

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 16-0940.01 Jery Payne x2157

HOUSE BILL 16-1189

HOUSE SPONSORSHIP

Wist,

SENATE SPONSORSHIP

Roberts,

House Committees
Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF BINGO-RAFFLE LICENSEES.**

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://www.leg.state.co.us/billsummaries>.)

Currently, an applicant for a bingo-raffle license may request administrative review when a license application is denied. The bill requires this request to take place within 60 days after the denial. The bill clarifies that license discipline includes, after a hearing, refusing to grant or renew a license.

The bill repeals a prohibition on managing more than 5 bingo-raffle licensees simultaneously.

Currently, a licensee may use leased equipment only on premises

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
2nd Reading Unamended
February 22, 2016

that are the licensee's principal place of business and limited to members only. The bill allows a licensee to operate equipment leased by a licensed landlord of a bingo hall.

Currently, a licensee that fails to report net proceeds is automatically required to show cause for why the license should not be suspended. The bill authorizes the secretary of state to promulgate rules setting the conditions under which a licensee is required to show cause.

Current law allows a licensee to award a consolation prize in a game of progressive bingo only when a progressive prize is not won. The bill authorizes a licensee to also award a consolation prize when the progressive prize is won.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-9-103, **amend** (1)
3 (a) (III) and (2) as follows:

4 **12-9-103. Licensing and enforcement authority - powers -**
5 **rules - duties - license suspension or revocation proceedings -**
6 **definitions.** (1) The secretary of state is hereby designated as the
7 "licensing authority" of this article. As licensing authority, the secretary
8 of state's powers and duties are as follows:

9 (a) (III) ~~The~~ AN APPLICANT MAY REQUEST ADMINISTRATIVE
10 REVIEW OF A refusal ~~of~~ BY the licensing authority to grant or renew a
11 license shall entitle the applicant to administrative review of such refusal
12 by an administrative law judge in accordance with subsection (2) of this
13 section. TO BE ENTITLED TO ADMINISTRATIVE REVIEW, THE APPLICANT
14 MUST REQUEST THE REVIEW IN WRITING WITHIN SIXTY DAYS AFTER THE
15 DATE OF THE LICENSING AUTHORITY'S REFUSAL.

16 (2) The licensing authority may revoke, suspend, annul, limit, ~~or~~
17 modify, OR REFUSE TO GRANT OR RENEW a license ~~pursuant to~~ IN
18 ACCORDANCE WITH section 24-4-104, C.R.S. Hearings that are held ~~for~~
19 ~~the purpose of determining~~ TO ADMINISTRATIVELY REVIEW THE LICENSING

1 AUTHORITY'S DECISION TO REFUSE TO GRANT OR RENEW A LICENSE OR TO
2 DETERMINE whether a licensee's license should be revoked, suspended,
3 annulled, limited, or modified shall be conducted by an administrative
4 law judge appointed pursuant to part 10 of article 30 of title 24, C.R.S.,
5 and shall be held in the manner and pursuant to the rules and procedures
6 described in sections 24-4-104, 24-4-105, and 24-4-106, C.R.S. AN
7 ADMINISTRATIVE LAW JUDGE SHALL HOLD AND CONCLUDE hearings ~~shall~~
8 ~~be held and concluded~~, in accordance with ~~such~~ THE rules, with
9 reasonable dispatch and without unnecessary delay, and ~~a decision~~ shall
10 ~~be issued~~ ISSUE A DECISION within ten days after ~~such~~ THE hearing.

11 **SECTION 2.** In Colorado Revised Statutes, 12-9-105.1, **amend**
12 (3) as follows:

13 **12-9-105.1. Games managers - certification.** (3) UNLESS
14 AUTHORIZED BY THE LICENSING AUTHORITY IN ACCORDANCE WITH THE
15 RULES OF THE LICENSING AUTHORITY, a person shall not be designated or
16 serve as a games manager for more than three bingo-raffle licenses
17 simultaneously. The licensing authority may promulgate rules establishing
18 the circumstances under which a person may be designated and serve as
19 games manager for more than three ~~but in no event more than five,~~
20 bingo-raffle licenses. ~~within a specified period of time.~~

21 **SECTION 3.** In Colorado Revised Statutes, 12-9-107, **amend**
22 (10) and (15) as follows:

23 **12-9-107. General conduct games of chance - premises -**
24 **equipment - expenses - rules.** (10) (a) In conducting a bingo or pull tab
25 game, a bingo-raffle licensee may operate equipment if the bingo-raffle
26 licensee: ~~or the landlord licensee of the premises owns or leases the~~
27 ~~equipment. If a bingo-raffle licensee leases the equipment, then the~~

1 licensee ~~must operate the equipment~~

2 (I) LEASES THE EQUIPMENT FROM A MANUFACTURER LICENSEE OR
3 SUPPLIER LICENSEE on premises that are owned, leased, or rented by the
4 licensee, used as the licensee's principal place of business, and controlled
5 so that admittance to the premises is limited to the licensee's members and
6 bona fide guests;

7 (II) OWNS THE EQUIPMENT; OR

8 (III) LEASES EQUIPMENT THAT IS OWNED OR LEASED BY A
9 LANDLORD LICENSEE.

10 (b) Nothing in this subsection (10) prohibits a bingo-raffle
11 licensee from leasing electronic devices used as aids in the game of
12 bingo.

13 (15) ~~Any~~ THE LICENSING AUTHORITY MAY REQUIRE A licensee that
14 does not report, during any one-year LICENSING period, POSITIVE net
15 proceeds ~~will be required~~ to show cause before the licensing authority
16 why its right to conduct games of chance should not be SUSPENDED OR
17 revoked. THE LICENSING AUTHORITY MAY ESTABLISH BY RULE THE
18 CONDITIONS FOR SUSPENDING, REVOKING, OR REFUSING TO RENEW A
19 LICENSE TO CONDUCT CHARITABLE GAMING FOR FAILURE TO REPORT
20 POSITIVE NET PROCEEDS.

21 **SECTION 4.** In Colorado Revised Statutes, 12-9-107.1, **amend**
22 (5) (b) as follows:

23 **12-9-107.1. Conduct of bingo games.** (5) (b) A bingo-raffle
24 licensee may award a consolation prize for a game of progressive bingo.
25 ~~in which the progressive prize is not won.~~ The bingo-raffle licensee
26 determines the amount of the consolation prize. Notice of the amount
27 ~~shall~~ MUST be conspicuously displayed ~~prior to~~ BEFORE the beginning of

1 the bingo-raffle occasion, and the amount is included as part of the
2 aggregate amount of all prizes offered or given in games played on a
3 single occasion, as set forth in paragraph (a) of this subsection (5). If a
4 consolation prize is offered AND THE PROGRESSIVE PRIZE IS NOT WON, the
5 game continues until the previously designated arrangement of numbers
6 or spaces on the card or sheet is covered, regardless of the number of
7 balls drawn, in order to determine the winner of the consolation prize. If
8 a consolation prize is not offered, the progressive game ends when the
9 last of the previously designated number of balls is drawn and must be
10 replayed in accordance with paragraph (a) of this subsection (5). IF A
11 CONSOLATION PRIZE IS OFFERED AND THE PROGRESSIVE PRIZE IS WON, THE
12 LICENSEE MAY OPT TO AWARD THE CONSOLATION PRIZE DURING THAT
13 OCCASION. IF THE CONSOLATION PRIZE IS AWARDED, THE LICENSEE MUST
14 INCLUDE THE TOTAL AMOUNT OF THE CONSOLATION PRIZE IN THE TOTAL
15 AMOUNT OF ANY SUBSEQUENT GAMES OFFERED IN THE SESSION, NOT TO
16 EXCEED THE MAXIMUM ALLOWED FOR THE OCCASION.

17 **SECTION 5. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2016 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.