Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 24-0579.01 Alison Killen x4350

HOUSE BILL 24-1326

HOUSE SPONSORSHIP

Ricks and Brown, Epps

SENATE SPONSORSHIP

Smallwood and Zenzinger,

House Committees

Senate Committees

State, Civic, Military, & Veterans Affairs Finance Appropriations

A BILL FOR AN ACT

101	CONCERNING CONTINUATION UNDER THE SUNSET LAW OF THE
102	LICENSING OF CERTAIN GAMES OF CHANCE INCLUDING
103	BINGO.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Sunset Process - House State, Civic, Military, and Veterans Affairs Committee. The bill implements the recommendations of the sunset review and report on the licensing of bingo and other games of chance by:

• Retaining the secretary of state's constitutional authority

over the issuance of bingo-raffle licenses to qualified charitable organizations, while transferring all remaining licensing authority and all enforcement authority under the "Bingo and Raffles Law" to the executive director of the department of revenue (executive director), effective January 1, 2025 (sections 2, 5, 7 through 17, 20 through **30, 34, 36, and 37**); authorizing the executive director to promulgate rules and assess fees in connection with the executive director's duties (sections 5, 7 through 17, and 20 through 30); requiring the executive director to uphold the secretary of state's decision to issue a bingo-raffle license; requiring the secretary of state to uphold the executive director's licensing and enforcement decisions (section 5); and requiring the secretary of state and the executive director to enter into memoranda of understanding regarding their shared duties under the "Bingo and Raffles Law" (section 5);

- Terminating the Colorado bingo-raffle advisory board pursuant to the sunset law (sections 1, 4, 6, 18, 31 through 33, and 35);
- Modernizing the secretary of state's fining authority by increasing the maximum fine to \$250 per violation and eliminating the provision for a fine in lieu of suspension or revocation, for the period of time between the effective date of the bill and the transfer of all enforcement authority to the executive director, effective January 1, 2025 (section 4):
- Continuing the regulation of charitable gaming under the "Bingo and Raffles Law" for 5 years, until 2029 (sections 33 through 36); and
- Making technical changes to the law (sections 2, 3, 8, 10, 12 through 16, 19, and 28).
- 1 Be it enacted by the General Assembly of the State of Colorado:
- SECTION 1. In Colorado Revised Statutes, 24-21-602, amend
- 3 (1)(a) and (6); **repeal** (5.5); and **add** (40.5) as follows:
- 4 **24-21-602. Definitions.** As used in this part 6, unless the context
- 5 otherwise requires:
- 6 (1) "Bingo" means:
- 7 (a) A STRIP bingo strip card game; or

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1	(5.5) "Bingo strip card game" means a type of bingo that is played
2	with a strip of up to five connected paper bingo cards, with each card
3	containing a concealed grid of preprinted numbers ranging from one to
4	seventy-five. The winner is the first player to match the numbers drawn
5	on one or more bingo balls to the prearranged pattern of numbers on a
6	card. The maximum prize for an individual card may not exceed one
7	thousand dollars.
8	(6) "Board" means the Colorado bingo-raffle advisory
9	CHARITABLE GAMING board created in section 24-21-630.
10	(40.5) "Strip bingo game" means a type of bingo that is
11	PLAYED WITH A STRIP CARD OF UP TO FIVE CONNECTED PAPER BINGO
12	FACES, WITH EACH BINGO FACE CONTAINING A CONCEALED GROUPING OF
13	PREPRINTED SYMBOLS, FREE SPACES, AND NUMBERS RANGING FROM ONE
14	TO SEVENTY-FIVE.
15	SECTION 2. In Colorado Revised Statutes, 24-21-604, repeal (4)
16	as follows:
17	24-21-604. Legislative declaration - consideration for tickets
18	- conditions - rules. (4) A bingo-raffle licensee may, directly or through
19	a third party, presell tickets to a charitable gaming event.
20	SECTION 3. In Colorado Revised Statutes, 24-21-605, amend
21	(1)(a)(II) and (1)(b) as follows:
22	24-21-605. Licensing and enforcement authority - powers -
23	rules - duties - license suspension or revocation proceedings -
24	definitions. (1) The secretary of state is hereby designated as the
25	"licensing authority" of this part 6. As licensing authority, the secretary
26	of state's powers and duties are as follows:
27	(a) (II) In lieu of seeking a suspension or revocation of any license

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1	issued by the licensing authority, The licensing authority may impose a
2	reasonable fine for any violation of this part 6 or any rule adopted
3	pursuant to this part 6, not to exceed one hundred TWO HUNDRED FIFTY
4	dollars per citation. The imposition of any such fine may be appealed to
5	an administrative law judge.
6	(b) To supervise the administration and enforcement of this part
7	6 and in consultation with the board to adopt, amend, and repeal rules
8	governing the holding, operating, and conducting of games of chance, the
9	purchase of equipment, the establishment of a schedule of reasonable
10	fines, not to exceed one hundred TWO HUNDRED FIFTY dollars per citation,
11	for violation by licensees of this part 6 or of rules adopted pursuant to this
12	part 6, to the end that games of chance shall be held, operated, and
13	conducted only by licensees for the purposes and in conformity with the
14	state constitution and the provisions of this part 6;
15	SECTION 4. In Colorado Revised Statutes, 24-21-609, amend
16	(2)(b) as follows:
17	24-21-609. Application for bingo-raffle license. (2) (b) Each
18	designated games manager must have been an active member of the
19	applicant for at least the six months immediately preceding his or her THE
20	MEMBER'S designation AS A GAMES MANAGER and shall be certified by the
21	licensing authority pursuant to section 24-21-610 before assuming games
22	management duties.
23	SECTION 5. In Colorado Revised Statutes, 24-21-614, amend
24	(1)(c) as follows:
25	24-21-614. Application for manufacturer's agent license or
26	supplier's agent license. (1) Each application for a manufacturer's agent
27	license or supplier's agent license must include, but not be limited to, the

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1	following information:
2	(c) A statement by the applicant that he or she THE APPLICANT has
3	read, understands, and will comply with this part 6 as to manufacturer's
4	and supplier's agents and the conditions of the agent's license;
5	SECTION 6. In Colorado Revised Statutes, 24-21-617, amend
6	(1); and add (16) as follows:
7	24-21-617. General conduct games of chance - premises -
8	equipment - expenses - rules. (1) A licensee shall not hold, operate, or
9	conduct a game of bingo or lotto more often than as specified by the
10	licensing authority by rule. after consultation with the board
11	(16) A BINGO-RAFFLE LICENSEE MAY, DIRECTLY OR THROUGH A
12	THIRD PARTY, PRESELL TICKETS TO A CHARITABLE GAMING EVENT.
13	SECTION 7. In Colorado Revised Statutes, 24-21-618, amend
14	(3)(d); and add (11) as follows:
15	24-21-618. Conduct of bingo games. (3) (d) An operator shall
16	not reserve or allow to be reserved any bingo cards for use by players
17	except braille cards or other cards for use by legally blind players. A
18	person who is legally blind may use his or her personal braille cards when
19	a licensed organization does not provide such cards. A licensed
20	organization may inspect and reject any personal braille card. A person
21	who is legally blind or an individual with a disability may use a braille
22	card or hard card in place of a purchased disposable paper bingo card.
23	(11) IN THE CONDUCT OF ANY STRIP BINGO GAME OR ANY
24	OCCASION THAT INCLUDES A STRIP BINGO GAME:
25	(a) A BINGO-RAFFLE LICENSEE MAY USE ANY STYLE OF STRIP BINGO
26	GAME AUTHORIZED BY THIS PART 6 OR BY THE RULES ADOPTED PURSUANT
27	TO THIS PART 6;

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I	(b) THE MAXIMUM PRIZE FOR AN INDIVIDUAL CARD THAT IS USED
2	AS PART OF A STRIP BINGO GAME MUST NOT EXCEED ONE THOUSAND
3	DOLLARS;
4	(c) BOTH STRIP BINGO GAMES AND TRADITIONAL BINGO GAMES
5	MAY BE PLAYED DURING THE SAME OCCASION; AND
6	(d) The total amount of prizes awarded for all bingo
7	GAMES AT A SINGLE OCCASION MUST NOT EXCEED FIFTEEN THOUSAND
8	DOLLARS.
9	SECTION 8. In Colorado Revised Statutes, 24-21-622, amend
10	(3)(a) as follows:
11	24-21-622. Bingo-raffle licensee's statement of receipts -
12	expenses - fee - definitions. (3) (a) All money collected or received from
13	the sale of admission, extra regular cards, bingo strip cards, special game
14	cards, sale of supplies, and all other receipts from the games of
15	TRADITIONAL AND STRIP bingo GAMES, raffles, and pull tab games shall
16	be deposited in a special checking or savings account, or both, of the
17	licensee, which must contain only this money. If the licensee conducts
18	progressive games of chance, the licensee may maintain one additional
19	checking or savings account, which must contain only money received
20	from the sale of progressive games. The licensee may withdraw money
21	from these accounts only by consecutively numbered checks or
22	withdrawal slips or by electronic transactions referenced by transaction
23	number or date. A check or withdrawal slip must not be drawn to "cash"
24	or a fictitious payee. The licensee shall maintain all of its books and
25	records in accordance with generally accepted accounting principles.
26	SECTION 9. In Colorado Revised Statutes, 24-21-630, amend
27	(1) (2) (2)(3)(1) (2)(3)(V) (2)(3)(VI) (2)(b) (2)(d) (2)(e) (2)(f) (2)(g)

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1	(2)(h), and (2)(i); repeal (2)(a)(II) and (2)(a)(III); and add (2)(a)(VII),
2	(2)(l), (2)(m), and (2)(n) as follows:
3	24-21-630. Colorado charitable gaming board - creation.
4	(1) There is hereby created, within the department of state, the Colorado
5	bingo-raffle advisory CHARITABLE GAMING board.
6	(2) The board consists of nine SEVEN members, all of whom must
7	be citizens of the United States who have been residents of the state for
8	at least the past five TWO years. A member must not have been convicted
9	of a felony or gambling-related offense, notwithstanding section
10	24-5-101. No more than five THREE of the nine SEVEN members may be
11	members of the same political party; EXCEPT THAT THE POLITICAL PARTY
12	AFFILIATION OF THE SECRETARY OF STATE'S DESIGNEE SHALL NOT BE
13	CONSIDERED FOR PURPOSES OF DETERMINING COMPLIANCE WITH THIS
14	REQUIREMENT. THE SECRETARY OF STATE'S DESIGNEE SHALL CONVENE
15	THE BOARD'S FIRST MEETING AS SOON AS PRACTICABLE BUT NOT LATER
16	THAN SIXTY DAYS AFTER A MAJORITY OF THE SEVEN BOARD MEMBERS ARE
17	APPOINTED IN ACCORDANCE WITH THIS SECTION. At the first meeting of
18	each fiscal year, a majority of the members must choose a chair and
19	vice-chair of the board from the membership. Membership and operation
20	of the board must additionally meet the following requirements:
21	(a) (I) Three members of the board must be bona fide members of
22	a bingo-raffle licensee that is classified as a religious organization, a
23	charitable organization, a labor organization, an educational organization,
24	A VETERANS' ORGANIZATION, A FRATERNAL ORGANIZATION, or a voluntary
25	firefighter's organization; except that no more than one member shall be
26	appointed from any one such classification;
2.7	(II) One member of the board must be a bona fide member of a

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1	bingo-raffle licensee that is a veterans' organization;
2	(III) One member of the board must be a bona fide member of a
3	bingo-raffle licensee that is a fraternal organization;
4	(V) Two members ONE MEMBER of the board must be A landlord
5	licensees LICENSEE; and
6	(VI) One member of the board must be a registered elector of the
7	state who is not employed by or an officer or director of a licensee, does
8	not have a financial interest in any license, and does not have an active
9	part in the conduct or management of games of chance by any
10	bingo-raffle licensee; AND
11	(VII) ONE MEMBER OF THE BOARD MUST BE THE SECRETARY OF
12	STATE'S DESIGNEE.
13	(b) (I) Of the five The Governor shall appoint the three
14	members of the board who are categorized as bona fide members of a
15	bingo-raffle licensee. two shall be appointed by the president of the
16	senate, two shall be appointed by the speaker of the house of
17	representatives, and one shall be appointed jointly by the president and
18	the speaker.
19	(II) Of the two members The Governor shall appoint the
20	MEMBER of the board who are categorized as landlord licensees, one shall
21	be appointed by the president of the senate and one shall be appointed by
22	the speaker of the house of representatives IS A SUPPLIER LICENSEE AND
23	THE MEMBER OF THE BOARD WHO IS A LANDLORD LICENSEE.
24	(III) The president of the senate shall appoint the member of the
25	board who is a supplier licensee. The speaker of the house THE
26	SECRETARY OF STATE shall appoint the member of the board who is a
27	registered elector AND THE MEMBER OF THE BOARD WHO IS THE

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SECRETARY OF STATE'S DESIGNEE.

- (d) Any vacancy on the board shall MUST be filled for the unexpired term in the same manner as the original appointment; EXCEPT THAT, IN THE EVENT OF AN EXTENDED VACANCY OF MORE THAN THREE MEETINGS OR THE FAILURE OF THE GOVERNOR TO APPOINT A NEW MEMBER WITHIN THREE MONTHS OF THE VACANCY, THE SECRETARY OF STATE MAY APPOINT A REPLACEMENT MEMBER. The member appointed to fill such vacancy shall be from the same category described in subsection (2)(a) of this section as the member vacating the position.
- (e) A member of the board having a direct personal or private interest in any matter before the board shall MUST disclose such fact on the board's record. A member MEMBERS may disqualify himself or herself THEMSELVES for any cause deemed by him or her THEM to be sufficient.
- (f) The appointing officer shall terminate the term of any member of the board who misses more than two consecutive regular board meetings without good cause, or who no longer meets the requirements for membership imposed by this section. The member's successor shall MUST be appointed in the manner provided for appointments under this section.
- (g) Board members are entitled to receive as compensation for their services fifty SEVENTY-FIVE dollars for each day spent in the conduct of board business, not to exceed five hundred dollars per member per year, and are entitled to be reimbursed for necessary travel and other reasonable expenses incurred in the performance of their official duties.
- (h) Prior to commencing his or her A term of service, each person nominated to serve on the board, OTHER THAN THE SECRETARY OF STATE'S DESIGNEE, shall MUST file with the secretary of state a financial disclosure

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statement	in the	form r	equ	ired and p	res	crit	ed by	the licen	sit	ng autho	rity
and as com	nmonl	y used :	for o	other Colo	orad	lo b	oards	and comn	nis	ssions. S	uch
statement	shall	MUST	be	renewed	as	of	each	January	1	during	the
member's	term c	of offic	e.								

- (i) The board shall hold at least two SIX meetings each year and such additional meetings as the members may deem necessary. In addition, special meetings may be called by the chair, any three board members, or the licensing authority if written notification of the meeting is delivered to each member at least seventy-two hours before the meeting. Notwithstanding section 24-6-402, in emergency situations in which a majority of the board certifies that exigencies of time require that the board meet without delay, the requirements of public notice and of seventy-two hours' actual advance written notice to members may be dispensed with, and board members as well as the public shall MUST receive such notice as is reasonable under the circumstances.
- (1) A MAJORITY OF THE BOARD CONSTITUTES A QUORUM, BUT THE CONCURRENCE OF A MAJORITY OF ALL MEMBERS IS REQUIRED FOR ANY FINAL ACTION OR DETERMINATION BY THE BOARD.
- (m) THE MEMBERS OF THE BOARD MAY INVITE ADDITIONAL INDIVIDUALS AND REPRESENTATIVES OF ENTITIES TO ATTEND WORKING GROUP MEETINGS AND PARTICIPATE IN SUCH MEETINGS AS NONVOTING MEMBERS OF THE BOARD.
- (n) THE SECRETARY OF STATE MAY EMPLOY STAFF TO ASSIST THE BOARD IN CARRYING OUT ITS DUTIES AND TO ENSURE THAT THE BOARD MAINTAINS ITS REGULAR MEETING SCHEDULE SET FORTH IN SUBSECTION (2)(i) OF THIS SECTION.

SECTION 10. In Colorado Revised Statutes, repeal and reenact,

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1	with amendments, 24-21-631 as follows:
2	24-21-631. Board - duties. (1) In addition to any other
3	DUTIES SET FORTH IN THIS PART 6, THE BOARD SHALL:
4	(a) CONDUCT A CONTINUOUS STUDY OF CHARITABLE GAMING
5	THROUGHOUT THE STATE FOR THE PURPOSE OF IMPROVING CHARITABLE
6	GAMING AND ASCERTAINING ANY DEFECTS IN THIS PART 6 OR IN THE RULES
7	PROMULGATED PURSUANT TO THIS PART 6; AND
8	(b) Commencing on and after January 1, 2025, at the
9	DISCRETION OF THE BOARD, SUBMIT A REPORT TO THE GENERAL ASSEMBLY
10	CONTAINING RECOMMENDATIONS FOR CHANGES TO THIS PART $\overline{6}$, WHICH
11	REPORT SHALL BE SUBMITTED ON OR BEFORE OCTOBER 31, 2025, AND ON
12	OR BEFORE OCTOBER 31 OF EACH YEAR THEREAFTER.
13	(2) THE LICENSING AUTHORITY IS ENCOURAGED TO COLLABORATE
14	WITH THE BOARD ON PROPOSALS DEVELOPED BY THE BOARD CONCERNING
15	SUBJECTS INCLUDING BUT NOT LIMITED TO:
16	(a) The types of charitable gaming activities to be
17	CONDUCTED, THE EXISTING RULES AND POTENTIAL NEW RULES FOR THOSE
18	ACTIVITIES, AND THE NUMBER OF OCCASIONS PER YEAR UPON WHICH A
19	LICENSEE MAY HOLD, OPERATE, OR CONDUCT A GAME OF BINGO OR LOTTO;
20	(b) The types of charitable gaming activities to be
21	CONDUCTED IN THE FUTURE BASED UPON A CONTINUING REVIEW OF THE
22	AVAILABLE STATE-OF-THE-ART EQUIPMENT IN COLORADO AND OTHER
23	STATES AND THE POLICIES AND PROCEDURES APPROVED AND
24	IMPLEMENTED BY OTHER STATES FOR THE CONDUCT OF CHARITABLE
25	GAMING ACTIVITIES; AND
26	(c) AN ANNUAL REVIEW OF AT LEAST TEN PERCENT OF ALL
27	CHARITABLE GAMING RULES AND A COMPLETE REVIEW OF ALL

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1	CHARITABLE GAMING RULES EVERY FIVE YEARS.
2	(3) THE BOARD SHALL OFFER ADVICE TO THE LICENSING
3	AUTHORITY UPON SUBJECTS INCLUDING BUT NOT LIMITED TO:
4	(a) THE REQUIREMENTS, QUALIFICATIONS, AND GROUNDS FOR THE
5	ISSUANCE OF ALL TYPES OF PERMANENT AND TEMPORARY LICENSES
6	REQUIRED FOR THE CONDUCT OF CHARITABLE GAMING;
7	(b) THE REQUIREMENTS, QUALIFICATIONS, AND GROUNDS FOR THE
8	REVOCATION, SUSPENSION, AND SUMMARY SUSPENSION OF ALL LICENSES
9	REQUIRED FOR THE CONDUCT OF CHARITABLE GAMING;
10	(c) ACTIVITIES THAT CONSTITUTE FRAUD, CHEATING, OR ILLEGAL
11	ACTIVITIES;
12	(d) THE GRANTING OF LICENSES WITH SPECIAL CONDITIONS OR FOR
13	LIMITED PERIODS, OR BOTH;
14	(e) THE ESTABLISHMENT OF A SCHEDULE OF REASONABLE FINES TO
15	BE ASSESSED FOR VIOLATIONS OF THIS PART 6 OR ANY RULE ADOPTED
16	PURSUANT TO THIS PART 6;
17	(f) THE AMOUNT OF FEES FOR LICENSES ISSUED BY THE LICENSING
18	AUTHORITY AND FOR THE PERFORMANCE OF ADMINISTRATIVE SERVICES
19	PURSUANT TO THIS PART 6;
20	(g) THE ESTABLISHMENT OF CRITERIA UNDER WHICH A PERSON
21	MAY SERVE AS A GAMES MANAGER;
22	(h) THE CONTENT AND CONDUCT OF CLASSES OR TRAINING
23	SEMINARS TO BENEFIT BINGO-RAFFLE CHARITABLE LICENSEES, OFFICERS
24	AND VOLUNTEERS TO BETTER ACCOUNT FOR FUNDS COLLECTED FROM
25	GAMES OF CHANCE;
26	(i) STANDARDIZED RULES, PROCEDURES, AND POLICIES TO CLARIFY
27	AND SIMPLIFY THE AUDITING OF LICENSEES' RECORDS; AND

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1	(j) THE CONDITIONS FOR A LICENSEE'S PLAN FOR DISPOSAL OF ANY
2	EQUIPMENT AND THE DISTRIBUTION OF ANY REMAINING NET PROCEEDS
3	UPON TERMINATION OF A BINGO-RAFFLE LICENSE FOR THE LICENSEE'S
4	FAILURE TO TIMELY OR SUFFICIENTLY RENEW SUCH LICENSE.
5	SECTION 11. In Colorado Revised Statutes, amend 24-21-632
6	as follows:
7	24-21-632. Repeal of part - review of functions. This part 6 is
8	repealed, effective September 1, 2024 SEPTEMBER 1, 2029. Before the
9	repeal, the licensing functions of the licensing authority and the functions
10	of the Colorado bingo-raffle advisory CHARITABLE GAMING board in the
11	department of state are scheduled for review in accordance with section
12	24-34-104.
13	SECTION 12. In Colorado Revised Statutes, 24-34-104, repeal
14	(25)(a)(XV) and (25)(a)(XVI); and add (30)(a)(IX) as follows:
15	24-34-104. General assembly review of regulatory agencies
16	and functions for repeal, continuation, or reestablishment - legislative
17	declaration - repeal. (25) (a) The following agencies, functions, or both,
18	are scheduled for repeal on September 1, 2024:
19	(XV) The licensing of bingo and other games of chance through
20	the secretary of state in accordance with part 6 of article 21 of this title
21	24;
22	(XVI) The Colorado bingo-raffle advisory board created in
23	section 24-21-630;
24	(30) (a) The following agencies, functions, or both, are scheduled
25	for repeal on September 1, 2029:
26	(IX) THE LICENSING OF BINGO AND OTHER GAMES OF CHANCE
27	THROUGH THE SECRETARY OF STATE AND THE FUNCTIONS OF THE

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1	COLORADO CHARITABLE GAMING BOARD AS SPECIFIED IN PART 6 OF
2	ARTICLE 21 OF THIS TITLE 24.
3	SECTION 13. Safety clause. The general assembly finds,
4	determines, and declares that this act is necessary for the immediate
5	preservation of the public peace, health, or safety or for appropriations for
6	the support and maintenance of the departments of the state and state
7	institutions.

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