felony.

Board members may serve no more than two consecutive four-year terms.<sup>31</sup> Board members receive a \$50 per diem for each day spent conducting Board business and are reimbursed for necessary travel and expenses associated with their official duties.<sup>32</sup>

The Board's primary responsibility is to detect any defects in the Law or applicable rules, and to formulate and recommend changes to the General Assembly.<sup>33</sup> The Board must also advise the Office on numerous subjects, including the types of permissible charitable games and the rules for conducting such games, license requirements, and grounds for discipline.<sup>34</sup>

### Conduct of Games of Chance

The Law establishes the requirements bingo-raffle licensees must comply with when conducting three specific types of games of chance:

- Bingo, addressed in section 12-9-107.1, C.R.S., and chapter 8 of Colorado Code of Regulations (C.C.R.), section 1505-2, Rules 3, 4, and 6;
- Pull tabs, addressed in section 12-9-107.2, C.R.S., and Rule 5; and
- Raffles, addressed in section 12-9-107.3, C.R.S., and Rule 8.

The statutory and rule requirements governing charitable gaming are extensive and detailed. The paragraphs below address the more notable requirements but do not provide a comprehensive accounting of all the requirements bingo-raffle licensees must meet.

Licensees are responsible for ensuring that:

- No one under the age of 18 purchases bingo cards, raffle tickets, pull-tab games, or the opportunity to participate in any game of chance.<sup>35</sup>
- No one under 14 years of age assists in conducting bingo or pull tabs.<sup>36</sup>
- No alcoholic beverages are given as a prize in a game of chance.<sup>37</sup>

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<sup>31</sup> § 12-9-201(2)(c), C.R.S.

<sup>32</sup> § 12-9-201(2)(g), C.R.S.

<sup>33</sup> § 12-9-202(1), C.R.S.

<sup>34</sup> § 12-9-202(2), C.R.S.

<sup>35</sup> § 12-9-107(2), C.R.S.

<sup>36</sup> § 12-9-107(3), C.R.S.

<sup>37</sup> § 12-9-107(4), C.R.S.

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At least one games manager must be present on the premises during and for at least 30 minutes following every game occasion.<sup>38</sup>

Under the Constitution, licensees may not pay workers to operate games of chance, but a licensee may provide volunteers with food to be consumed on the premises, as long as the value of the food does not exceed the maximum amount established in rule.<sup>39</sup> Current rule sets the maximum amount at \$10.<sup>40</sup>

To serve as a caller or an assistant to the caller for bingo, a person must be of good moral character, have no felony convictions or convictions of any crime involving gambling, and have been a member in good standing of the bingo-raffle licensee conducting the game, or one of its licensed auxiliaries, for at least three months immediately prior to the date of the bingo game.<sup>41</sup> The Law prohibits owners or landlords of premises where bingo games are conducted from operating or conducting any bingo game.<sup>42</sup>

The premises where any game of chance is being held must be kept open to inspection at all times by the Office and peace officers of any political subdivision of the state.<sup>43</sup>

In conducting a bingo or pull-tab game, a bingo-raffle licensee may operate equipment if it or the landlord licensee of the premises owns or leases the equipment. If a bingo-raffle licensee leases the equipment, then the licensee must operate the equipment on premises it owns, leases, or rents, uses as its principal place of business, and controls so that admittance to the premises is limited to the licensee's members and bona fide guests.<sup>44</sup>

Licensees may only possess, use, sell, or put into play bingo or pull-tab games—including tickets, cards, sheets, and electronic devices used as an aid in the game of bingo—that conform to the requirements of the Law and were purchased from a licensed bingo-raffle manufacturer or supplier.<sup>45</sup> In order to possess, use, sell, or put into play any bingo or pull-tab game, a licensee must keep, at the location where the game is held, an invoice from its licensed supplier showing the name, description, color code (if any), and serial number of the pull tab, card, or sheet.<sup>46</sup>

Generally, licensed manufacturers, suppliers or their agents may only sell supplies and equipment used in games of chance—such as bingo cards or sheets, pull tabs, or electronic devices—to other licensees, but they may sell or distribute such supplies and equipment to nursing homes or other entities that offer them to players free of charge.

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<sup>38</sup> § 12-9-107(7)(a), C.R.S. and 8 CCR §1505-2-2.3.2, Colorado Secretary of State Rules.

<sup>39</sup> § 12-9-107(6), C.R.S.

<sup>40</sup> 8 CCR §1505-2-1.15.2, Colorado Secretary of State Rules.

<sup>41</sup> § 12-9-107.1(2)(a), C.R.S.

<sup>42</sup> § 12-9-107.1(2)(b), C.R.S.

<sup>43</sup> § 129-107(9), C.R.S.

<sup>44</sup> § 129-107(10), C.R.S.

<sup>45</sup> § 129-107(11), C.R.S.

<sup>46</sup> § 129-107(12), C.R.S.

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## Bingo

Bingo-raffle licensees may hold bingo occasions only as often as allowed by the Office.<sup>47</sup> Current rule establishes that licensees may hold up to 220 bingo occasions per calendar year.<sup>48</sup>

Bingo participants must be physically present on the premises where the game is being conducted.<sup>49</sup>

Each bingo game must offer an equal opportunity to win for each player: the number-bearing objects or balls to be drawn must be essentially the same and equally likely to be selected. Immediately before each game, the operator of the game must clearly and audibly announce the particular arrangement of numbers that must be covered in order to win the game, and the amount of the prize.<sup>50</sup> During the game, numbers must be announced clearly and audibly.<sup>51</sup>

Any player may call for a verification of all numbers drawn at the time a winner is determined and for a verification of the objects or balls remaining in the receptacle. The verification must be made in the immediate presence of the games manager, but if that member is also the caller, then in the immediate presence of any officer of the bingo-raffle licensee.<sup>52</sup>

During a bingo occasion, a bingo-raffle licensee may start a single game of progressive bingo. To win a progressive game, a player must cover a certain arrangement of numbers on the bingo card or sheet within a designated number of objects or balls drawn. For example, the bingo-raffle licensee could stipulate that a bingo card must be blacked out (every space covered) within 49 balls drawn. If no player is able to cover the allotted spaces within that number of balls, the potential jackpot grows in size until a player wins the game. The progressive game must be replayed either during each subsequent bingo occasion the licensee conducts at the same location or during each subsequent occasion that falls on the same day of the week at the same location, using the previously designated arrangement of numbers or spaces.<sup>53</sup>

A bingo-raffle licensee may award a consolation prize for a progressive game that no player wins. The licensee must determine the prize amount before the bingo occasion and conspicuously display it where the progressive game is conducted. If the licensee offers a consolation prize, the game continues until a player covers the previously designated arrangement of numbers or spaces on the bingo card or sheet is covered, regardless of the number of balls drawn.<sup>54</sup>

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<sup>47</sup> § 12-9-107(1), C.R.S.

<sup>48</sup> 8 CCR §1505-2-3.1.10, Colorado Secretary of State Rules.

<sup>49</sup> § 12-9-107.1(1), C.R.S.

<sup>50</sup> § 12-9-107.1(3)(c), C.R.S.

<sup>51</sup> § 12-9-107.1(3)(a), C.R.S.

<sup>52</sup> § 12-9-107.1(3)(e), C.R.S.

<sup>53</sup> § 12-9-107.1(5)(a), C.R.S.

<sup>54</sup> § 12-9-107.1(5)(b), C.R.S.

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By law, the Office may establish by rule the maximum jackpot that may be awarded in a progressive bingo game. Current rule caps the jackpot at \$15,000, which is the minimum amount the Law permits.<sup>55</sup> Licensees may choose to set a maximum jackpot that is less than the \$15,000 threshold. Regardless of the maximum jackpot amount, the licensee must award the jackpot at the occasion where the maximum is reached or at the subsequent occasion.<sup>56</sup>

## Raffles

Only members of the bingo-raffle licensee or an auxiliary organization may sell raffle tickets. Each raffle ticket must offer an equal chance to win. Licensees may conduct raffles with vehicles or real estate, including houses under construction, as a prize provided that they can demonstrate ownership of such prize<sup>57</sup> and comply with other all other applicable rules.

Licensees may sell raffle tickets at bingo occasions, but only if the proceeds from each type of game are recorded separately.<sup>58</sup>

Licensees may also conduct progressive raffles under rules similar to those for progressive bingo games. The cap for progressive raffles is also \$15,000,<sup>59</sup> the lowest maximum amount allowed by law.<sup>60</sup>

Prize promotions that do not require people to purchase a ticket to participate are exempt from the statutes and rules governing raffles.<sup>61</sup>

## Pull Tabs

A bingo-raffle licensee may only offer pull-tab games during authorized bingo occasions or at locations the licensee owns or rents, uses as its principal place of business, and controls so that only its members or bona fide guests are admitted<sup>62</sup> (for example, in a bar or club room at a member lodge).

A bingo-raffle licensee may offer a progressive pull-tab game. The jackpot amount for a progressive pull-tab game cannot be more than \$5,000.<sup>63</sup>

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<sup>55</sup> § 12-9-107.1(5)(d), C.R.S. and 8 CCR § 1505-2-3.2.3(d), Colorado Secretary of State Rules.

<sup>56</sup> 8 CCR § 1505-2-3.2.3(e), Colorado Secretary of State Rules.

<sup>57</sup> 8 CCR § 1505-2-8.2, Colorado Secretary of State Rules.

<sup>58</sup> 8 CCR § 1505-2-8.1.1. (a) and (b), Colorado Secretary of State Rules.

<sup>59</sup> 8 CCR § 1505-2, 8.4.5(a), Colorado Secretary of State Rules.

<sup>60</sup> § 12-9-107.3(2)(d), C.R.S.

<sup>61</sup> § 12-9-102.5(1), C.R.S.

<sup>62</sup> § 12-9-107.2(1), C.R.S.

<sup>63</sup> § 12-9-107.2(4)(a), C.R.S.

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Devices that are used to reveal the winning or non-winning status of a pull-tab ticket must be tested, approved and licensed.<sup>64</sup> A licensed device may only be used in one specific licensed location identified by the Office. If the licensee moves the device to another location, the licensee must report such move to the Office in advance.<sup>65</sup>

### **Use of Electronic Devices**

The Law prohibits the playing of bingo solely via an electronic device.<sup>66</sup> Players must actively enter on the electronic device each number called either by manually typing in each number or by touching a button or a screen icon.<sup>67</sup>

By law, the Office may establish the maximum number of bingo cards that a player using an electronic device may use per game. Current rule caps the number of faces at 36, which is the minimum amount the law permits.<sup>68</sup>

The Law prohibits the use of electronic or computerized devices that emulate pull-tab games.<sup>69</sup>

### **Licensee Reporting Requirements**

Bingo-raffle, manufacturer, and supplier licensees must keep and maintain complete and accurate records of all licensed activities in accordance with generally accepted accounting principles,<sup>70</sup> file quarterly reports on their licensed activities within Colorado, and pay quarterly fees.<sup>71</sup> Licensees must file the reports with the Office no later than April 30, July 31, October 31, and January 31 of each year licensed: each report must cover the preceding calendar quarter and must be submitted on forms prescribed by the Office.

The Office has the power to examine the books and records relating to charitable gaming of anyone licensed under the Law. The Office may require licensees who have failed either to keep proper books and records or to maintain their books and records in accordance with generally accepted accounting principles to adopt internal financial controls and attend training.<sup>72</sup>

Landlord licensees must also file with the Office all leases, agreements, and other documents required in order for a bingo-raffle licensee to lease its bingo facility.<sup>73</sup>

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<sup>64</sup> § 12-9-107.2(6)(a), C.R.S.

<sup>65</sup> § 12-9-107.2(6)(d), C.R.S.

<sup>66</sup> § 12-9-107.1(7)(a), C.R.S.

<sup>67</sup> 8 CCR § 1505-2-6.4.3, Colorado Secretary of State Rules.

<sup>68</sup> § 12-9-107.1(7)(c), C.R.S. and 8 CCR § 1505-2-6.4.2, Colorado Secretary of State Rules.

<sup>69</sup> § 12-9-107.2(5)(a), C.R.S.

<sup>70</sup> §§ 12-9-107.5(6) and 12-9-108(3)(a), C.R.S.

<sup>71</sup> §§ 12-9-107.5(5), 12-9-108(1)(a), and 12-9-108(7), C.R.S.

<sup>72</sup> § 12-9-109, C.R.S.

<sup>73</sup> § 12-9-104.5(8), C.R.S.

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## Proceeds from Games of Chance

All money a bingo-raffle licensee collects from games of bingo, raffles, and pull-tab games must be deposited in a dedicated checking or savings account. If the licensee conducts progressive games of chance, the licensee may maintain one additional checking or savings account, which must contain only money received from the sale of progressive games. Licensees may withdraw money from these accounts only by consecutively numbered checks or withdrawal slips or by electronic transactions referenced by transaction number or date. A check or withdrawal slip must not be drawn to “cash” or a fictitious payee.<sup>74</sup>

Generally, under the Constitution, the entire net proceeds of any game of chance must be exclusively devoted to the lawful purposes of the organizations conducting the games.<sup>75</sup> Notwithstanding this requirement, bingo-raffle licensees may use game proceeds to pay reasonable expenses connected with games of chance, including:<sup>76</sup>

- Rent, if the premises are rented;
- Advertising and marketing;
- The purchase of goods and merchandise, including prizes, for the purpose of operating games of chance;
- The purchase or lease of electronic devices used as aids in the game of bingo;
- Payment for services rendered, including reasonably necessary equipment repairs, janitorial services, and security services;
- Legal fees related to any action brought by the Office against the bingo-raffle licensee;
- Payment to accountants or bookkeepers;<sup>77</sup> and
- License fees.

A bingo-raffle licensee must spend net proceeds on its lawful purposes within one year. Any organization desiring to hold such proceeds for a period longer than one year must apply to the Office for special permission to do so.<sup>78</sup>

A designated officer of a bingo-raffle licensee is primarily responsible for the proper use of the entire net proceeds of any game in accordance with the Law.<sup>79</sup>

## Grounds for Discipline/Enforcement

The Law prohibits licensees engaged in any charitable gaming activity, as well as their members and agents, from directly or indirectly:<sup>80</sup>

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<sup>74</sup> § 12-9-108(3)(a), C.R.S.

<sup>75</sup> Colo. Const. Art. XVIII, Sec. 2 (4).

<sup>76</sup> § 12-9-108(5), C.R.S.

<sup>77</sup> Under section 12-9-108(6)(a)(II)(B), C.R.S., landlord, manufacturer, and supplier licensees are forbidden to provide accounting or bookkeeping services to bingo-raffle licensees, except that a bingo-raffle licensee that also holds a landlord license may act as an accountant or bookkeeper on its own behalf.

<sup>78</sup> § 12-9-107(14), C.R.S.

<sup>79</sup> § 12-9-107(8), C.R.S.

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- Employing any device, scheme, or artifice to defraud or deceive;
  - Intentionally making any untrue or misleading statement of fact; or
  - Engaging in any act, practice, or course of conduct constituting fraud or deceit.

If a bingo-raffle licensee fails to file reports within the time required or if reports are not properly verified or not fully, accurately, and truthfully completed, any existing license may be suspended until such time as the default has been corrected.<sup>81</sup>

The provisions of Articles 2 and 4 of Title 6, C.R.S., known respectively as the Unfair Practices Act and the Colorado Antitrust Act of 1992, are specifically applicable to charitable gaming activities conducted by any licensee. If the Office receives a complaint alleging that a licensee violated either act, the Office must transmit the complaint to the Office of the Attorney General within 30 days. The Office must revoke, for a period of one year, the license of a licensee found to have violated either act. Upon the expiration of such period, the licensee may apply for a new license.<sup>82</sup>

Any person found to have made a false statement in a license application, failed to keep sufficient books and records to substantiate the quarterly reports, falsified any books or records, or violated any of the provisions of the Law must forfeit any license and will be ineligible to apply for a license for at least one year.<sup>83</sup>

If an investigation reveals that a licensee, or a certified games manager, has violated the Law or any rule promulgated under the Law, the Office may revoke or suspend such license or certification.<sup>84</sup> It may also impose a reasonable fine not to exceed \$100 per violation, in lieu of such suspension or revocation.<sup>85</sup>

Rule 15 establishes a fine schedule based upon three classes of violations.

The most serious violation is classified as Class 1 and is defined as,

...a willful act that is specifically prohibited by statute or rule and does, may, or is intended to result directly in the profit or enrichment of the violator or any person associated with the violator.<sup>86</sup>

The fine for a Class 1 violation is \$100. Notable Class 1 violations include:<sup>87</sup>

- Engaging in any act or practice that constitutes fraud or deceit, including any intentional misstatement of fact;
- Permitting any person other than an active member of a bingo-raffle licensee to assist in the management or operation of games of chance;

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<sup>80</sup> § 12-9-102.3, C.R.S.

<sup>81</sup> § 12-9-108(2)(a), C.R.S.

<sup>82</sup> § 12-9-112, C.R.S.

<sup>83</sup> § 12-9-110, C.R.S.

<sup>84</sup> §§ 12-9-103(1)(a)(I) and 12-9-105.1(1), C.R.S.

<sup>85</sup> § 12-9-103(1)(a)(II), C.R.S.

<sup>86</sup> 8 CCR § 1505-2-15.2, Colorado Secretary of State Rules.

<sup>87</sup> 8 CCR § 1505-2-15.2.1 and 15.2.2, Colorado Secretary of State Rules.



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- Permitting any person under the age of 18 to purchase the opportunity to participate in a game of chance; and
  - Filing any falsified and/or materially misleading renewal application or quarterly financial statement.

A Class 2 violation is defined as,

... a willful act that is specifically prohibited by statute or rule and is not intended to and does not directly result in the profit or enrichment of the violator.<sup>88</sup>

The fine for a Class 2 violation is \$75. Notable Class 2 violations include:<sup>89</sup>

- Offering or giving alcohol as a prize in a licensed game of chance;
- Using bingo or pull-tab equipment that is not owned or leased by the bingo-raffle licensee or a landlord licensee;
- Using games of chance proceeds for anything other than the lawful purposes of the licensee;
- Offering or giving any bingo door prizes or jackpot prizes exceeding the statutory maximum amounts set for prizes;
- Drawing a check on a bingo-raffle account payable to “cash” or to a fictitious payee; and
- Authorizing or allowing the play of bingo by a person not present on the premises where the game is conducted, or the play of any game of chance on credit.

A Class 3 violation is defined as,

...one that occurs when a licensee omits, fails or neglects to comply with a requirement set forth in the statutes or rules, but that does not involve the affirmative performance of an act specifically prohibited by statute or rule. Class 3 violations are deemed negligent rather than willful, unless a specific violation is repeated within a two-year period or the facts of the violation show that the violator knowingly and deliberately failed or refused to comply with a requirement or standard set by statute or rule.<sup>90</sup>

The fine for a Class 3 violation is \$20, unless the violation is repeated or knowingly and deliberately committed, in which case the fine is \$50. Notable Class 3 violations include:<sup>91</sup>

- Failing to file with the Office any quarterly report, administrative fee, or any other required document, or omitting required information on such a filing;
- Failing to keep or furnish required records in connection with any licensed activity;

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<sup>88</sup> 8 CCR § 1505-2-15.3, Colorado Secretary of State Rules.

<sup>89</sup> 8 CCR § 1505-2-15.3.1 and 15.3.2, Colorado Secretary of State Rules.

<sup>90</sup> 8 CCR § 1505-2-15.4, Colorado Secretary of State Rules.

<sup>91</sup> 8 CCR § 1505-2-15.4.1 and 15.4.2, Colorado Secretary of State Rules.

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- Failing to designate an officer responsible for the use of games of chance proceeds;
  - Neglecting to have a certified games manager present continuously during the conduct of a raffle or bingo occasion and for 30 minutes after the last game in an occasion;
  - Failing to have premises or equipment open or available for inspection by the Office or police officers; and
  - Failing to deposit or maintain all games of chance receipts in a special segregated checking or savings account of the licensee.

The Law vests sheriffs and police officers with the authority to enforce the provisions of the Law, to receive complaints, initiate investigations, and to arrest any person violating the Law. It is the duty of Colorado district attorneys to prosecute all violations. Failing to do so is violation of the law.<sup>92</sup>

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<sup>92</sup> § 12-9-113, C.R.S.

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## Program Description and Administration

Section 2 of Article XVIII of the Constitution of the State of Colorado authorizes charitable organizations meeting certain criteria to conduct games of chance. The Constitution vests the office of the Colorado Secretary of State (Office) with the authority to regulate charitable gaming. Article 9 of Title 12, Colorado Revised Statutes (C.R.S.), known as the Bingo and Raffles Law (Law), establishes the regulatory program for charitable gaming and creates the nine-member Bingo-Raffles Advisory Board (Board) to assist the Office in fulfilling its statutory duties. The bingo-raffle regulatory program (Program) is housed within the Business and Licensing Division of the Office.

Table 2 illustrates, for the five calendar years indicated, the total expenditures and full-time equivalent (FTE) employees associated with charitable gaming.

**Table 2**  
**Agency Fiscal Information**

Calendar Year	Total Program Expenditure	FTE
2011	\$363,481	4.0
2012	\$301,341	4.0
2013	\$242,799	4.0
2014	\$388,693	4.0
2015	\$287,779	4.0

Office staff stated that the increase in expenditures in 2014 could be at least partially due to the Program realigning its investigative unit and developing a compendium of best practices for conducting successful bingo games during that timeframe.

The total FTE include a combination of Investigators, as well as a Program Manager, a Program Assistant and an Administrative Assistant. The allocation of these positions varied over this time period.

The Total Program Expenditures include only personal services and operating expenses and specifically exclude any indirect costs (e.g., management personal services costs, and information technology systems and support).

The charitable gaming program is entirely cash-funded by licensing and administrative fees.

Table 3 illustrates the licensing fees associated with the Program. The fees to obtain an original license and to renew an existing license are the same.

**Table 3  
Fees**

License Type	Fee
Bingo-Raffle	\$100
Games Manager Certificate	\$45
Landlord	\$1,000
Manufacturer or Supplier Agent	\$200
Manufacturer or Supplier	\$700

Bingo-raffle and landlord licenses expire at the end of the calendar year in which they were issued and must be renewed annually. Manufacturer and supplier licenses, as well as those of their agents, must be renewed annually on or before March 31. Games manager certifications are valid for four years from the date of issuance. When the certifications expire, the certificant must retake the games manager course, pass an examination, and pay the fee (please see the “Games Manager Certification” section below).

Bingo-raffle, manufacturer, and supplier licensees must pay administrative fees when they submit their required quarterly reports.

Bingo-raffle licensees pay a percentage of their total charitable gaming proceeds from the previous quarter. Licensees may file their quarterly reports either online or on paper: the Office offers a discounted quarterly fee to those who file online.

Table 4 shows the quarterly administrative fees for bingo-raffle licensees.

**Table 4  
Quarterly Administrative Fees for Bingo-Raffle Licensees**

Quarterly Proceeds from Charitable Gaming	e-File Fee	Paper Fee
Less than \$5,000	No charge	No charge
Equal to or more than \$5,000 and less than \$100,000	0.45%	0.5%
\$100,000 or more	0.55%	0.6%

Supplier and manufacturer licensees pay administration fees totaling two percent of their sales from the previous quarter.

## Licensing

The Office issues licenses to charitable organizations wishing to conduct games of chance; the landlords who lease them space; and the suppliers and manufacturers (and their agents) who make bingo and raffles supplies and equipment and provide them to bingo-raffle licensees. Applicants for any license type must complete an application and pay the required fee.

Table 5 shows, for the five calendar years indicated, the number of new and renewing licenses associated with the Program.

**Table 5  
New and Renewing Licenses by License Type**

Calendar Year	Bingo-Raffle Licenses		Landlords		Manufacturers		Manufacturer Agents		Suppliers		Supplier Agents	
	New	Renewing	New	Renewing	New	Renewing	New	Renewing	New	Renewing	New	Renewing
2011	129	1,164	4	20	0	14	1	17	2	9	6	20
2012	93	1,156	3	22	4	12	4	16	1	9	1	21
2013	119	1,163	3	21	2	15	0	16	1	8	3	21
2014	94	1,134	1	19	1	13	3	13	1	7	3	23
2015	108	1,077	4	21	1	15	7	10	2	10	4	24

Bingo-raffle licensees comprise the overwhelming majority of licensees. The number of new licenses fluctuates from year to year. While the number of renewing licensees remained stable with only minor shifts from 2011 to 2013, it has shown a more notable decrease from 2014 onward.

Table 6 shows, for the five calendar years indicated, the total number of each type of license.

**Table 6  
Total Number of Licensees by License Type**

Calendar Year	Bingo-Raffle Licenses	Landlords	Manufacturers	Manufacturer Agents	Suppliers	Supplier Agents	TOTAL
2011	1,293	24	14	18	11	26	1,386
2012	1,249	25	16	20	10	22	1,342
2013	1,282	24	17	16	9	24	1,372
2014	1,228	20	14	16	8	26	1,312
2015	1,185	25	16	17	12	28	1,283

Although the number of bingo-raffle licensees has declined about eight percent from 2011 to 2015, the number of licensees has remained stable among the other license types over the past five years.

The Office offers personalized assistance to charitable organizations seeking bingo-raffle licensure via its Consultation Service.

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## Games Manager Certification

By law, bingo-raffle licensees must designate at least one games manager to be on the premises during every bingo game occasion, overseeing and administering the conduct of the game. The designated person must have been a member of the bingo-raffle licensee for at least six months and demonstrate knowledge of the Law by taking a course and passing an examination.

Office investigators offer in-person, classroom training sessions about twice a month at locations around the state. Bingo-raffle licensees may contact the Office to request that a games manager training be held at their location. Applicants may take the examination at the conclusion of the classroom training. A shorter training course is available for games managers who will be conducting raffles only.

Until 2012, applicants could request course materials by mail and send their completed examinations to the Office. In September 2012, the Office replaced the mail-in course with an online option that allows applicants to take the course and the examination anytime via the Office's website.

Table 7 illustrates the number of games manager examinations the Office has administered for the five fiscal years indicated.

**Table 7**  
**Games Manager Examinations Administered**

Fiscal Year	Number of In-Class/Mail-In Examinations Given	Number of Online Examinations Given
10-11	888	Not applicable*
11-12	801	222
12-13	283	733
13-14	339	718
14-15	336	701

\*The Office began offering the examination online in 2012.

The Office did not track the pass rates on the examination during this reporting period: individuals failing the online examination were indistinguishable from those who simply did not complete the examination.

If test-takers failed the in-class or mail-in examination, the Office investigator worked closely with them on the sections they did not pass and allowed them to retake those portions.

The discontinuation of the mail-in course and the introduction of the online course in 2012 led to a dramatic decrease in the number of in-class examinations.

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## Inspections/Audits

The Office conducts both inspections and audits of licensees.

When conducting an inspection, an Office investigator attends a scheduled bingo session and surveys the location, ensuring that the bingo-raffle licensee is posting all required disclosures and that equipment is in good working condition. The investigator also reviews the bingo-raffle licensee's daily financial records, looking particularly for unusual gains or losses and providing guidance to the licensee as needed.

The Office also conducts a small number of audits per year. Audits, which are conducted at the Office, are more in-depth examinations of financial records. During an audit, investigators might examine documents that they wouldn't during a typical inspection, such as bank statements and check copies. The main objective of an audit is to verify that all money derived from charitable gaming is deposited into a segregated account and spent on the lawful purposes of the bingo-raffle licensee. Audits can reveal instances of fiscal mismanagement that might go undetected at a typical inspection.

Table 8 illustrates, for the five fiscal years indicated, the number of inspections and audits the Office conducted.

**Table 8**  
**Inspections and Audits**

Fiscal Year	Number of Inspections	Number of Audits
11-12	Not applicable	0
12-13	48	4
13-14	65	1
14-15	110	3
15-16	127	3

The Office did not consistently track the number of inspections until fiscal year 12-13, when new leadership took over the investigative unit. This realignment of the investigative unit also led to a steady increase in the number of inspections per year.

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## Complaints/Disciplinary Actions

Players of games of chance, games managers, licensees, or any other grieved party may file a complaint against any individual or organization licensed under the Law.

The Office received no complaints against manufacturers or suppliers during the five-year sunset reporting period.

The Office received six complaints against landlord licensees over the past five years: five of the complaints were dismissed and one, in which the bingo hall manager was found to have assisted with gaming activities, resulted in a \$300 fine.

The overwhelming majority of complaints are against bingo-raffle licensees.

Table 9 indicates, for the five calendar years indicated, the number of complaints the Office received against bingo-raffle licensees.

**Table 9**  
**Complaints Received by Calendar Year**

Calendar Year	Number of Complaints
2011	18
2012	16
2013	31
2014	23
2015	22

Given the total number of bingo-raffle licensees, this represents a small rate of complaints filed. Most complaints relate to minor offenses and can be resolved by Office staff.



Table 10 indicates, for the five calendar years indicated, the number and nature of the complaints the Office received against bingo-raffle licensees.

**Table 10**  
**Nature of Complaints Received by Calendar Year**

Nature of Complaint	2011	2012	2013	2014	2015
Bingo caller problems (e.g., caller speaking too quickly, too slowly, or too quietly)	2	1	0	2	2
Bingo not paid	2	3	0	1	1
Bingo not heard	0	1	4	0	0
Bingo operations	10	4	10	6	9
Customer service issues (beyond Office jurisdiction)	0	0	2	0	2
Defective pull tab	0	0	0	0	1
Faulty equipment	0	0	0	2	0
Handling of bingo-raffle funds	0	0	0	1	2
License renewal problems	0	1	0	0	0
Player cheating	0	0	1	0	0
Pull-tab operations	2	2	4	3	4
Raffle not conducted as advertised, or cheating on raffle	1	1	1	1	0
Raffle operations	0	0	1	0	0
Remuneration of volunteers	0	2	0	0	1
Saving seats	0	0	1	0	0
Unauthorized workers	0	1	2	0	0
Other*	0	0	1	0	0
Unlicensed activity (conducting a game of chance without a bingo-raffle license)	0	0	3	6	0
Volunteer Playing	1	0	1	1	0
<b>TOTAL</b>	<b>18</b>	<b>16</b>	<b>31</b>	<b>23</b>	<b>22</b>

\*The single complaint in this category related to a bingo player who reported suspicious behavior on the part of another player. The Office was not able to verify the accuracy of the report.

Generally, the most common complaints related to the operation of bingo games, followed by the operation of pull tabs.

Table 11 shows, for the five calendar years indicated, the total number of final actions taken against bingo-raffle licensees.

**Table 11  
Final Actions by Calendar Year**

Type of Action	2011	2012	2013	2014	2015
Violation found: paid complainant	5	4	7	2	2
Violation found: fine assessed	0	2	8	6	10
Violation found: stipulated license	0	0	1	0	0
Violation found: education requirement imposed	0	0	2	1	0
Violation found	0	1	2	0	0
Voluntary suspension	0	1	0	0	0
Violation found: paid complainant and fine assessed	0	0	0	2	0
<b>Total Disciplinary Actions</b>	<b>5</b>	<b>8</b>	<b>20</b>	<b>11</b>	<b>12</b>
No action taken/no violation found	13	8	11	12	10

A fine was the most common disciplinary action. The second most common action was compelling a bingo-raffle licensee to pay the complainant: these types of complaints typically involve a player who believed he or she won a bingo game but did not get paid. In these cases, the Office must review the records of the game to confirm the winning bingo and direct the bingo-raffle licensee to take appropriate action.

The Office may also assess fines based on the findings of an inspection.

Table 12 shows, for the five calendar years indicated, the number of administrative fines assessed, and the total value of those fines.

**Table 12  
Fines Assessed by Calendar Year**

Year	Number of Fines Imposed	Total Value of Fines Imposed
2011	825	\$41,420
2012	751	\$37,810
2013	821	\$48,650
2014	528	\$31,840
2015	517	\$29,070

The table above reflects all fines related to the Program, including those levied to resolve a complaint and fines imposed due to administrative issues, such as late filing of a quarterly report and recordkeeping problems discovered during an inspection.

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## **Collateral Consequences – Criminal Convictions**

Section 24-34-104(6)(b)(IX), C.R.S., requires the Colorado Office of Policy, Research and Research and Regulatory Reform to determine whether the agency under review, through its licensing processes, imposes any disqualifications on applicants or licensees based on past criminal history, and if so, whether the disqualifications serve public safety or commercial or consumer protection interests.

The Law does not require a charitable organization seeking a bingo-raffle license to disclose the criminal history of its officers or board members. However, the Law bars individuals who have been convicted of a felony or any crime related to gambling from being certified as games managers. Because the role of games manager is an unpaid, volunteer position, prohibiting people with such convictions from being so certified does not affect their livelihood.

Applicants for landlord, manufacturer, supplier, or landlord licenses must attest that neither the applicant, nor its owners, officers, directors, partners, members or associates have ever been convicted of any felony or any offense involving gambling. The Office independently researches the backgrounds of applicants to verify that the attestation is true. The Office has never denied a landlord, manufacturer, or supplier application or suspended or revoked a license based on criminal history.

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## Analysis and Recommendations

### **Recommendation 1 – Continue the Bingo and Raffles Law for nine years, until 2026.**

Section 2 of Article XVIII of the Constitution of the State of Colorado authorizes charitable organizations meeting certain criteria to conduct games of chance, including bingo, raffles, and pull tabs. The constitution vests the office of the Colorado Secretary of State (Office) with the authority to regulate charitable gaming and establishes a fairly prescriptive regulatory regime for the industry. Under the constitution, only charitable organizations that have been in existence for at least five years and have a dues-paying membership are eligible for a bingo-raffle license from the Office. The constitution authorizes only members of a bingo-raffle licensee to manage or operate a game and forbids licensees from paying anyone for performing those services.

The Bingo and Raffles Law (Law), located in Article 9 of Title 12, Colorado Revised Statutes (C.R.S.), fleshes out the licensing requirements for bingo-raffle licensees; establishes licenses for landlords who lease space to bingo-raffle licensees, manufacturers of bingo-raffle supplies and equipment, and suppliers of such supplies and equipment; establishes how games of chance must be conducted; and creates the Bingo-Raffle Advisory Board (Board), to assist the Office in fulfilling its statutory mission.

The central question of any sunset review is whether this regulation serves to protect the public health, safety, and welfare.

While Office statistics show that the public's overall participation in charitable gaming has declined since the 2007 sunset review, over 1.3 million players staked over \$127 million on charitable gaming in 2015. The money that bingo and raffles generate clearly benefits bingo-raffle licensees, but the public also potentially benefits, not only when they win prizes or jackpots, but when those monies pour back into their communities via scholarships, special projects, and other philanthropic activities. Charitable gaming remains an industry with impressive reach that generates substantial income for Colorado charitable organizations. Therefore, it is critical that the dollars wagered on charitable gaming are properly accounted for, from the moment that a player purchases a packet of bingo cards until those dollars are paid out in support of a bingo-raffle licensee's charitable goals.

Assuring that bingo and raffles are conducted fairly is a considerable task, requiring the bingo-raffle licensee to follow a host of rules when conducting games of chance and to keep careful records. The Office works closely with bingo-raffle licensees to assure that their records are in accordance with the Law; that games are conducted fairly; and that proceeds are properly credited to separate, dedicated accounts and directed to appropriate causes.

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By establishing clear rules for how games of chance must be conducted and engaging in routine inspections of bingo-raffle licensees' records, the Office allows Coloradans participating in bingo and raffles to feel confident they have a fair chance of winning and also protects charitable organizations from potential fraud. Through its licensing and enforcement activities, including audits and inspections, the Office protects the safety and welfare of Colorado citizens and fulfills its constitutional mandate.

For these reasons, the General Assembly should continue the Law for nine years, until 2026.

### **Recommendation 2 – Continue the Board for nine years, until 2026.**

The General Assembly created the nine-member Board to help the Office fulfill its statutory mission. The Board is composed of five representatives of bingo-raffle licensees, one supplier licensee, two landlord licensees, and one registered Colorado elector who has no financial or organizational ties to charitable gaming. This composition reflects the diverse stakeholders of the charitable gaming industry.

The Board's primary responsibility is to detect any defects in the Law or rules, and to formulate and recommend changes to the General Assembly. The Board also advises the Office in numerous areas, including the types of permissible charitable games and the rules for conducting such games, license requirements, and grounds for discipline.

The Board provides industry insight that assists the Office and gives a voice to both non-profit and commercial licensees in the regulation of charitable gaming.

For these reasons, the General Assembly should continue the Board for nine years, until 2026.

### **Recommendation 3 – Revise section 12-9-201(2)(i), C.R.S., to reduce the number of times that the Board must meet from six times to at least twice a year.**

Under section 12-9-201(2)(i), C.R.S., the Board must meet at least six times a year. The statute also authorizes the Board chair, any three Board members, or the Office to call special meetings, including emergency meetings, as needed.

For the last five calendar years, there was just one year, 2013, where the Board held six meetings as the Law requires. In 2011 and 2012, the Board met four times. In 2013 and 2015, the Board met three times. As of July 2016, no 2016 meetings had been held. These cancellations are due simply to a lack of agenda items for the Board to discuss.

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Further, when the Board does meet, much of the subject matter discussed is not substantive or related to the Board's statutory duties. Although there have been rigorous discussions around rule changes and worthwhile open forums where licensees can ask questions and air grievances, a review of the minutes and audio recordings of Board meetings from 2011 through 2015 reveals that meetings are often dominated by updates from staff, concerns about Board vacancies, and discussions on how to promote the bingo industry in Colorado.

Despite these concerns, the Board remains a cost-effective way to maintain contact with and solicit feedback from the diverse stakeholders involved in charitable gaming, and should be continued. However, there is no need to mandate six meetings per year.

Because it is difficult to predict how many issues affecting the industry will arise in a given year, and consequently, how many meetings will be necessary, the General Assembly should reduce the number of required meetings from six to two per year. The Board chair, the Office, or any three members would retain their statutory authority to call additional meetings as needed.

**Recommendation 4 – Establish a consistent three-year period that licensees who have had their licenses revoked, or who have surrendered their licenses in lieu of revocation, must wait before reapplying for a license.**

The Law contains numerous, contradictory provisions addressing how long licensees who have violated the Law must wait before reapplying for a license.

- Under Section 12-9-103(3)(a), C.R.S., if an administrative law judge finds a licensee has committed a violation of the Law or rules that would warrant the revocation, suspension, or limitation of the license, the Office may declare the licensee ineligible to conduct a game of bingo and to apply for a license for up to five years.
- Section 12-9-104(1), C.R.S., states that if the Office revokes a bingo-raffle license, the licensee is ineligible to reapply until five years after the revocation date.
- Section 12-9-110, C.R.S., establishes that licensees found to have made a false statement on a license application, failed to keep required records, falsified any books or records relating to conducting any game of chance, or violated any provision of the Law, must forfeit their licenses and wait at least one year to reapply.

These provisions are contradictory and confusing. The General Assembly should establish a consistent waiting period for licensees whose licenses have been revoked or who have surrendered their licenses in lieu of disciplinary action.

Given the severity of the violations that result in revocation or surrender of a license, and the amount of time and resources it takes to process revocations and surrenders, three years is an appropriate waiting period.

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**Recommendation 5 – Clarify that licensees must obtain approval from the Office before moving a pull-tab device from one location to another.**

Section 12-9-107.2(6), C.R.S., requires the Office to test, inspect, and license any device that reveals the winning or non-winning status of a pull-tab ticket. Section 12-9-107.2(6)(d), C.R.S., clarifies when the Office issues a license to such a device, such device is licensed for and may only be used in one specific licensed location identified by the Office.

However, section 12-9-107.2(6)(d), C.R.S., goes on to state that “(a)ny movement of the device from the licensed location for use at another licensed location shall be reported to the [Office] in advance.”

This statement, which implies that licensees need only notify the Office that it will be moving the device, seems to conflict with the statutory requirement that such devices must be licensed for use only at a specific, pre-authorized location. The General Assembly should clarify that licensees must obtain approval from the Office *before* moving a device to a new location.

**Recommendation 6 – Establish that applicants who have been convicted of any crime involving gambling or theft by deception within the past 10 years are ineligible for a commercial license, and clarify which crimes prevent volunteers from serving as games managers, callers, or assistants to callers.**

In conducting a sunset review, the Colorado Office of Policy, Research, and Regulatory Reform is compelled to consider whether agencies undergoing sunset review impose any disqualifications on applicants with criminal history, and if so, whether such disqualifications serve a legitimate public protection purpose.<sup>93</sup>

In order to qualify for any of the commercial license types, including landlord,<sup>94</sup> manufacturer,<sup>95</sup> or supplier,<sup>96</sup> an applicant must attest that neither the applicant nor its members, managers, partners, or associates has ever been convicted of an offense involving gambling or any felony. Volunteers wishing to become certified as games managers<sup>97</sup> or serve as callers or assistants to callers<sup>98</sup> are subject to a similar prohibition.

Because anyone with a criminal history is effectively barred from holding a commercial license under the Law, applicants with a criminal history most likely simply do not apply for a license. Accordingly, the Office reported that it had not denied a license based on criminal history during the five-year sunset reporting period.

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<sup>93</sup> § 24-34-104(6)(b)(IX), C.R.S.

<sup>94</sup> § 12-9-105.3(3), C.R.S.

<sup>95</sup> § 12-9-105.5(2), C.R.S.

<sup>96</sup> § 12-9-105.7(2), C.R.S.

<sup>97</sup> § 12-9-105.1(2), C.R.S.

<sup>98</sup> § 12-9-107.1(2)(a), C.R.S.

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The wholesale ban on applicants with a criminal history could be preventing individuals who have paid their debt to society from earning a livelihood in the charitable gaming industry. The existence of the ban makes it impossible to evaluate whether such disqualification serves to protect the public.

Certain criminal convictions indicate that a commercial license applicant could pose a threat to the public. Specifically, if an applicant—or its members, managers, partners, or associates—has been convicted of any crime relating to gambling or theft by deception within the last 10 years, that applicant should be ineligible to apply for a commercial license.

All other applicants with a criminal history, however, should be permitted to apply for a commercial license, disclosing such history at the time of application. The Office would have the discretion to deny a license or impose restrictions upon it based on the applicant's criminal history.

The ban on certain criminal convictions for bingo-raffle licensee members wishing to volunteer as games managers, callers, or assistants to callers should remain in place. However, the current provisions give the false impression that the disqualifying felonies must relate to gambling: the intent of the provisions is to disqualify those who have been convicted of *any* felony. To clarify this, references to “offense” or “crime” should be replaced with “misdemeanor” and the wording should be reordered to clarify that “involving gambling” modifies “misdemeanor” and not “felony.” The revised wording for both sections 12-9-105.1(2) and -107.1(2)(a), C.R.S., should read: “convicted of any misdemeanor involving gambling or any felony.”

**Recommendation 7 – Clarify that landlord, manufacturer, and supplier licensees may donate bingo supplies and equipment to entities that offer free bingo, and that bingo-raffle licensees may donate bingo supplies and equipment to other bingo-raffle licensees.**

Current law places restrictions on the sale of bingo-raffle supplies and equipment, stating that licensees may only sell, lease, or otherwise distribute any such supplies or equipment to other licensees.<sup>99</sup> These restrictions assure that bingo supplies and equipment stay within the regulated sphere and under the jurisdiction of the Office.

There are two exceptions to this rule, however:

- Section 12-9-107.5(4)(a), C.R.S., allows landlord, manufacturer, or supplier licensees, or their agents, to sell or distribute bingo supplies and equipment to nursing homes and other entities that allow participants to play games free of charge.
- Section 12-9-107.5(4)(b), C.R.S., allows a bingo-raffle licensee to sell its used bingo supplies and equipment to another bingo-raffle licensee.

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<sup>99</sup> § 12-9-107.5(4), C.R.S.



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The Office reports that commercial licensees often wish to simply donate, not sell, supplies or equipment to nursing homes. Similarly, a bingo-raffle licensee sometimes wishes to donate, not sell, its used equipment to another licensee.

Allowing donations of this kind would not harm the public interest. Nursing homes or other entities simply offer the games as entertainment: no one would be profiting from the use of the donated supplies or equipment. In the case of one bingo-raffle licensee donating to another, the receiving licensee would still be under the jurisdiction of the Office and would have to use the donation and any proceeds derived from its use in accordance with the Law.

Therefore, the General Assembly should permit licensees to donate bingo supplies and equipment under these limited circumstances.

### **Recommendation 8 – Make technical changes to the Law.**

As with any law that has been in existence for many decades, the Law contains instances of obsolete, duplicative and confusing language. The Law should be revised to reflect current terminology and administrative practices. These changes are technical in nature, meaning that they have no substantive impact on the regulation of charitable gaming in Colorado.

The General Assembly should make the following technical changes:

- **Section 12-9-102.3(1), C.R.S.** Update this provision to use the terms “manufacturer licensee” and “supplier licensee”, to be consistent with the rest of the Law.
- **Section 12-9-102.5(4)(b), C.R.S.** Strike the language describing how prize promotion disclosure should be made, beginning with the sentence stating that “This disclosure need not be made separately or personally,” through the end of the paragraph. This language is unnecessary.
- **Sections 12-9-103(6)(a) and (b), C.R.S.** Repeal these sections, which direct the Office and the Department of Revenue (Department) to prepare a report addressing the desirability and practicability of moving the Program to the Department. This work has been completed and the 2008 deadline has passed. (For an explanation of the report, please see the discussion of House Bill 08-1273 on page 7 of this sunset report.)
- **Sections 12-9-104(2) and 12-9-107.5(5), C.R.S.** Replace references to the “bingo-raffle cash fund” with “department of state cash fund” since the bingo-raffle cash fund no longer exists.
- **Section 12-9-105.7(1)(e), C.R.S.** Revise the wording regarding supplier licensing applications to clarify that supplier applicants must provide the names and

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addresses of their Colorado manufacturers, as well as their agents. This aligns the supplier license requirements with the manufacturer license requirements and is consistent with current administrative practice.

- **Section 12-9-107.3(2)(b), C.R.S.** Progressive raffles are intended to be congruent with progressive bingo, but due to an oversight in the drafting of the bill, the language regarding progressive raffle consolation prizes was not updated to reflect recent changes to the progressive bingo language. Revise this provision, which addresses progressive raffle consolation prizes, to mirror the new statutory language in section 12-9-107.1(5)(b), C.R.S.