

DEPARTMENT OF REVENUE

Division of Gaming

SPORTS BETTING REGULATIONS

1 CCR 207-2

BASIS AND PURPOSE FOR RULE 3

The purpose of Rule 3 is to enable applications, investigations and licensure as related to sports betting, including to establish and provide the specific information required on license applications; to establish license fees for each type of license; to establish investigation fees for certain applicants and deposit procedures for investigation fees; to establish procedures for conducting background checks on applicants and other interested persons and assessing the costs of such background checks; to require certain information regarding the premises the applicant wishes to be licensed, and to provide a procedure for approval of modifications of such premises; and to provide for the issuance of conditional licenses. The statutory basis for Rule 3 is found in sections 44-30-201, C.R.S.; 44-30-203, C.R.S.; 44-30-302, C.R.S.; 44-30-507, C.R.S., and part 15 of article 30 of title 44, C.R.S.

RULE 3 APPLICATIONS, INVESTIGATIONS AND LICENSURE *Effective 4/14/20*

3.5 Investigation and background check costs.

- (2) **ADDITIONALLY, A** applicants shall **additionally** submit a set of fingerprints to the Division, **EXCEPT THAT AN APPLICANT WHOSE PRIMARY RESIDENCE IS LOCATED OUTSIDE OF THE UNITED STATES IS NOT REQUIRED TO SATISFY THIS REQUIREMENT UNLESS THE COMMISSION DETERMINES OTHERWISE.** The Division shall forward the fingerprints to the Colorado Bureau of Investigation for the purpose of conducting a state and national fingerprint-based criminal history record check utilizing records of the Colorado Bureau of Investigation and the Federal Bureau of Investigation. The applicant for a sports betting license shall be responsible for the actual costs of submitting such fingerprints for investigation. The total amount of the fee for issuance of a license, investigation fees, and fees for the background check for an applicant for a sports betting license may not exceed one hundred and twenty-five thousand dollars.

BASIS AND PURPOSE FOR RULE 7

The purpose of Rule 7 is to establish a Sports Betting Operations Fee to defray the cost of regulating the sports betting industry, specify the requirements regarding the certification, assessment and security of sports betting systems and kiosks, direct Sports Betting Operations to establish internal control procedures, including accounting controls, outline reporting requirements and the computation of taxes, establish geofence and sports betting account requirements, and to outline procedures for change control. The statutory basis for Rule 7 is found in sections 44-30-102, C.R.S., 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., 44-30-302, C.R.S., 44-30-503, C.R.S., 44-30-510, C.R.S., 44-30-528, C.R.S., 44-30-833, C.R.S., and part 15 of article 30 of title 44, C.R.S.

RULE 7 REQUIREMENTS OF SPORTS BETTING OPERATIONS *Effective 4/14/20*

7.5 Internal control procedures.

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

- (35) BEGINNING ON JULY 1, 2023, SPORT BETTING OPERATIONS NEED PROCEDURES THAT ENSURE THAT ALL SPORTS BETTING OPERATIONS FOLLOW THE CURRENT IRS STANDARDS BEFORE MAKING SPORTS BETTING PAYMENTS AND PERFORM A GAMING INTERCEPT AS REQUIRED FOR ALL SPORTS BETTING PAYMENTS AS OUTLINED IN THE LIMITED GAMING INTERNAL CONTROL MINIMUM PROCEDURES SECTION 1 H.

The Sports Betting Operation 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.