

DEPARTMENT OF REVENUE

Division of Gaming

SPORTS BETTING REGULATIONS

1 CCR 207-2

BASIS AND PURPOSE FOR RULE 2

The purpose of Rule 2 is, with respect to the regulation of sports betting, to delegate certain authority to the Director or other Division agent; provide for the review of any action taken pursuant to such authority; provide for the reference by the Director of matters delegated to the Director back to the Commission; and to establish procedures for Commission actions and hearings. Rule 2 also empowers the Commission to contract for legal counsel, and directs the Licensee to obtain moneys owed to a deceased patron and properly distribute such moneys. The statutory basis for Rule 2 is found in sections 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., 44-30-301, C.R.S., 44-30-302, C.R.S., 44-30-507, C.R.S., 44-30-705, C.R.S., 24-4-105, C.R.S. and part 15 of article 30 of title 44, C.R.S.

RULE 2 POWERS AND DUTIES OF COMMISSION AND DIRECTOR *Effective 4/14/20*

2.1 Commission action.

In addition to meeting in person, the Commission may take action by telephone or video conferencing. If telephone or video conferencing is used, the Director must participate in the meeting and take minutes of the Commission's action. Telephone or video conferencing is a meeting of the Commission.

2.2 Recessed meetings.

Any meeting of the Commission may be recessed to consider matters duly noticed as items on the agenda of that meeting, to such time and place as the Commission may designate. Notice of a recessed meeting to consider matters duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by statute.

2.3 Appointment of committees.

The Chairperson of the Commission may at the Chairperson's discretion appoint committees to study and report to the Division or the Commission on any matter appropriate to the Commission's administration of the Colorado Limited Gaming Act or these Rules.

2.4 Right of review.

The Commission may review any action taken by the Director by its own motion, by direction of the Chairperson, or by a request from a member of the Commission, the Attorney General, the Executive Director or the Governor.

2.5 Right of reference.

The Director, with approval of the Commission, may refer any matters delegated to the Director back to the Commission for its decision.

2.6 Delegation.

Unless the Commission determines otherwise, the Director may delegate an act required to be performed by the Director to any agent or employee of the Division.

2.7 Authority of Director.

- (1) The Director may issue key employee and support licenses, without necessity for Commission approval, to qualified applicants upon submission to the Director of proper applications, costs, and fees.
- (2) The Director may issue temporary, key employee and support licenses to qualified applicants upon the same terms and conditions as temporary licenses are issued by the Commission to applicants for other types of licenses.
- (3) The Director may deny a key employee license application for any reason that a support license application may be denied.
- (4) The Director may approve the suitability of officers and Directors of a licensee, without necessity for Commission approval, provided such officers or Directors have less than ten percent ownership equity in the licensee.
- (5) The Director may deny the suitability of officers and Directors of a licensee or applicant for any reason that a key employee license application may be denied.
- (6) The Director may approve ownership changes in a licensee, without necessity for Commission approval, when:
 - (a) The proposed change only reallocates ownership shares among persons whom the Commission has previously approved as owners; and
 - (b) When no person will attain a total effective ownership equity of ten percent or greater, when such person previously held less than ten percent equity.
- (7) All such ownership changes approved by the Director must be reported to the Commission at the time of the next renewal application of the licensee.

2.8 Petition for hearing in an adjudicatory proceeding.

A person aggrieved by an action of the Commission or the Director that was taken without a hearing may, within 30 days following the date of the action, petition the Commission for a hearing. The Commission may in its discretion, disallow the petition, determine that it be treated as one for a declaratory order, or it may grant a hearing to consider the matters alleged in the petition. If a hearing is granted, the Commission may direct the petitioner to provide certain information to the Division prior to the hearing or grant the hearing conditioned upon the fulfillment by the petitioner of other reasonable terms and conditions. The hearing must be held at a time and place convenient for the Commission and the petitioner. The hearing shall be considered an adjudicatory proceeding. The Commission shall issue all decisions in any adjudicatory proceeding in writing. Commission actions shall be deemed final in such cases upon the mailing of the decision by first class mail to the petitioner's address listed in the petition.

2.9 Summoning of licensee.

The Commission may summon any licensee or licensee's agents or employees to appear to testify before it or its agents with regard to the conduct of the licensee or the agents or employees of the licensee. The testimony may be under oath and may embrace any matters which the Commission or its agents consider relevant to the discharge of its official duties. Testimony so taken may be used by the Commission as evidence in any proceeding or matter then before it or which may later come before it. Failure to appear and testify fully at the time and place designated, unless excused, may constitute grounds for disciplinary action against a license held by the person summoned, that person's principal or that person's employer.

2.10 Enforcement powers.

In addition to other powers and duties, the Director or an employee or agent of the Division by direction of the Director may perform the following activities:

- (1) Without notice, inspect and examine premises where sports betting or internet sports betting is conducted or sports betting system devices or equipment are located, sold, distributed, or stored;
- (2) Without notice or hearing, examine, inspect, seize or remove from the premises and impound any sports betting system devices, equipment or supplies for the purposes of examination and inspection;
- (3) At any time when business is being conducted, inspect, examine and photocopy, or remove and impound all records of applicants and licensees;
- (4) Investigate the conduct of all licensees, their employees, and other persons having any involvement with a licensee or licensed establishment, to assist in the enforcement of article 30 of title 44, C.R.S., and to ensure that there is no involvement in or with a licensee or a licensed establishment by unqualified or unsuitable persons.

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 17301 West Colfax Ave., Suite 135, Golden, 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.

2.12 Attorney for Commission.

The Commission shall contract for legal counsel with the Colorado Attorney General.

2.13 Death of a sports betting patron.

All sports betting tickets or vouchers in the possession of a sports betting patron who dies before such sports betting tickets or vouchers are surrendered by such patron, and if the death of the patron is known or disclosed to the licensee, shall be paid by the licensee by check drawn upon a financial institution, chartered by any state or the United States Government, to the estate of the deceased patron unless the licensee is directed otherwise pursuant to an appropriate judicial order.