

54/10.1/2000

C.2

COLORADO STATE PUBLICATIONS LIBRARY



3 1799 00135 4588

**Colorado Bingo-Raffle Advisory Board  
Annual Report to the General Assembly  
Calendar Year 2000**

This report is made in accordance with:

**Colorado Revised Statutes 12-9-202 Board - duties. ...**

*(1)(c) To prepare and make available an annual report to the general assembly and the licensing authority setting forth the findings and recommendations of the board for changes to this article or the rules promulgated thereunder.*

---

The Bingo-Raffle Advisory Board met its statutory duties in the calendar year 2000. Included among those duties is the preparation and submission of an annual report to the general assembly and to the licensing authority. This report shall set forth the findings of the board and its recommendations for changes to the Bingo and Raffles Law or the rules promulgated thereunder.

During this reporting period the board implemented steps to provide public access and input into its deliberations and recommendations. These steps included setting aside time at each regularly scheduled meeting for an open forum period at which the public is invited to express their concerns regarding the bingo-raffle industry. Furthermore, during the past reporting period the board met in various locations for the convenience of the public. Those locations included Englewood, Littleton, Arvada, Denver and Grand Junction.

The board is dedicated to preserving the viability of bingo fund raising for licensed nonprofit organizations and to ensure the industry operates in a fair and equal manner for those nonprofit organizations, thus maintaining the confidence of the public and, to a lesser extent, the necessary health of the for profit sector of the industry (licensed manufacturers, suppliers and commercial landlords).

**A. FINDINGS**

Based upon financial information received from records compiled and maintained by the secretary of state the board has made the following findings:

1. Net proceeds to nonprofit licensees from Bingo/Raffle fund raising are declining.
2. Cost of supplies consumed in connection with Bingo/Raffle fund raising is increasing.

In reaching its findings the board also received and took under advisement the responses to a survey which was mailed by the secretary to all 1490 bingo-raffle licensees.

RECEIVED

JAN 14 2002

STATE PUBLICATIONS  
Colorado State Library

## **B. RECOMMENDED CHANGES TO THE BINGO AND RAFFLES LAW**

### Electronic Bingo Card Minding Devices

The one topic which commanded the most attention of the board during this reporting period was the use by the public of electronic devices designed to assist them in keeping track of bingo cards. The devices are furnished to the player by the bingo-raffle licensee in order to enable the player to play more cards than could be played manually and without assistance. Due to a complaint received by the secretary of state from a bingo-raffle licensee, the secretary requested advice from the board and the Colorado Attorney General concerning a proposed rule regulating the devices. In this connection, the secretary and the board was advised by the Attorney General's office that the proposed rule was the only rule that would pass muster under the Bingo and Raffles Law. This rule has now been promulgated and may have the effect of eliminating the use of the electronic devices in this state. The board supported the rule but also recommended that the general assembly visit this issue for possible legislative clarification which would remove any doubt concerning the legality of the use of the devices. In support of legislative resolution of this issue the secretary postponed the rule's effective date until July 1, 2001, in order that the general assembly will have the opportunity to act on the matter if it so chooses. The board recommends that the matter be considered by the legislature for action, but makes no further recommendation.

### BINGO HALL RENTS

The board supported proposed legislation to amend the Bingo and Raffles Law to prohibit excessive bingo hall rents. The board recommended that the secretary of state cause legislation to be introduced to the legislature concerning this issue.

### SALES TAX

Although not a change in the Bingo and Raffles Law, the board supports the concept of exempting the sale of bingo supplies to all nonprofit licensees from the application of sales tax. Some bingo-raffle licensees are currently exempt from the application of sales tax to their purchase of bingo supplies while the majority of such licensees are not. All bingo-raffle licensees are nonprofit organizations. Sales taxes on their purchase of bingo supplies reduce the net proceeds available from bingo and raffle fund raising and, thus, such taxes reduce the funds available to achieve the bingo-raffle licensee's mission.

## **C. RECOMMENDED CHANGES TO THE RULES PROMULGATED THEREUNDER**

### SEAL CARD GAMES

Seal card games are a particular form of pull tab game permitted under the Bingo and Raffles Law and the secretary's rules thereunder. The board has recommended to the secretary that the rules be amended to simplify the applicable record keeping requirements pertaining to these games in order to improve their viability in this state. The board also recommended that the secretary

promulgate rules providing for the operation of carry over (progressive) seal card pull tab games.

**PROMOTIONS**

The board recommended that the secretary promulgate rules to further delineate promotion guidelines under the Bingo and Raffles Law. The secretary has indicated a preference that the Bingo and Raffles Law be amended regarding this matter.

**FINES**

The secretary, in consultation with the board, promulgated rules implementing a schedule of fines for violations of the Bingo and Raffles Law and rules thereunder in accordance with C.R.S. 12-9-103.(II)

**Licensing authority - powers- duties - license suspension or revocation proceedings.**

**FEES**

The secretary, in consultation with the board, increased the fees collected from all licensees in order to approximate the direct and indirect costs incurred by the secretary in carrying out her duties under the Bingo and Raffles Law. If revenues from bingo-raffle activities continue to decline the fees payable to the department which are based upon gross industry revenues will likewise decline and additional fee increases will be necessary in order for the secretary to maintain the past level of service.

**LICENSE NUMBERS**

The board has recommended that the secretary modify internal office procedures such that official license numbers remain the same from year to year. The secretary has announced the implementation of this change in the next licensing cycle.

**REPORT FORMS**

The secretary has received and implemented input from the board regarding changes to some of the forms required to be maintained and filed by licensees. The changes are designed to provide meaningful data to the secretary and the board regarding the health of the bingo-raffles industry and other matters.

Respectfully submitted,

(signed) John D. Amen

John D. Amen  
Chairperson, Colorado Bingo-Raffle Advisory Board

Dec. 27, 2000

Date