

The following document contains proposed rule changes for Sports betting. This Document is for discussion purposes at the Sports Betting stakeholder meeting Friday, February 11th being held virtually beginning at 9:00 a.m. MST. This document includes rule changes proposed for discussion by the Division of Gaming and other proposed rules brought forward by the industry to this point. The Division encourages the industry to bring other rule changes or proposed rule ideas to that discussion.

Note: This document does not contain all the sports betting rules, only the sections where changes have been proposed. Stakeholders may address all Sports Betting Rules not just the rules contained in this document.

RULE 5 – AUTHORIZED SPORTS BETTING ACTIVITIES

5.4 FIXED ODDS OR PRICE ON HORSE AND GREYHOUND WAGERING

- 1) FOR THE PURPOSES OF THIS RULE 5.4 ONLY:
 - a) “THE GOVERNING BODY” MEANS THE RACING COMMISSION, GOVERNMENTAL OR OTHER ORGANIZATION THAT IS IN ENTRUSTED WITH THE REGULATORY DUTY TO ENSURE INTEGRITY OF THE OUTCOME, FROM THE RACETRACK WHERE THE RACE IS CONTESTED.
 - b) “THE OWNER” MEANS THE OWNER(S) OF THE ANIMAL IN THE CONTEST.
- 2) SPORTS BETTING LICENSEES MAY REQUEST, UNDER SPECIFIC CONDITIONS, THAT THE COMMISSION AUTHORIZE HORSE AND GREYHOUND RACING AS SPORTS EVENTS AND BETS. ANY APPROVAL OF HORSE AND GREYHOUND RACING AS SPORTS EVENTS AND BETS WILL BE SPECIFIC TO THE SPORTS BETTING LICENSEE REQUESTING THE EVENT OR BET.
- 3) ON THE APPLICATION FOR HORSE AND GREYHOUND RACING AS SPORTS EVENTS AND BETS, SPORTS BETTING LICENSEES MUST AFFIRM THE LICENSEES HAVE RECEIVED CONSENT FROM THE FOLLOWING PARTIES:
 - a) TO OFFER IN-STATE HORSE RACING EVENTS AS A SPORTS EVENT, SPORTS BETTING LICENSEES MUST AFFIRM ON THE APPLICATION THAT THE LICENSEE HAS RECEIVED CONSENT FROM THE FOLLOWING PARTIES:
 - i) THE COLORADO RACING COMMISSION;
 - ii) THE RACETRACK WHERE THE RACE IS CONDUCTED; AND
 - iii) THE ASSOCIATION THAT REPRESENTS THE HORSE PERSONS COMPETING AT ALL LICENSED CLASS B COLORADO HORSE TRACK(S). THIS CONSENT MAY BE A PART OF THE CONSENT PROVIDED BY THE CONSENT RECEIVED IN 5.4(3)(A)(II).
 - b) TO OFFER HORSE RACING EVENTS THAT OCCUR OUTSIDE THE STATE OF COLORADO, BUT INSIDE THE UNITED STATES, AS A SPORTS EVENT, SPORTS BETTING LICENSEES MUST AFFIRM THE LICENSEES HAVE RECEIVED CONSENT FROM THE FOLLOWING PARTIES:
 - i) THE HOST RACING COMMISSION, AND IF APPLICABLE BREED SPECIFIC RACING COMMISSION, IN THE STATE WHERE THE RACE IS CONDUCTED;
 - ii) THE COLORADO RACING COMMISSION;
 - iii) ALL LICENSED CLASS B COLORADO HORSE TRACK(S);
 - iv) THE RACETRACK WHERE THE RACE IS CONDUCTED; AND

- v) THE ASSOCIATION THAT REPRESENTS THE HORSE PERSONS OR GREYHOUND PERSONS COMPETING AT THE RACETRACK WHERE THE RACE IS CONDUCTED. THIS CONSENT MAY BE A PART OF THE CONSENT PROVIDED BY THE CONSENT RECEIVED IN 5.4(3)(B)(IV).
 - vi) FOR HORSE RACING EVENTS, OPERATORS MUST ALSO OBTAIN THE CONSENT OF THE ASSOCIATION THAT REPRESENTS THE HORSE PERSONS COMPETING AT ALL LICENSED CLASS B COLORADO HORSE TRACK(S). THIS CONSENT MAY BE A PART OF THE CONSENT PROVIDED BY THE CONSENT RECEIVED IN 5.4(3)(B)(III).
- c) TO OFFER HORSE RACING EVENTS THAT OCCUR OUTSIDE OF THE UNITED STATES AS A SPORTS EVENT, SPORTS BETTING LICENSEES MUST AFFIRM THE LICENSEES HAVE RECEIVED CONSENT FROM THE FOLLOWING PARTIES:
- i) THE COLORADO RACING COMMISSION;
 - ii) ALL LICENSED CLASS B COLORADO HORSE TRACK(S);
 - iii) THE RACETRACK WHERE THE RACE IS CONDUCTED; AND
 - iv) FOR HORSE RACING EVENTS, THE ASSOCIATION THAT REPRESENTS THE HORSE PERSONS COMPETING AT ALL LICENSED CLASS B COLORADO HORSE TRACK(S). THIS CONSENT MAY BE A PART OF THE CONSENT PROVIDED BY THE CONSENT RECEIVED IN 5.4(3)(C)(II).
- 4) TO OFFER AN ESPORT CONTEST THAT IS BASED ON THE SPORT OF RACING HORSES, AND HAS BEEN APPROVED BY THE DIRECTOR, SPORTS BETTING LICENSEES MUST AFFIRM THE LICENSEES HAVE RECEIVED CONSENT FROM THE FOLLOWING PARTIES:
- a) ALL LICENSED CLASS B COLORADO HORSE TRACK(S);
 - b) FOR HORSE RACING EVENTS, THE ASSOCIATION THAT REPRESENTS THE HORSE PERSONS COMPETING AT ALL LICENSED CLASS B COLORADO HORSE TRACK(S). THIS CONSENT MAY BE A PART OF THE CONSENT PROVIDED BY THE CONSENT RECEIVED IN 5.4(3)(D)(II)
- 5) LICENSEES MUST SUBMIT THE APPLICATION AT LEAST 72 HOURS PRIOR TO ANY NEW SCHEDULED EVENT REQUESTED. IT SHALL BE THE RESPONSIBILITY OF THE OPERATOR REQUESTING THE EVENT TO OBTAIN ALL THE CONSENTS PROVIDED FOR IN THESE RULES.
- 6) THE APPLICATION SHALL BE IN A FORM AS SPECIFIED BY THE DIVISION, INCLUDING:
- a) THE NAME OF THE HORSE OR GREYHOUND MEET, SPORT EVENT(S) OR RACE;
 - b) HOST TRACK;
 - c) A DESCRIPTION OF ITS POLICIES AND PROCEDURES REGARDING EVENT INTEGRITY; AND
 - d) WHETHER THE OUTCOME CAN BE VERIFIED.
- 7) THE DIRECTOR OR DIRECTOR'S DESIGNEE WILL CONSIDER THE FOLLOWING FACTORS PRIOR TO DETERMINING WHETHER TO AUTHORIZE HORSE AND GREYHOUND RACING AS SPORTS EVENTS:
- a) WHETHER ALL REQUIRED CONSENTS HAVE BEEN SUBMITTED;
 - b) WHETHER THE OUTCOME IS DETERMINED SOLELY BY CHANCE;
 - c) WHETHER THE OUTCOME CAN BE VERIFIED;
 - d) WHETHER THE EVENT GENERATING THE OUTCOME IS CONDUCTED IN A MANNER THAT ENSURES SUFFICIENT INTEGRITY CONTROLS EXIST SO THE OUTCOME CAN BE TRUSTED;
 - e) THAT THE OUTCOME IS NOT AFFECTED BY ANY BET PLACED; AND
 - f) WHETHER THE EVENT IS CONDUCTED IN CONFORMITY WITH ALL APPLICABLE LAWS.

- 8) THE COMMISSION HAS A DUTY TO PROMULGATE RULES TO ENSURE THAT ACTIVITIES RELATED TO FIXED ODDS RACING ARE CONDUCTED HONESTLY AND COMPETITIVELY. WHERE THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY OF A SPORTS BETTING OPERATOR, INTERNET SPORTS BETTING OPERATOR, OR MASTER LICENSEE IS THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY OF THE HOST-TRACK, THE SPORTS BETTING LICENSEE MUST PROVIDE DOCUMENTATION OF THE FOLLOWING CONDITIONS WITH THE APPLICATION FOR THE RACING SPORTS EVENT:
 - a) THAT THE CONSENT GIVEN BY THE HOST-TRACK TO THE SPORTS BETTING LICENSEE MUST BE GIVEN TO ALL LICENSED SPORTS BETTING OPERATIONS IN COLORADO;
 - b) THAT PRIOR TO COMMENCING WAGERING ON THOSE EVENTS ANY OTHER CONSENTS GIVEN TO THE SPORTS BETTING LICENSEE RELATED TO THE RACING SPORT EVENT, AS REQUIRED BY RULE 5.4(3), BE GIVEN TO ALL LICENSED SPORTS BETTING OPERATIONS IN COLORADO; AND
 - c) THAT THE HOST-TRACK SHALL MAKE AVAILABLE TO ALL LICENSED SPORTS BETTING OPERATIONS IN COLORADO, THAT RACING SPORT EVENT, RACE OR CONTENT ON THE USUAL AND CUSTOMARY TERMS, INCLUDING PRICE OR COMMISSION SHOULD THEY ALSO WISH TO CONTRACT FOR THAT RACING SPORT EVENT, RACE OR CONTENT.

- 9) A CONTENT PROVIDER THAT HOLDS A SPORTS BETTING LICENSE; HAS EXCLUSIVE RIGHTS TO RACING CONTENT; AND, IS NOT CONNECTED TO A LICENSED SPORTS BETTING OPERATOR, INTERNET SPORTS BETTING OPERATOR OR MASTER LICENSE, SHALL MAKE AVAILABLE TO ALL LICENSED SPORTS BETTING OPERATIONS IN COLORADO, THAT RACING CONTENT ON THE USUAL AND CUSTOMARY TERMS, INCLUDING PRICE, COMMISSION OR DISCOUNTS. A CONTENT PROVIDER MAY SECURE THE CONSENTS REQUIRED IN THIS 5.4 (3) FOR A CONTRACTED SPORTS BETTING OPERATOR. ADDITIONALLY, WHERE MORE THAN ONE LICENSED CONTENT PROVIDER IS OPERATING IN THE STATE, THOSE OPERATORS SHALL USE THEIR BEST EFFORTS WORKING TOGETHER TO PROVIDE THE BEST CONTENT EXPERIENCE TO THE COLORADO SPORTS BETTOR.

- 10) PAYMENT ON WINNING BETS SHALL BE MADE BASED ON THE ORDER OF FINISH POSTED AND DECLARED "OFFICIAL" UNLESS OTHERWISE STATED IN THE HOUSE RULES OF THE SPORTS BETTING OPERATION.

- 11) THE DIRECTOR MAY REQUEST THE CONSENT OF THE COLORADO RACING COMMISSION IN ADVANCE FOR THE CONDUCT OF SPORTS BETTING ON HORSE AND GREYHOUND RACING AS SPORTS EVENTS AND BETS, FOR ALL SPORTS BETTING OPERATIONS, TO FULFILL THE REQUIREMENTS OF THE CONSENT NEEDED IN 5.4(3).

- 12) NOTHING IN THESE RULES SHALL USURP ON THE AUTHORITY OF THE COLORADO RACING COMMISSION AND ITS REGULATION AND CONDUCT OF PARI-MUTUAL RACING AND WAGERING IN COLORADO.

RULE 2 – POWERS AND DUTIES OF COMMISSION AND DIRECTOR

2.11 Filing or notice.

If a filing or notice to the Commission or Director is permitted or required by these Rules, the filing or notice may be delivered in person or mailed to the Division at 1707 COLE BOULEVARD, SUITE 300, LAKEWOOD, COLORADO 80401. A filing or notice is complete on the date it is received by the Division. Notification to the Division shall be deemed notification to the Commission for purposes of these Rules.

RULE 4 – TAXES AND FEES

4.1 Payment of taxes.

(3) UPON A LICENSEE'S REQUEST, THE DIRECTOR MAY GRANT AN EXTENSION UP OF NOT MORE THAN FIVE (5) DAYS FOR FILING A RETURN AND PAYMENT EXCEPT THAT THE DIRECTOR SHALL NOT GRANT MORE THAN TWO EXTENSIONS DURING ANY ONE-YEAR PERIOD.

RULE 5 – AUTHORIZED SPORTS BETTING ACTIVITIES

5.1 Approved sports events and leagues.

(1) Persons licensed to offer sports betting may accept wagers on those sports events and leagues approved by the Commission, which shall be reflected on THE OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS.

(2) Where a sports league is authorized, persons licensed to offer sports betting may accept wagers on all sports events conducted by such sports league, where the sports event is of the kind generally conducted by that league.

(3) The Director or designee shall post THE OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS on the Division website. As new events and/or leagues are authorized, the Director or designee shall update the OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS, and inform the Master, Sports Betting Operator and Internet Sports Betting Operator licensees and applicable sports governing bodies of those changes. UNLESS OTHERWISE STATED BY THESE RULES, ALL APPROVED SPORTS EVENTS OR WAGERS MAY BE OFFERED BY ALL SPORTS BETTING OPERATORS .

5.2 REQUESTS to authorize new Sports Events.

(1) Sports betting licensees may request the DIVISION, THROUGH THE AUTHORITY DELEGATED BY THE Commission, authorize sports events, leagues or bets not already authorized and included on the OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS.. THE REQUEST MUST BE APPROVED prior to ANY LICENSEE offering the new event or wager to the public. REQUESTS MADE LESS THAN THREE (3) BUSINESS DAYS BEFORE A NEW EVENT FOR WHICH THE REQUEST IS MADE MAY BE DENIED AT THE DIVISION'S DISCRETION.

(2) The REQUEST shall be in a form as specified by the Division, including:

- (a) The name of the sport's governing body; and
- (b) A description of its policies and procedures regarding event integrity.

(3) Where a sports betting licensee wishes to authorize a sports event conducted by an approved sports league of a type not generally conducted by that sports league, the Division may contact the sport's governing body for input.

(4) The Director or Director's designee will consider the REQUEST, ALL PROVIDED MATERIALS AND ANY RELEVANT INPUT FROM THE SPORT'S GOVERNING BODY OR CONDUCTOR OF THE SPORTS EVENT prior to authorizing a sports event, league or portion of a sport or athletic event. THE WAGER BEING REQUESTED MUST MEET THE FOLLOWING CRITERIA BEFORE THE REQUEST MAY BE APPROVED:

- (a) The outcome is not determined solely by chance;
- (b) The outcome can be verified;
- (c) The event generating the outcome is conducted in a manner that ensures sufficient integrity controls exist so the outcome can be trusted;
- (d) The outcome is not affected by any bet placed; and
- (e) The event is conducted in conformity with all applicable laws.

RULE 6 – RIGHTS AND DUTIES OF LICENSEES

6.11 Prohibited sports betting participant.

(1) Prohibited sports betting participants include any person who is prohibited pursuant to 44-30-1506, C.R.S., any individual whose participation may undermine the integrity of the betting or the sports event, or any person who is prohibited for other good cause, including, but not limited to:

- (a) Any individual placing a wager as an agent or proxy, other than those individuals involved in contests and/or weekly picks approved by the Division pursuant to Rule 6.20;
- (b) Any person who is an athlete, coach, referee, player, in, or on, any sports event overseen by that person's sports governing body based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the division;
- (c) A person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including, but not limited to, coaches, managers, handlers, or athletic trainers based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the division;
- (d) A person under the age of 21;
- (e) A person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information, or based on a list provided to the applicable Sports Betting Operation by that person's sports governing body through the Division
- (f) A list provided to the Division by a sports governing body shall be in a format and contain data fields designated by the Director or the Director's designee. When a list or updated list is provided, the Division will direct that list to all Sports Betting Operations. This list shall be deemed confidential and only be used for compliance with this rule.

(2) A prohibited sports betting participant must refrain from engaging in sports betting in the state of Colorado and must disclose his or her status as a prohibited sports betting participant to all relevant persons and/or governing bodies. Failure to comply with the provisions of this rule may result in disciplinary action up to and including criminal prosecution.

(3) A Sports Betting Operation shall make commercially reasonable efforts to confirm that the patron is not a prohibited sports betting participant.

(4) A SPORTS WAGERING TICKET MAY BE RECEIVED AS A TIP WAGER BY AN EMPLOYEE OF A SPORTS BETTING OPERATOR OR MASTER LICENSE SO LONG AS THE RECEIVER OF TIP WAGER DID NOT SOLICIT THE SPORTS WAGERING TICKET, THE RECEIVER DID NOT PARTICIPATE IN THE SELECTION OF THE WAGER AND THE SPORTS BETTING TICKET IS PLACED INTO A TIP POOL.

6.13

6.13 WAGER SETTLEMENT DISPUTES.

- (1) IT IS THE RESPONSIBILITY OF ALL SPORTS BETTING OPERATIONS TO ATTEMPT TO RESOLVE ALL VALID WAGER SETTLEMENT DISPUTES DIRECTLY WITH THE PATRON. A WAGER SETTLEMENT DISPUTE IS VALID WHEN A PATRON SUBMITS A WRITTEN WAGER SETTLEMENT DISPUTE TO THE SPORTS BETTING OPERATION VIA MAIL OR ELECTRONIC MAIL TO THE APPROPRIATE CUSTOMER SERVICE ADDRESS AND WHEN A WINNING WAGER WAS:
 - (a) SETTLED AS A LOSING WAGER;
 - (b) SETTLED AS A WINNING WAGER BUT THE PAYOUT WAS INCORRECT;
 - (c) VOIDED BY THE SPORTS BETTING OPERATION PRIOR TO SETTLEMENT; OR
 - (d) SETTLED BUT THE SPORTS BETTING OPERATION HAS NOT PAID OUT THE WINNINGS.
- (2) A SPORTS BETTING OPERATION MAY RESOLVE ANY VERBAL WAGER SETTLEMENT DISPUTE AS A CUSTOMER SERVICE COMPLAINT. VERBAL WAGER SETTLEMENT DISPUTES NOT RESOLVED IN THE FIRST CONTACT MUST BE SUBMITTED BY THE PATRON AS A VALID WAGER SETTLEMENT DISPUTE.
- (3) UPON RECEIPT OF A VALID WAGER SETTLEMENT DISPUTE, THE SPORTS BETTING OPERATION MUST INVESTIGATE AND PROVIDE THE PATRON WITH A WRITTEN RESPONSE WITHIN TEN (10) BUSINESS DAYS. THE RESPONSE MUST STATE THE SPORTS BETTING OPERATION'S DECISION REGARDING WHETHER OR NOT IT WILL PAY OUT ON THE WAGER.
- (4) IF THE SPORTS BETTING OPERATION DETERMINES IT WILL NOT PAY OUT ON THE WAGER, THE RESPONSE MUST PROVIDE AN EXPLANATION STATING MINIMUM FACTS AND ANY OTHER RELEVANT INFORMATION SUPPORTING THE DECISION, AS WELL AS A STATEMENT INFORMING THE PATRON OF THEIR RIGHT TO APPEAL THE DECISION WHEN THE AMOUNT IN DISPUTE IS AT LEAST \$1,250.
- (5) IT IS THE RESPONSIBILITY OF ALL SPORTS BETTING OPERATIONS TO LOG ALL VALID WAGER SETTLEMENT DISPUTES IT RECEIVES. THE LOG MUST DOCUMENT THE: DATE THE WRITTEN WAGER SETTLEMENT DISPUTE WAS RECEIVED; PATRON NAME; PATRON ACCOUNT NUMBER; WAGER DESCRIPTION; AMOUNT WAGERED; PURPORTED PAYOFF; AND THE SPORTS BETTING OPERATION'S ACTION TAKEN. THIS RECORD SHOULD BE KEPT BY YEAR AND MUST BE KEPT FOR A MINIMUM OF TWELVE (12) MONTHS.
- (6) IF THE SPORTS BETTING OPERATION DECLINES TO PAY A WAGER SETTLEMENT DISPUTE WITH A PAYOUT OF AT LEAST \$1,250, THE AGGRIEVED PATRON MAY SUBMIT THE INITIAL WAGER SETTLEMENT DISPUTE AND THE SPORTS BETTING OPERATION'S RESPONSE TO THE DIVISION FOR FURTHER REVIEW. THE DISPUTE MUST BE SUBMITTED IN THE FORM AND MANNER AS PRESCRIBED BY THE DIVISION'S WEBSITE. SUBMISSIONS NOT CONSTITUTING A VALID WAGER SETTLEMENT DISPUTE OR REACHING THE MINIMUM THRESHOLD AMOUNT WILL BE TREATED AS REGULATORY COMPLAINTS.
- (7) UPON RECEIPT OF A QUALIFYING SUBMISSION, THE DIVISION WILL INVESTIGATE THE MATTER AND THE DIRECTOR OR THE DIRECTOR'S DESIGNEE WILL DETERMINE WHETHER THE WAGER SHOULD BE PAID. THE PATRON AND THE SPORTS BETTING OPERATION WILL BE NOTIFIED WITHIN TEN (10) DAYS OF THE COMPLETION OF THE INVESTIGATION OF THE DECISION AND THE DIRECTOR WILL ISSUE AN ORDER ON THE MATTER. IF THE WAGER SHOULD BE PAID, THE SPORTS BETTING OPERATION MUST CONTACT THE PATRON WITHIN TEN (10) BUSINESS DAYS OF THE ORDER BEING ISSUED TO TENDER THE FUNDS.

6.14 Procedure upon dissolution.

Upon dissolution of a corporation, partnership, or association, the licensee must surrender the license to the Commission within 10 days following the date of the dissolution.

6.14 CLOSING OF A SPORTS BETTING OPERATION; DISSOLUTION.

(1) CLOSING OF A SPORTS BETTING OPERATION

(A) A SPORTS BETTING OPERATION MUST NOTIFY THE DIVISION OF ANY TEMPORARY OR PERMANENT CLOSING PLANS AT LEAST SIXTY (60) DAYS PRIOR TO CLOSING THE SPORTS BETTING OPERATION OR AS SOON AS THE OPERATION KNOWS THAT CLOSING IS IMMINENT, WHICHEVER PERIOD IS SHORTER.

(B) WITHIN THIRTY (30) DAYS OF NOTICE TO THE DIVISION, THE SPORTS BETTING OPERATION MUST PROVIDE THE DIVISION WITH A CLOSING PLAN REGARDING THE DISPOSITION OF OUTSTANDING TICKETS AND FUTURES WAGERS.

(2) CLOSING OF AN INTERNET SPORTS BETTING OPERATION

(A) AN INTERNET SPORTS BETTING OPERATION MUST NOTIFY THE DIVISION OF ANY PERMANENT CESSATION OF OPERATION NUMBER AT LEAST SIXTY (60) DAYS PRIOR TO OPERATIONS CEASING OR THE CHANGE OF OWNERSHIP OR AS SOON AS THE OPERATION KNOWS THAT CLOSING IS IMMINENT, WHICHEVER PERIOD IS SHORTER.

(B) WITHIN 30 DAYS OF NOTICE TO THE DIVISION, THE INTERNET SPORTS BETTING OPERATION MUST PROVIDE THE DIVISION WITH A CLOSING PLAN REGARDING THE DISPOSITION OF PLAYER ACCOUNTS, FUNDS IN THOSE ACCOUNTS AND FUTURES WAGERS.

(3) UPON THE DISSOLUTION OF A SPORTS BETTING OPERATION OR AN INTERNET SPORTS BETTING OPERATION THAT IS A CORPORATION, PARTNERSHIP OR ASSOCIATION, THE OPERATION SHALL SURRENDER THE LICENSE WITHIN 10 DAYS OF THE DISSOLUTION EFFECTIVE DATE.

RULE 7 REQUIREMENTS OF SPORTS BETTING OPERATIONS

7.2 System assessment.

Each Sports Betting Operation shall, within ninety (90) days of commencing operations, and annually thereafter, perform a system integrity and security assessment of sports betting systems and online sports betting systems conducted by an independent professional selected by the licensee and subject to licensure and approval of the Director or Director's designee. **SHOULD A LICENSEE BE OPERATING UNDER A TEMPORARY LICENSE, THEY SHALL PERFORM A SYSTEM AND SECURITY ASSESSMENT WITHIN ONE YEAR FOLLOWING THE INITIAL NINETY (90) DAY ASSESSMENT.** The independent professional's report on the assessment shall be submitted to the Division and shall include:

- (a) Scope of review;
- (b) Name and company affiliation of the individual(s) who conducted the assessment;
- (c) Date of assessment;
- (d) Findings;
- (e) Recommended corrective action, if applicable; and
- (f) The operator's response to the findings and recommended corrective action

(2) IF THE INDEPENDENT PROFESSIONAL'S REPORT RECOMMENDS CORRECTIVE ACTION, THE SPORTS BETTING OPERATION MUST PROVIDE THE DIVISION WITH A RESOLUTION PLAN WHICH DETAILS THE SPORTS BETTING OPERATION'S ACTIONS AND SCHEDULE TO IMPLEMENT THE CORRECTIVE ACTION. ONCE THE CORRECTIVE ACTION HAS BEEN TAKEN, THE OPERATOR WILL PROVIDE THE DIVISION WITH DOCUMENTATION EVIDENCING COMPLETION.

7.5 Internal control procedures.

Prior to beginning sports betting activity, a Sports Betting Operation must submit for approval internal controls for the following:

- (1) In the event of a failure of the sports betting system's ability to pay winning wagers, the Sports Betting Operation shall have internal controls detailing the method of paying winning wagers. The Sports Betting Operation shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Division;
- (2) User access controls for all sports betting personnel;
- (3) Segregation of duties;
- (4) Automated and manual risk management procedures;
- (5) Procedures for identifying and reporting fraud and suspicious conduct, including identifying unusual betting activity and reporting such activity to an Independent Integrity Monitoring Provider;
- (6) Procedures to prevent betting by prohibited sports betting participants;
- (7) Procedures for Sports Betting Operation-imposed exclusion of patrons, including the following:
 - (a) Providing a notification containing operator-imposed exclusion status and general instructions for resolution;

- (b) Ensuring that immediately upon executing the operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the operator-imposed exclusion has been revoked; and
 - (c) Ensuring that the patron is not prevented from withdrawing any or all of their account balance, provided that the Sports Betting Operation acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdrawal.
- (8) Description of anti-money laundering compliance standards, which shall include limitations placed on anonymous betting at the sports betting kiosks;
 - (9) Process for submitting or receiving approval of all types of wagers available to be offered by the system;
 - (10) Description of process for accepting wagers and issuing pay outs, plus any additional controls for accepting wagers and issuing pay outs in excess of \$10,000;
 - (11) Description of a process for accepting multiple wagers from one patron in a twenty-four (24) hour cycle, including a process to identify patron structuring of wagers to circumvent recording and reporting requirements;
 - (12) Detail the procedure for reconciliation of assets and documents contained in a sports betting wagering area cashier's drawer, sports betting kiosks, and online sports betting, which shall include the drop and count procedures for sports betting kiosks;
 - (13) Procedures for cashing winning tickets at the cage after the sports betting wagering area has closed, if applicable;
 - (14) Procedures for accepting value game chips for sports wagers, if applicable;
 - (15) Procedures for issuance and acceptance of promotional funds and free bets for sports betting;
 - (16) Description of all integrated third-party systems;
 - (17) Identifying and restricting prohibited sports betting participants;
 - (18) Instituting a process to close out dormant accounts;
 - (19) Detail procedures for making adjustments to a patron's account, providing a method for a patron to close out an account, and detail how a patron will be refunded after the closure of an account;
 - (20) If the sports betting system allows online betting, a method for verifying geolocation systems to establish patrons' geographic locations;
 - (21) Maintaining the security of identity and financial information of patrons;
 - (22) Detailed problem gambling program procedures;
 - (23) Secure method for implementing an online and on location responsible gaming and self-exclusion program, including what account limits may be set by patrons;
 - (24) Method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), biometric login, or other approved security feature, when applicable;
 - (25) Methods of patron notification including any password or security modification via electronic or regular mail, text message, or other manner approved by the Director or Director's designee. Such methods shall include at a minimum:
 - (a) Proof of identity, if in person;
 - (b) The correct response to two or more challenge questions;

- (c) Strong authentication; or
 - (d) Two factor authentication.
- (26) Procedures for receiving, investigating and responding to all patron complaints and submitting any unresolved patron complaint reports to the Division;
 - (27) Detail the location of the sports betting servers, including any third party remote location servers, and what controls will be in place to ensure security of the sports betting servers;
 - (28) Terms and conditions for sports betting shall be included as an appendix;
 - (29) Description of the process for line setting and line moving;
 - (30) If allowed, method of redeeming lost tickets;
 - (31) Method by which the ~~Sports Betting Operator~~ **SPORTS BETTING OPERATION** will identify and cancel wagers in accordance with Rule 7.6 (12), including defining “obvious error”;
 - (32) A process for voiding wagers.
 - (33) A process for implementing the change management process detailed in these Rules; and
 - (34) Any other internal control deemed necessary by the Director or the Director’s designee.

The Sports Betting Operator shall stamp or otherwise mark each page of the internal control procedures submitted to the Commission with the word “CONFIDENTIAL” if the material submitted is not subject to disclosure under 44-30-1507, C.R.S., and this Rule 7.

7.6 Sport betting system requirements.

- (1) Certification testing.
 - (a) Prior to conducting sports betting, the entire sports betting system used in conjunction with the Sports Betting Operation shall be submitted to a Colorado approved independent testing laboratory for certification testing.
 - (b) A Colorado approved independent testing laboratory shall certify that the sports betting system used in conjunction with the Sports Betting Operation meets or exceeds the standards approved by the Commission, and the standards established by this document. Sports Betting Operations are prohibited from offering sports betting in Colorado without such certification.
 - (c) All wagers shall be initiated, received, and otherwise made within the State of Colorado unless otherwise permitted by the Commission in accordance with applicable federal and state laws. Consistent with the intent of the United States Congress as articulated in the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. §§5361 et seq.), the intermediate routing of electronic data relating to a lawful intrastate wager authorized under this provision shall not determine the location or locations in which such wager is initiated, received, or otherwise made.
 - (d) A ~~Sports Betting Operator~~ **SPORTS BETTING OPERATION** shall document and maintain any system malfunction or deviation from the sports betting system and maintain that data for a minimum period of three (3) years.

- (e) A ~~Sports Betting Operator~~ **SPORTS BETTING OPERATION** shall provide the Director or Director's designee, with betting transactions and related data as deemed necessary and in a manner approved by the Director or the Director's designee.
- (2) Server location.
- (a) A ~~Sports Betting Operator~~ **SPORTS BETTING OPERATION** must locate the primary server in the state of Colorado. The primary server shall be the server responsible for the acceptance and storage of patron wagers. The location selected must have adequate security, including twenty-four (24) hour surveillance, and be licensed and approved by the Director or Director's designee.
 - (b) Third party data storage facilities or data storage managers must obtain a vendor minor license.
- (3) Cloud storage of duplicate data.
- (a) The Director or Director's designee may approve the use of cloud storage for duplicate data, or data not related to transactional wagering data upon written request by a Sports Betting Operation.
- (4) Sports betting system requirements; logging.
- (a) All online sports betting systems authorized by the Division and these Rules shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.
 - (b) Sports betting systems shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the online sports betting system can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.
 - (c) Sports betting systems shall provide promptly upon request, in a format required by the Commission, all online sports betting system data. Sports betting system data includes, but is not limited to, employee data and logs, geofence logs, player activity and betting information, and event logs related to Colorado Sports Betting Operations.
 - (d) Requirements for system specifications and sports betting system logging shall be detailed by the Commission. Master, Sports Betting Operators, Internet Sports Betting Operators and sports betting Vendors shall address all such requirements in the internal controls submitted to the Commission for approval.
- (5) Bets.
- Patron wagers placed in a Sports Betting Operation, self-service betting device or other approved area within a licensed facility shall be made with:
- (a) Cash;

- (b) Cash equivalent;
 - (c) Credit or debit card;
 - (d) Free bets;
 - (e) Sports betting vouchers;
 - (f) Value gaming chips; and
 - (g) Any other means approved by the Director or Director's designee.
- (6) Patron sports betting via credit or debit card.
- (a) A patron may place a wager via credit or debit card, whether the patron places the wager at a casino in the sports betting wagering area, sports betting kiosk, online, or by a mobile device.
 - (b) Funding of an account may be made online, in person, or through an online account with an Internet Sports Betting Operator, on a bettor's own personal computer or mobile device. Other methods of funding may be approved by the Director.

(7) Wager displays.

When displaying wagers to the public through the Sports Betting Operation's close circuit television system, the display shall include, but is not limited to, the following:

- (a) The odds; and
- (b) A brief description of the event.

(8) Ticket contents.

Upon completion of a betting transaction, the patron shall receive an unalterable virtual or printed wager record which shall contain at a minimum the following information:

- (a) The date and time the wager was placed;
- (b) The date and time the event is expected to occur;
- (c) Any patron choices involved in the wager:
 - (i) Wager selection;
 - (ii) Type of wager and line postings;
 - (iii) Any special condition(s) applying to the wager; and
 - (iv) Pay out, applicable at the time the wager is placed.
- (d) Total amount wagered, including any promotional/bonus credits, if applicable;
- (e) Event and market identifiers, if applicable; and,

- (f) Unique identification number of the wager record.
- (g) For printed wager records, the following must also be included:
 - (i) Sports Betting Operation name;
 - (ii) Unique sports betting device ID which issued the wager record; and
 - (iii) Expiration period, if applicable.
- (9) Currency transaction reports and multiple transaction logs. Wagers and pay outs made under these rules shall be subject to the requirements of the Division.
- (10) Cancelled events and markets. The house rules and information available to the patron through the sports betting device, or upon request at a licensed facility, must clearly state what is to occur when an event or market is cancelled, including the handling of wagers with multiple events, such as parlays, where one or more of these legs are cancelled. If a single event or market is cancelled for any reason, all wagers are to be refunded in full as soon as reasonably possible.
- (11) Cancellation of wagers; prohibited sports betting participants. A Sports Betting Operation shall cancel a wager made by a prohibited sports betting participant and refund the amount wagered. A Sports Betting Operation must cancel a wager under this rule at the time the Sports Betting Operation becomes aware or should have been aware that the patron is a prohibited sports betting participant.
- (12) Cancellation of wagers. A Sports Betting Operation may, in its discretion, cancel an accepted wager for obvious error or in the case of a change in circumstance that makes grading the wager an impossibility. Obvious error shall be defined in the Sports Betting Operator's house rules. Any cancellation of wagers shall be reported to the Division.
- (13) Cashier cancelled wagers. A cashier may not cancel a wager for which the cashier wrote the ticket and must instead call a supervisor to cancel the wager.
- (14) Prohibiting wagers for good cause.
 - (a) Pursuant to 44-30-1505 (7), C.R.S., a sports governing body may request that the Commission restrict, limit or exclude a type of wager based solely upon the actions of a single player.
 - (b) A sports governing body may submit to the Director or Director's designee in writing (by providing notice in such form and manner as the Director or Director's designee may require) a request to restrict, limit or exclude a certain type of wager based solely upon the actions of a single player with respect to sporting events of such body, if the sports governing body believes that such type, form, or category of sports wagering with respect to sporting events of such body is contrary to public policy, unfair to consumers, may undermine the perceived integrity of such body or sporting events of such body, or affects the integrity of such body or sporting events of such body.
 - (c) The Director or Director's designee shall request comment from Sports Betting Operations on all such sports governing body requests. The Director or Director's designee may also request comment from independent monitoring providers and other jurisdictions.

- (d) After giving due consideration to all comments received, the Director or Director's designee shall, upon a demonstration of good cause from the requesting sports governing body, grant the request. The Director or Director's designee shall respond to a request concerning a particular event before the start of the event, or if it is not feasible to respond before the start of the event, no later than 7 days after the request is made. If the Director or Director's designee determines that the requesting sports governing body is more likely than not to prevail in successfully demonstrating good cause for its request, the Director or Director's designee may provisionally grant the request of the sports governing body until the Director or Director's designee makes a final determination as to whether the requesting sports governing body has demonstrated good cause. Absent such a provisional grant by the Director or Director's designee, Sports Betting Operations may continue to offer sports wagering on sporting events that are the subject of such a request during the pendency of the Director or Director's designee's consideration of the applicable request.

(15) Layoff wagers.

Sports Betting Operations shall be permitted to place and accept layoff wagers. A layoff wager shall be defined as a wager placed by a Sports Betting Operation with another Sports Betting Operation for the purpose of offsetting patron wagers. Such wagers shall be reported to the Division.

(16) Promotions.

- (a) Patrons must be able to access information pertaining to any promotions or bonuses available to them. This information must be clear and unambiguous, especially where promotions or bonuses are limited to certain events, markets, or when other specific conditions apply.
- (b) A Sports Betting Operation shall comply with Commission rules regarding complimentary play or any promotional event related to the conduct of sports betting.

(17) Exchange wagers.

Prior to accepting exchange wagers a sports betting operation must obtain approval from the Commission. The Commission rates taken on such bets must be approved by the Director and are subject to all taxes and tax requirements as are paid on net sports betting proceeds.

7.7 Sports betting kiosks.

- (1) In general.
 - (a) A Sports Betting Operator may utilize Self-service betting devices(kiosks) located in a licensed facility for betting transactions in conjunction with a sports betting system in a location approved by the Director or Director's designee.
 - (b) Self-service sports betting devices (kiosks) shall be subject to the approvals and other requirements of the Commission.
- (2) Testing and certification. Before being deployed for use at a licensed facility, all sports betting kiosks must be submitted to a Colorado approved independent testing laboratory for testing and receive the required certification. The Colorado approved independent testing laboratories shall certify that the sports betting kiosk meets or exceeds the most current Division approved version of standards for Kiosks, or equivalent standards as approved by the Commission, and the standards established by the Division.
- (3) Reconciliation. The Sports Betting Operation's accounting department shall reconcile self-service sports betting devices (kiosks) on a ~~daily basis~~ **WEEKLY BASIS AT MINIMUM** pursuant to internal controls. Any variance of \$500.00 or more shall be documented by the accounting department and reported in writing to the Commission's audit department within 5 business days after drop and count of kiosks. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.
- (4) Transaction reports. Each self-service sports betting device (kiosk) or corresponding system shall be capable of generating a "Transaction Report," which documents each attempted and completed transaction. Unless otherwise approved by the Commission, the report shall include, at a minimum:
 - (a) The date and time;
 - (b) A description of the transaction;
 - (c) The value of credit card and debit card transactions;
 - (d) The value of currency dispensed and inserted;
 - (e) The value of all sports betting vouchers dispensed and inserted; and
 - (f) The value of all sports betting tickets dispensed and inserted.
- (5) Connection to sports betting system.
 - (a) When used to redeem sports betting tickets or vouchers, sports betting kiosks shall work in conjunction with an approved sports betting system and shall be designed to:
 - (i) Accurately obtain the unique identification number of the item presented for redemption and cause such information to be accurately and securely relayed to the sports betting system for the purpose of redemption;
 - (ii) Issue currency or a sports wager voucher or both in exchange for the item presented only if the sports betting system has authorized and recorded the transaction; and

- (iii) Return a sports wager ticket and voucher to the patron when it cannot be validated by the sports betting system or is otherwise unredeemable.
- (b) When used to redeem sports wager vouchers, the sports betting kiosk or sports betting kiosk computer system shall be capable of generating a voucher redemption report for each gaming day. The report shall include the voucher's unique identifier, the date and time of redemption and the value of the voucher.
- (c) When used to redeem sports wager tickets, the sports betting kiosk or sports betting kiosk computer system shall be capable of generating a ticket redemption report for each gaming day. The report shall include the ticket's unique identifier, the date and time of redemption and the value of the ticket.
- (d) When used to issue sports wager vouchers, the sports betting kiosk or sports betting kiosk computer system shall be capable of generating a voucher issuance report for each gaming day. The report shall include the voucher's unique identifier, the date and time of issuance and the value of the voucher.
- (e) When used for credit card and debit card transactions, the sports betting kiosk or sports betting kiosk computer system shall be capable of generating a credit card and debit card transaction report for each gaming day. The report shall include the transaction's unique identifier, the date and time of transaction and the value of the transaction.

7.8 Sports betting reports; betting revenue; computation of taxes; reconciliation.

- (1) Reports required.
 - (a) The sports betting system shall be required to generate those reports necessary to record the adjusted gross receipts, patron liability, ticket redemption, and such other information relating to sports betting as deemed necessary by the Director or as required by internal controls. Such reporting shall be done using cash basis accounting.
 - (b) To determine the daily win amount, the ~~Sports Betting Operator's~~ **SPORTS BETTING OPERATION'S** accounting department shall compare a win report from the sports betting system to the reconciliation of the sports betting drawers. The operator shall be required to calculate and report adjusted gross sports betting receipts using the higher amount identified in such comparison, unless otherwise authorized in its internal controls.
 - (c) The ~~Sports Betting Operator~~ **SPORTS BETTING OPERATION** shall permit duly authorized representatives of the Commission's audit department to examine the operator's accounts and records for the purpose of certifying total gross revenue receipts and adjusted gross revenue receipts.
 - (d) Such information shall be ~~entered on forms prescribed by the Commission~~ **PROVIDED AS PRESCRIBED BY THE DIVISION.**
- (2) Remittance of betting taxes shall be the sole responsibility of the licensee that accepts, calculates, and is responsible for settlement of the sports wager. Such responsibility shall be included in the operating agreements between parties.

(b)

IN DETERMINING SPORTS BETTING TAX LIABILITY FOR A REPORTING PERIOD, A SPORTS BETTING OPERATOR SHALL TAKE THE SUM OF TAXABLE PROCEEDS FOR ALL GAMING DAYS IN THE PERIOD AND MULTIPLY BY THE DECIMAL REPRESENTATION OF THE SPORTS BETTING TAX PERCENTAGE.

TAXABLE PROCEEDS FOR A GAMING DAY ARE THE NET SPORTS BETTING PROCEEDS FOR THE GAMING DAY MINUS THE ABSOLUTE VALUE OF ANY CARRY OVER LOSS FROM THE PREVIOUS GAMING DAY. IF THE TAXABLE PROCEEDS FOR A GAMING DAY RESULT IN A NEGATIVE NUMBER, THE TAXABLE PROCEEDS FOR THAT GAMING DAY IS ZERO AND THE RESULTING NEGATIVE NUMBER IS THE CARRY OVER LOSS APPLIED TO THE NEXT GAMING DAY.

7.11 Sports betting accounts.

(1) Account required.

- (a) A Sports Betting Operation shall limit each patron to one (1) active and continuously used sports betting account and username.
- (b) A Sports Betting Operation shall implement rules and publish procedures to terminate all accounts of any sports betting account patron that knowingly and intentionally establishes or seeks to establish multiple active accounts, in contravention of this Rule, whether directly or by use of another person as a proxy.

(2) Age and identify verification.

A full identity check must be undertaken before a patron is allowed to place a wager:

- (a) Only patrons twenty-one (21) years of age and older may deposit funds or participate in betting. The Sports Betting Operation must deny the ability to deposit funds or participate in betting to any person that submits a birth date that indicates they are under the legal participation age.
- (b) Patron verification must use commercially reasonable standards in conformity with Rule 6.11 to confirm that the patron is not a prohibited sports betting participant.
- (c) Details of patron verification must be kept in a secure manner.
- (d) Third-party service providers may be used for age and identity verification of patrons.
- (e) The operator must have a documented policy for the handling of patrons discovered to be using an account in a fraudulent manner, including but not limited to:
 - (i) The maintenance of information about any patron's activity, such that if fraudulent activity is detected, the regulatory body has all of the necessary information to take appropriate action;
 - (ii) The suspension of any patron account discovered to be providing access to fraudulent patrons; and
 - (iii) The treatment of deposits, wagers, and wins associated with a fraudulent patron's account.

(3) Patron account controls.

- (a) Patron protection information must be readily accessible to the patron. The patron protection information must contain at a minimum:
 - (i) Information about potential risks associated with excessive participation, and where to get help related to betting responsibly;
 - (ii) The self-imposed limitations shall be available to the patron at both the time of account registration and first deposit;
 - (iii) A list of the available patron protection measures that can be invoked by the patron, such as self-imposed limits, and information on how to invoke those measures; and
 - (iv) Mechanisms in place which detect unauthorized use of their account, such as reviewing credit card statements against known deposits.
- (b) Patrons must be provided with an easy and obvious method to impose limitations for betting parameters including, but not limited to, deposits, wagers and time-based limitations. The self-imposed limitation method must provide the following functionality:
 - (i) Upon receiving any self-imposed limitation order, the Sports Betting Operation must ensure that all specified limits are correctly implemented immediately or at the point in time that was clearly indicated to the patron;
 - (ii) The self-imposed limitations set by a patron must not override more restrictive operator imposed limitations. The more restrictive limitations must take priority;
 - (iii) Once established by a patron and implemented by the sports betting system, it must only be possible to reduce the severity of self-imposed limitations upon 24 hours' notice, or as required by the Commission; and
 - (iv) Self-imposed limitations must not be compromised by internal status events, such as self-imposed exclusion orders and revocations.
- (c) A master licensee is not required to treat a patron's self-imposed limitations:
 - (i) On limited gaming as applying to any sports betting activities that it conducts or that are conducted by its affiliated or contracting entities; or
 - (ii) On sports betting as applying to any limited gaming activities it conducts or its affiliated limited gaming licensees conduct.
- (4) Account requirements. In order to establish a sports betting account, a Sports Betting Operation shall:
 - (a) Create an electronic patron file, which shall include at a minimum:
 - (i) The patron's legal name;

- (ii) The patron's date of birth;
 - (iii) The patron's Social Security number, or the last four digits thereof, or an equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number;
 - (iv) The patron's sports betting account number or username;
 - (v) The patron's residential address; a post office box is not acceptable;
 - (vi) The patron's electronic mail address;
 - (vii) The patron's telephone number;
 - (viii) Any other information collected from the patron used to verify his or her identity;
 - (ix) The method used to verify the patron's identity; and
 - (x) The date of verification.
- (b) Encrypt all of the following information contained in an electronic patron file:
- (i) Any portion of the patron's Social Security number or equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number;
 - (ii) The patron's passwords and PINs; and
 - (iii) The patron's personal financial information.
- (c) Verify the patron's identity in accordance with:
- (i) Reliable forms of personal identification specified in internal controls; or
 - (ii) Other methodology for remote multi-source authentication, which may include third party and governmental databases, as approved by the Director or Director's designee.
- (d) Record the document number of the government issued identification credential examined, if applicable. If a government issued identification credential is not required for registration, the electronic record that details the process used to confirm patron identity must be recorded.
- (e) Require the patron to establish a password or other access security feature as approved by the Commission and advise the patron of the ability to utilize strong authentication log in protection.
- (f) Record the patron's acceptance of the ~~Sports Betting Operator's~~ **SPORTS BETTING OPERATION'S** or sports betting intermediary's terms and conditions to participate in betting through the mobile application or any authorized digital platform accepting wagers online.

- (g) Record the patron's certification that the information provided to the operator is accurate and they are not a prohibited sports betting participant.
 - (h) Record the patron's acknowledgment that the legal age for sports betting is 21, and that he or she is prohibited from allowing any other person to access or use his or her sports betting account.
 - (i) Notify the patron of the establishment of the account via electronic mail or regular mail.
- (5) Account funding.

A patron's sports betting account for sports betting may be funded through the use of:

- (a) A patron's credit or debit card;
 - (b) A patron's deposit of cash or vouchers at a cashiering location approved by the Director or Director's designee;
 - (c) A patron's reloadable prepaid card, which has been verified as being issued to the patron and is non-transferable;
 - (d) Promotional credit;
 - (e) Winnings;
 - (f) Adjustments made by the ~~Sports Betting Operator~~ **SPORTS BETTING OPERATION** with documented notification to the patron;
 - (g) ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;
 - (h) Wire transfer; or
 - (i) Any other means approved by the Commission.
- (j) Accounts may be funded outside the state of Colorado in accordance with these Rules.
- (6) Failed ACH deposits.

A failed ACH deposit attempt shall not be considered fraudulent if the patron has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the operator shall:

- (a) Temporarily block the patron's account for investigation of fraud after five (5) consecutive failed ACH deposit attempts within a 10-minute time period. If there is no evidence of fraud, the block may be vacated; and
 - (b) Suspend the patron's account after five (5) additional consecutive failed ACH deposit attempts within a 10-minute period.
- (7) Transfer of funds prohibited. A Sports Betting Operation shall not permit a patron to transfer funds from a patron account to another patron account.

- (8) Account review requirements. All adjustments to patron accounts for amounts of \$500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the Sports Betting Operator's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.
- (9) Account information.
- (a) Sports betting systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the prior six (6) months. In addition, an online sports betting system shall, upon request, be capable of providing a summary statement of all patron activity during the past two (2) years.
 - (b) A Sports Betting Operation shall periodically re-verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.
- (10) Account closure.
- A sports betting system shall provide a conspicuous and readily accessible method for a patron to close his or her account through the account management or similar page or through the sports betting system's customer support team. Any balance remaining in a patron's sports betting account closed by a patron shall be refunded pursuant to the operator's internal controls.
- (11) Patron account withdrawal.
- (a) A patron must be allowed to withdraw the funds maintained in his or her account, whether such account is open or closed.
 - (b) A Sports Betting Operation must honor such patron request to withdraw funds within five (5) business days of the request, unless the conditions set forth in subsection (c) are met.
 - (c) The Sports Betting Operation may decline to honor a patron request to withdraw funds only if the Sports Betting Operator believes in good faith that the patron engaged in either fraudulent conduct or other conduct that would put the Sports Betting Operator in violation of the law. In such cases, the Sports Betting Operator shall:
 - (i) Provide notice to the patron of the nature of the investigation of the account; and
 - (ii) Conduct its investigation in a reasonable and expedient fashion, providing the patron additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the patron.
 - (d) For purposes of this provision, a request for withdrawal will be considered honored if it is processed by the Sports Betting Operator notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account.
- (12) Dormant patron accounts. A Sports Betting Operation shall consider a patron account to be dormant if the patron has not logged into the account for at least three (3) years. A dormant account shall be closed by the Sports Betting Operation.
- (13) Unclaimed funds in a dormant patron account.

- (a) Subject to the provisions of Colorado Revised Statute 38-13-201, funds of patrons that remain in a dormant patron account shall be presumed abandoned.
- (b) The Sports Betting Operation shall report and deliver all funds of patrons that are presumed abandoned to the office of the Colorado Department of the Treasury as provided in Colorado Revised Statute 38-13-201.
- (c) At least sixty (60) days prior to reporting any funds of the patron to the Colorado Department of the Treasury, the Sports Betting Operation shall provide notice to the patron's last known physical or email address and conduct due diligence to locate the patron.

7.8 Sports betting reports; betting revenue; computation of taxes; reconciliation.

(2) Calculation of taxes.

(a) Remittance of betting taxes shall be the sole responsibility of the licensee that accepts, calculates, and is responsible for settlement of the sports wager. Such responsibility shall be included in the operating agreements between parties.

(b)

IN DETERMINING SPORTS BETTING TAX LIABILITY FOR A REPORTING PERIOD, A SPORTS BETTING OPERATOR SHALL TAKE THE SUM OF TAXABLE PROCEEDS FOR ALL GAMING DAYS IN THE PERIOD AND MULTIPLY BY THE DECIMAL REPRESENTATION OF THE SPORTS BETTING TAX PERCENTAGE.

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RULE 8 – SPORTS BETTING INTEGRITY; CONFIDENTIAL INFORMATION

8.1 Sports betting integrity.

(1) All licensed Sports Betting Operations in the State of Colorado shall provide betting information as required by applicable Rules and Regulations to the Division. To facilitate the collection of aggregate data in a format that can be efficiently utilized by the Division, licensees will submit required betting information to the Division. The information shall be reported to the Division via its approved DATA GATEWAY AND IN THE REQUIRED DATA FORMAT. DIRECTOR APPROVED DATA GATEWAY AND DATA FORMAT WILL BE COMMUNICATED VIA DIVISION BULLETIN.

(2) A Sports Betting Operation shall have internal controls in place to identify unusual betting activity and report such activity to the Division and an Independent Integrity Monitoring Association as directed by the Division Director.

(3) All Independent Integrity Monitoring Providers shall share information with each member and shall disseminate all reports of unusual activity to all member Sports Betting Operations. All Sports Betting Operations shall review such reports and notify the Independent Integrity Monitoring Provider whether they have experienced similar activity.

(4) If an Independent Integrity Monitoring Provider finds that previously reported unusual betting activity rises to the level of suspicious betting activity, it shall immediately notify all other Independent Integrity Monitoring Providers, their member Sports Betting Operations, the Division, and all other regulatory agencies as directed by the Division. All Independent Integrity Monitoring Providers receiving a report under this section shall share such report with their member Sports Betting Operations.

(5) A Sports Betting Operation receiving a report of suspicious betting activity shall be permitted to suspend betting and related wagers on events related to the report, but may only cancel related wagers after receiving approval from the Director or the Director's designee.

(6) If the Division receives a suspicious betting activity report from an Independent Integrity Monitoring Provider, the Division shall notify the relevant sports governing body as expeditiously as possible.

(7) The Division may require a Sports Betting Operation to provide hardware necessary to the Division for evaluation of its sports betting offering or to conduct further monitoring of data provided by its system.

(8) As authorized by section 44-30-1506(7), C.R.S., each Sports Betting Operation may set such bet limits as it, in its sole discretion, finds appropriate, including limits as to a form or class of sports

betting, a specific sports event, or a person placing a bet.

8.2 Confidential information.

(1) All information and data received pursuant to this Rule by the Commission related to unusual or suspicious betting activity or WAGERING DATA shall be considered confidential and shall not be revealed in whole or IN PART, except as required by law, by the Commission, or by lawful order of a court of competent jurisdiction, or to any law enforcement entity, member club, sports governing body, Independent Integrity Monitor Provider, or regulatory agency that the Commission deems appropriate to protect the integrity of sport betting.

(2) All information, including personally identifiable information of patrons, disclosed between Sports Betting Operations and member clubs, sports governing bodies, or Independent Integrity Monitor Providers pursuant to this rule, shall be kept private and confidential by all of the above persons and entities, except as required by law, by the Commission, or pursuant to the lawful order of a court of competent jurisdiction. With respect to any information provided by Sports Betting Operations to member clubs, sports governing bodies or, Independent Integrity Monitor Providers, such person or entity:

(a) May only use such information for integrity purposes; and

(b) Shall maintain the confidentiality of such information, unless disclosure is required by law, the Commission, court order, or unless the Sports Betting Operation consents to disclosure, provided that such person or entity may make disclosures necessary to conduct and resolve integrity-related investigations and may publicly disclose such information if required by such person's or entity's integrity policies or if deemed by the such person or entity in its reasonable judgment to be necessary to maintain the actual or perceived integrity of its sporting events, and subject in all cases to such person's or entity's compliance with federal, state and local laws and regulations, including without limitation, laws and regulations relating to privacy and personally identifiable information. Prior to any such public disclosure that would identify the Sports Betting Operation by name, such person or entity will provide such Sports Betting Operation with notice of such disclosure and an opportunity to object to such disclosure.

(3) No information disclosed between Sports Betting Operations and member clubs, sports governing bodies or, Independent Integrity Monitor Providers shall be used by any party for marketing, advertising, or other commercial purposes.

(4) Where necessary and/or required, redaction of confidential or personally identifiable information shall occur prior to release of information pursuant to this rule.

8.3 LICENSING INDEPENDENT INTEGRITY MONITORING PROVIDERS.

ANY INDEPENDENT INTEGRITY MONITORING PROVIDER OPERATING IN COLORADO MUST OBTAIN A VENDOR MINOR LICENSE.