

**AGENDA**  
**COLORADO LIMITED GAMING CONTROL COMMISSION**

Meeting of April 27, 2023  
Beginning at 9:15 a.m.  
Via Cisco Webex

History Colorado Center  
1200 Broadway  
Denver, CO 80203

\*\*This meeting will be held in-person at 1200 Broadway, Denver, CO 80203 and virtually at 9:15 a.m. The video meeting link can be found on our webpage: <https://sbg.colorado.gov/limited-gaming-control-commission>.\*\*

In addition to other matters that may properly be considered by the Colorado Limited Gaming Control Commission, the following items are scheduled for consideration and adoption on April 27, 2023. Times contained in the agenda are approximate.

**PUBLIC SESSION**

I. Call to Order

**EXECUTIVE SESSION**

Review of confidential background licensing reports scheduled for consideration during the public session.

**PUBLIC SESSION (reconvened)**

II. Consideration of Licensing Actions

**Limited Gaming Licenses**

*Renewal of the Retail and Master Licenses for*

The Lodge Casino, LLC d/b/a The Lodge Casino at Black Hawk  
The Gilpin Casino, LLC d/b/a The Gilpin Hotel Casino  
Ed and Shirley's, Inc. d/b/a The Wild Card Saloon  
Sasquatch Casino, LLC d/b/a Sasquatch Casino

*Renewal of the of the Manufacturer/Distributor Licenses for*

The Lodge Casino, LLC d/b/a The Lodge Casino at Black Hawk  
Sasquatch Casino, LLC d/b/a Sasquatch Casino

*Change of Ownership of the Manufacturer/Distributor and Operator Licenses for*

Novomatic Americas Sales LLC

**Sports Betting Licenses**

*First Internet Operator License for*

BETFRED SPORTS (COLORADO) LLC d/b/a Betfred Sports

*First Sports Operator License for*  
BETFRED SPORTS (COLORADO) LLC d/b/a Betfred Sports

*First Vendor Major Licenses for*  
WHITE HAT GAMING INC.  
Poker Royalty LLC

*First Vendor Minor licenses for*  
EPX Acquisition Company, LLC  
BETTING ADS LTD  
Read The Line, LLC  
Prodege, LLC  
Twilio Inc.  
GRC Media  
Movable, Inc.  
The Sportsbook, LLC d/b/a The Sportsbook  
BETANDDEAL USA CORP  
CP-25 LLC  
Tappcelerator Media, SL  
Moloco, Inc.  
North American Bancard, LLC  
Intermarketing Agency Limited  
Snowflake Inc. d/b/a Snowflake Computing, Inc.

*Renewal of the Vendor Minor License for*  
Flexout Limited

- III. Opportunity for Public to Address the Commission
- IV. Consideration of Division Limited Gaming Financial Statements for February 2023
- V. Consideration of Division Sports Betting Financial Statements for February 2023
- VI. Consideration of Full House Resorts (FHR-CO) Request for License Modification
- VII. Consideration of the Stipulation and Agreement DOG22002245, in the Matter of Brian Lopez, Support License No. 50948
- VIII. Consideration of the Order to Show Cause – DOG22003672, In the Matter of Dana Hang, Support License No. 54035
- IX. Consideration of Sports Betting Rule 7 – Exchange Wagering

X. Consideration of Responsible Gaming Grant Submissions - Round 2

XI. Fiscal Year 2024 Budget Requests

*Presentation by the Colorado Department of Public Safety*

- *Colorado State Patrol*
- *Division of Fire Prevention and Control*

*Presentations by the Division of Gaming*

- *Limited Gaming Budget Request*
- *Sports Betting Budget Request*

XII. Consideration of Organizational Matters

XIII. Adjournment

At the discretion of the Commission, any or all of the above matters may be continued for consideration or adoption at a different time, may be considered out of order, or may be considered at the next meeting of the Commission.

# Public Session



**STATEMENT OF GAMING REVENUES,  
GAMING TAXES, AND EXPENDITURES**

**(UNAUDITED)**

**FOR THE EIGHT (8) MONTHS ENDED**

**FEBRUARY 28, 2023**



# COLORADO

## Department of Revenue

Specialized Business Group—Gaming

1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

April 27, 2023

State Treasurer and Members of the Colorado Limited Gaming Control Commission:

Pursuant to Section 44-30-203 (i), C.R.S., the Colorado Division of Gaming is required to furnish monthly a, "report which contains a full and complete statement of the division's revenues and expenses."

The attached combined financial statements for February 28, 2023 have not been audited. They contain the most current data available. This information has been collected and recorded in accordance with generally accepted accounting principles.

Respectfully submitted,

Vickie Floyd  
Division Controller

**COLORADO DIVISION OF GAMING  
FINANCIAL STATEMENTS  
(UNAUDITED)**

**DISTRIBUTION**

Honorable Jared Polis	Governor
Representative Julie McCluskie	Speaker of the House of Representatives
Senator Stephen Fenberg	President of the Senate
Senator Paul Lundeen	Senate Minority Leader
Representative Mike Lynch	House Minority Leader
Senator Rachel Zenzinger	Chair, Joint Budget Committee
Mr. Richard Nathan	Chair, Limited Gaming Control Commission
Mr. Justin Davis	Vice Chair, Limited Gaming Control Commission
Mr. Kevin Armstrong	Limited Gaming Control Commission
Mr. Shawn Coleman	Limited Gaming Control Commission
Ms. Patsy Landaveri	Limited Gaming Control Commission
Mr. Mark Ferrandino	Executive Director, Department of Revenue
Mr. Michael Phibbs	Senior Director, Specialized Business Group, Department of Revenue
Mr. Daniel Hartman	Director, Division of Gaming
Mr. Scott Koehler	Accounting Director, Department of Revenue
Mr. Bob Jaros	State Controller
Mr. Charles Scheibe	Chief Financial Officer, Department of the Treasury
Ms. Aly Jabrocki	State Archivist
Ms. Kerri Hunter	State Auditor
Ms. Amanda King	Joint Legislative Library
Ms. Megan Davisson	Deputy Director for Budget, Governor's Office
Colorado State Publications Depository and Distribution Center	State of Colorado Library

**DIVISION OF GAMING  
STATEMENT OF REVENUES  
GAMING TAXES, AND EXPENDITURES  
(UNAUDITED)**

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**COLORADO DIVISION OF GAMING  
TAX REVENUES COMPARISON  
FEBRUARY 28, 2023 AND 2022**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds (AGP).

**The tax rates for period ending June 30, 2023 are:**

- 3% on AGP from charitable gaming
- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

The tax rates for year ending June 30, 2023 are the same as they were for year ending June 30, 2022.

**For Periods Beginning July 1, 2021 and 2022 through February 28, 2022 and 2023**

<b><u>AGP Comparison</u></b>				
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change
\$0 - \$2 Million	\$ 1,399,776	\$ 3,845,566	\$ 2,445,790	174.73%
\$2 - \$5 Million	\$ 26,324,013	\$ 24,855,550	\$ (1,468,463)	(5.58)%
\$5 - \$8 Million	\$ 29,751,610	\$ 24,379,667	\$ (5,371,943)	(18.06)%
\$8 - \$10 Million	\$ 35,373,153	\$ 8,760,393	\$ (26,612,760)	(75.23)%
\$10 - \$13 Million	\$ 59,477,803	\$ 62,714,322	\$ 3,236,519	5.44%
\$13+ Million	\$ 522,581,688	\$ 595,718,419	\$ 73,136,731	14.00%
<b>Total</b>	<b>\$ 674,908,043</b>	<b>\$ 720,273,917</b>	<b>\$ 45,365,874</b>	<b>6.72%</b>

<b><u>Tax Comparison</u></b>				
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change
\$0 - \$2 Million	\$ 158,499	\$ 164,614	\$ 6,115	3.86%
\$2 - \$5 Million	\$ 1,686,480	\$ 1,657,111	\$ (29,369)	(1.74)%
\$5 - \$8 Million	\$ 5,557,645	\$ 5,794,170	\$ 236,525	4.26%
\$8 - \$10 Million	\$ 3,671,047	\$ 4,263,643	\$ 592,596	16.14%
\$10 - \$13 Million	\$ 6,316,448	\$ 6,674,292	\$ 357,844	5.67%
\$13+ Million	\$ 78,516,338	\$ 85,343,684	\$ 6,827,346	8.70%
<b>Total</b>	<b>\$ 95,906,457</b>	<b>\$ 103,897,514</b>	<b>\$ 7,991,057</b>	<b>8.33%</b>

<b><u>Open Casinos Comparison</u></b>			
Range	Prior Year No. of Tax Returns Filed by Casinos	This Year No. of Tax Returns Filed by Casinos	Difference
\$0 - \$2 Million	2	5	3
\$2 - \$5 Million	7	5	(2)
\$5 - \$8 Million	5	4	(1)
\$8 - \$10 Million	4	1	(3)
\$10 - \$13 Million	5	6	1
\$13+ Million	10	12	2
<b>Total</b>	<b>33</b>	<b>33</b>	<b>0</b>

**COLORADO DIVISION OF GAMING  
COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE (UNAUDITED)  
EIGHT MONTHS ENDED FEBRUARY 28, 2023 AND 2022**

	FY 2023				FY 2022			
	EXTENDED GAMING FUND	RESPONSIBLE GAMING GRANT FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	RESPONSIBLE GAMING GRANT FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
<b>REVENUES:</b>								
Gaming Taxes	\$ 0	\$ 0	\$ 103,897,532	\$ 103,897,532	\$ 0	\$ 0	\$ 95,907,056	\$ 95,907,056
License and Application Fees	0	0	452,096	452,096	0	0	438,032	438,032
Background Investigations	0	0	72,171	72,171	0	0	74,341	74,341
Fines	0	0	2,940	2,940	0	0	1,848	1,848
Interest Income	95,902	35,463	995,792	1,127,157	19,624	0	359,005	378,629
Other Revenue	0	0	564	564	0	0	85	85
<b>TOTAL REVENUES</b>	<b>95,902</b>	<b>35,463</b>	<b>105,421,095</b>	<b>105,552,460</b>	<b>19,624</b>	<b>0</b>	<b>96,780,367</b>	<b>96,799,991</b>
<b>EXPENDITURES:</b>								
Salaries and Benefits	0	14,060	5,842,302	5,856,362	0	0	5,536,894	5,536,894
Annual and Sick Leave Payouts	0	0	27,758	27,758	0	0	24,024	24,024
Professional Services	0	0	88,155	88,155	0	0	80,171	80,171
Travel	0	0	59,992	59,992	0	0	23,524	23,524
Automobiles	0	0	139,170	139,170	0	0	118,406	118,406
Printing	0	0	11,531	11,531	0	0	8,189	8,189
Police Supplies	0	0	34,397	34,397	0	0	12,055	12,055
Computer Services & Name Searches	0	0	51,657	51,657	0	0	69,961	69,961
Materials, Supplies, and Services	0	0	227,341	227,341	0	0	245,806	245,806
Postage	0	0	1,660	1,660	0	0	2,784	2,784
Telephone	0	0	52,647	52,647	0	0	50,550	50,550
Utilities	0	0	22,268	22,268	0	0	18,110	18,110
Other Operating Expenditures	0	0	86,641	86,641	0	0	60,050	60,050
Leased Space	0	0	95,857	95,857	0	0	81,652	81,652
Capital Outlay	0	0	14,478	14,478	0	0	0	0
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>14,060</b>	<b>6,755,854</b>	<b>6,769,914</b>	<b>0</b>	<b>0</b>	<b>6,332,176</b>	<b>6,332,176</b>
<b>STATE AGENCY SERVICES</b>								
Colorado Bureau of Investigation	0	0	0	0	0	0	119,750	119,750
Division of Fire Prevention and Control	0	0	185,089	185,089	0	0	171,604	171,604
Colorado State Patrol	0	0	2,320,219	2,320,219	0	0	2,231,883	2,231,883
State Auditors	0	0	9,130	9,130	0	0	8,690	8,690
Indirect Costs - Department of Revenue	0	0	776,999	776,999	0	0	783,890	783,890
Regulatory Agencies	0	0	0	0	0	0	2,375	2,375
Colorado Department of Law	0	0	154,391	154,391	0	0	162,036	162,036
OIT Purchased Services	0	0	99,912	99,912	0	0	262,591	262,591
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>0</b>	<b>3,545,740</b>	<b>3,545,740</b>	<b>0</b>	<b>0</b>	<b>3,742,819</b>	<b>3,742,819</b>
Non Personal Services Background Exp.	0	0	4,660	4,660	0	0	1,884	1,884
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>14,060</b>	<b>10,306,254</b>	<b>10,320,314</b>	<b>0</b>	<b>0</b>	<b>10,076,879</b>	<b>10,076,879</b>
<b>Excess of Revenues Over Expenditures</b>	<b>95,902</b>	<b>21,403</b>	<b>95,114,841</b>	<b>95,232,146</b>	<b>19,624</b>	<b>0</b>	<b>86,703,488</b>	<b>86,723,112</b>
FY22 & FY21 Extended Gaming Distr.	(46,823,932)	0	0	(46,823,932)	(17,647,531)	0	0	(17,647,531)
<b>FUND BALANCE AT JULY 1, 2022 &amp; 2021</b>	<b>46,823,932</b>	<b>2,500,000</b>	<b>2,445,701</b>	<b>51,769,633</b>	<b>17,647,531</b>	<b>0</b>	<b>2,267,873</b>	<b>19,915,404</b>
<b>TOTAL FUND BAL. FEBRUARY 28, 2023 &amp; 2022</b>	<b>\$ 95,902</b>	<b>\$ 2,521,403</b>	<b>\$ 97,560,542</b>	<b>\$ 100,177,847</b>	<b>\$ 19,624</b>	<b>\$ 0</b>	<b>\$ 88,971,361</b>	<b>\$ 88,990,985</b>

**COLORADO DIVISION OF GAMING**  
**STATEMENT OF BUDGET TO ACTUAL**  
**EIGHT MONTHS ENDED FEBRUARY 28, 2023**  
**(UNAUDITED)**

	BEGINNING BUDGET *	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATED BUDGET **	66.7% OF BUDGETED AMOUNT EXCEPT FOR TAXES ***	YEAR-TO-DATE ACTUAL	OVER / (UNDER) ANNUAL BUDGET	% EARNED % EXPENDED OF ANNUAL BUDGET
<b>REVENUES:</b>							
Gaming Taxes	\$ 166,507,340	\$ 0	\$ 166,507,340	\$ 97,739,808	\$ 103,897,532	\$ (62,609,808)	62.40%
License and Application Fees	649,710	0	649,710	433,140	452,096	(197,614)	69.58%
Background Investigations	164,551	0	164,551	109,701	72,171	(92,380)	43.86%
Fines and Fees	0	0	0	0	2,940	2,940	100.00%
Interest Revenue	669,286	0	669,286	446,191	995,792	326,506	148.78%
Other Revenue	0	0	0	0	564	564	100.00%
<b>TOTAL REVENUES</b>	<b>167,990,887</b>	<b>0</b>	<b>167,990,887</b>	<b>111,993,925</b> ^^	<b>105,421,095</b>	<b>(62,569,792)</b>	<b>62.75%</b>
<b>EXPENDITURES:</b>							
Personal Services	10,306,436	0	10,306,436	6,870,957	5,950,668	(4,355,768)	57.74%
Operating Expenditures	781,994	(75,000)	706,994	471,330	376,002	(330,992)	53.18%
Workers Compensation	25,015	0	25,015	16,677	16,677	(8,338)	66.67%
Risk Management	38,439	0	38,439	25,626	25,626	(12,813)	66.67%
Licensure Activities	127,074	0	127,074	84,716	53,257	(73,817)	41.91%
Leased Space	155,000	0	155,000	103,333	95,857	(59,143)	61.84%
Vehicle Lease Payments - Fixed	118,486	0	118,486	78,991	72,770	(45,716)	61.42%
Vehicle Lease Payments - Variable	86,000	(2,000)	84,000	56,000	66,321	(17,679)	78.95%
Utilities	28,925	0	28,925	19,283	22,268	(6,657)	76.99%
Legal Services	286,686	(55,100)	231,586	154,391	154,391	(77,195)	66.67%
CORE Operations	86,243	0	86,243	57,495	57,495	(28,748)	66.67%
Payments to Office of Information Technology	149,869	0	149,869	99,913	99,912	(49,957)	66.67%
IT Division - MIPC Phones & ISD	51,269	0	51,269	34,179	28,043	(23,226)	54.70%
Indirect Costs - Department of Revenue	1,165,499	0	1,165,499	776,999	776,999	(388,500)	66.67%
State Agency Services	4,018,554	0	4,018,554	2,679,036	2,505,308	(1,513,246)	62.34%
<b>Division Expenditures</b>	<b>17,425,489</b>	<b>(132,100)</b>	<b>17,293,389</b>	<b>11,528,926</b>	<b>10,301,594</b>	<b>(6,991,795)</b>	<b>59.57%</b>
<b>Non Personal Services Background Expenditures</b>	<b>68,425</b>	<b>0</b>	<b>68,425</b>	<b>45,617</b>	<b>4,660</b>	<b>(63,765)</b>	<b>6.81%</b>
<b>TOTAL EXPENDITURES</b>	<b>17,493,914</b>	<b>(132,100)</b>	<b>17,361,814</b>	<b>11,574,543</b>	<b>10,306,254</b>	<b>(7,055,560)</b>	<b>59.36%</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 150,496,973</b>	<b>N/A</b>	<b>\$ 150,629,073</b>	<b>\$ 100,419,382</b>	<b>\$ 95,114,841</b>	<b>\$ (55,514,232)</b>	<b>63.15%</b>

\* Represents original information given to the Commission in April and May of 2022.

The percent of the fiscal year elapsed through February 28, 2023 is 66.7%.

\*\* Amount includes Long Bill items and Supplemental Appropriations.

\*\*\* The original tax projection assumed an AGP increase of 10%, which was then applied to the existing casinos' graduated tax tiers. The \$97,739,808 is this tax projection through February, which is \$6,157,724 less than the actual taxes collected for the same period.

^^ Calculated number is not a sum, rather elapsed percentage of Annual Revised Estimated Budget.



**COLORADO**  
**Department of Revenue**

Specialized Business Group—Gaming  
1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

# Memo

To: Colorado Limited Gaming Control Commission  
From: Vickie Floyd, Gaming Controller  
Cc: Dan Hartman, Gaming Director  
Date: April 27, 2023  
Re: February Gaming Fund Financial Statement Presentation

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Following are highlights from the Gaming Fund financial statements ending February 28, 2023.

### *Statement of Revenues, Expenditures, and Changes in Fund Balance*

Gaming tax revenues increased by \$7,990,476 or 8% over last year. Please recall, Amendment 77, which removed betting limits and allowed other games, was effective May 1, 2021. Additional games have been added over time. Total Revenues for the Limited Gaming Fund as of February 28 were \$105,421,095, a 9% increase compared to February 2022.

Total expenditures for the period ending February 28, 2023, were approximately \$10 million. This represents a 2% increase over last year. The main reason for the increase is in the Salaries and Benefits line, which increased by \$305,408 or 5.5% over last year. This is mostly because we have more filled positions this February compared to last year and health, dental, and life expenditures have increased by an average of 3.4% over last fiscal year. The second largest increase of 4% is in the Colorado State Patrol line. This is reasonable, given the fact that their fiscal year 2023 interagency agreement is \$72,664 more than it was last fiscal year.

The excess of total revenues over expenditures was \$95,114,841. This is a 10% increase over last year and represents the amount we could distribute as of February 28.

### *Statement of Budget to Actual*

Total revenues collected through February 28, 2023, were 63% of budgeted. Total expenditures were 59% of budgeted, which is below the 67% of the fiscal year that has elapsed. Even though the Vehicle Lease Payments – Variable line is 78.95% expended and the Utilities line is 76.99% expended, we will pay any expenditures that exceed these appropriations out of our Operating Expenditures line. Lastly, the excess of revenues over expenditures was 63% of budgeted.

Please feel free to contact me if you have any questions on the Gaming Fund financial statements.



**STATEMENT OF SPORTS BETTING REVENUES,  
SPORTS BETTING TAXES, AND EXPENDITURES**

**(UNAUDITED)**

**FOR THE EIGHT (8) MONTHS ENDED**

**FEBRUARY 28, 2023**

**DIVISION OF GAMING  
STATEMENT OF REVENUES  
SPORTS BETTING TAXES, AND  
EXPENDITURES  
(UNAUDITED)**

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**COLORADO DIVISION OF GAMING  
SPORTS BETTING COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
EIGHT MONTHS ENDED FEBRUARY 28, 2023 AND 2022  
(UNAUDITED)**

	FY 2023			FY 2022		
	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS
<b>REVENUES:</b>						
Sports Betting Taxes	\$ 0	\$ 17,244,596	\$ 17,244,596	\$ 0	\$ 7,972,653	\$ 7,972,653
License and Application Fees	0	121,987	121,987	0	109,524	109,524
Sports Betting Operations Fees	0	1,912,500	1,912,500	0	2,107,100	2,107,100
Background Investigations	0	62,958	62,958	0	48,493	48,493
Fines	0	205,168	205,168	0	5,252	5,252
Interest Income	17,160	202,544	219,704	2,180	52,347	54,527
Other Revenue	0	285	285	0	164	164
<b>TOTAL REVENUES</b>	<b>17,160</b>	<b>19,750,038</b>	<b>19,767,198</b>	<b>2,180</b>	<b>10,295,533</b>	<b>10,297,713</b>
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	1,494,442	1,494,442	0	1,238,792	1,238,792
Annual and Sick Leave Payouts	0	631	631	0	0	0
Professional Services	0	139,017	139,017	0	18,391	18,391
Travel	0	11,925	11,925	0	13,341	13,341
Automobiles	0	18,241	18,241	0	9,199	9,199
Printing	0	1,346	1,346	0	1,025	1,025
Police Supplies	0	4,090	4,090	0	1,297	1,297
Computer Services & Name Searches	0	19,092	19,092	0	14,840	14,840
Materials, Supplies, and Services	0	54,897	54,897	0	15,002	15,002
Postage	0	187	187	0	347	347
Telephone	0	9,026	9,026	0	5,740	5,740
Other Operating Expenditures	0	20,803	20,803	0	12,988	12,988
Leased Space	0	23,964	23,964	0	20,413	20,413
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>1,797,661</b>	<b>1,797,661</b>	<b>0</b>	<b>1,351,375</b>	<b>1,351,375</b>
<b>STATE AGENCY SERVICES</b>						
Colorado Bureau of Investigation	0	0	0	0	6,303	6,303
State Auditors	0	9,130	9,130	0	249,065	249,065
Indirect Costs - Department of Revenue	0	83,557	83,557	0	84,858	84,858
Colorado Department of Law	0	54,479	54,479	0	94,925	94,925
OIT Purchased Services	0	29,320	29,320	0	98,715	98,715
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>176,486</b>	<b>176,486</b>	<b>0</b>	<b>533,866</b>	<b>533,866</b>
Non Personal Services Background Exp.	0	1,603	1,603	0	1,541	1,541
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>1,975,750</b>	<b>1,975,750</b>	<b>0</b>	<b>1,886,782</b>	<b>1,886,782</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>17,160</b>	<b>17,774,288</b>	<b>17,791,448</b>	<b>2,180</b>	<b>8,408,751</b>	<b>8,410,931</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Sports Betting Distribution	0	(11,489,790)	(11,489,790)	0	(8,075,834)	(8,075,834)
Transferred to Hold-Harmless Fund	0	(746,727)	(746,727)	0	(488,782)	(488,782)
Transfer from Sports Betting Fund	746,727	0	746,727	488,782	0	488,782
<b>FUND BALANCE AT JULY 1, 2022 &amp; 2021</b>	<b>493,165</b>	<b>12,253,994</b>	<b>12,747,159</b>	<b>0</b>	<b>8,570,798</b>	<b>8,570,798</b>
<b>TOTAL FUND BAL. FEBRUARY 28, 2023 &amp; 2022</b>	<b>\$ 1,257,052</b>	<b>\$ 17,791,765</b>	<b>\$ 19,048,817</b>	<b>\$ 490,962</b>	<b>\$ 8,414,933</b>	<b>\$ 8,905,895</b>

**COLORADO DIVISION OF GAMING**  
**SPORTS BETTING STATEMENT OF BUDGET TO ACTUAL**  
**EIGHT MONTHS ENDED FEBRUARY 28, 2023**  
**(UNAUDITED)**

	BEGINNING BUDGET *	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATED BUDGET **	66.7% OF BUDGETED AMOUNT	YEAR-TO-DATE ACTUAL	OVER / (UNDER) ANNUAL BUDGET	% EARNED % EXPENDED OF ANNUAL BUDGET
<b>REVENUES:</b>							
Sports Betting Taxes	\$ 12,607,943	\$ 0	\$ 12,607,943	\$ 8,405,295	\$ 17,244,596	\$ 4,636,653	136.78%
License and Application Fees	185,250	0	185,250	123,500	121,987	(63,263)	65.85%
Sports Betting Operations Fees	2,536,075	0	2,536,075	1,690,717	1,912,500	(623,575)	75.41%
Background Investigations	89,860	0	89,860	59,907	62,958	(26,902)	70.06%
Fines and Fees	0	0	0	0	205,168	205,168	100.00%
Interest Revenue	97,141	0	97,141	64,761	202,544	105,403	208.51%
Other Revenue	0	0	0	0	285	285	100.00%
<b>TOTAL REVENUES</b>	<b>15,516,269</b>	<b>0</b>	<b>15,516,269</b>	<b>10,344,180</b>	<b>19,750,038</b>	<b>4,233,769</b>	<b>127.29%</b>
<b>EXPENDITURES:</b>							
Personal Services	3,490,526	0	3,490,526	2,327,017	1,639,051	(1,851,475)	46.96%
Operating Expenditures	110,134	75,000	185,134	123,423	97,244	(87,890)	52.53%
Workers Compensation	6,254	0	6,254	4,169	4,169	(2,085)	66.66%
Risk Management	9,610	0	9,610	6,407	6,407	(3,203)	66.67%
Licensure Activities	23,721	0	23,721	15,814	12,525	(11,196)	52.80%
Leased Space	39,000	0	39,000	26,000	23,964	(15,036)	61.45%
Vehicle Lease Payments - Fixed	12,731	0	12,731	8,488	9,057	(3,674)	71.14%
Legal Services	81,572	147	81,719	54,479	54,479	(27,240)	66.67%
CORE Operations	21,561	0	21,561	14,374	14,374	(7,187)	66.67%
Payments to Office of Information Technology	43,983	0	43,983	29,322	29,320	(14,663)	66.66%
Indirect Costs - Department of Revenue	125,336	0	125,336	83,557	83,557	(41,779)	66.67%
<b>Division Expenditures</b>	<b>3,964,428</b>	<b>75,147</b>	<b>4,039,575</b>	<b>2,693,050</b>	<b>1,974,147</b>	<b>(2,065,428)</b>	<b>48.87%</b>
Non Personal Services Background Expenditures	35,582	0	35,582	23,721	1,603	(33,979)	4.51%
<b>TOTAL EXPENDITURES</b>	<b>4,000,010</b>	<b>75,147</b>	<b>4,075,157</b>	<b>2,716,771</b>	<b>1,975,750</b>	<b>(2,099,407)</b>	<b>48.48%</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 11,516,259</b>	<b>N/A</b>	<b>\$ 11,441,112</b>	<b>\$ 7,627,409</b>	<b>\$ 17,774,288</b>	<b>\$ 6,333,176</b>	<b>155.35%</b>

\* Represents original information given to the Commission in April of 2022.  
The percent of the fiscal year elapsed through February 28, 2023 is 66.7%.

\*\* Amount includes Long Bill items and Supplemental Appropriations.





**COLORADO**  
**Department of Revenue**

Specialized Business Group—Gaming  
1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

# Memo

To: Colorado Limited Gaming Control Commission  
From: Eric Shannon, Deputy Gaming Controller  
Cc: Dan Hartman  
Date: April 27, 2023  
Re: February 2023 Sports Betting Fund Financial Statements

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Following are highlights from the Sports Betting Fund financial statements ending February 28, 2023.

## *Statement of Revenues, Expenditures, and Changes in Fund Balance*

Current fiscal year Sports Betting Tax revenue was \$17,244,596 which is an increase of \$9,271,943 or 116% over the prior fiscal year. The current fiscal year increase in Sports Betting Tax revenue is due primarily to the year over year increase in Net Sports Betting Proceeds of 174%.

Current fiscal year Sports Betting Operations Fees revenue was \$1,912,500 which is a decrease of \$194,600 over the prior fiscal year. Through February of the current fiscal year 39 total operations fees were collected, 24 for internet operations and 15 for on-site operations. Through February of the prior fiscal year 43 total operations fees were collected, 26 for internet operations and 17 for on-site operations. Internet operations fees did not change year over year while on-site operations fees decreased in amount year over year.

Total Sports Betting Fund revenues through February 2023 increased by \$9,454,505 or 92% over February 2022.

Total Sports Betting Fund expenditures through February 2023 were \$1,975,750 which is an increase of 5% year over year. Although current fiscal year salaries and benefits, and professional services have increased by about \$380,000 in total, current fiscal year payments to the State Auditor have decreased by roughly \$240,000 due to the Sports Betting performance audit being completed in fiscal year 2022.

## *Statement of Budget to Actual*

Total revenues collected through February 2023 were about 127% of budgeted. Total expenditures were about 48% of budgeted, which is below the 67% of the fiscal year that has elapsed. Excess of revenues over expenditures was about 155% of budgeted.

Please feel free to contact me if you have any questions on the Sports Betting Fund financial statements.



March 22, 2023

Colorado Division of Gaming  
 Dan Hartman, Director  
 1707 Cole Blvd., Suite 300  
 Lakewood, CO 80401

**Via electronic mail**

Re: FHR-CO Request for Modification

Dear Director Hartman:

Please allow this letter to serve as FHR-Colorado LLC's ("FHR-CO") formal request for modification to the Colorado Limited Gaming Control Commission ("Commission") with respect to the designation of its third-party contractual online sports betting partners ("Partners") associated with each of FHR-CO's retail type 2 gaming and master licenses ("Modification Request"). The table below identifies each of FHR-CO's applicable retailer type 2 ("Retail") and master ("Master") licenses (collectively, "FHR-CO licenses") and the relationship to FHR-CO's Partners.

Retail License Name	Retailer Type 2 License Number & Expiration Date <sup>1</sup>	Master License Number & Expiration Date <sup>1</sup>	Address associated with FHR-CO licenses	Online Sports Betting Partner associated with licenses	Date of agreement with online sports betting partner	Status
FHR-Colorado LLC d/b/a Bronco Billy's Casino (" <u>Bronco Billy's</u> ")	30250740, expires 02/18/2024	79174515, expires 02/18/2024	233 E. Bennett Avenue, Cripple Creek, CO 80813	WSI US, LLC, a Nevada limited liability company and wholly owned subsidiary of Wynn Resorts, Limited	October 15, 2019	Active
FHR-Colorado LLC d/b/a Billy's Casino	30048419, expires 02/18/2024	48914402, expires 02/18/2024	251 E. Bennett Avenue, Cripple Creek, CO 80813			No current partnership associated with Billy's Casino <sup>3</sup>
FHR-Colorado LLC d/b/a Sir William's	94428131, expires 02/18/2024	94443274, expires 02/18/2024	209 E. Bennett Avenue, Cripple Creek, CO 80813	Smarmarkets, Inc., a Delaware corporation, and subsequently assigned to Smarmarkets Holdings (USA) Inc., a Delaware corporation (" <u>Smarmarkets</u> ")	August 30, 2019, and subsequently assigned to Smarmarkets Holdings (USA) Inc. on June 4, 2020	Active

In February of 2021, FHR-CO embarked on a construction and expansion project of approximately \$250 million which will create the Chamonix hotel and casino resort ("Chamonix") that will be connected to the existing Bronco Billy's Casino. Chamonix will include hotel rooms, a parking garage, a spa, meeting and convention space, new retail outlets, new F&B outlets, and expanded gaming space (the "Project"). All of the Chamonix expanded gaming space will be contained within the Sir William's license area.

As Chamonix construction progresses and construction work is approaching the existing casino area, we face the challenge of needing to access the existing Sir William's gaming space to complete work on foundations, walls, electrical, plumbing, HVAC, and decorative finish work for the Project.

Public safety and compliance with applicable laws remain a top priority for FHR-CO as we complete the Project. However, current Colorado law does not contemplate temporary suspensions of operations related to construction and renovations projects. As a result, a closure of the Sir William's Retail and Master licenses, even temporary, would impact Smarkets' ability to offer online sports betting within the parameters of existing law. As a licensed and operating online sports betting partner, Smarkets is a valued partner to our gaming amenities and we value our partnership and commitment to Smarkets. Accordingly, we write to propose a solution wherein Smarkets could continue its online sports betting offerings in accordance with our agreement, as well as in a compliant and uninterrupted manner.

In light of Churchill's termination of our agreement in May 2022 and the fact that our new third-party provider has not yet been approved and licensed by the Commission, our Billy's Casino Retail and Master licenses do not currently have an online sports betting partner affiliated with it. Therefore, we respectfully submit a Modification Request wherein Smarkets' license to offer online sports wagering be "transferred" from Sir William's to Billy's Casino, as Billy's Casino will not be impacted by the final stages of the Project construction.

Please note that our contractual agreements with our online sports betting partners are with the legal entity FHR-Colorado LLC and are not associated with a specific Retail or Master license or specific Retail location. Rather, each agreement commits FHR-CO to reserve one of the three "skins" available as a result of our FHR-CO Licenses. Should the Commission approve our Modification Request, the future sports betting partner would be tied to Sir William's.


Pursuant to your direction, we have provided Smarkets a copy of this letter and requested a Smarkets representative sign and acknowledge this Modification Request. Thank you for your time and guidance as we work through this challenge. We appreciate you and your staff's time and consideration.

Sincerely,



Baxter Lee  
General Manager

Signed and acknowledged by Smarkets Holdings (USA), Inc., a Delaware corporation

By:  SHELDON HANAI

Its: CHIEF PRODUCT OFFICER / US GENERAL MANAGER

3/27/23

Cc: Brett Buckingham, Agent in Charge, Sports Betting and Fantasy Sports  
Smarmets\_  
Elaine Guidroz, FHR  
Alex Stolyar, FHR

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<sup>1</sup> Subject to Commission approval, FHR-CO anticipates renewing all three (3) of its retailer type 2 licenses in ordinary course in February 2024.

<sup>2</sup> Subject to Commission approval, FHR-CO anticipates renewing all three (3) of its master licenses in ordinary course in February 2024.

<sup>3</sup> FHR-Colorado LLC entered into an Online and Retail Sports Wagering Agreement with Churchill Downs Interactive Gaming, LLC ("Churchill") on September 6, 2019. On February 11, 2022, Churchill provided FHR-CO notice of termination, effective as of May 15, 2022. Subsequent to the termination of the agreement with Churchill, on December 5, 2022, FHR-CO entered into an online access agreement with a new Partner subject to the necessary licensing and regulatory approvals.

BEFORE THE COLORADO LIMITED GAMING CONTROL COMMISSION

Case No. DOG22002245

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**STIPULATION AND AGREEMENT**

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IN THE MATTER OF:

Brian Lopez  
Support License No. 50948,

Respondent.

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The Colorado Division of Gaming (hereafter, the Division) and Respondent Brian Lopez, Support License No. 50948 (hereafter, Respondent), hereby stipulate and agree as follows:

1. Respondent has been the subject of an investigation conducted by the Division under DOG case number DOG22002245, arising from his employment at Monarch Black Hawk, Inc. d/b/a Monarch Casino Resort Spa ("Monarch") which related to potential violations of sections 44-30-524, 801, 820, 1506, and 1511, C.R.S., and Sports Betting Regulations 1.3, 3.2, and 6.11, Sports Betting Regulation, 1 CCR 207-2.
2. Respondent wishes to resolve all issues which may arise from the Division's investigation under DOG case number DOG22002245 by entering into this Stipulation and Agreement in lieu of the Colorado Limited Gaming Control Commission issuing an order to show cause regarding Respondent.
3. The Division and Respondent have discussed the merits of the allegations, and they have come to a mutual agreement and understanding to jointly propose to the Commission a resolution of the allegations in lieu of the Commission issuing an order to show cause to Respondent arising from the Division's investigation.

IT IS ALLEGED THAT:


- A. At all relevant times hereto, Respondent held support gaming license 50948.
  - B. The Division investigated Respondent under DOG case number DOG22002245, relating to potential violations of sections 44-30-524, 801, 820, 1506, and 1511, C.R.S., and Sports Betting Regulations 1.3, 3.2, and 6.11, Sports Betting Regulation, 1 CCR 207-2.
4. Instead of the Commission issuing an order to show cause and proceeding to a hearing on the merits of an order, Respondent agrees to the following sanctions:

- A. Respondent agrees to the surrender of his Support License No. 50948 and any and all privileges conferred under such license. Upon approval of this Stipulation and Agreement by the Colorado Limited Gaming Control Commission, Respondent's gaming license shall be surrendered.
  - B. Respondent agrees to pay a fine of \$1,500.00, in lieu of the Colorado Limited Gaming Control Commission issuing an order to show cause regarding Respondent. The \$1,500.00 fine shall be held in abeyance and payable only if Respondent applies for any Colorado gaming license during the ten (10) years following the date that the Stipulation and Agreement is approved by the Colorado Limited Gaming Control Commission.
6. Respondent agrees to strictly adhere to and meet all requirements established in this Stipulation and Agreement.
7. Proof of failure to comply with the terms of this Stipulation and Agreement shall be considered prima facie evidence of a violation of the Limited Gaming Act of 1991 and the rules promulgated pursuant thereto. If Respondent fails to comply with one or more of the conditions of this Stipulation and Agreement, Respondent will be ordered to appear before the Commission to show cause why further judgment and discipline should not be imposed against Respondent.
8. This Stipulation and Agreement shall not be effective unless and until approved by the Commission. The Commission ultimately has the right to accept or reject this Stipulation and Agreement. Should the Commission reject the terms hereof, Respondent's admissions herein shall be withdrawn, and the Division may pursue an enforcement action against Respondent through the Commission's approval of an Order to Show Cause. Should the Commission modify any term hereof, Respondent may accept or reject the change. If Respondent rejects the modified terms, the Commission must receive a written objection at its Golden office within seven days of the Commission's determination, at which time Respondent's admissions herein will be withdrawn, and the Division may pursue an enforcement action against Respondent through the Commission's approval of an Order to Show Cause. Otherwise, Respondent shall be deemed to have accepted the modified terms imposed by the Commission.
9. By the signatures below, Respondent also acknowledges:
- A. Respondent understands and has been advised of the maximum penalty under law if an Order to Show Cause is approved and filed, and the matter proceeds to a hearing on an order to show cause (revocation of licensing privileges and \$2,500 per count charged);
  - B. Respondent waives the right to a hearing on an order to show cause, the right to compel the attendance of witnesses to testify in his behalf, the right

to testify or not testify at the hearing in his behalf, and any rights to further due process not herein referenced, including the right to appeal;

- C. Respondent agrees that this Stipulation and Agreement incorporates all agreements between the parties, and that no other representation by agents of the Division or of the Office of the Attorney General induced participation in this Stipulation and Agreement.

AGREED TO BY:

  
Daniel Hartman  
Director  
Colorado Division of Gaming

April 12, 2023

Respondent:

  
Brian Lopez (Apr 12, 2023 14:37 CDT)  
Brian Lopez  
Support License No. 50948

April 12, 2023

APPROVED AS TO FORM:

\_\_\_\_\_, 2023  
Torrey Samson  
Assistant Attorney General  
Counsel for the Division of Gaming

  
Austin Nelson  
Robinson & Henry, P.C.  
Counsel for Brian Lopez

April 10, 2023

BEFORE THE COLORADO LIMITED GAMING CONTROL COMMISSION

Case No. DOG22002245

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**ORDER APPROVING STIPULATION AND AGREEMENT**

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IN THE MATTER OF:

Brian Lopez  
Support License No. 50948,

Respondent.

---

The Commission, having reviewed the Stipulation and Agreement in this matter entered between the Division and the Respondent to resolve the allegations contained therein, finds the terms of the Stipulation and Agreement are reasonable and just.

THEREFORE, the Stipulation and Agreement is approved and its terms are hereby adopted as an Order of this Commission.

ORDERED AND ENTERED this \_\_\_\_ day of \_\_\_\_\_, 2023.

COLORADO LIMITED GAMING  
CONTROL COMMISSION

By: \_\_\_\_\_  
Richard Nathan, Chair



## CERTIFICATE OF SERVICE

This is to certify that I have duly served the within **STIPULATION AND AGREEMENT AND ORDER** upon all parties herein by depositing copies of same in the United States mail, postage prepaid, \_\_\_\_\_, Colorado, this \_\_\_\_ day of \_\_\_\_\_ 2023, addressed as follows:

Austin Nelson  
Associate Attorney | Robinson & Henry, P.C.

Torrey Samson  
Bradford Jones  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 8<sup>th</sup> Floor  
Denver, Colorado 80203

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Breanne Nolan

BEFORE THE LIMITED GAMING CONTROL COMMISSION  
STATE OF COLORADO

Case Report No. DOG22003672

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**ORDER TO SHOW CAUSE**

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IN THE MATTER OF:

Dana Hang  
Support License No. 54035

Respondent.

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TO: Dana Hang

**ORDER TO SHOW CAUSE**

Pursuant to section 44-30-524(1), C.R.S., any license granted pursuant to the Limited Gaming Act of 1991 may be suspended or revoked for any cause which would have prevented its issuance or for any violation by the licensee of this article or any rule or regulation promulgated by the Limited Gaming Control Commission, hereafter the "Commission." In addition to revocation or suspension, or in lieu of revocation or suspension, the Commission may impose a reprimand or a monetary penalty not to exceed \$2,500.00 dollars for each count charged, if the licensee holds a support license.

Pursuant to Regulation 30-501, 1 C.C.R. 207-1, et seq., of the Colorado Gaming Regulations, the Commission may levy a monetary penalty or may suspend or revoke any license issued by it or the Director for any violations by the person holding the license, or such licensee's employees or agents, of any of the provisions of Article 30 of Title 44, C.R.S., or any of the rules and regulations promulgated thereunder. Acceptance of a state gaming license or renewal thereof by a licensee constitutes an agreement on the part of the licensee to be bound by all the regulations of the Commission as the same now are or may hereafter be amended or promulgated. It is the responsibility of the licensee to be informed of the content of all such regulations, and ignorance thereof will not excuse violations.

WHEREAS, it has been made to appear to the Commission that Dana Hang, Support License No. 54035, hereafter "Respondent," has violated the statutes or the rules of the Commission governing Respondent's license in the following particulars:

## NOTICE OF CHARGES

### FACTUAL ALLEGATIONS

1. On March 11, 2022, Respondent applied for and was granted a Colorado Limited Gaming Support Employee License, number 54035.

2. Between October 4, 2022, and October 11, 2022, Respondent was employed as a blackjack dealer at the Monarch Casino.

3. Gaming Regulation 30-824(2) states that for Blackjack games a “dealer shall not look at, nor expose to any person, the face of a card before it is dealt.” Gaming Regulation 30-824(2), 1 C.C.R. 207-1.

4. Gaming Regulation 30-824(5) states for Blackjack games “[n]o dealer or pit supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand. Gaming Regulation 30-824(5), 1 C.C.R. 207-1.

5. Video surveillance of Table 22 at Monarch Casino on October 10, 2022, starting at 17:25:34, shows Respondent and a patron, D.Y., playing multiple hands of Buffalo Blackjack Bonus 3.

6. On October 10, 2022, between 17:25:34 and 17:33:51, Respondent was the Blackjack dealer at Table 22.

7. Between 17:25:34 and 17:33:51 on October 10, 2022, Patron D.Y. was playing position six and position seven at Table 22.

8. No other patrons were seated at Table 22.

9. No other patrons played Blackjack hands at Table 22 between 17:25:34 and 17:33:51.

10. Between 17:25:34 and 17:33:51 on October 10, 2022, Respondent and Patron D.Y. played sixteen hands, as detailed in the following paragraphs.

#### A) Hand 1 at Table 22 on October 10, 2022

11. Starting at approximately 17:25:34, Respondent dealt six cards between Patron D.Y.’s two positions/hands and herself.

12. Patron D.Y. received a pair of 2s in the sixth position and received a 3 and a 4 in the seventh position.

13. Respondent had a 7 as the dealer up card.

14. Patron D.Y. motioned to take an additional two cards (Ace and Queen) for position six which gave him a hand of totaling 15.

15. Patron D.Y. motioned to take another card for position six.

16. At 17:25:49, Respondent pulled a card partially out of the shoe and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe.<sup>1</sup>

17. After a few seconds of apparent conversation between Respondent and Patron D.Y., Patron D.Y. motioned at 17:25:52 for the card to go to position seven instead of position six as previously indicated.

18. The card added to position seven was a 10, which would have busted Patron D.Y.'s hand in position six with a total of 25 (since that position already totaled 15).

19. A bust occurs when the total amount of cards exceeds 21/Blackjack.

20. After adding the 10 card, Patron D.Y. had a total of 17 in position seven.

21. Respondent flipped her hole card revealing a King, making the dealer's total 17.

22. Respondent collected Patron D.Y.'s wager for position six and pushed the wager for position seven since both the dealer's hand and Patron D.Y.'s hand in position seven totaled 17.

B) Hand 2 at Table 22 on October 10, 2022

23. Respondent and Patron D.Y. played a second hand starting at 17:26:02.

24. Patron D.Y. received a total of 21 in position six and received a pair of 8s in position seven.

25. Patron D.Y. split the 8s in position seven, increasing his wager accordingly.

26. Patron D.Y. hit the first 8 multiple times, stopping at a total of 20.

27. Patron D.Y. hit the second 8, stopping at a total of 20.

28. Respondent's dealer total was 19.

29. Respondent paid Patron D.Y. for the winning hand in position six and the two winning hands in position seven.

C) Hand 3 at Table 22 on October 10, 2022

30. Respondent and Patron D.Y. played a third hand, starting at 17:26:40.

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<sup>1</sup> Gaming Regulation 30-824(2), 1 C.C.R. 207-1, states that for Blackjack games a "dealer shall not look at, nor expose to any person, the face of a card before it is dealt."

31. Patron D.Y. received a total of 17 in position six and received a total of 17 in position seven.

32. Respondent's dealer total was 26, resulting in her dealer hand busting.

33. Respondent paid Patron D.Y. for the winning hands in position six and position seven.

D) Hand 4 at Table 22 on October 10, 2022

34. Starting at approximately 17:27:03, Respondent dealt the first six cards between Patron D.Y. and herself.

35. Patron D.Y. received a Jack and a 3 in position six and received a Jack and an Ace in position seven.

36. Respondent had a 7 as the dealer's upcard.

37. At 17:27:12, Respondent appeared to look around the area around Table 22 before speaking with Patron D.Y. between then and 17:27:19.

38. At 17:27:13, Patron D.Y. motioned to take another card for position six.

39. At 17:27:14, Respondent pulled a card partially out of the shoe and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe.<sup>2</sup>

40. Patron D.Y. then waived off the hit on position six at 17:27:20.

41. Respondent paid Patron D.Y. for the winning hand in position seven before taking the cards from that position.

42. Respondent flipped her hole card revealing a King, making the dealer's total 17.

43. Respondent then took the wager and cards totaling 13 from position six.

E) Hand 5 at Table 22 on October 10, 2022

44. Starting at approximately 17:27:40, Respondent dealt the first six cards between Patron D.Y. and herself.

45. Patron D.Y. received a Queen and a 9 in position six and received a 6 and a 2 in position seven.

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<sup>2</sup> Gaming Regulation 30-824(2), 1 C.C.R. 207-1, states that for Blackjack games a "dealer shall not look at, nor expose to any person, the face of a card before it is dealt."

46. The Queen dealt first to Patron D.Y.'s sixth position would have busted his sixth position hand in Hand 4, detailed in paragraphs 34 through 43 above, by increasing that hand total from 13 to 23.

47. Respondent had a 2 as the dealer's upcard.

48. At 17:27:47, Patron D.Y. motioned for a hit on position seven, which was a 5 giving him a total of 13.

49. At 17:27:52, Patron D.Y. then motioned for another hit on position seven.

50. At 17:27:53, Respondent pulled a card partially out of the shoe and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe.<sup>3</sup>

51. Patron D.Y. then waived off the hit on position seven at 17:27:55.

52. Respondent flipped her hole card revealing a 6 before dealing the next card, a 9, making the dealer's total 17.

53. The 9 card from the shoe would have busted Patron D.Y. at the seventh position with a total of 22 (13 plus the 9 card).

54. Respondent paid Patron D.Y. for the winning hand at position six and took the wager from the losing hand in position seven.

F) Hand 6 at Table 22 on October 10, 2022

55. Respondent and Patron D.Y. played a sixth hand, starting at 17:28:11.

56. Patron D.Y. received a total of 15 in position six and received a total of 18 in position seven.

57. Respondent's dealer total was 26, which was a bust.

58. Respondent correctly paid Patron D.Y. for the winning hands in position six and position seven.

G) Hand 7 at Table 22 on October 10, 2022

59. Respondent and Patron D.Y. played a seventh hand, starting at 17:28:29.

60. Patron D.Y. received a total of 22 in position six (a bust) and received a total of 19 in position seven.

61. Respondent's dealer total was 18.

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<sup>3</sup> Gaming Regulation 30-824(2), 1 C.C.R. 207-1, states a "dealer shall not look at, nor expose to any person, the face of a card before it is dealt."

62. Respondent took the wager from Patron D.Y.'s losing hand in position six and paid Patron D.Y. for the winning hand in position seven.

H) Hand 8 at Table 22 on October 10, 2022

63. Respondent and Patron D.Y. played an eighth hand, starting at 17:28:46.

64. Patron D.Y. received a total of 22 in position six and received a total of 21 in position seven.

65. Respondent's dealer total was 20.

66. Respondent took the wager from Patron D.Y.'s losing hand in position six and Patron D.Y. for the winning hand in position seven.

I) Hand 9 at Table 22 on October 10, 2022

67. Respondent and Patron D.Y. played a ninth hand, starting at 17:29:09.

68. Patron D.Y. received a total of 22 in position six and received a total of 23 in position seven.

69. Respondent's dealer total was 15.

70. Respondent took the wagers from Patron D.Y.'s losing hands in position six and position seven.

J) Hand 10 at Table 22 on October 10, 2022

71. Respondent and Patron D.Y. played a tenth hand, starting at 17:29:30.

72. Patron D.Y. received a total of 18 in position six and received a total of 20 in position seven.

73. Respondent's dealer total was 19.

74. Respondent took the wager from Patron D.Y.'s losing hand in position six and paid Patron D.Y. for the winning hand in position seven.

K) Hand 11 at Table 22 on October 10, 2022

75. Starting at approximately 17:29:46, Respondent dealt the first six cards between Patron D.Y. and herself.

76. Patron D.Y. received a 4 and a 9 in the sixth position and received a 6 and a 2 in the seventh position.

77. Respondent had a 3 as the dealer's upcard.

78. At 17:29:52, Patron D.Y. motioned a stay at the sixth position, and then pointed to position seven for a hit.

79. At 17:29:53, Respondent pulled a card partially out of the shoe and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe.<sup>4</sup>

80. Patron D.Y. motioned twice for a hit on the seventh position, which was a 3 and a Queen giving him a total of 21/Blackjack (8 plus 3 card plus Queen).

81. Respondent flipped her hole card revealing an Ace before dealing three additional cards, an 8, an Ace, and a 7, making the dealer's total 20.

82. Respondent took the wager from the losing hand in position six and paid Patron D.Y. for the winning hand in position seven.

L) Hand 12 at Table 22 on October 10, 2022

83. Respondent and Patron D.Y. played a twelfth hand, starting at 17:30:13.

84. Patron D.Y. received a total of 25 in position six and received a total of 20 in position seven.

85. Respondent's dealer total was 21.

86. Respondent took the wagers from Patron D.Y.'s losing hands in position six and position seven.

M) Hand 13 at Table 22 on October 10, 2022

87. Starting at approximately 17:30:42, Respondent dealt the first six cards between Patron D.Y. and herself.

88. Patron D.Y. received a Queen and a 6 in position six and received a Jack and an Ace in position seven.

89. Respondent had an Ace as the dealer's up card.

90. Respondent checked her hole card using the prism at 17:30:51, allowing her to see her hole card was a Queen, giving her a total of 21/Blackjack.

91. Between 17:30:52 and 17:31:12, Respondent appeared to speak with Patron D.Y. while motioning to the insurance wager for position six.<sup>5</sup>

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<sup>4</sup> Gaming Regulation 30-824(2), 1 C.C.R. 207-1, states a "dealer shall not look at, nor expose to any person, the face of a card before it is dealt.

<sup>5</sup> Gaming Regulation 30-824(5), 1 C.C.R. 207-1, states "[n]o dealer or pit supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.



92. At 17:31:13, Patron D.Y. placed a wager between position six and position seven that Respondent moved to the insurance wager area for position six.

93. Respondent paid Patron D.Y. for the Blackjack at position seven before revealing the dealer's hole card.

94. At 17:31:24, Respondent flipped her hole card revealing a Queen, making the dealer's total 21.

95. Respondent then took Patron D.Y.'s main wager for position six and paid Patron D.Y. for the insurance wager in that position based on the dealer's 21/Blackjack.

N) Hand 14 at Table 22 on October 10, 2022

96. Respondent and Patron D.Y. played a fourteenth hand, starting at 17:31:33.

97. Patron D.Y. received a total of 20 in position six and received a total of 17 in position seven.

98. Respondent's dealer total was 21.

99. Respondent took the wagers from Patron D.Y.'s losing hands in position six and position seven.

O) Hand 15 at Table 22 on October 10, 2022

100. Respondent and Patron D.Y. played a fifteenth hand, starting at 17:31:49.

101. Patron D.Y. received a total of 18 in position six and received a total of 13 in position seven.

102. Respondent's dealer total was 18.

103. Respondent pushed with Patron D.Y.'s hand in position six since both that position and Respondent's hand totaled 18 and took the wager from Patron D.Y.'s losing hand in position seven.

P) Hand 16 at Table 22 on October 10, 2022

104. Starting at approximately 17:32:06, Respondent dealt the first six cards between Patron D.Y. and herself.

105. Patron D.Y. received a Queen and a King in position six and received a 3 and a 5 in position seven.

106. Respondent had a 2 as the dealer's upcard.

107. Patron D.Y. motioned for a stay on position six.

108. Patron D.Y. motioned for a hit on position seven and was dealt a 5, giving a total of 13.

109. At 17:32:19, Patron D.Y. motioned for a stay on position seven.

110. At 17:32:20/17:32:21, Respondent pulled a card partially out of the shoe and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe.<sup>6</sup>

111. Respondent flipped her hole card revealing a Queen, making the dealer's total 12 at 17:32:22.

112. Gaming Regulation 30-2114 states in part under subsection (7), “. . . prior to the dealer exposing his/her hole card, players now have the option of placing an additional optional wager known as a Bust Bonus.” Gaming Regulation 30-2114(7), 1 C.C.R. 207-1.

113. Between 17:32:24 and 17:32:27, Respondent appeared to speak with Patron D.Y., while motioning towards the bust bonus wager.<sup>7</sup>

114. At 17:32:33, after Respondent pointed directly to the “bust bonus” area for position six, Patron D.Y. bet a bust bonus wager for position six.

115. At 17:32:35, after Respondent motioned to the bust bonus wager area for position seven, Patron D.Y. bet a bust bonus wager for position seven.

116. At 17:32:42, Respondent took the next card out of the shoe, which was a 10 resulting in a bust for the dealer with a total of 22 (2 card plus Queen plus 10 card – all hearts).

117. The resulting suited bust of Respondent's hand paid 25 to 1, meaning Patron D.Y. won \$5,000.

118. Respondent then called the Pit Supervisor who observed Respondent pay Patron D.Y. a large amount of chips for his original and bust bonus wagers for both position six and position seven.

119. At 17:33:26, Patron D.Y. gave Respondent a \$200 tip in chips.

120. Respondent's actions during hands 1 through 16 between 17:25:34 and 17:33:51 at Table 22 on October 10, 2022, detailed above, altered the outcome of the Blackjack game played with Patron D.Y.

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<sup>6</sup> Gaming Regulation 30-824(2), 1 C.C.R. 207-1, states a “dealer shall not look at, nor expose to any person, the face of a card before it is dealt.”

<sup>7</sup> Gaming Regulation 30-824(5), 1 C.C.R. 207-1, states “[n]o dealer or pit supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.

Q) Review by the Casino & Division of Gaming Investigation

121. On October 10, 2022, a review of play of Respondent at Table 22 was requested by Table Games Dual Rate Floor Supervisor Michael Denisha, due to a payout of \$5,000 to Patron D.Y.

122. Casino Surveillance observed Respondent at Table 22 on October 10, 2022, at 17:32:20, turn over her hole card before allowing Patron D.Y. to place his \$100 Bust Bonus bet.

123. Following a report by Monarch casinos, Colorado Division of Gaming Investigators investigated Respondent's actions on October 10, 2022, at Table 22, during which the investigators observed Respondent reveal cards to Patron D.Y., speak with Patron D.Y. and gesture to spots on Table 22 throughout multiple hands between 17:25:34 and 17:33:51.

124. Division investigators observed Patron D.Y. change his betting actions, such as cancelling hits, taking hits, and betting on bonuses on multiple occasions based on Respondent's actions on October 10, 2022, between 17:25:34 and 17:33:51.

125. Respondent's actions at Table 22 on October 10, 2022, between 17:25:34 and 17:33:51 gave Patron D.Y. an unfair advantage in the game.

126. Respondent's actions at Table 22 on October 10, 2022, between 17:25:34 and 17:33:51 altered the outcome of the Blackjack games played with Patron D.Y.

127. On October 11, 2022, Division investigators interviewed Respondent at the Monarch Casino.

128. During the Division's interview of Respondent on October 11, 2022, Respondent denied wrongdoing, attributing her actions on October 10, 2022, as being due to her hand sometimes hurting.

129. During the Division's interview of Respondent on October 11, 2022, Respondent stated that she had only been a dealer for four (4) months and had made a mistake.

130. The Respondent voluntarily surrendered her support license to Division investigators, but the Division has not accepted the surrendered support license and is seeking discipline before the Colorado Limited Gaming Control Commission.

131. After placing Respondent on suspension, Monarch casino terminated Respondent's employment on October 11, 2022.

132. The Respondent is not currently working in the gaming industry.

133. The Division continued its investigation following its interview of Respondent on October 11, 2022, reviewing additional video footage of Respondent dealing cards at other Blackjack tables on October 4 and 10, 2022.

134. During its review, Division investigators identified other violations committed by Respondent, detailed below.

R) Table 17 on October 4, 2022

135. On October 4, 2022, between 21:44:56 and 21:46:58, Respondent was the Blackjack dealer at table 17 at Monarch Casino.

136. There were four patrons at the table, but only three were playing in positions one, two and four.

137. Commencing at 21:44:59, Respondent dealt cards to the patrons at positions one, two and four.

138. Respondent had an Ace as the dealer's show card.

139. Respondent checked the hole card using the prism at 21:45:13.

140. By checking her hole card via prism at 21:45:13, Respondent knew that her hole card as the dealer was a Jack, meaning her total hand was 21/Blackjack.

141. At that point, none of the patrons had placed an insurance wager.

142. Between 21:45:15 and 21:45:35, Respondent appeared to speak with the patrons.<sup>8</sup>

143. Starting at 21:45:35, Respondent helped the patron in position one by putting a green chip and two orange chips in the insurance wager position.

144. Starting at 21:45:43, Respondent helped the patron in position four by removing two green chips from the insurance wager position, pushing those chips back to that patron, and putting two orange chips and a red chip into the insurance wager position.

145. Starting at 21:45:54, Respondent helped the patron in position two by returning one of three green chips placed in the insurance wager position and putting an orange chip with the two remaining green chips in the insurance position.

146. At 21:46:08, Respondent checked her hole card a second time using the prism before flipping her hole card to reveal a Jack, meaning her total hand was 21/Blackjack.

147. Respondent then removed the patrons' original wagers from positions one, two and four before paying the three patron's insurance wagers.

148. After initially checking her hole card using the prism at 21:45:13, Respondent assisted the three patrons in placing insurance wagers while all the patrons still had wagers pending.

149. Respondent's actions at Table 17 on October 4, 2022, between 21:44:56 and 21:46:58, altered the outcome of the Blackjack games played with the patrons.

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<sup>8</sup> Gaming Regulation 30-824(5), 1 C.C.R. 207-1, states "[n]o dealer or pit supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.

S) Table 13 on October 10, 2022

150. On October 10, 2022, between 18:32:32 and 18:34:26, Respondent was the Blackjack dealer at table 13 at Monarch Casino.

151. A patron was playing positions two and three at table 13.

152. There were no other patrons at table 13 between 18:32:32 and 18:34:26.

153. Respondent dealt a 3 card and 4 card to the patron in position two, totaling 7.

154. Respondent dealt a King card and 2 card to the patron in position three, totaling 12.

155. Respondent had a 2 as the dealer's up card.

156. The patron had a main wager and a 21 wager for position two.

157. The patron had a main wager and a 21 wager for position three.

158. Respondent paid the patron's straight for position two.

159. Respondent then gave the patron a 5 card for position two, giving him a total of 12.

160. The patron then placed his cards under his wager in position two indicating no hit.

161. The patron then waived off a hit for position three after reviewing his cards.

162. Before turning over her hole card, Respondent appeared to speak with the patron at 18:33:36.<sup>9</sup>

163. The patron put a bust bonus wager on position two at 18:33:42.

164. The patron put a bust bonus wager on position three at 18:33:45.

165. At 18:33:47, Respondent turned over her hole card revealing an 8.

166. At 18:33:48, Respondent took the next card from the deck, which was a 3, giving her a total of 13.

167. At 18:33:49, Respondent took another card from the deck, which was a 9, busting her at a total of 22.

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<sup>9</sup> Gaming Regulation 30-824(5), 1 C.C.R. 207-1, states "[n]o dealer or pit supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.

168. Respondent flipped the patron's cards at position three revealing a King and 2, totaling 12.

169. Respondent flipped the patron's cards at position two revealing a 4 and 3, totaling 12.

170. Respondent paid the patron's original wagers and bust bonus wagers for positions two and three.

171. At 18:33:36, Respondent advised the patron into placing the bust bonus wager for positions two and three while the patron still had wagers pending.

172. Respondent's actions at Table 13 on October 10, 2022, between 18:32:32 and 18:34:26, altered the outcome of the Blackjack game played with the patron.

T) Table 3 on October 10, 2022

173. On October 10, 2022, between 19:05:47 and 19:08:20, Respondent was the blackjack dealer at Blackjack table 3 at Monarch Casino.

174. There were five patrons at the table playing positions one, three, four, five and six.

175. Respondent deals a Queen and 5 to position one, totaling 15.

176. Respondent dealt a 7 and 3 to position three, totaling 10.

177. Respondent dealt two Jacks to position four, totaling 20.

178. Respondent dealt a Queen and 6 to position five, totaling 16.

179. Respondent dealt a 10 and Jack to position six, totaling 20.

180. As of 19:06:05, none of the five patrons have placed a bust bonus wager.

181. Respondent had an Ace as the dealer's up card.

182. Respondent checked the hole card using the prism at 19:06:21 to see if she has 21/Blackjack.

183. Respondent gave the next card in the shoe to position one, which is a 6, giving that patron a hand totaling 21.

184. Respondent gave the two next cards in the shoe to position three, which were a 4 and a 6, giving that patron a hand totaling 20.

185. Respondent gave the next card in the show to position five, which was a 5, giving that patron a hand totaling 21.

186. Between 19:06:40 and 19:07:09, Respondent appeared to speak with the patrons pointing her finger to positions three and four.<sup>10</sup>

187. Between 19:06:40 and 19:07:09, the patrons in position one, three, four and five each placed a wager in the bust bonus wager area for positions one, three, four and five.

188. Respondent appeared to advise the patrons in position one, three, four and five into placing a bust bonus wager for those positions while the patrons still had wagers pending.

189. The patron in position six did not put a wager in the bonus wager area.

190. At 19:07:11, Respondent turned over her hole card revealing an Ace.

191. Respondent took the next four cards from the shoe (King, 3, Ace, and 9), which busted her hand with a total of 25.

192. Respondent paid the five patrons' wagers, including the bust bonus wagers for positions one, three, four and five.

193. Respondent's actions at Table 3 on October 10, 2022, between 19:05:47 and 19:08:20, altered the outcome of the Blackjack game played with the patrons.

U) Gilpin County District Court case number 2023CR006

194. On January 30, 2023, the Gilpin County District Attorney's Office filed a felony complaint against Respondent in Gilpin County District Court case number 2023CR006 for a violation of section 18-20-106(1), (3), C.R.S., *Cheating*, a Class 6 Felony, and section 18-20-107(1), (2), C.R.S., *Fraudulent Acts*, a Class 6 Felony, based on the Division's investigation into the Respondent's conduct above.

### CHARGE I

Pursuant to Gaming Regulation 30-824(2), 1 C.C.R. 207-1, under the Colorado Limited Gaming Control Commission rules regarding Blackjack, a dealer is not permitted to look at, nor expose to any person, the face of a card before it is dealt.

The facts and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference into each of the five counts listed below this charge as though set forth fully herein:

Charge I, Count 1 – Hand 1 at Table 22 on October 10, 2022.

During hand 1 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 11 through 22 and 120 above, Respondent pulled a card partially out of the shoe at 17:25:49 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card

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<sup>10</sup> Gaming Regulation 30-824(5), 1 C.C.R. 207-1, states “[n]o dealer or pit supervisor shall advise a player about game strategy nor recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.

had been dealt from the shoe. Respondent's exposure of the card at 17:25:49 before the card had been dealt constitutes a violation of Gaming Regulation 30-824(2), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge I, Count 2 – Hand 4 at Table 22 on October 10, 2022.

During hand 4 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 34 through 43 and 120 above, Respondent pulled a card partially out of the shoe at 17:27:14 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:27:14 before the card had been dealt constitutes a violation of Gaming Regulation 30-824(2), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge I, Count 3 – Hand 5 at Table 22 on October 10, 2022.

During hand 5 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 44 through 54 and 120 above, Respondent pulled a card partially out of the shoe at 17:27:53 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:27:53 before the card had been dealt constitutes a violation of Gaming Regulation 30-824(2), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge I, Count 4 – Hand 11 at Table 22 on October 10, 2022.

During Hand 11 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 75 through 82 and 120 above, Respondent pulled a card partially out of the shoe at 17:29:53 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:29:53 before the card had been dealt constitutes a violation of Gaming Regulation 30-824(2), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge I, Count 5 – Hand 16 at Table 22 on October 10, 2022.

During hand 16 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 104 through 120 above, Respondent pulled a card partially out of the shoe at 17:32:20 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:32:20 before the card had been dealt constitutes a violation of Gaming Regulation 30-824(2), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

## **CHARGE II**

Pursuant to Gaming Regulation 30-824(5), 1 C.C.R. 207-1, under the Colorado Limited



Gaming Control Commission rules regarding Blackjack, a dealer is not permitted to advise a player about game strategy or recommend the proper play of a hand while the player has a wager still pending on the outcome of the hand.

The facts and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference into each of the five counts listed below this charge as though set forth fully herein:

Charge II, Count 1 – Hand 13 at Table 22 on October 10, 2022.

During Hand 13 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 87 through 95 and 120 above, Respondent checked her hole card using the prism at 17:30:51, allowing her to see her hole card was a Queen, giving her a total of 21/Blackjack. While Patron D.Y. still had a wager pending on the outcome of the hand, Respondent appeared to speak with Patron D.Y. between 17:30:52 and 17:31:12 while motioning to the insurance wager for position six. At 17:31:13, Patron D.Y. placed a wager between position six and position seven that Respondent moved to the insurance wager area for position six. After flipping her hold card to reveal a Queen, resulting in her dealer hand totaling 21, Respondent paid Patron D.Y. for his insurance wager in position six. Respondent's apparent advice to the patron during hand 13 at Blackjack table 22 constitutes a violation of Gaming Regulation 30-824(5), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge II, Count 2 – Hand 16 at Table 22 on October 10, 2022.

During hand 16 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 104 through 120 above, Respondent flipped her hole card revealing a Queen at 17:32:22. While Patron D.Y. still had wagers pending on the outcome of the hand, Respondent appeared to speak with Patron D.Y. between 17:32:24 and 17:32:27, while motioning to towards the bust bonus wager. At 17:32:33, after Respondent pointed directly to the "bust bonus" area for position six, Patron D.Y. bet a bust bonus wager for position six. At 17:32:35, after Respondent motioned to the bust bonus wager area for position seven, Patron D.Y. bet a bust bonus wager for position seven. Respondent's apparent advice to the patron during hand 16 at Blackjack table 22 constitutes a violation of Gaming Regulation 30-824(5), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge II, Count 3 – Blackjack hand at Table 17 on October 4, 2022.

During a hand at Blackjack table 17 on October 4, 2022, as detailed in paragraphs 135 through 149 above, Respondent checked her hole card via prism at 21:45:13. While three patrons still had wagers pending on the outcome of the hand, Respondent appeared to speak with patrons at table 17 between 21:45:15 and 21:45:35. Starting at 21:45:35, Respondent helped the patrons in position one, position two and position four place wagers in the insurance wager position. After winning the hand, Respondent removed the patrons' original wagers from positions one, two and four, and paid the three patrons' insurance wagers that been placed after she had checked her hole card and wagers were still pending. Respondent's apparent advice to the patrons at Blackjack table 17 on October 4, 2022, constitutes a violation of Gaming Regulation

30-824(5), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge II, Count 4 – Blackjack hand at Table 13 on October 10, 2022.

During a hand at Blackjack table 13 on October 10, 2022, as detailed in paragraphs 150 through 172 above, Respondent appeared to speak with a patron at 18:33:36, while the patron still had a wager pending and before she turned over her dealer hole card. After the apparent discussion between Respondent and the patron, the patron placed bust bonus wagers for positions two and three at 18:33:42 and 18:33:45 while he had wagers pending. Respondent’s apparent advice to the patron at Blackjack table 13 on October 10, 2022, constitutes a violation of Gaming Regulation 30-824(5), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge II, Count 5– Blackjack hand at Table 3 on October 10, 2022.

During a hand at Blackjack table 3 on October 10, 2022, as detailed in paragraphs 173 through 193 above, Respondent appeared to speak with the patrons at 19:06:40 and 19:07:09 at the table, while the patrons still had wagers pending and before she turned over her dealer hole card. While apparently speaking with the patrons, Respondent pointed her finger to positions three and four. After the apparent discussion between Respondent and the patrons, the patrons in position one, three, four and five each placed a wager in the bust bonus wager area for positions one, three, four and five between 19:06:40 and 19:07:09. Respondent’s apparent advice to the patrons at Blackjack table 3 on October 10, 2022, constitutes a violation of Gaming Regulation 30-824(5), 1 C.C.R. 207-1, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

### **CHARGE III**

Pursuant to section 44-30-821, C.R.S., *Cheating*, it is unlawful for any person, whether she is an owner or employee of, or a player in, an establishment, to cheat at any limited gaming activity. Per section 44-30-821(2), C.R.S., “cheating” means “to alter the selection of criteria that determine: (a) the result of a game; or (b) the amount or frequency of payment in a game.”

The facts and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference into each of the ten counts listed below this charge as though set forth fully herein:

Charge III, Count 1 – Hand 1 at Table 22 on October 10, 2022.

During hand 1 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 11 through 22 and 120 above, Respondent pulled a card partially out of the shoe at 17:25:49 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent’s exposure of the card at 17:25:49 before the card had been dealt constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 2 – Hand 4 at Table 22 on October 10, 2022.

During hand 4 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 34 through 43 and 120 above, Respondent pulled a card partially out of the shoe at 17:27:14 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:27:14 before the card had been dealt constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 3 – Hand 5 at Table 22 on October 10, 2022.

During hand 5 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 44 through 54 and 120 above, Respondent pulled a card partially out of the shoe at 17:27:53 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:27:53 before the card had been dealt constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 4 – Hand 11 at Table 22 on October 10, 2022.

During Hand 11 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 75 through 82 and 120 above, Respondent pulled a card partially out of the shoe at 17:29:53 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:29:53 before the card had been dealt constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 5 – Hand 13 at Table 22 on October 10, 2022.

During Hand 13 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 87 through 95 and 120 above, Respondent checked her hole card using the prism at 17:30:51, allowing her to see her hole card was a Queen, giving her a total of 21/Blackjack. While Patron D.Y. still had a wager pending on the outcome of the hand, Respondent appeared to speak with Patron D.Y. between 17:30:52 and 17:31:12 while motioning to the insurance wager for position six. At 17:31:13, Patron D.Y. placed a wager between position six and position seven that Respondent moved to the insurance wager area for position six. After flipping her hold card to reveal a Queen, resulting in her dealer hand totaling 21, Respondent paid Patron D.Y. for his insurance wager in position six. Respondent's apparent advice to the patron during hand 13 at Blackjack table 22 constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game/the payment in the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 6 – Hand 16 at Table 22 on October 10, 2022.

During hand 16 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 104 through 120 above, Respondent pulled a card partially out of the shoe at 17:32:20 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:32:20 before the card had been dealt constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 7 – Hand 16 at Table 22 on October 10, 2022.

During hand 16 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 104 through 120 above, Respondent flipped her hole card revealing a Queen at 17:32:22. While Patron D.Y. still had wagers pending on the outcome of the hand, Respondent appeared to speak with Patron D.Y. between 17:32:24 and 17:32:27, while motioning to towards the bust bonus wager. At 17:32:33, after Respondent pointed directly to the "bust bonus" area for position six, Patron D.Y. bet a bust bonus wager for position six. At 17:32:35, after Respondent motioned to the bust bonus wager area for position seven, Patron D.Y. bet a bust bonus wager for position seven. Respondent's apparent advice to the patron during hand 16 at Blackjack table 22 constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game/the payment in the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 8 – Blackjack hand at Table 17 on October 4, 2022.

During a hand at Blackjack table 17 on October 4, 2022, as detailed in paragraphs 135 through 149 above, Respondent checked her hole card via prism at 21:45:13. While three patrons still had wagers pending on the outcome of the hand, Respondent appeared to speak with patrons at table 17 between 21:45:15 and 21:45:35. Starting at 21:45:35, Respondent helped the patrons in position one, position two and position four place wagers in the insurance wager position. After winning the hand, Respondent removed the patrons' original wagers from positions one, two and four, and paid the three patrons' insurance wagers that been placed after she had checked her hole card and wagers were still pending. Respondent's apparent advice to the patrons at Blackjack table 17 on October 4, 2022, constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game/the payment in the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 9 – Blackjack hand at Table 13 on October 10, 2022.

During a hand at Blackjack table 13 on October 10, 2022, as detailed in paragraphs 150 through 172 above, Respondent appeared to speak with a patron at 18:33:36, while the patron still had a wager pending and before she turned over her dealer hole card. After the apparent discussion between Respondent and the patron, the patron placed bust bonus wagers for positions two and three at 18:33:42 and 18:33:45 while he had wagers pending. Respondent's apparent advice to the patron at Blackjack table 13 on October 10, 2022, constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game/the payment in the game, and

thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge III, Count 10 – Blackjack hand at Table 3 on October 10, 2022.

During a hand at Blackjack table 3 on October 10, 2022, as detailed in paragraphs 173 through 193 above, Respondent appeared to speak with the patrons at 19:06:40 and 19:07:09 at the table, while the patrons still had wagers pending and before she turned over her dealer hole card. While apparently speaking with the patrons, Respondent pointed her finger to positions three and four. After the apparent discussion between Respondent and the patrons, the patrons in position one, three, four and five each placed a wager in the bust bonus wager area for positions one, three, four and five between 19:06:40 and 19:07:09. Respondent's apparent advice to the patrons at Blackjack table 3 on October 10, 2022, constitutes cheating in violation of section 44-30-821, C.R.S., by altering the outcome of the game/the payment in the game, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

**CHARGE IV**

Pursuant to section 44-30-822(1)(b), C.R.S., *Fraudulent Acts*, it is unlawful for a person to aid anyone in acquiring knowledge for purposes of placing, increasing, or decreasing a bet or determining the course of play contingent upon that event or outcome.

The facts and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference into each of the ten counts listed below this charge as though set forth fully herein:

Charge IV, Count 1 – Hand 1 at Table 22 on October 10, 2022.

During hand 1 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 11 through 22 and 120 above, Respondent pulled a card partially out of the shoe at 17:25:49 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:25:49 before the card had been dealt constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 2 – Hand 4 at Table 22 on October 10, 2022.

During hand 4 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 34 through 43 and 120 above, Respondent pulled a card partially out of the shoe at 17:27:14 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:27:14 before the card had been dealt constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 3 – Hand 5 at Table 22 on October 10, 2022.

During hand 5 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 44 through 54 and 120 above, Respondent pulled a card partially out of the shoe at 17:27:53 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:27:53 before the card had been dealt constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 4 – Hand 11 at Table 22 on October 10, 2022.

During Hand 11 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 75 through 82 and 120 above, Respondent pulled a card partially out of the shoe at 17:29:53 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:29:53 before the card had been dealt constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 5 – Hand 13 at Table 22 on October 10, 2022.

During Hand 13 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 87 through 95 and 120 above, Respondent checked her hole card using the prism at 17:30:51, allowing her to see her hole card was a Queen, giving her a total of 21/Blackjack. While Patron D.Y. still had a wager pending on the outcome of the hand, Respondent appeared to speak with Patron D.Y. between 17:30:52 and 17:31:12 while motioning to the insurance wager for position six. At 17:31:13, Patron D.Y. placed a wager between position six and position seven that Respondent moved to the insurance wager area for position six. After flipping her hold card to reveal a Queen, resulting in her dealer hand totaling 21, Respondent paid Patron D.Y. for his insurance wager in position six. Respondent's apparent advice to the patron during hand 13 at Blackjack table 22 constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 6 – Hand 16 at Table 22 on October 10, 2022.

During hand 16 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 104 through 120 above, Respondent pulled a card partially out of the shoe at 17:32:20 and pulled the side of the card up so it could be seen by Patron D.Y. and Respondent, before the card had been dealt from the shoe. Respondent's exposure of the card at 17:32:20 before the card had been dealt constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 7 – Hand 16 at Table 22 on October 10, 2022.

During hand 16 at Blackjack table 22 on October 10, 2022, as detailed in paragraphs 104 through 120 above, Respondent flipped her hole card revealing a Queen at 17:32:22. While Patron D.Y. still had wagers pending on the outcome of the hand, Respondent appeared to speak with Patron D.Y. between 17:32:24 and 17:32:27, while motioning to towards the bust bonus wager. At 17:32:33, after Respondent pointed directly to the “bust bonus” area for position six, Patron D.Y. bet a bust bonus wager for position six. At 17:32:35, after Respondent motioned to the bust bonus wager area for position seven, Patron D.Y. bet a bust bonus wager for position seven. Respondent’s apparent advice to the patron during hand 16 at Blackjack table 22 constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 8 – Blackjack hand at Table 17 on October 4, 2022.

During a hand at Blackjack table 17 on October 4, 2022, as detailed in paragraphs 135 through 149 above, Respondent checked her hole card via prism at 21:45:13. While three patrons still had wagers pending on the outcome of the hand, Respondent appeared to speak with patrons at table 17 between 21:45:15 and 21:45:35. Starting at 21:45:35, Respondent helped the patrons in position one, position two and position four place wagers in the insurance wager position. After winning the hand, Respondent removed the patrons’ original wagers from positions one, two and four, and paid the three patrons’ insurance wagers that been placed after she had checked her hole card and wagers were still pending. Respondent’s apparent advice to the patrons at Blackjack table 17 on October 4, 2022, constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patrons in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 9 – Blackjack hand at Table 13 on October 10, 2022.

During a hand at Blackjack table 13 on October 10, 2022, as detailed in paragraphs 150 through 172 above, Respondent appeared to speak with a patron at 18:33:36, while the patron still had a wager pending and before she turned over her dealer hole card. After the apparent discussion between Respondent and the patron, the patron placed bust bonus wagers for positions two and three at 18:33:42 and 18:33:45 while he had wagers pending. Respondent’s apparent advice to the patron at Blackjack table 13 on October 10, 2022, constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patron in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

Charge IV, Count 10 – Blackjack hand at Table 3 on October 10, 2022.

During a hand at Blackjack table 3 on October 10, 2022, as detailed in paragraphs 173 through 193 above, Respondent appeared to speak with the patrons at 19:06:40 and 19:07:09 at

the table, while the patrons still had wagers pending and before she turned over her dealer hole card. While apparently speaking with the patrons, Respondent pointed her finger to positions three and four. After the apparent discussion between Respondent and the patrons, the patrons in position one, three, four and five each placed a wager in the bust bonus wager area for positions one, three, four and five between 19:06:40 and 19:07:09. Respondent's apparent advice to the patrons at Blackjack table 3 on October 10, 2022, constitutes a fraudulent act in violation of section 44-30-822(1)(b), C.R.S., by aiding the patrons in acquiring knowledge for purposes of placing a bet/increasing a bet/determining the course of play, and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

#### **CHARGE V**

Pursuant to Gaming Regulation 30-2114(7), players are able to place an additional option wager known as a Bust Bonus "prior to the dealer exposing his/her hole card." Gaming Regulation 30-2114(7), 1 C.C.R. 207-1.

The facts and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference into this charge as though set forth fully herein. Respondent violated Gaming Regulation 30-2114(7), 1 C.C.R. 207-1, when she allowed Patron D.Y. to place two bust bonus wagers during hand 16 at Table 22 on October 10, 2022, between 17:32:24 and 17:32:35 after Respondent had already flipped her hole card at 17:32:22. Respondent violation of Gaming Regulation 30-2114(7), 1 C.C.R. 207-1, subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

#### **CHARGE VI**

Pursuant to sections 44-30-509(1)(c)(I), (d), and 44-30-524, C.R.S., the Commission shall discipline any licensee who is subject to current prosecution or pending charges in any jurisdiction for a felony. Such person is not suitable for licensure and poses a threat to the public interests of the state. Any license granted pursuant to this article may be revoked for any cause which would have prevented its issuance under section 44-30-524(1)(a), C.R.S.

The facts, acts, and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference as though set forth fully herein. On January 30, 2023, the Gilpin County District Attorney's Office filed a felony complaint against Respondent in Gilpin County District Court case number 2023CR006 for a violation of section 18-20-106(1), (3), C.R.S., *Cheating*, a Class 6 Felony, and section 18-20-107(1), (2), C.R.S., *Fraudulent Acts*, a Class 6 Felony. Respondent's pending felony criminal charges would have prevented the issuance of Colorado Limited Gaming Support Employee License to Respondent per §§ 44-30-509(1)(d) and 44-30-524, C.R.S. These felony charges statutorily disqualify Respondent from holding a gaming license, and subjects her license to discipline per section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

#### **CHARGE VII**

Pursuant to section 44-30-801(2), C.R.S., Respondent must be a person of good moral character, honesty, and integrity, and be a person whose prior activities, criminal record,



reputation, habits and associations do not pose a threat to the public interests of this state or to the control of gaming or create or enhance the dangers of unsuitable or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business incidental to the conduct of gaming. *See also* § 44-30-514, C.R.S. Further, pursuant to section 44-30-509(1)(a), C.R.S., Respondent must establish by clear and convincing evidence his continuing qualification, including suitability, good moral character, honesty, and integrity, as set forth in section 44-30-505, C.R.S. Respondent's limited gaming license is a revocable privilege conditioned upon his continuing qualification and affirmative responsibility to provide law enforcement and regulatory authorities necessary assistance and information as set forth in section 44-30-503, C.R.S.

The facts and circumstances alleged in paragraphs 1 through 194 above are incorporated by this reference as though set forth fully herein: Respondent's conduct as a Blackjack dealer at Monarch Casino on October 4, 2022 at table 17 (between 21:44:56 and 21:46:58) and on October 10, 2022 at table 22 (between 17:25:34 and 17:33:51), table 13 (between 18:32:32 and 18:34:26) and table 13 (between 19:05:47 and 19:08:20) reflect poorly on her moral character and suitability to hold a gaming license, during which she exposed cards in the shoe to Patron D.Y. and advised multiple patrons on betting/play of hands while wagers were still pending. Based on the foregoing, Respondent violated sections 44-30-503, -509(1)(a), and -801(2), C.R.S., and thereby subjects her support license to discipline in accordance with section 44-30-524, C.R.S., and Commission Rules under 1 C.C.R. 207-1.

NOW THEREFORE, you are hereby ordered to appear before the Commission to *show cause* why disciplinary action should not be taken by the Commission as provided by law. Pursuant to law, you must file a written answer to these charges with the Golden office of the Colorado Division of Gaming (Division) at the Lakewood office of the Colorado Division of Gaming at 1707 Cole Blvd, Suite 300, Lakewood, CO 80401 within 30 days of service of this Order to Show Cause.

You are hereby ordered to appear as specified in the enclosed Notice of Virtual Hearing and answer the charges against you.

1. Right to counsel. You are entitled to have an attorney represent you at the hearing or you may represent yourself. At the hearing you have the right to present any relevant evidence in your behalf, rebut any evidence presented against you and cross-examine any witnesses testifying against you. If you retain an attorney, you shall do so well in advance of the hearing because a continuance is not granted except for good cause shown. If you do retain an attorney, have the attorney enter an appearance with the Commission at least 10 days prior to the hearing.

2. Filing with the Commission and Service on the Attorney General. Whenever you or your attorney corresponds or files documents with the Commission, you must transmit such documents by the United States first class mail or personal delivery to the Lakewood office of the Colorado Division of Gaming at 1707 Cole Blvd, Suite 300, Lakewood, CO 80401. You must also simultaneously transmit by the United States first class mail or personal delivery a copy of every such correspondence or document to the Assistant Attorney General whose name appears at the end hereof, at the Department of Law, Ralph L. Carr Colorado Judicial Center, 8<sup>th</sup> Floor, 1300 Broadway, Denver, Colorado 80203.

3. Risk of Default. If you fail to appear at said hearing, your license to act as a support employee for limited gaming may be subject to sanction without further notice. Further, if your hearing is scheduled at any time to arise more than 30 days from the date of this notice, you are required to file an answer to the Charges. Your failure to file such an answer to the charges shall be cause for entry of default judgment against you, which may be set aside for Good Cause only.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023

FOR THE COLORADO LIMITED GAMING  
CONTROL COMMISSION

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Richard Nathan, Chairman

APPROVED AS TO FORM:

PHILIP J. WEISER  
Attorney General

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Bradford Jones  
Senior Assistant Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center

**CERTIFICATE OF SERVICE**

This is to certify that I have duly served the within **ORDER TO SHOW CAUSE** upon all parties herein named by depositing copies of the same in the United States mail, postage prepaid, at Lakewood, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2023, addressed as follows:

Dana Hang

Bradford Jones, Senior Assistant Attorney General  
Torrey Samson, Assistant Attorney General  
Colorado Department of Law

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Breanne Nolan

BEFORE THE LIMITED GAMING CONTROL COMMISSION  
STATE OF COLORADO

Case Report No. DOG22003672

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**NOTICE OF VIRTUAL HEARING**

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IN THE MATTER OF:

Dana Hang  
Support License No. 54035

Respondent.

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TO: Dana Hang

PLEASE TAKE NOTICE that a virtual hearing in this matter has been scheduled for \_\_\_\_\_, at the hour of \_\_\_\_\_ m. via Webex Cisco video conference concerning the pending charges and allegations against Respondent's limited gaming license.

The virtual hearing will be recorded electronically. All testimony will be taken under oath. You may have an attorney represent you at the hearing or you may represent yourself. You may present any relevant testimony, evidence and witnesses in your behalf. The attorney general representative for the Division of Gaming will present evidence and witnesses in support of the charges against you, and you will be given a full opportunity to cross examine any witnesses testifying against you.

Dated this \_\_\_ day of \_\_\_\_\_, 2023.

BY THE COLORADO LIMITED GAMING  
CONTROL COMMISSION:

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Richard Nathan, Chairman

## CERTIFICATE OF SERVICE

This is to certify that I have duly served the within NOTICE OF VIRTUAL HEARING upon all parties herein named by depositing copies of the same in the United States mail, postage prepaid, at Lakewood, Colorado, this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Dana Hang

Bradford Jones, Senior Assistant Attorney General  
Torrey Samson, Assistant Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center

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Breanne Nolan

# DEPARTMENT OF REVENUE

## Division of Gaming

### SPORTS BETTING REGULATIONS

#### 1 CCR 207-2

#### 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., 44-30-1501, C.R.S, and part 15 of article 30 of title 44, C.R.S. *Amended 2/14/23*

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

##### **Rule 7.6 Sport betting system requirements.**

(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, all commissions collected are subject to all taxes and tax requirements as are paid on net sports betting proceeds.

THE RULES IN THIS SECTION 7.6 (17) ARE APPLICABLE ONLY TO EXCHANGE WAGERING. THIS SECTION, IN ADDITION TO ALL APPLICABLE SPORT BETTING RULES, SHALL BE APPLICABLE TO ALL PERSONS LICENSED AND APPROVED BY THE COMMISSION IN CONNECTION WITH EXCHANGE WAGERING, AND EVERY PATRON AND ACCOUNT HOLDER OF THE EXCHANGE WAGERING SYSTEM.

(A) THE FOLLOWING WORDS AND TERMS, WHEN USED IN THIS SECTION 7.6 (17), SHALL HAVE THE FOLLOWING MEANINGS, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

(i) "AUTHORIZED PERSON" MEANS THE EMPLOYEE OF A MARKET MARKER OR ANY ENTITY OTHER THAN AN INDIVIDUAL ACTING IN THEIR PERSONAL NAME, WHO IS RESPONSIBLE FOR AUTHORIZING THE PROVISION OF ODDS AND LIQUIDITY CONSTRAINTS TO AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR THAT IS OPERATING AN EXCHANGE. THE AUTHORIZED PERSON MUST HOLD A SUPPORT LICENSE. THE AUTHORIZED PERSON SHALL NOT BE A PROHIBITED SPORTS BETTING PARTICIPANT.

(ii) "BACK" MEANS TO WAGER ON A SELECTED OUTCOME OCCURRING (BETTING THAT AN OUTCOME WILL OCCUR) IN A GIVEN MARKET.

- (iii) "COMMISSION RATE" MEANS THE PERCENTAGE TAKEN BY THE SPORTS BETTING OPERATION OPERATING THE EXCHANGE. THE COMMISSION RATE IS A PERCENTAGE OF THE TOTAL AMOUNT ~~OF THE ALL~~ EXCHANGE WAGERS PAID TO PLAYERS NET OF STAKE. ANY PROCEEDS COLLECTED THROUGH COMMISSION RATES CONSTITUTE NET SPORTS BETTING PROCEEDS.
- (iv) "CORRECTIVE WAGER" MEANS AN EXCHANGE WAGER PLACED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR IN A GIVEN MARKET, UNDER CIRCUMSTANCES APPROVED BY THE DIRECTOR, IN ORDER TO ADDRESS THE IMPACT ON THAT MARKET OF THE CANCELLATION OR VOIDING OF A GIVEN MATCHED WAGER OR GIVEN PART OF A MATCHED WAGER.
- (v) "DIRECTOR" MEANS THE DIRECTOR OF THE COLORADO DIVISION OF GAMING.
- (vi) "EXCHANGE" MEANS A SYSTEM OPERATED BY THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR IN WHICH THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR MAINTAINS ONE OR MORE MARKETS IN WHICH AUTHORIZED WAGERS MAY BACK OR LAY ON THE RESULTS OF A SPORTING EVENT APPROVED ON THE COLORADO DIVISION OF GAMING OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS.
- (vii) "EXCHANGE WAGERS" MEANS WAGERS, BY THOSE PRESENT IN THIS STATE, ON THE RESULTS OF A SPORTING EVENT APPROVED ON THE COLORADO DIVISION OF GAMING OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS. WAGERS ARE TO BE POSTED AND MATCHED IN A MARKET OR MARKETS ON AN EXCHANGE.
- (viii) "EXCHANGE WAGERING" MEANS THE FORM OF WAGERING, AUTHORIZED BY THIS SECTION 7.6 (17), IN WHICH TWO OR MORE PERSONS PLACE IDENTICALLY OPPOSING WAGERS IN A GIVEN MARKET, AND WHICH WAGERING IS CONDUCTED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR APPROVED TO CONDUCT EXCHANGE WAGERING.
- (ix) "EXCHANGE WAGERING SYSTEM" MEANS A SYSTEM THROUGH WHICH EXCHANGE WAGERS ARE PROCESSED.
- (x) "IDENTICALLY OPPOSING WAGERS" MEANS WAGERS IN WHICH ONE OR MORE PERSONS OFFER TO LAY A SELECTED OUTCOME AT THE SAME PRICE AT WHICH ONE OR MORE PERSONS OFFER TO BACK THAT SAME OUTCOME, WITH THE AMOUNT SUBJECT TO THE LAY BEING PROPORTIONATELY COMMENSURATE TO THE AMOUNT SUBJECT TO THE BACK.
- (xi) "LAY" MEANS TO WAGER ON A SELECTED OUTCOME NOT OCCURRING (BETTING THE OUTCOME WILL NOT OCCUR) IN A GIVEN MARKET.
- (xii) "LIQUIDITY" IS THE POOL OF MAXIMUM MONEY THAT A BETTOR CAN WAGER ON A GIVEN BETTING EXCHANGE MARKET. NO BET CAN EXCEED THIS AMOUNT.
- (xiii) "MARKET" MEANS, IN RELATION TO THE RESULTS OF A SPORTING EVENT, SET OF SPORTING EVENTS OR OUTCOMES THAT OCCUR DURING THE PLAYING OF A SPORTING EVENT APPROVED ON THE COLORADO DIVISION OF GAMING OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS A PARTICULAR OUTCOME THAT IS SUBJECT TO

EXCHANGE WAGERING AS DETERMINED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR.

(XIV) "MARKET MAKER" MEANS AN ENTITY OR INDIVIDUAL WITHIN THE STATE OF COLORADO, OTHER THAN AN INDIVIDUAL ACTING IN THEIR PERSONAL NAME WITHIN THE STATE OF COLORADO, THAT HAS FUNDS ON DEPOSIT WITH AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR WHO PROVIDES ODDS AND LIQUIDITY TO AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR THAT IS OPERATING AN EXCHANGE. THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR THAT IS OPERATING AN EXCHANGE HAS FINAL DISCRETION TO POST OR NOT POST THE ODDS AND LIQUIDITY FROM A MARKET MAKER TO THE EXCHANGE WAGERING SYSTEM.

(XV) "MATCHED WAGER" MEANS THE WAGER THAT IS FORMED WHEN TWO OR MORE PERSONS ARE CONFIRMED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR AS HAVING PLACED IDENTICALLY OPPOSING WAGERS IN A GIVEN MARKET ON THE EXCHANGE.

(XVI) "PRICE" MEANS THE ODDS FOR A GIVEN EXCHANGE WAGER.

(XVII) "UNMATCHED WAGER" MEANS A WAGER OR PORTION OF A WAGER PLACED IN A GIVEN MARKET WITHIN AN EXCHANGE THAT DOES NOT BECOME PART OF A MATCHED WAGER BECAUSE THERE ARE NOT ONE OR MORE AVAILABLE EXCHANGE WAGERS IN THAT MARKET WITH WHICH TO FORM ONE OR MORE IDENTICALLY OPPOSING WAGERS.

(B) THE TOTAL COMMISSION RATE TAKEN ON ~~AN~~ ALL EXCHANGE WAGERS PAID TO PLAYERS MUST BE APPROVED BY THE DIRECTOR, NOT TO BE SET BELOW ~~2.55.0%~~ OF THE AMOUNT OF ALL EXCHANGE WAGERS PAID TO PLAYERS. IN THE CASE OF WAGERS LAID OR BACKED BY AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR, THE TOTAL COMMISSION RATE MUST BE APPROVED BY THE DIRECTOR, NOT TO BE SET BELOW ~~3.55.0%~~ OF ~~THE ALL~~ WAGERS COLLECTED BY AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR. ~~FREE BETS SHALL NOT BE DEDUCTED FROM THE AGGREGATE COMMISSION TAKEN ON AN EXCHANGE WAGERS.~~

(I) UPON APPROVAL BY THE DIRECTOR, AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR MAY OFFER COMMISSION RATES TO INDIVIDUALS OR MARKET MAKERS THAT ARE BELOW ~~2.55.0%~~ OF THE WAGER. ~~IF~~ WHERE AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR IS APPROVED TO OFFER A COMMISSION RATE THAT IS BELOW ~~2.55.0%~~ OF THE WAGER TO ANY INDIVIDUALS OR MARKET MAKERS- ~~AND THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR HAS AN AGGREGATE COMMISSION FOR INDIVIDUALS AND MARKET MAKERS AT BELOW ~~2.55.0%~~ DURING ANY TAX PERIOD, THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL STILL BE SUBJECT TO ALL TAXES AND TAX REQUIREMENTS FOR A ~~2.55.0%~~ COMMISSION RATE ON THE MONTHLY AGGREGATE OF ALL EXCHANGE WAGERS PAID TO ~~FOR~~ INDIVIDUALS AND MARKET MAKERS.~~

(C) LIQUIDITY AVAILABLE FOR EXCHANGE WAGERING ON A MARKET MUST BE CLEARLY DISPLAYED TO THE PATRON WITHIN THE SPORTS BETTING SYSTEM.



- (D) THE ODDS OF THE WAGER MUST BE DISPLAYED AT THE TIME OF BET PLACEMENT AND IN THE TICKET CONTENTS WHEN A PATRON PLACES A SINGLE WAGER.
- (E) THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL EXCLUSIVELY- ACCEPT WAGERS ON AUTHORIZED SPORTS EVENTS, LEAGUES, OR BETS PURSUANT TO RULE 5.
- (F) WHERE A RESETTLEMENT OF AN EXCHANGE WAGER OCCURS, THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR IS RESPONSIBLE FOR PAYING THE WINNING WAGER REGARDLESS OF THE INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR'S ABILITY TO RECOVER FUNDS FOR THE LOSING WAGER.
- (G) IF AN ERROR OCCURS IN THE PAYMENT OF AMOUNTS OF EXCHANGE WAGERS, REGARDLESS OF CAUSE, THE INTERNET SPORTS WAGERING OPERATOR OR SPORTS BETTING OPERATOR OFFERING EXCHANGE WAGERING SHALL BE RESPONSIBLE FOR SUCH OVERPAYMENT OR UNDERPAYMENT.
- (H) EXCHANGE WAGERS MAY NOT BE VOIDED FOR OBVIOUS ERROR UNDER RULE 7.6 (12) AND CANNOT BE CANCELED FOR ANY REASON NOT EXPLICITLY STATED WITHIN THIS SECTION 7.5 (17) AND SHALL BE POSTED WITHIN THE INTERNET SPORTS WAGERING OPERATOR OR SPORTS BETTING OPERATOR'S HOUSE RULES.
- (I) ANY ENTITY OTHER THAN AN INDIVIDUAL ACTING IN THEIR PERSONAL NAME MUST POSSESS A VENDOR MINOR LICENSE AND PROVIDE A LIST OF PERSONS AUTHORIZED TO ACT ON THE ENTITY'S BEHALF PRIOR TO AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR ALLOWING THE ENTITY TO PLACE AN EXCHANGE WAGER. THE LIST OF AUTHORIZED USERS SHALL BE UPDATED WHEN AN AUTHORIZED PERSON CHANGES. OTHER INTERNET SPORTS WAGERING OPERATORS OR SPORTS BETTING OPERATORS WISHING TO LAY-OFF WAGERS UNDER RULE 7.6 (15) VIA EXCHANGE WAGERS MAY DO SO WITH A VALID COLORADO INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR LICENSE.
- (J) A MARKET MAKER MUST POSSESS A VENDOR MINOR LICENSE AND PROVIDE A LIST OF PERSONS AUTHORIZED TO ACT ON THE ENTITY'S BEHALF PRIOR TO AN INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR POSTING A BACK OR LAY EXCHANGE WAGER ON BEHALF OF THE MARKET MAKER. THE LIST OF AUTHORIZED PERSONS SHALL BE UPDATED BY THE MARKET MAKER WHEN AN AUTHORIZED PERSON CHANGES. THE INTERNET SPORTS WAGERING OPERATOR, SPORTS WAGERING OPERATOR, AND MARKET MAKER ARE EACH SUBJECT TO DISCIPLINE IF THE SPORTS BETTING OPERATOR ACCEPTS A WAGER FROM A MARKET MAKER OR MARKET MAKER'S AUTHORIZED PERSON WHERE THE MARKET MAKER HAS ACCESS TO NONPUBLIC, CONFIDENTIAL INFORMATION HELD BY THE SPORTS BETTING OPERATOR.
- (K) THE INTERNET SPORTS WAGERING OPERATOR OFFERING EXCHANGE WAGERING MAY CANCEL AN UNMATCHED WAGER AT ANY TIME, WITHOUT CAUSE, BEFORE IT IS MATCHED TO FORM ONE OR MORE IDENTICALLY OPPOSING WAGERS.
- (L) AN EXCHANGE WAGERING ACCOUNT HOLDER WHO OFFERS AN UNMATCHED WAGER MAY CANCEL THAT UNMATCHED WAGER AT ANY TIME, WITHOUT CAUSE, BEFORE IT IS MATCHED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR TO FORM ONE OR MORE IDENTICALLY OPPOSING WAGERS. HOWEVER, THE SUSPECTED ABUSE OF THIS CANCELLATION PRIVILEGE BY AN ACCOUNT HOLDER, INCLUDING, BUT NOT LIMITED TO, WHERE ANY SUCH CANCELLATION IS MADE PURSUANT TO OR IN FURTHERANCE OF FRAUDULENT ACTIVITY

OR WHERE THE FREQUENCY OF SUCH CANCELLATIONS IS DETERMINED BY THE EXCHANGE WAGERING PROVIDER TO NEGATIVELY IMPACT THE EXCHANGE OR ANY GIVEN MARKET, SHALL SERVE AS A BASIS FOR THE CLOSURE OR SUSPENSION OF THE EXCHANGE WAGERING ACCOUNT PURSUANT.

- (M) THE INTERNET SPORTS WAGERING OPERATOR OFFERING EXCHANGE WAGERING MUST CANCEL ALL UNMATCHED WAGERS PRIOR TO THE TIME THE EVENT STARTS, HOWEVER THE INTERNET SPORTS WAGERING OPERATOR OFFERING EXCHANGE WAGERING MAY REOPEN IN-PLAY EXCHANGE WAGERING AT THE START OF THE EVENT.
- (N) NOTHING CONTAINED IN THIS SECTION SHALL BE INTERPRETED TO PRECLUDE THE DIRECTOR FROM ORDERING THAT AN APPROVED MARKET, OR PREVIOUSLY APPROVED MARKET, BE DISCONTINUED BECAUSE THE SPORTING EVENT HAS BEEN REMOVED FROM THE COLORADO DIVISION OF GAMING OFFICIAL SPORTS BETTING CATALOG OF EVENTS AND WAGERS, THERE ARE ISSUES WITH THE INTEGRITY OF A MARKET OR WHERE THE CONTINUANCE THEREOF WOULD BE INCONSISTENT WITH THE EXCHANGE WAGERING SYSTEM, INCLUDING ITS WAGERING AND TECHNOLOGICAL RELIABILITY ASPECTS.
- (O) IN THE EVENT OF A TECHNOLOGICAL BREAKDOWN ASSOCIATED WITH THE EXCHANGE WAGERING SYSTEM, WHICH RENDERS THE EXCHANGE WAGERING SYSTEM NON-FUNCTIONAL, AND WHERE THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR DETERMINES THAT THE NATURE AND DEGREE OF THE TECHNOLOGICAL BREAKDOWN DOES NOT REQUIRE A SUSPENSION OR VOIDING OF THE MARKET. THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL:
- (i) CAUSE ALL MATCHED WAGERS, AS OF THE TIME OF THE FAILURE, TO REMAIN MATCHED, AND TO BE PAID IN ACCORDANCE WITH THE ESTABLISHED PRICE FOR SUCH WAGERS AND THE INTERNAL CONTROL PROCEDURES OF THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR APPLICABLE TO MATCHED WAGERS; AND
- (ii) CAUSE ALL UNMATCHED WAGERS TO BE CANCELED.
- (iii) IN THE EVENT THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR ACTS PURSUANT TO THIS SECTION, IT SHALL PROMPTLY FILE WITH THE DIVISION A WRITTEN REPORT DETAILING THE ACTION TAKEN AND THE REASONS IN SUPPORT OF SUCH ACTION.
- (P) THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR MAY SUSPEND A MARKET ON ITS OWN ACCORD AND AT ANY TIME, FOR GOOD CAUSE. FOR THE PURPOSES OF THIS SECTION, GOOD CAUSE SHALL EXIST WHERE: THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR HAS REASONABLE CAUSE TO SUSPECT THAT FRAUD OR ANY OTHER ACTION OR INACTION BY ANY NATURAL PERSON CONNECTED WITH THE SPORTING EVENT RAISES QUESTIONS ABOUT THE INTEGRITY AND FAIRNESS OF THE MARKET; THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR HAS REASONABLE CAUSE TO CONCLUDE THAT A MATERIAL TECHNOLOGICAL BREAKDOWN ASSOCIATED WITH THE EXCHANGE WAGERING SYSTEM EXISTS OR HAS ARISEN, WHICH TECHNOLOGICAL BREAKDOWN IS OF SUCH MAGNITUDE THAT THE IMPLEMENTATION OF THE EXCHANGE WAGERING SYSTEM'S BREAKDOWN PROCEDURE AS SET FORTH IN 7.6 (17) (m) WOULD BE INADEQUATE. THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR MAY ALSO SUSPEND A MARKET FOR OTHER REASONS WHERE THE

OPERATOR IMMEDIATELY CONTACTS THE DIRECTOR OR THE DIRECTOR'S DESIGNEE AND CAN DEMONSTRATE TO THE SATISFACTION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNEE THAT A FAILURE TO SUSPEND A MARKET WILL LIKELY NEGATIVELY IMPACT THE INTEGRITY OF THE EXCHANGE WAGERING SYSTEM.

(Q) IN THE EVENT THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SUSPENDS A MARKET PURSUANT TO 7.6 (17) (N) ABOVE, IT SHALL IMMEDIATELY NOTIFY THE DIRECTOR OF SUCH ACTION IN WRITING, BY ELECTRONIC MAIL. IN ADDITION, THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL PROMPTLY FILE A WRITTEN REPORT TO THE DIRECTOR WHICH, AT A MINIMUM, IDENTIFIES:

(i) THE MARKET SUSPENDED;

(ii) THE DATE AND TIME OF THE SUSPENSION;

(iii) THE REASON FOR THE MARKET SUSPENSION, THE REASONS WHY THE IMPLEMENTATION OF THE PROCEDURE SET FORTH IN 7.6 (17) (N) WOULD HAVE BEEN INSUFFICIENT;

(iv) THE RESULTS OF THE RELATED DUE DILIGENCE INVESTIGATION CONDUCTED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR;  
AND

(v) A PROPOSAL FOR SETTLING THE MARKET.

UPON SATISFACTORY REVIEW AND WRITTEN AUTHORIZATION FROM THE DIRECTOR, THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL SETTLE THE MARKET.

(R) AN ENTIRE MARKET MAY ONLY BE VOIDED, UPON APPLICATION TO THE DIRECTOR OR DIRECTOR'S DESIGNEE, WHERE THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR DEMONSTRATES TO THE SATISFACTION OF THE DIRECTOR THAT A MATERIAL AND IRREPARABLE TECHNOLOGICAL BREAKDOWN OF THE EXCHANGE WAGERING SYSTEM OCCURRED, AND THAT, DUE TO THE NATURE THEREOF AND CIRCUMSTANCES PRESENT, IT WOULD PROVE INSUFFICIENT FOR THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR TO IMPLEMENT THE PROCEDURE SET FORTH IN EITHER 7.6 (17) (11), OR IN (12) OR (13) ABOVE. IN APPROVING ANY SUCH APPLICATION, THE DIRECTOR MAY IMPOSE REASONABLE AND NECESSARY CONDITIONS TO ENSURE THE INTEGRITY OF THE EXCHANGE WAGERING SYSTEM.

(S) EXCEPT AS PROVIDED IN (I) BELOW, ONCE AN UNMATCHED WAGER IS CONFIRMED BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR AS HAVING BEEN MATCHED TO AN IDENTICALLY OPPOSING WAGER IN A GIVEN MARKET ON THE EXCHANGE, AND A MATCHED WAGER IS THEREBY FORMED, SUCH MATCHED WAGER SHALL BE FINAL AND SHALL NOT BE CANCELED.

(i) THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL ONLY CANCEL A MATCHED WAGER, OR PART OF A MATCHED WAGER, IF SUCH CANCELLATION IS ORDERED BY THE DIRECTOR OR, WHERE IN ITS SOLE DISCRETION, THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR DETERMINES THAT:

- (A) THERE IS A TECHNOLOGICAL FAILURE OF THE EXCHANGE WAGERING SYSTEM AND THE ENTIRE MARKET, WITHIN WHICH THE EXCHANGE WAGER WAS MADE, MUST AS A RESULT BE VOIDED IN ACCORDANCE WITH 7.6 (17) (N), OR
- (B) THERE IS GOOD CAUSE TO SUSPECT THAT A PERSON PLACING A WAGER THROUGH THE EXCHANGE WAGERING SYSTEM HAS ACTED IN VIOLATION OF THE TERMS AND CONDITIONS ENTERED INTO WITH THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR AT THE TIME SUCH PERSON'S EXCHANGE WAGERING ACCOUNT WAS ESTABLISHED, OR AT THE TIME THE TERMS THEREOF WERE AMENDED; OR
- (C) IT IS IN THE INTEREST OF MAINTAINING THE INTEGRITY AND FAIRNESS IN A PARTICULAR MARKET; OR
- (D) HUMAN ERROR, BY THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR, OCCURRED IN THE RECORDING OF THE EXCHANGE WAGER.
- (ii) IN THE EVENT THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR CANCELS A MATCHED WAGER AS AUTHORIZED BY THIS SECTION, THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR SHALL PROMPTLY SUBMIT A WRITTEN REPORT DETAILING THE ACTION TAKEN AND THE REASONS IN SUPPORT OF SUCH ACTION TO THE DIVISION.

SUBJECT TO APPROVAL OF THE DIRECTOR, BOTH AS TO TYPE AND AMOUNT, THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR MAY IMPOSE AND COLLECT A SURCHARGE OR SURCHARGES ASSOCIATED WITH EXCHANGE WAGERING ACCOUNTS AND EXCHANGE WAGERS. PERMISSIBLE SURCHARGES SHALL INCLUDE, BUT NOT BE LIMITED TO, SURCHARGES IN CONNECTION WITH THE SUBMISSION OF EXCHANGE WAGERS TO THE LICENSED INTERNET SPORTS BETTING OPERATOR OR SPORTS BETTING OPERATOR FOR PROCESSING, AND THE ASSESSMENT OF A SURCHARGE ON ANY EXCHANGE WAGERING ACCOUNT HOLDER'S WINNINGS.



# Responsible Gaming Grants

## Round 2 Applications Submissions

*April 27, 2023*



**COLORADO**  
Department of Revenue

# Overview of Applications

- Total Amount Appropriated for awards per statute: **\$2,500,000.00**
- Total Amount Awarded in 2023 Round 1: **\$1,571,965.00**
- Total Amount remaining for 2023 Round 2 awards: **\$908,089.00**
- Total Amount Requested: **\$1,078,089.00**
- Three Applications from Two Organizations,
- Process Included:
  - Independent Review of Each Applications
  - Scoring Rubric
  - Notifications to Applicants of Option to Attend Commission Meeting to Answer Questions on Proposal

# Proposals and Requested Funding Amounts

Kindbridge Research Institute	Colorado Athlete Wellbeing Program	\$215,389.00
Kindbridge Research Institute	Colorado Military Problem Gaming Research, Education and Recovery Program	\$362,700.00
Colorado Division of Gaming	Play Legal, Play Responsible, Play Safe Marketing Campaign	\$500,000.00

# 2023 Award Budget Breakdown

<b>Amount Appropriated</b>	<b>\$2,500,000.00</b>
Previously Awarded Round 1 Total	\$1,571,965.00
<i>Kindbridge Request 1</i>	<i>\$215,389.00</i>
<i>Kindbridge Request 2</i>	<i>\$362,700.00</i>
<i>DOG Request Recommended Amount</i>	<i>\$330,000.00</i>
Admin Costs To Date	\$14,100.00
<i>Anticipated Remain Admin Costs</i>	<i>\$5,846.00</i>



# Kindbridge Research Institute

- **Project:** *Colorado Athlete Wellbeing Program*
- **Amount Requested:** \$215,389.00
- **Request Description:** This funding will be used to establish the Colorado Athlete Wellbeing program to protect athlete wellbeing by providing them with educational-based resources, a Colorado Athlete Wellbeing app combined with a mental health assessment as part of the 'pathway to treatment', and specialized intelligence and investigative support to combat online sports wagering harassment. Colorado's Athlete Wellbeing program will provide the state of Colorado a tiered and proactive approach to combat the growing trend of online harassment by sports bettors. If an athlete receives online harassment, he/she will be able to report the abuse via a Colorado Athlete Wellbeing app. We will leverage our network of global investigators and intelligence resources to determine who is behind the abuse then report the information to the proper authorities.
- **Division Recommendation for Funding:** Recommended for Full Funding

# Kindbridge Research Institute

- **Project:** *Colorado Military Problem Gaming Research, Education and Recovery Program*
- **Amount Requested:** \$362,700.00
- **Request Description:** Funding is requested to establish the following responsible and disordered gambling programs in the State of Colorado to assist active Military personnel and Veterans: 1) Veteran's Recovery Program, 2) CO Military Research Fellowship, 3) ROTC Education and Awareness Program.
- **Division Recommendation for Funding:** Recommended for Full Funding

# Colorado Division of Gaming

- **Project:** Play Legal, Play Responsible, Play Safe Marketing Campaign
- **Amount Requested:** \$500,000
- **Request Description:** The FY23-24 educational marketing campaign will be a multi-faceted marketing campaign primarily focused on increasing public awareness around legal gambling options in Colorado (introducing a seal to identify legal machines, tables, and apps) and incorporating responsible gaming messages with the objective to raise awareness of illegal machines and where legal gambling can occur in Colorado/ In an effort to reach Coloradans all over the state, the campaign includes a variety of mediums, including online advertising, radio advertising, television advertising, outdoor (billboards) advertising and social media advertising, both paid and organic.
- **Division Recommendation for Funding:** Recommended for Partial Funding at Amount \$330,000.00 for nine months of marketing planning and advertising

**COLORADO DEPARTMENT OF PUBLIC SAFETY  
SUMMARY  
FY 2023-24 BUDGET REQUEST**

<b>DIVISION</b>	<b>ACTUAL FY 2021 TOTAL FUNDS</b>	<b>FTE</b>	<b>APPROVED FY 2022 TOTAL FUNDS</b>	<b>FTE</b>	<b>REQUEST FY 2023 TOTAL FUNDS</b>	<b>FTE</b>	<b>REQUEST FY 2024 TOTAL FUNDS</b>	<b>FTE</b>
<b>COLORADO STATE PATROL</b>	3,604,969	22.0	3,720,555	22.0	3,793,220	22.0	4,288,421	21.6
<b>DIVISION OF FIRE PREVENTION AND CONTROL</b>	210,937	1.5	218,017	1.5	225,334	1.5	231,694	1.5
<b>TOTAL</b>	<b>3,815,906</b>	<b>23.5</b>	<b>3,938,572</b>	<b>23.5</b>	<b>4,018,554</b>	<b>23.5</b>	<b>4,520,115</b>	<b>23.1</b>

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**Colorado Department of Public Safety**  
**COLORADO STATE PATROL**  
**BUDGET NARRATIVE:**  
**FISCAL YEAR 2023-24**

**PROGRAM TITLE:** State Patrol Traffic Enforcement in Gaming Areas  
 Division: Colorado State Patrol  
 Division Director: Chief Matthew Packard

**STATUTORY REFERENCE:** 44-30-203, C.R.S.  
 44-30-601, C.R.S.

**PROGRAM DESCRIPTION:**

The Colorado State Patrol (CSP) provides traffic enforcement in the two gaming areas in Gilpin and Teller counties. These activities include all the normal patrolling activities of regular troopers, but activities are on highways and roads that are specifically located in these two gaming locations.

To ensure transparency between the amount requested of the Gaming Commission and the approved Long Bill, the FY 2023-24 CSP budget request includes two additional columns that show the FY 2022-23 amount approved by the Gaming Commission, the continuation amount requested for FY 2023-24, as well as the gaming budget approved (Long Bill) by the Joint Budget Committee (JBC) for the corresponding years. While fiscally appropriate, the requested amounts differ from—and in most instances are less than—the continuation appropriation in the Long Bill approved by the General Assembly.

For the budget request year of 2023-24, the CSP is seeking continuation budget with increases based on new JBC approved personal services common policy levels including salary survey and decreases in the PERA Direct Distribution line item mandated in S.B. 18-200, Health, Life, and Dental, and Shift Differential. There is a small decrease to the Vehicle Lease Payments line and no change to operating common policies such as Workers’ Compensation, Payments to OIT, Risk Management, and CORE Operations; however, the CSP is requesting funding for Digital Trunk Radio System and IT Accessibility--two new operating common policies.

**CHANGES TO EXISTING BUDGETS:**

<b>Budget Line</b>	<b>FY 2023 Base</b>	<b>FY 2024 Request</b>	<b>Change</b>
Personal Services	\$2,333,373	\$2,634,769	\$301,396
Personal Services Common Policy	\$612,219	\$595,150	(\$17,069)
Operating Expenses	\$249,321	\$249,321	\$0
Indirect Cost Assessment	\$394,295	\$439,269	\$44,974
Vehicle Lease Payments	\$169,832	\$169,832	\$0
Utilities	\$1,717	\$1,717	\$0
Leased Space	\$7,200	\$7,200	\$0
Operating Common Policy	\$0	\$181,779	\$181,779
<b>Total</b>	<b>\$3,793,220</b>	<b>\$4,288,421</b>	<b>\$495,201</b>

**Explanations:**

Personal Services: The Personal Services line reflects a continuation of the trooper and civilian salaries currently assigned to the unit plus common policy increases.

The Computer Aided Dispatch (CAD) allows the CSP to track every call-for-service into any dispatch center and assign it to a specific user agency. With CAD, the Patrol is able to assign every call-for-service to a particular police department, county sheriff, or program within the Patrol. The Patrol uses the last three years of actual data to set the rates for FY 2023-24. The scheduled rate for Gaming dispatch services decreased from \$85,145 in FY 2022-23 to \$61,302 for FY 2023-24. Dispatch Services decreased based on the three-year average of calls for service for the Gaming areas relative to the calls for service of CSP's other customers. The difference between the \$61,302 requested for dispatch services and the \$46,653 on the Communication Program line of the request is accounted for in the personal services common policy lines listed under the Executive Director's Office section.

Personal Services Common Policy: This line represents the costs commonly referred to as POTS, including: AED, SAED, HLD, STD, Salary Survey, Merit Pay, and Shift Differential. New for FY 2019-20, it also includes PERA Direct Distribution as mandated by SB18-200. These amounts are appropriated by the legislature to the Executive Director's Office as "from various sources of reappropriated funds". The Joint Budget Committee has approved a 5% Salary Survey increase for all state employees in FY24, and a step increase system specific to Trooper classifications. The Health, Life, and Dental amount decreases in FY 2023-24 based on the elections of the Troopers currently assigned to the Gaming areas.

Operating: The operating budget is a continuation of the budget approved in FY 2022-23 and aligns with the amount appropriated in the Long Bill.

Indirect Costs: The indirect cost rate is 13.6% for FY 2023-24. Operating Common Policy to include Payments to OIT, Worker's Compensation, Risk Management, and CORE Operations will now be included in Indirect Costs. Any changes in Operating Common Policy will be reflected in a change to the Indirect Cost Assessment.

Vehicle Lease Costs: This budget decreases from the FY23 amount by \$15,878. The Vehicle Lease Payments are based on State Fleet Management projections.

Utilities: This is the amount appropriated in the CSP's long bill.

Leased Space: The leased space budget is a continuation of the budget approved in FY 2022-23.

Operating Common Policy: Most Operating Common Policy, including Payments to OIT, Worker's Compensation, Risk Management, and CORE Operations are included in Indirect Costs. The CSP is requesting \$145,377 for IT Accessibility and \$36,402 for Digital Trunk Radio Payments as new Operating Common Policies for FY24 as approved by the Joint Budget Committee.

**COLORADO STATE PATROL  
LIMITED GAMING BUDGET  
FY 2024 BUDGET REQUEST**

	<u>ACTUAL FY 2021</u>	<u>FTE</u>	<u>ACTUAL FY 2022</u>	<u>FTE</u>
<b>PERSONAL SERVICES</b>				
<b>UNIFORMED STAFF</b>				
Sergeants A4A5XX	229,974	2.1	317,532	3.0
Trooper III A4A4XX	208,440	2.1	264,737	2.7
Trooper A4A3TX	1,279,645	15.1	1,209,875	13.5
Salary Subtotal	<u>1,718,059</u>	19.3	<u>1,792,144</u>	19.2
PERA	230,052		243,175	
AED/SAED	168,844		177,824	
Medicare	24,704		26,034	
Uniform Allowance	23,162		23,200	
Sick/Annual Leave Payout	0		0	
<i>Uniformed Subtotal</i>	<u>2,164,820</u>	19.3	<u>2,262,377</u>	19.2
<b>CIVILIAN STAFF</b>				
Admin Asst. III	34,141	0.7	38,782	0.8
Salary Subtotal	<u>34,141</u>	0.7	<u>38,782</u>	0.8
PERA	3,892		4,235	
AED/SAED	3,559		3,860	
Medicare	516		560	
Sick/Annual Leave Payout	1,649		0	
<i>Civilian Subtotal</i>	<u>43,756</u>	0.7	<u>47,436</u>	0.8
Dispatch Services	32,718	0.65	21,717	0.40
PERA	4,100		2,428	
AED/SAED	3,747		2,213	
Medicare	543		321	
<i>Dispatch Services Subtotal*</i>	<u>41,108</u>	0.7	<u>26,679</u>	0.4 *
*Dispatch Services costs are based on the fee schedule for FY 2022. This is an estimate of the FTE that would equate to Gaming's Fee Collections.				
<b>Total Personal Services Lines</b>	<b>2,249,684</b>	<b>20.7</b>	<b>2,336,492</b>	<b>20.4</b>
<b>Overtime</b>	20,410		25,196	
Common Policy Requests				
Health Life and Dental	250,614		271,101	
Short Term Disability	2,560		2,580	
Shift Differential	2,393		717	
<b>PS Common Policy Total</b>	<u>255,568</u>		<u>274,397</u>	
<b>Total Personal Services</b>	<b>2,525,662</b>	<b>20.7</b>	<b>2,636,085</b>	<b>20.4</b>



**COLORADO STATE PATROL  
LIMITED GAMING BUDGET  
FY 2024 BUDGET REQUEST**

<b>OBJECT</b>	<b>DESCRIPTION</b>	<b>ACTUAL FY 2021</b>	<b>FTE</b>	<b>ACTUAL FY 2022</b>	<b>FTE</b>
<b>OPERATING COSTS</b>					
2110	Water & Sewer Services	1,163		1,076	
2160	Custodial/Cleaning/Waste Disposal Services	343		305	
2210	Other Maintenance	5,662		0	
2220	Bldg Maint & Repair Svcs	1,755		3681.68	
2230	Equipment Repair/Service	13		0	
2231	IT Maintenance	0		779.08	
2240	Motor Vehicle Maintenance	560		0	
2252	State Fleet Variable Charges	97,404		110,060	
2253	Rental of Equipment	0		0	
2310	Purchased Construction Services	0		0	
2630	Div of Telecommunications	1,365		1,215	
2631	Commercial Telecommunications	12,490		14,460	
2680	Printing/Reproduction	2,761		5,218	
2710	Purchased Medical Services	495		0	
2810	Freight	570		319	
2820	Other Purchased Services	180		284	
3110	Police Supplies	58,973		50,162	
3112	Automotive Supplies	69		5,606	
3113	Clothing & Uniforms	2,865		1,595	
3120	Books/Periodicals	39		469	
3121	Office Supplies	4,479		17,162	
3123	Postage	181		615	
3126	Repair & Maintenance Supplies	59		6,401	
3128	Noncapitalized Equipment	6,633		8,388	
3131	Noncapitalizable Building Materials	1,638		0	
3132	Noncapitalizable Furniture	3,558		10,205	
3140	Noncapitalized IT-PCs	3,429		447	
3940	Electricity	1,845		2,122	
3970	Natural Gas	559		930	
4180	Official Functions	0		0	
4220	Registration Fees	400		399	
6211	Information Technology - Direct Purchase	0		0	
6222	Office Furniture and Systems - Direct Purchase	0		0	
6280	Other Capital Equipment - Direct Purchase	0		0	
	<b>TOTAL</b>	<b>209,488</b>		<b>241,896</b>	
<b>TRAVEL</b>					
2510	<i>In-State Travel</i>	0		1,110	
2513	<i>IN-STATE PERS VEHICLE REIMBSMT</i>	0		0	
	<b>TOTAL OPERATING COSTS</b>	<b>209,488</b>		<b>243,006</b>	

**COLORADO STATE PATROL  
LIMITED GAMING BUDGET  
FY 2024 BUDGET REQUEST**

	<u>ACTUAL FY 2021</u>	<u>FTE</u>	<u>ACTUAL FY 2022</u>	<u>FTE</u>
<b>AUTO LEASE COSTS</b>				
2251 State Fleet Lease Payments	96,206		155,556	
<b>2255 Leased Space</b>	<b>7,200</b>		<b>7,200</b>	
<b>COMMON POLICY</b>				
Payments to OIT	0		0	
Worker's Compensation	95,740		0	
Risk Management & Property Funds	0		0	
CORE Operations	0		0	
<b>Total Common Policy</b>	<b>95,740</b>		<b>0</b>	
<b>INDIRECT COSTS</b>	<b>300,168</b>		<b>431,539</b>	
<b>LIMITED GAMING TOTAL</b>	<b>3,234,464</b>	<b>20.7</b>	<b>3,473,385</b>	<b>20.4</b>

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Long Bill, Line Items	Total Request		Total Continuation		Year to Year FY24	
	Approved FY 2022-23		Request FY 2023-24		Request to FY23	
<u>Division</u>	Total Funds	FTE	Total Funds	FTE	Variance	% Change
<b>(2) Colorado State Patrol</b>						
Sergeants, Technicians, and Troopers (include PERA, Medicare, & Uniform)	2,210,585	20.0	<b>2,523,316</b>	<b>20.0</b>	312,731	14.1%
Civilians (include PERA & Medicare)	63,171	1.0	<b>64,800</b>	<b>1.0</b>	1,629	2.6%
Communications Program (include PERA & Medicare)	59,618	1.0	<b>46,653</b>	<b>0.6</b>	(12,965)	-21.7%
Operating Expenses	249,321		<b>249,321</b>		0	0.0%
Indirect Cost Assessment (13.6% for FY23, 13.6% for FY24)	394,295		<b>439,269</b>		44,974	11.4%
Overtime	25,262		<b>25,262</b>		0	0.0%
Vehicle Lease Payments	169,832		<b>153,954</b>		(15,878)	-9.3%
Utilities	1,717		<b>1,717</b>		0	0.0%
Central Appropriations (Related to Gaming)						
<b>(1) Executive Director's Office, (A) Administration</b>						
S.B. 04-257 Amortization Equalization Disbursement X%	104,176		<b>119,000</b>		14,824	14.2%
S.B. 06-235 Supplemental Amortization Equalization Disbursement X%	104,176		<b>119,000</b>		14,824	14.2%
Health, Life and Dental	285,085		<b>238,470</b>		(46,615)	-16.4%
Short Term Disability 0.16%	3,542		<b>3,808</b>		266	7.5%
PERA Direct Distribution (SB18-200)	46,371		-		(46,371)	-100.0%
Salary Survey (5% ATB*)	60,685		<b>113,372</b>		52,687	86.8%
Merit Pay (if applicable)	-		-		0	0.0%
Shift Differential	8,184		<b>1,500</b>		(6,684)	-81.7%
Leased Space	7,200		<b>7,200</b>		0	0.0%
Payments to OIT	-		-		0	0.0%
Workers' Compensation	-		-		0	0.0%
Payment to Risk Management and Property Funds	-		-		0	0.0%
CORE Operations	-		-		0	0.0%
IT Accessibility			<b>145,377</b>		145,377	100.0%
Digital Trunk Radio Payments	-		<b>36,402</b>		36,402	100.0%
<b>Total</b>	<b>3,793,220</b>	<b>22.0</b>	<b>4,288,421</b>	<b>21.6</b>	<b>495,201</b>	<b>13.1%</b>

Long Bill (LB) S.B. 23-214, Line Items	Total Continuation Request LB H.B. 22-1329		Total Continuation Request LB S.B. 23-214		Year to Year FY24 Long Bill to FY23 Long Bill	
	Total Funds	FTE	Total Funds	FTE	Variance	% Change
<b>Division</b>						
<b>(2) Colorado State Patrol</b>						
Sergeants, Technicians, and Troopers (include PERA, Medicare, & Uniform)	2,342,547	20.0	2,571,270	20.0	228,723	9.8%
Civilians (include PERA & Medicare)	78,963	1.0	78,963	1.0	0	0.0%
Communications Program (include PERA & Medicare)	59,618	1.0	46,653	1.0	(12,965)	-21.7%
Operating Expenses	249,321		249,321		0	0.0%
Indirect Cost Assessment (13.6% for FY23, 13.6% for FY24)	394,295		439,269		44,974	11.4%
Overtime	25,262		25,262		0	0.0%
Vehicle Lease Payments	169,832		153,954		(15,878)	-9.3%
Utilities	1,717		1,717		0	0.0%
Central Appropriations (Related to Gaming)						
<b>(1) Executive Director's Office, (A) Administration</b>						
S.B. 04-257 Amortization Equalization Disbursement	104,176		119,000		14,824	14.2%
S.B. 06-235 Supplemental Amortization Equalization Disbursement	104,176		119,000		14,824	14.2%
Health, Life and Dental	285,085		238,470		(46,615)	-16.4%
Short Term Disability	3,542		3,808		266	7.5%
PERA Direct Distribution (SB18-200)	46,371		-		(46,371)	-100.0%
Salary Survey (5% ATB*)	60,685		113,372		52,687	86.8%
Shift Differential	8,184		1,500		(6,684)	-81.7%
Leased Space	7,200		7,200		0	0.0%
Payments to OIT	-		-		0	0.0%
Workers' Compensation	-		-		0	0.0%
Payment to Risk Management and Property Funds	-		-		0	0.0%
CORE Operations	-		-		0	0.0%
IT Accessibility	-		145,377		145,377	100.0%
Digital Trunk Radio Payments	-		36,402		36,402	100.0%
<b>Total</b>	<b>3,940,974</b>	<b>22.0</b>	<b>4,350,538</b>	<b>22.0</b>	<b>409,564</b>	<b>10.4%</b>

**Colorado Department of Public Safety**

**Division of Fire Prevention and Control (DFPC)**

**Fiscal Year 2023-24 Budget Narrative**

**PROGRAM TITLE:** Fire Safety in Limited Gaming Establishments  
Division: Division of Fire Prevention and Control  
Division Director: Mike Morgan

**STATUTORY REFERENCE:**

Section 44-30-515 (1)(a), C.R.S., states:

"The building in which limited gaming will be conducted and the areas where limited gaming will occur shall meet safety standards and conditions for the protection of life and property as determined by the local fire official and the local building official. In making the determinations, the codes adopted by the director of the division of fire prevention and control (DFPC) within the department of public safety (Department) pursuant to section 24-33.5-1203.5 constitute the minimum safety standards for limited gaming structures; except that, in connection with structures licensed for limited gaming and operating on or before July 1, 2011, any newly adopted building codes shall not be applied retroactively to structures that were newly constructed or remodeled to accommodate licensed limited gaming."

Section 44-30-515 (2), C.R.S., states:

"A certificate of compliance shall be issued to an applicant for a premises license by the local fire and building officials, and approved by the division of fire prevention and control. A copy of the local inspection report shall be filed with the state division of fire prevention and control. Once the division has deemed that the minimum requirements for fire prevention and control have been met, the division shall approve the certificate of compliance within five working days from receipt of the inspection report. If not acted upon within five days, the certificate of compliance shall be considered approved. The certificate shall be current and valid and shall cover the entire building where limited gaming is conducted."

Section 44-30-515 (4), C.R.S., states:

"The division of fire prevention and control and the state historical society shall provide technical assistance to the local building officials, the local fire officials, the local historical preservation commissions, and the commission upon request."

**PROGRAM DESCRIPTION:**

This program was created on June 4, 1991 as a result of enactment of the Colorado Limited Gaming Act (Senate Bill 91-149). The purpose of this program is to establish minimum standards for fire and life safety in limited gaming establishments and to provide technical assistance to local building and fire officials in the gaming communities of Central City, Black Hawk, and Cripple Creek.

This program provides oversight of local enforcement of the minimum standards for fire and life safety in limited gaming establishments; conducts reviews of building construction, fire suppression systems, fire

detection and fire alarm system plans; conducts fire and life safety inspections of buildings containing limited gaming establishments and maintenance inspections of fire suppression, fire detection and fire alarm system installations. This program also approves Certificates of Compliance with fire and life safety requirements before the establishment can obtain a license from the Colorado Limited Gaming Commission to operate as a limited gaming establishment.

**GOAL STATEMENT:**

*To establish and enforce minimum standards of fire and life safety in Colorado's limited gaming establishments in order to reduce the risk of fire, fire related injuries, deaths and property loss in these facilities.*

**OBJECTIVES:**

1. FY 2024. To review inspection reports submitted by local fire jurisdictions within 48-hours of receipt, 90% of the time, and within 72-hours, 100% of the time.
2. FY 2024. To take action on the certificate of compliance within 72-hours following the review of a local jurisdiction's inspection report or DFPC inspection, 75% of the time, and within five business days, 100% of the time.
3. FY 2024. To notify the Commission within 24-hours of any revocation or denial of a certificate of compliance.
4. FY 2024. When requested by the local fire jurisdiction, to conduct the inspection of the subject property within 2-weeks.
5. FY 2024. When requested by the local fire jurisdiction, to provide initial plan review comments within 8-weeks of complete plan review submittal by the subject property.
6. FY 2024. To meet quarterly, either in-person or by phone, with representatives of each local fire jurisdiction to obtain information pertaining to inspections and plan reviews conducted by the local jurisdiction and to solicit any need for DFPC assistance.

**WORKLOAD MEASURES:**

Workload Measure		Actual 2020	Actual 2021	Actual 2022	Estimate 2023
Number of Existing Gaming Establishments Inspected	Target	32	32	32	32
	DFPC	11	11	11	11
	Local AHJ <sup>1</sup>	6	11	21	21
Number of Plan Reviews Conducted for Gaming Establishments	DFPC	0	1	1	1
	Local AHJ	0 <sup>2</sup>	3	23	
Existing Gaming Establishments with outstanding deficiencies	Target	0	0	0	0
	Actual	9	5	7	
Number of Fire Safety Deficiencies Cited Upon Inspection	Target	200	200	200	200
	Actual	79	221	261	
Number (Percent) of Fire Safety Deficiencies Corrected Upon Re-inspection	Target	95%	95%	95%	95%
	Actual	68%	68%	64.2%	
Number of Advanced Technical Support Activities	Target	10	10	10	10
	Actual	7	7	3	

<sup>1</sup> Local AHJ - Local Authority Having Jurisdiction.

<sup>2</sup> Not currently tracked by local partners.

**CHANGES FROM PRIOR YEAR BUDGET:**

To ensure transparency between the amount requested of the Gaming Commission and the approved Long Bill, the FY 2023-24 DFPC budget request includes two additional columns that show the FY 2022-23 amount approved by the Gaming Commission, the continuation amount requested for FY 2023-24, as well as the gaming budget approved (Long Bill) by the Joint Budget Committee (JBC) for the corresponding years. While fiscally appropriate, the requested amounts differ from—and in most instances are less than—the continuation appropriation in the Long Bill approved by the General Assembly.

The DFPC request includes \$231,694 total funds and 1.5 FTE for FY 2023-24, which is an increase of \$6,360 from the FY 2022-23 Commission award, or 2.8 percent. The following paragraphs provide a summary of changes from the prior year award.

**Personal Services:** The Department requests \$181,447 total funds and 1.5 FTE for FY 2023-24. The increase of \$8,563 is the result of the annualization of the 3% salary survey increase in FY23, the 5% salary survey increase for FY24, and an assumption that personal services benefits will be the same as the previous year actual cost.

**Operating Expenses:** The Department requests \$17,500 total funds for FY 2023-24, a continuation request from FY 2022-23.

**Other Expenses:** The Department requests \$32,747 total funds for FY 2023-24. The decrease of \$2,203 is associated with changes to various common policy / centrally appropriated line items and indirect cost assessment.



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**COLORADO DEPARTMENT OF PUBLIC SAFETY  
DIVISION OF FIRE PREVENTION AND CONTROL  
LIMITED GAMING PROGRAM  
FY 2023-24 BUDGET REQUEST**

<b>Item</b>	<b>Actual FY21 Total Funds</b>	<b>FTE</b>	<b>Actual FY22 Total Funds</b>	<b>FTE</b>
<b>Personal Services</b>				
Management Group	21,562	0.3	23,474	0.3
Compliance Specialist Group	41,131	0.6	38,289	0.5
Inspector Group	51,648	0.8	58,231	0.8
<b>Salary Subtotal</b>	<b>114,341</b>	<b>1.6</b>	<b>119,994</b>	<b>1.5</b>
PERA	11,321		12,760	
Other Retirement Plans	921		-	
Medicare	1,614		1,675	
S.B. 04-257 Amortization Equalization Disbursement	5,595		5,816	
S.B. 06-235 Supplemental Amortization Equalization Disbursement	5,595		5,816	
Short Term Disability	163		170	
Health, Life and Dental	19,347		20,509	
Annual/Sick Leave Payout	717		-	
Cellco Partnership	-		-	
<b>Total Personal Services</b>	<b>159,615</b>	<b>1.6</b>	<b>166,741</b>	<b>1.5</b>
<b>Central Appropriations</b>				
PERA Direct Distribution*	-		1,556	
Payments to OIT	1,555		-	
Workers' Compensation	31		-	
Payment to Risk Management and Property Funds	101		-	
CORE Operations	67		-	
Vehicle Lease Payments	4,932		4,647	
Indirect Cost Assessment	19,201		27,346	
<b>Total Central Appropriations</b>	<b>25,887</b>	<b>-</b>	<b>33,549</b>	<b>-</b>

**COLORADO DEPARTMENT OF PUBLIC SAFETY  
DIVISION OF FIRE PREVENTION AND CONTROL  
LIMITED GAMING PROGRAM  
FY 2023-24 BUDGET REQUEST**

Item	Actual FY21 Total Funds	FTE	Actual FY22 Total Funds	FTE
<b>Operating</b>				
1960 Personal Services - Information Technology	-		-	
2230 Equipment Maintenance	-		244	
2231 Information Technology Maintenance	-		-	
2240 Motor Vehicle Maintenance	-		2	
2250 Miscellaneous Rentals	-		-	
2252 Rental/Motor Pool Mile Charge	-		-	
2630 Communication Charges - Office of Information T	-		-	
2631 Communication Charges - External	440		2,523	
2680 Printing and Reproduction Services	7		-	
2681 Photocopy Reimbursement	-		-	
2820 Purchased Services	-		-	
3110 Supplies and Materials	1,840		789	
3113 Clothing and Uniform Allowance	-		-	
3120 Books/Periodicals/Subscriptions	-		12	
3121 Office Supplies	74		33	
3123 Postage	-		1,300	
3128 Noncapitalizable Equipment	5,089		267	
3132 Noncapitalizable Furniture and Office Systems	-		522	
3140 Noncapitalizable Information Technology	2,518		1,262	
4170 Miscellaneous Fees And Fines	123		25	
4180 Official Functions	-		182	
4220 Registration Fees	220		-	
6280 Other Capital Equipment	-		884	
<b>Subtotal</b>	<b>10,312</b>		<b>8,044</b>	
<b>Travel</b>				
2510 In-State Travel	1,195		1,912	
2530 Out-of-State Travel	-		-	
<b>Subtotal</b>	<b>1,195</b>		<b>1,912</b>	
<b>Total Operating and Travel</b>	<b>11,507</b>		<b>9,956</b>	
<b>Limited Gaming Total</b>	<b>197,009</b>	<b>1.6</b>	<b>210,246</b>	<b>1.5</b>

Long Bill, Line Items	Approved FY23 Total		Requested FY24 Total		Year to Year FY24 Request to FY23 Approved	
	Funds	FTE	Funds	FTE		
<b>(3) Division of Fire Prevention and Control</b>						
Personal Services (includes PERA & Medicare)	135,669	1.5	<b>139,739</b>	<b>1.5</b>	4,070	3.0%
Operating Expenses	17,500		<b>17,500</b>		0	0.0%
Indirect Cost Assessment (16.4% FY23, 13.6% FY24)	28,353		<b>24,677</b>		(3,676)	-13.0%
<i>Central Appropriations</i>						
<b>(1) Executive Director's Office, (A) Administration</b>						
Salary Survey (3.0% FY23 ATB, 5% FY24 ATB*)	4,070		<b>6,987</b>		2,917	71.7%
Merit Pay (if applicable)	-		-		0	0.0%
S.B. 04-257 Amortization Equalization Disbursement	6,783		<b>6,987</b>		204	3.0%
S.B. 06-235 Supplemental Amortization Equalization Disbursement	6,783		<b>6,987</b>		204	3.0%
Short Term Disability	231		<b>238</b>		7	3.2%
Health, Life and Dental	19,347		<b>20,509</b>		1,162	6.0%
PERA Direct Distribution	1,556		-		(1,556)	-100.0%
Payments to OIT	-		-		0	0.0%
Workers' Compensation	-		-		0	0.0%
Payment to Risk Management and Property Funds	-		-		0	0.0%
CORE Operations	-		-		0	0.0%
Vehicle Lease Payments	5,041		<b>4,839</b>		(202)	-4.0%
Digital Trunk Radio Payments	-		<b>2,275</b>		2,275	0.0%
IT Accessibility	-		<b>956</b>		956	0.0%
<b>Total</b>	<b>225,334</b>	<b>1.5</b>	<b>231,694</b>	<b>1.5</b>	<b>6,360</b>	<b>2.8%</b>

Long Bill (LB) S.B. 23-214, Line Items	Approved FY23 Total		Requested FY24 Total		Year to Year FY24 Request to FY23 Approved	
	Funds	FTE	Funds	FTE		
<b>(3) Division of Fire Prevention and Control</b>						
Personal Services (includes PERA & Medicare)	143,375	1.5	145,781	1.5	2,406	1.7%
Operating Expenses	17,500		17,500		0	0.0%
Indirect Cost Assessment (16.4% FY23, 13.6% FY24)	30,137		30,137		0	0.0%
<i>Central Appropriations</i>						
<b>(1) Executive Director's Office, (A) Administration</b>						
Salary Survey (3.0% FY23 ATB, 5% FY24 ATB*)	3,601		7,077		3,476	96.5%
S.B. 04-257 Amortization Equalization Disbursement	6,363		7,077		714	11.2%
S.B. 06-235 Supplemental Amortization Equalization Disbursement	6,363		7,077		714	11.2%
Short Term Disability	242		242		0	0.0%
Health, Life and Dental	15,269		15,269		0	0.0%
PERA Direct Distribution	387		-		(387)	-100.0%
Payments to OIT	1,555		-		(1,555)	-100.0%
Workers' Compensation	31		31		0	0.0%
Payment to Risk Management and Property Funds	101		101		0	0.0%
CORE Operations	67		67		0	0.0%
Vehicle Lease Payments	5,136		5,136		0	0.0%
Digital Trunk Radio Payments	-		2,275		2,275	0.0%
IT Accessibility	-		956		956	0.0%
<b>Total</b>	<b>230,127</b>	<b>1.5</b>	<b>238,726</b>	<b>1.5</b>	<b>8,599</b>	<b>3.7%</b>

**Department of Revenue, Division of Gaming  
FY 2023-24 Budget Request**

SB 23-214, Line Items	Total Approved FY 2022-23		Total Requested FY 2023-24		Year to Year	
	Total Funds	FTE	Total Funds	FTE	Variance	%Chng
<b>Personal Services</b>	8,570,215	93.5	8,708,694	96.0	138,479	1.6%
<b>Operating Expenses</b>	977,493		976,906		(587)	-0.1%
<b>Payments to Other State Agencies</b>	4,018,554		4,520,115		501,561	12.5%
<b>Distribution to Cities and Counties <sup>(1)</sup></b>	23,788,902		23,788,902		0	0.0%
<b>Indirect Cost Assessment Total</b>	688,582		624,242		(64,340)	-9.3%
<b>Total Long Bill/Commission Appropriations</b>	38,044,363	93.5	38,620,063	96.0	575,113	1.5%
<b>Gaming Division Indirects</b>						
SBG Administration - Personal Services	329,629		329,629		0	0.0%
SBG Administration - Operating	4,938		4,938		0	0.0%
<b>Central Appropriations</b>						
Health, Life and Dental	900,663		952,366		51,703	5.7%
Short-Term Disability	7,478		7,544		66	0.9%
Amortization Equalization Disbursement	235,825		255,840		20,015	8.5%
SPL Amortization Equalization Disbursement	235,825		255,840		20,015	8.5%
Shift Differential	93,085		87,008		(6,077)	-6.5%
Salary Survey	164,404		302,165		137,761	83.8%
PERA Distribution SB-200	98,941		15,619		(83,322)	-84.2%
Variable Vehicle Costs	84,000		84,000		0	0.0%
Leased Space	155,000		155,000		0	0.0%
Utilities	28,925		28,925		0	0.0%
Worker's Compensation	25,015		24,802		(213)	-0.9%
Risk Management and Property Funds	38,439		37,185		(1,254)	-3.3%
Vehicle Lease Payments	118,486		162,350		43,864	37.0%
IT Accessibility	-		60,361		60,361	0.0%
Payments to Office of Information Technology	149,869		559,130		409,261	273.1%
ITD Operating Expenses (ISD)	51,269		51,269		0	0.0%
CORE Operations	86,243		40,946		(45,297)	-52.5%
Legal Services	231,586		266,191		34,605	14.9%
<b>SBG Administration Pot Allocations/Indirects</b>						
SBG Admin Health, Life and Dental	83,304		150,689		67,385	80.9%
SBG Admin Short-Term Disability	707		1,279		572	80.9%
SBG Admin Amortization Equalization Disb.	22,265		40,275		18,010	80.9%
SBG Admin SPL Amortization Equalization Disb.	22,265		40,275		18,010	80.9%
SBG Admin Salary Survey	10,799		19,534		8,735	80.9%
SBG Admin PERA Distribution SB-200	3,010		5,445		2,435	80.9%
<b>Grand Total</b>	41,226,333	93.5	42,558,668	96.0		
<b>Gaming Budget Request Total</b>	13,418,260		14,248,447		830,187	6.19%
<b>Other State Agencies Request Total</b>	4,018,554		4,520,115		501,561	
<b>Total Request</b>	\$ 17,436,814		\$ 18,768,562		1,331,748	
<b>Budget Request to Projected Revenues</b>						
AGP Tax <sup>(2)</sup>	169,894,400		176,107,387			
License and Application Fees	718,847		708,150			
Background Investigation Deposits	131,945		164,551			
Interest Revenue	1,171,721		1,214,507			
Total Projected Revenues	171,916,912		178,194,595			
<b>Percentage of Gaming Budget to Revenues:</b>	10.1%		10.5%			

<sup>(1)</sup> Distributions: This figure is a placeholder on the Long Bill and does not represent estimated or actual distributions.

<sup>(2)</sup> FY 2022-23 projections include 8 months actuals and 4 months projections for balance of year.

FY 2023-24 projections assume the continuation of the FY 2022-23 gaming tax rate structure with no changes.



# Department of Revenue Line Item Descriptions

## Division of Gaming FY 2023-24 Budget Request

**April 27, 2023**

The FY 2023-24 budget request was prepared according to statewide standards and guidelines issued by the Governor’s Office of State Planning and Budgeting (OSPB) and incorporates statewide figure-setting policy adopted by the Joint Budget Committee (JBC) for FY 2023-24. The following narrative details the changes in the budget request.

### **Line Item Appropriations pursuant to SB23-214**

#### **Personal Services – Increased costs of \$138,479**

This funding pays for the Division of Gaming’s staff, their benefits, and contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The Colorado Limited Gaming Control Commission has constitutional authority to allocate funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2023-24 Personal Services request is \$8,708,694.*

FY 2022-23 Commission Approved	<b>\$8,570,215</b>
Annualize Salary Survey	<u>\$ 138,479</u>
FY 2023-24 Commission Request	<b>\$8,708,694</b>

#### **Operating Expenses – Decreased costs of \$587**

This line item funds numerous costs associated with the Division of Gaming’s operations. The Colorado Limited Gaming Control Commission has constitutional authority to allocate Operating funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2023-24 Operating Expenses request is \$976,906.*

#### **Payments to Other State Agencies – Increased Payments of \$501,561**

This line item funds costs associated with other state agencies performing work for the Division of Gaming. Section 44-30-301, C.R.S., authorizes the Limited Gaming Control Commission to enter into contracts with any governmental entity to carry out duties of the Division of Gaming according to established criteria for cooperation and conditions for payment. The Commission has historically interpreted the agencies eligible for appropriations from the Limited Gaming Fund to be those specifically given statutory authority in the Limited Gaming Act to regulate or administer components of the program. The specific statutory citations for such agencies are: the Colorado State Patrol, 44-30-830(5), C.R.S.; and the Division of Fire Prevention and Control, 44-30-515, C.R.S. The Commission approves requests from State agencies for payments from the Limited Gaming Fund. *The FY 2023-24 Payments to Other State Agencies request is \$4,520,115.*



**Distribution to Gaming Cities and Counties – No Change from Previous Year**

The Distribution to Gaming Cities and Counties line item is a placeholder that reflects estimated distributions from the Limited Gaming Fund to eligible cities and counties including Gilpin and Teller counties, and the towns of Black Hawk, Central City, and Cripple Creek. The Colorado Constitution, Article XVIII, Section 9, authorizes limited gaming in Central City, Black Hawk, and Cripple Creek and is implemented in Sections 44-30-701 to 1201, C.R.S. It also provides clear direction as to the distribution of gaming revenues, which include: funding for historic preservation in the three gaming cities as well as statewide, funding for the host cities and counties for the impacts of gaming, and a transfer to the General Fund for state impacts. From the net amount in the Limited Gaming Fund at year-end, the Constitution mandates the following distributions: 28 percent to the State Historical Fund, 12 percent to Gilpin and Teller counties (in proportion to the gaming revenues generated in each county), 10 percent to Black Hawk, Central City and Cripple Creek (in proportion to the gaming revenues generated in respective city), and 50 percent to the General Fund, “or such other fund as the general assembly shall provide.” The amount requested in the Long Bill serves as a placeholder and is not intended to accurately reflect estimated distributions for the Limited Gaming Fund. *For FY 2023-24, the request is based on a continuation amount of \$23,788,902.*

**SB18-191 Concerning the Local Government Limited Gaming Impact fund and, in connections therewith making an appropriation.**

SB18-191 now mandates under 44-30-701(III)(A) at the end of 2017-18 state fiscal year and each year thereafter, five million dollars as annually increased by an amount equal to the percentage increase in the state share as described in subsection (1)(d)(I) of this section from the previous fiscal year to the local government limited gaming impact fund created in section 44-30-1301, plus an amount equal to the projected direct, and indirect costs to administer the local government limited gaming impact grant program set forth in section 44-30-1301 (2)(a)(I) for the upcoming fiscal year; except that such transfer shall be made at the beginning of the state fiscal year, and any unspent money from such transfer revert to the local government limited gaming impact fund. (b) If the state share does not increase from the previous fiscal year, then the state treasurer shall transfer an amount equal to the previous fiscal year's transfer.

**Indirect Cost Assessment – Decreased costs of \$64,340.**

The Indirect Costs line item reflects the total indirect cost assessment against the Limited Gaming Fund for the Department of Revenue. The request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect accurate assessments against the Limited Gaming Fund. *The FY 2023-24 Indirect Cost Assessment request is \$624,242.*

**Division Indirects – Overseen by the Department of Revenue, Executive Director**

**Enforcement Administration Indirect Cost Recoveries – No Change from Previous Fiscal Year**

This funding pays for the salary of senior management, budget personnel, and administrative staff of the Enforcement Business Group’s Administration section, as well as any related contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The

request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect current assessments against the Limited Gaming Fund. *The FY 2023-24 Enforcement Administration cost is \$334,567.*

**Enforcement Administration Allocations/Indirect – Increased Costs of \$115,147**

This funding pays for the salary benefits of senior management, budget personnel and administrative staff of the Enforcement Business Group's Administration section. *The FY 2023-24 Enforcement Administration Pot Allocation costs are \$257,497.*

**Common Policy** - Appropriations common to all departments which are appropriated to each Executive Director's office and then allocated out to divisions or programs within each department. Examples include Group Health and Life, and Workers' Compensation.

**Central Appropriations - Personal Services Common Policies**

**Health, Life and Dental (HLD) – Increased costs of \$51,703**

This appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Department of Revenue that elect to be covered. Rates and premiums are determined by the Department of Personnel and Administration. Every year, employees elect or opt out of coverage during an open enrollment period. Thus, depending on employees' circumstances, more or less may enroll than in a previous year and result in a change in the appropriation. Finally, change requests and legislation alter the appropriation. *The FY 2023-24 Health, Life and Dental costs are \$952,366.*

**Short-term Disability (STD) – Increased costs of \$66**

Short-term disability insurance coverage provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. All employees have coverage of this employer-paid benefit. The Short-term disability rates are negotiated and calculated by the Department of Personnel and Administration on a fiscal-year basis. Any change to the Department of Revenue's appropriation is based solely on the change in base salaries in the Department and the rate. *The FY 2023-24 Short-term Disability cost is \$7,544.*

**SB04-257 Amortization Equalization Disbursement (AED) – Increased costs of \$20,015**

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2006 to bring the Department into compliance with 24-51-211 C.R.S. (2011). Statutory increases in the contribution rate occur each year on January 1 until the appropriation is equivalent to 5.0 percent of total payroll. Increases in the appropriation are a result of these statutory increases. The line item is scheduled to reach the cap in January 2017. AED is calculated on all salary components for filled positions including the Base Salary, Salary Survey, Merit Pay and Shift Differential. *The FY 2023-24 Amortization Equalization Disbursement cost is \$255,840.*

**SB06-235 Supplemental Amortization Equalization Disbursement (SAED) – Increased costs of \$20,015**

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2008 to bring the Department into compliance with 24-51-211 C.R.S. Statutory increases in the contribution rate occur each year on January 1 until the appropriation is equivalent to 5.0 percent of total payroll. Increases in the appropriation are a result of these statutory increases. The line item is scheduled to reach the cap in January 2017. SAED is calculated on all salary components for filled positions including the Base Salary, Salary Survey, Merit Pay and Shift Differential. *The FY 2023-24 Supplemental Amortization Equalization Disbursement cost is \$255,840.*

**Shift Differential – Decreased costs of \$6,077**

Shift differential funding compensates employees for work performed outside a regular work schedule, such as evening and weekend shifts. The appropriation is typically based on 80.0 percent of prior year shift expenditures including the calculation for PERA, Medicare, AED, SAED and STD. *The FY 2023-24 Shift Differential cost is \$87,008.*

**Salary Survey – Increased costs of \$137,761**

This line item funds the base salary increases for State employees as recommended by the Department of Personnel and Administration's Total Compensation Report. All changes in yearly appropriations are based on this report and approved by the Joint Budget Committee. This appropriation was not funded for FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13 or FY 2020-21 due to the economic recession. *The FY 2023-24 Salary Survey cost is \$302,165.*

**PERA Distribution SB18-200 – Decreased costs of \$83,322**

This line item funds PERA distribution for SB18-200. *The FY 2023-24 PERA distributions SB18-200 cost is \$15,619.*

**Central Appropriations - Operating Common Policies**

**Variable Vehicle – No change from previous fiscal year**

These dollars are appropriated to the Department through the Operating Expenses line item of the Executive Director's Office and then allocated to the divisions based on projected need. The funds cover the variable vehicle expenses including maintenance, fuel and insurance for the Department's assigned vehicles. *The FY 2023-24 Variable Vehicle cost is \$84,000.*

**Leased Space – No change from previous fiscal year**

This appropriation funds the payments for the Department's lease space contracts, including annual inflators, and allocates to the Divisions based on projected need. *The FY 2023-24 Leased Space cost is \$155,000.*

**Utilities – No change from previous fiscal year**

This appropriation provides funding to support the cost of maintaining the Department’s state-owned facilities that include gaming offices where the lease does not include utilities. *The FY 2023-24 Utilities cost is \$28,925.*

**Department Common Policies overseen by the Department of Personnel and Administration**

**Worker’s Compensation – Decreased costs of \$213**

Worker’s compensation insurance for the entire state (excluding Department of Higher Education institutions) is carried by the Department of Personnel and Administration. Appropriations to departments covered by the insurance are provided through Joint Budget Committee common policy determined through actuarial calculations and three years of claims history. In addition, this line item supports common resources for the Colorado State Employee Assistance Program (C-SEAP). All changes in the Department’s appropriation for worker’s compensation are the result of common policy changes. *The FY 2023-24 Worker’s Compensation cost is \$24,802.*

**Risk Management and Property Funds – Decreased costs of \$1,254**

The Department's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The state's liability program is used to pay liability claims and expenses brought against the state. The state's property program pays for commercial insurance and associated deductibles for insurance coverage to state properties. For property premiums, state agencies pay a portion of the property insurance expense through a formula that allocates property premiums based upon the value of an agency's property holdings. For liability premiums, departments pay a portion of the projected need for cash flow to cover existing and anticipated liability claims based on an allocation formula developed by an actuarial firm retained by the Department of Personnel and Administration. All projections are approved by the Joint Budget Committee. Thus the Department of Revenue’s appropriation and any changes to it are driven by the common policies established by the Joint Budget Committee. *The FY 2023-24 Risk Management and Property Funds request cost is \$37,185.*

**Vehicle Lease Payments – Increased costs of \$43,864**

This line item provides funding for the fixed lease costs of Department of Revenue vehicles and management fees charged by State Fleet Management (Department of Personnel and Administration). The appropriation is adjusted annually through a statewide vehicle decision item and/or supplemental request. The appropriation is allocated to the Divisions based on projected lease loan payments. *The FY 2023-24 Leased Vehicles cost is \$162,350.*

**IT Accessibility – Increased costs of \$60,361**

This line item provides funding for the Department’s share of costs related to IT Accessibility, ensuring technology accessibility to persons with disabilities. The appropriation is adjusted annually and is allocated to the Divisions based on projected need. *The FY 2023-24 IT Accessibility cost is \$60,361.*

## **Common Policies Overseen by the Governor’s Office of Information Technology (OIT)**

### **Payments to OIT – Increased costs of \$409,261**

This line item was created in FY 2013-14 to pay for services provided by the Governor's Office of Information Technology that were previously appropriated and billed to State agencies through five common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Colorado State Network (formerly Multiuse Network), Communication Services Payments, and Information Technology Security. Administration expenses of OIT are allocated to various departments in proportion to the level of services purchased from OIT. *The FY 2023-24 Office of Information Technology cost is \$559,130.*

### **ITD Operating Expenses (ISD)- No change from previous fiscal year**

Operating Expenses fund numerous information technology related contracts for the Department. Other costs paid for by this line item include telecommunications, general office supplies, and printing costs. This amount relates directly to the PBX/MIPC phone system upgrade that is taking place at Gaming facilities, which also includes the line port and phone rentals. Legislation does impact funding for the Information Technology Division’s operating expenses, most notably income tax check off bills. Income tax checks off bills contain one-time operating expenses based on the number of hours required for programming changes. *The FY 2023-24 ITD Operating cost is \$51,269.*

### **CORE Operations – Decreased costs of \$45,297**

This line item was created in FY 2012-13 to support the replacement of the statewide COFRS system. This line item was renamed in FY 2015-16 to be CORE Operations to reflect payments to the Department of Personnel & Administration for all direct and indirect costs of maintaining the CORE system. The amount requested reflects the Department of Personnel and Administration calculated allocation. *The FY 2023-24 CORE Maintenance cost is \$40,946.*

## **Legal Services – Overseen by the Department of Law**

### **Legal Services – Increased costs of \$34,605**

Legal representation for all divisions in the Department of Revenue is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Joint Budget Committee every year, and the number of hours a department requires. Funding shortfalls that cannot be offset within the pot may be covered by excess personal services appropriations upon written notification to the Joint Budget Committee as directed by the Executive Director. *The FY 2023-24 Legal Services cost is \$266,191.*

**The overall FY 2023-24 Gaming Budget Request has increased from the FY 2022-23 Budget Year by \$830,187 or 6.19%, but the calculation excludes any changes to Other State Agencies requests. The Other State Agencies requests has increased by \$501,561. The total net increase to the FY 2023-24 request is \$1,331,748.**

**Limited Gaming Fund Projections**

Colorado Revised Statute 44-30-203(2)(i), requires that the Division provide an annual budget request that includes a complete financial plan for all proposed expenditures and anticipated revenues of the Division. The following summarizes the components of the FY 2023-24 financial plan for the Limited Gaming Fund created in Section 44-30-701(1), C.R.S. The Revenue Projections for FY 2023-24 will be presented to the Gaming Commission in April 2023. The expenditures reflect the FY 2023-24 Budget Requests. The table also illustrates the amount of revenue that could be distributed at the end of FY 2023-24.

<b>FY 2023-24</b>		
<b>LIMITED GAMING FUND PROJECTION</b>		
Preliminary Revenue Projection <sup>(1)</sup> :		
AGP Tax	\$	176,107,387
License and Application Fees		708,150
Background Investigation Deposits		164,551
Interest Revenue		1,214,507
Total Preliminary Projected Revenues FY 2023-24	\$	178,194,595
FY 2022-23 Projected Ending Escrow <sup>(2)</sup>		<b>2,606,643</b>
<b>FY 2023-24 Preliminary Projected Gross Gaming Fund</b>	<b>\$</b>	<b>180,801,238</b>
Estimated Fund Expenditures:		
Division of Gaming FY 2023-24 Request	\$	14,248,447
CBI FY 2023-24 Estimate		-
State Patrol FY 2023-24 Estimate		4,288,421
Fire Prevention and Control FY 2023-24 Estimate		231,694
Total Estimated Fund Expenditures	\$	18,768,562
FY 2023-24 Projected Ending Escrow <sup>(3)</sup>		3,128,094
<b>FY 2023-24 Preliminary Estimate of Funds for Distribution</b>	<b>\$</b>	<b>158,904,583</b>
<sup>(4)</sup>		

(1) FY 2023-24 revenue projections will be presented to the Commission in April 2023.

(2) Ending Escrow projection includes 8 months of actual FY 2022-23 data and 4 months of projections for balance of year.

(3) Ending Escrow projection equals two months of total fund appropriations.

(4) Distribution Estimate included only for illustration purposes.

**Department of Revenue, Division of Gaming, Sports Betting  
FY 2023-24 Budget Request**

SB 23-214, Line Items	Total Approved FY 2022-23		Total Requested FY 2023-24		Year to Year	
	Total Funds	FTE	Total Funds	FTE	Variance	% Chng
<b>Personal Services</b>	3,087,954	27.0	3,247,574	27.0	159,620	5.2%
<b>Operating Expenses</b>	244,437		269,290		24,853	10.2%
<b>Payments to Other State Agencies</b>	-		-		0	0.0%
<b>Indirect Cost Assessment Total</b>	125,336		156,060		30,724	24.5%
<b>Total Long Bill/Commission Appropriations</b>	3,457,727	27.0	3,672,924	27.0	215,197	6.2%
<b>Central Appropriations</b>						
EDO Personal Services	-		-		0	0.0%
EDO Operating Expenses	-		-		0	0.0%
Health, Life and Dental	220,376		233,026		12,650	5.7%
Short-Term Disability	1,830		1,846		16	0.9%
Amortization Equalization Disbursement	57,702		62,599		4,897	8.5%
SPL Amortization Equalization Disbursement	57,702		62,599		4,897	8.5%
Salary Survey	40,227		73,934		33,707	0.0%
PERA Distribution SB-200	24,735		3,905		(20,830)	-84.2%
Variable Vehicle Costs	-		22,000		22,000	0.0%
Leased Space	39,000		39,000		0	0.0%
Worker's Compensation	6,254		6,200		(54)	-0.9%
Risk Management and Property Funds	9,610		9,296		(314)	-3.3%
Vehicle Lease Payments	12,731		15,046		2,315	18.2%
IT Accessibility	-		15,090		15,090	0.0%
Payments to Office of Information Technology	43,983		186,377		142,394	323.8%
CORE Operations	21,561		10,236		(11,325)	-52.5%
Legal Services	81,719		75,741		(5,978)	-7.3%
<b>Grand Total</b>	4,075,157	27.0	4,489,819	27.0		
<b>Sports Betting Budget Request Total</b>	4,075,157		4,489,819		414,662	10.18%
<b>Other State Agencies Request Total</b>	-		-		0	
<b>Total Request</b>	4,075,157		4,489,819		414,662	
<b>Budget Request to Projected Revenues</b>						
Net SBET Proceeds Tax	21,792,974		22,446,763			
License and Application Fees	178,775		168,358			
Background Investigation Deposits	86,120		121,927			
Sports Betting Operating Fee	2,536,075		2,786,422			
Interest Revenue	169,884		176,305			
Total Projected Revenues	24,763,828		25,699,775			
<b>Percentage of Sports Betting Budget to Revenues:</b>	16.5%		17.5%			
<p><sup>(1)</sup> The state will collect a tax of 10% on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes. Of the total amount of tax collected, after first repaying the general fund appropriation for startup and initial operating costs, 6% is set aside annually to compensate the beneficiaries of revenues generated by limited gaming and other wagering activities for any losses attributable to competition from sports betting.</p>						



# Department of Revenue Line Item Descriptions

## Sports Betting FY 2023-24 Budget Request

**April 27, 2023**



The FY 2023-24 budget request was prepared according to statewide standards and guidelines issued by the Governor’s Office of State Planning and Budgeting (OSPB) and incorporates statewide figure-setting policy adopted by the Joint Budget Committee (JBC) for FY 2023-24. The following narrative details the changes in the budget request.

**Line Item Appropriations pursuant to SB23-214**

**Personal Services – Increased costs of \$159,620**

This funding pays for the staff that is allocated to Sports Betting, the Division of Gaming’s staff that is partially allocated to Sports Betting, their benefits, and contract services. Typical personal services adjustments that occur each year include annualization of salary increases and performance awards granted in the prior fiscal year and common policy base adjustments. The Colorado Limited Gaming Control Commission has constitutional authority to allocate funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2023-24 Personal Services request is \$3,247,574.*

FY 2022-23 Commission Approved	<b>\$ 3,087,954</b>
Annualize Salary Survey	\$ 34,620
OIT Data Automation	<u>\$ 125,000</u>
FY 2023-24 Commission Request	<b>\$ 3,247,574</b>

**Operating Expenses – Increased costs of \$24,853**

This line item funds numerous costs associated with the Division’s operations. The Colorado Limited Gaming Control Commission has constitutional authority to allocate Operating funds for the Division, and such funds are not subject to appropriation by the General Assembly (see Article XVIII, Section 9, Colorado Constitution and Section 44-30-701, C.R.S.). *The FY 2023-24 Operating Expenses request is \$269,290.*

**Payments to Other State Agencies – No Change to Previous Fiscal Year**

This line item funds costs associated with other state agencies performing work for the Division of Gaming. Section 44-30-301, C.R.S., authorizes the Limited Gaming Control Commission to enter into contracts with any governmental entity to carry out duties of the Division of Gaming according to established criteria for cooperation and conditions for payment. The Commission has historically interpreted the agencies eligible for appropriations from the Limited Gaming Fund to be those specifically given statutory authority in the Limited Gaming Act to regulate or administer components of the program. The FY 2023-24 request totals amounts presented by the other state agencies. *The FY 2023-24 Payments to Other State Agencies request is \$0.*

**Revenue Distribution**

The state will collect a tax of 10% on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes. Of the total amount of tax collected, after first repaying the general fund appropriation for startup and initial operating costs, 6% is set aside annually to compensate the beneficiaries of revenues generated by limited gaming and other wagering activities for any losses attributable to competition from sports betting.

**Indirect Cost Assessment – Increased costs of \$30,724**

The Indirect Costs line item reflects the total indirect cost assessment against the Sports Betting Fund for the Department of Revenue. The request for this line item is based on the Departmental and Statewide Indirect Cost Allocation Plan and is updated each year to reflect accurate assessments against the Sports Betting Fund. *The FY 2023-24 Indirect Cost Assessment request is \$156,060.*

**Central Appropriations - Personal Services Common Policies**

**Common Policy** - Appropriations common to all departments which are appropriated to each Executive Director's office and then allocated out to divisions or programs within each department. Examples include Group Health and Life, and Workers' Compensation.

**Health, Life and Dental (HLD) – Increased costs of \$12,650**

This appropriation covers the cost of the State's share of the employee's health, life and dental insurance as it relates to the number of employees in the Department of Revenue that elect to be covered. Rates and premiums are determined by the Department of Personnel and Administration. Every year, employees elect or opt out of coverage during an open enrollment period. Thus, depending on employees' circumstances, more or less may enroll than in a previous year and result in a change in the appropriation. Finally, change requests and legislation alter the appropriation. *The FY 2023-24 Health, Life and Dental costs are \$233,026.*

**Short-term Disability (STD) – Increased costs of \$16**

Short-term disability insurance coverage provides partial payment of an employee's salary if that individual becomes disabled and cannot perform his or her work duties. All employees have coverage of this employer-paid benefit. The Short-term disability rates are negotiated and calculated by the Department of Personnel and Administration on a fiscal-year basis. Any change to the Department of Revenue's appropriation is based solely on the change in base salaries in the Department and the rate. *The FY 2023-24 Short-term Disability cost is \$1,846.*

**S.B. 04-257 Amortization Equalization Disbursement (AED) – Increased costs of \$4,897**

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2006 to bring the Department into compliance with 24-51-211 C.R.S. (2011). Statutory increases in the contribution rate occur each year on January 1 until the appropriation is equivalent to 5.0 percent of total payroll. Increases in the appropriation are a result of these statutory increases. The

line item is scheduled to reach the cap in January 2017. AED is calculated on all salary components for filled positions including the Base Salary, Salary Survey, Merit Pay and Shift Differential. *The FY 2023-24 Amortization Equalization Disbursement cost is \$62,599.*

**S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED) – Increased costs of \$4,897**

This appropriation reflects an increase to the effective PERA contribution rates beginning January 1, 2008 to bring the Department into compliance with 24-51-211 C.R.S. Statutory increases in the contribution rate occur each year on January 1 until the appropriation is equivalent to 5.0 percent of total payroll. Increases in the appropriation are a result of these statutory increases. The line item is scheduled to reach the cap in January 2017. SAED is calculated on all salary components for filled positions including the Base Salary, Salary Survey, Merit Pay and Shift Differential. *The FY 2023-24 Supplemental Amortization Equalization Disbursement cost is \$62,599.*

**Shift Differential – No Change from Previous Fiscal Year**

Shift differential funding compensates employees for work performed outside a regular work schedule, such as evening and weekend shifts. The appropriation is typically based on 80.0 percent of prior year shift expenditures including the calculation for PERA, Medicare, AED, SAED and STD. *The FY 2023-24 Shift Differential cost is \$0.*

**Salary Survey – Increased costs of \$33,707**

This line item funds the base salary increases for State employees as recommended by the Department of Personnel and Administration's Total Compensation Report. All changes in yearly appropriations are based on this report and approved by the Joint Budget Committee. This appropriation was not funded for FY 2009-10, FY 2010-11, FY 2011-12 or FY 2012-13 due to the economic recession. *The FY 2023-24 Salary Survey cost is \$73,934.*

**PERA Distribution SB-200 – Decreased costs of \$20,830**

This line item funds PERA distribution for SB-200. *The FY 2023-24 PERA distribution SB-200 cost is \$3,905.*

**Central Appropriations - Operating Common Policies**

**Variable Vehicle – Increased costs of \$22,000**

This appropriation funds the payments for the Department's lease space contracts, including annual inflators, and allocates to the Divisions based on projected need. *The FY 2023-24 Variable Vehicle cost is \$22,000.*

**Leased Space – No Change from Prior Fiscal Year**

This appropriation funds the payments for the Department's lease space contracts, including annual inflators, and allocates to the Divisions based on projected need. *The FY 2023-24 Leased Space cost is \$39,000.*

## **Central Appropriations - Common Policies overseen by the Department of Personnel and Administration**

### **Worker's Compensation – Decreased costs of \$54**

Worker's compensation insurance for the entire state (excluding Department of Higher Education institutions) is carried by the Department of Personnel and Administration. Appropriations to departments covered by the insurance are provided through Joint Budget Committee common policy determined through actuarial calculations and three years of claims history. In addition, this line item supports common resources for the Colorado State Employee Assistance Program (C-SEAP). All changes in the Department's appropriation for worker's compensation are the result of common policy changes. *The FY 2023-24 Worker's Compensation cost is \$6,200.*

### **Risk Management and Property Funds – Decreased costs of \$314**

The Department's share of liability and property insurance carried by the Department of Personnel and Administration is appropriated through this line item. The state's liability program is used to pay liability claims and expenses brought against the state. The state's property program pays for commercial insurance and associated deductibles for insurance coverage to state properties. For property premiums, state agencies pay a portion of the property insurance expense through a formula that allocates property premiums based upon the value of an agency's property holdings. For liability premiums, departments pay a portion of the projected need for cash flow to cover existing and anticipated liability claims based on an allocation formula developed by an actuarial firm retained by the Department of Personnel and Administration. All projections are approved by the Joint Budget Committee. Thus the Department of Revenue's appropriation and any changes to it are driven by the common policies established by the Joint Budget Committee. *The FY 2023-24 Risk Management and Property Funds request cost is \$9,296.*

### **Vehicle Lease Payments – Increased costs of \$2,315**

This line item provides funding for the fixed lease costs of Department of Revenue vehicles and management fees charged by State Fleet Management (Department of Personnel and Administration). The appropriation is adjusted annually through a statewide vehicle decision item and/or supplemental request. The appropriation is allocated to the Divisions based on projected lease loan payments. *The FY 2023-24 Leased Vehicles cost is \$15,046.*

### **IT Accessibility – Increased costs of \$15,090**

This line item provides funding for the Department's share of costs related to IT Accessibility, ensuring technology accessibility to persons with disabilities. The appropriation is adjusted annually and is allocated to the Divisions based on projected need. *The FY 2023-24 IT Accessibility cost is \$15,090*

## **Common Policies Overseen by the Governor’s Office of Information Technology (OIT)**

### **Payments to OIT – Increased costs of \$142,394**

This line item was created in FY 2013-14 to pay for services provided by the Governor's Office of Information Technology that were previously appropriated and billed to State agencies through five common policy line items: Management and Administration of OIT, Purchase of Services from Computer Center, Colorado State Network (formerly Multiuse Network), Communication Services Payments, and Information Technology Security. Administration expenses of OIT are allocated to various departments in proportion to the level of services purchased from OIT. *The FY 2023-24 Office of Information Technology cost is \$186,377*

### **Tax Admin- Maintenance & Support – No Change from Prior Fiscal Year**

This line item was created in FY 2019-20 to pay for services provided by Tax Administration to allow for software changes in GenTax to allow for the collection of Sports Betting Taxes and also for maintenance and support. *The FY 2023-24 Tax Admin- Maintenance & Support is \$0.*

### **CORE Operations – Decreased costs of \$11,325.**

This line item was created in FY 2012-13 to support the replacement of the statewide COFRS system. This line item was renamed in FY 2015-16 to be CORE Operations to reflect payments to the Department of Personnel & Administration for all direct and indirect costs of maintaining the CORE system. The amount requested reflects the Department of Personnel and Administration calculated allocation. *The FY 2023-24 CORE Maintenance cost is \$10,236.*

## **Legal Services – Overseen by the Department of Law**

### **Legal Services – Decreased costs of \$5,978**

Legal representation for all divisions in the Department of Revenue is provided by the Department of Law. This line item pays for those services. The appropriation is based on the blended hourly rate, as set by the Joint Budget Committee every year, and the number of hours a department requires. Funding shortfalls that cannot be offset within the pot may be covered by excess personal services appropriations upon written notification to the Joint Budget Committee as directed by the Executive Director. *The FY 2023-24 Legal Services cost is \$75,741.*

**The overall FY 2023-24 Sports Betting Budget Request has increased from the FY 2023-23 Budget Year by \$414,662 or 10.18%. The total net increase to the FY 2023-24 request is \$414,662.**

**Sports Betting Fund Projections**

Colorado Revised Statute 44-30-203(2)(i), requires that the Division provide an annual budget request that includes a complete financial plan for all proposed expenditures and anticipated revenues of the Division. The following summarizes the components of the FY 2020-21 financial plan for the Sports Betting Fund created in Section 44-30-701(1), C.R.S. The Revenue Projections for FY 2023-24 will be presented to the Gaming Commission in April 2023. The expenditures reflect the FY 2023-24 Budget Requests. The table also illustrates the amount of revenue that could be distributed at the end of FY 2023-24.

<b>FY 2023-24</b>		
<b>SPORTS BETTING FUND PROJECTION</b>		
Preliminary Revenue Projection <sup>(1)</sup> :		
AGP Tax	\$	22,446,763
License and Application Fees		168,358
Background Investigation Deposits		121,927
Sports Betting Operating Fee		2,786,422
Interest Revenue		176,305
<b>Total Preliminary Projected Revenues FY 2023-24</b>	<b>\$</b>	<b>25,699,775</b>
<b>FY 2023-24 Preliminary Projected Gross Sports Betting Fund</b>	<b>\$</b>	<b>25,699,775</b>
Estimated Fund Expenditures:		
Sports Betting FY 2023-24 Request	\$	4,489,819
CBI FY 2023-24 Estimate		-
<b>Total Estimated Fund Expenditures</b>	<b>\$</b>	<b>4,489,819</b>
FY 2023-24 Projected Hold Harmless <sup>(2)</sup>		1,346,806
<b>FY 2023-24 Preliminary Estimate of Funds for Distribution <sup>(3)</sup></b>	<b>\$</b>	<b>19,863,150</b>

(1) FY 2023-24 revenue projections will be presented to the Commission in April 2023.

(2) Hold Harmless is 6% of AGP Tax

(3) Distribution Estimate included only for illustration purposes.



# Memo

To: Colorado Limited Gaming Control Commission

From: Kristi Piazza, Budget Manager - Specialized Business Group

Date: April 27, 2023

Re: Sports Betting Operations Fee for FY 2023-24

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The model below illustrates the proposed Sports Betting Operation Fee for:

- Internet Sports Betting Operator Licensee OR Master Licensee conducting internet sports betting
- Sports Betting Operator Licensee OR Master Licensee conducting retail sports betting.

These fees are proposed for the FY 2023-24 (July 1, 2023 - June 30, 2024); taking effect July 1, 2023, and must be paid prior to July 31, 2023.

## Sports Betting FY 2023-24 Operations Fee Setting

Beginning Balance	\$	-
Revenue		
License Fee	\$	182,688
Background Investigation Fee	\$	85,728
Total Revenue excl. Taxes	\$	268,416
Total Expenses excl. Indirect Cost Assessment	\$	3,054,838
<b>Net Income</b>	<b>\$</b>	<b>(2,786,422)</b>
<b>Operations Fee Allocation Assumption</b>		
Internet Sports Betting Operator licensees		92%
Bricks and mortar Sports Betting Operator licensees		8%
<b>Total Fee</b>		
Internet Sports Betting Operator licensees	\$	2,563,509
Bricks and mortar Sports Betting Operator licensees	\$	222,914
<b>Total</b>	<b>\$</b>	<b>2,786,422</b>
<b>Number of Licensees</b>		
Internet Sports Betting Operator licensees		33
Bricks and mortar Sports Betting Operator licensees		19
<b>Total</b>		<b>52</b>
<b>Fee per Licensee</b>		
Internet Sports Betting Operator licensees	\$	78,000
Bricks and mortar Sports Betting Operator licensees	\$	11,700







**COLORADO**  
**Department of Revenue**  
Specialized Business Group—Gaming

# FY 2023-24 Limited Gaming Fund

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Revenue and Expenditure Projections

April 27, 2023

# Agenda

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- Limited Gaming Fund Revenue
- AGP and Tax Projections By Tax Bracket
- FY 2022-23 Appropriation & FY 2023-24 Appropriation Request
- Projected FY 2022-23 and FY 2023-24 Cash Flow

# Limited Gaming Fund

## Revenue Projections

In Thousands

Revenue Category	FY 2022-23 Projection	FY 2023-24 Projection	Variance
Tax Revenue	\$169,894	\$176,107	\$6,213
License and Application Fee Revenue	\$719	\$708	(\$11)
Background Investigations	\$132	\$165	\$33
Interest Revenue	\$1,172	\$1,215	\$43
<b>Totals<sup>1</sup></b>	<b>\$171,917</b>	<b>\$178,195</b>	<b>\$6,278</b>

FY 2022-23 projections are updated as of April 1, 2023.

This projection assumes the continuation of the gaming tax rate structure with no changes.

# Limited Gaming Fund

## Year End AGP and Tax Projections

### FY 2022-23 Projected Tax Revenues <sup>1</sup>

Tax Rate	AGP Range	# Casinos	Total AGP	Total Tax
0.25% - 2.00%	\$0 to \$5 Million	5	\$ 14,984,879	\$ 179,217
9.00%	\$5 to \$8 Million	3	20,149,751	658,478
11.00 - 16.00%	\$8 to \$13 Million	5	51,567,993	3,180,268
20.00%	Over \$13 Million	20	985,882,186	165,876,437
		<b>33</b>	<b>\$ 1,072,584,809</b>	<b>\$ 169,894,400</b>

### FY 2023-24 Projected Tax Revenues <sup>2</sup>

Tax Rate	AGP Range	# Casinos	Total AGP	Total Tax
0.25% - 2.00%	\$0 to \$5 Million	4	\$ 10,330,149	\$ 120,658
9.00%	\$5 to \$8 Million	4	25,858,519	787,267
11.00 - 16.00%	\$8 to \$13 Million	4	39,848,431	2,319,411
20.00%	Over \$13 Million	21	1,028,725,254	172,880,051
		<b>33</b>	<b>\$ 1,104,762,354</b>	<b>\$ 176,107,387</b>

**Year over Year Projected Growth**

**3.00%**

**3.66%**

<sup>1</sup> FY 2022-23 projections are updated as of April 1, 2023.

<sup>2</sup> This projection assumes the continuation of the gaming tax rate structure with no changes.

# Limited Gaming Fund

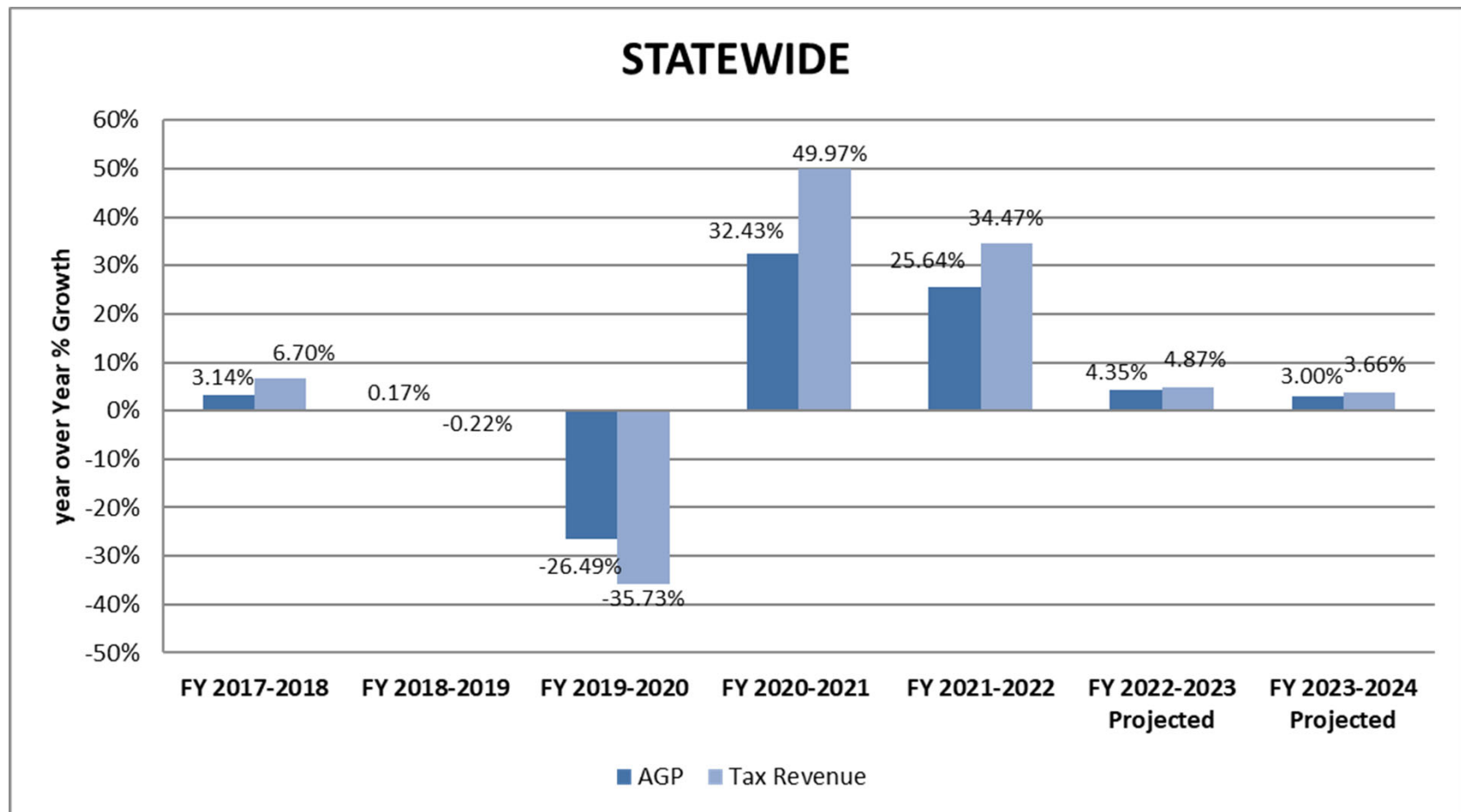
## FY 2022-23 Appropriation & FY 2023-24 Appropriation Request

Long Bill Line Items	FY 2022-23	FY 2023-24	Variance
Personal Services	\$ 8,570,215	\$ 8,708,694	\$138,479
Operating Expenses	\$977,493	\$976,906	(\$587)
Indirect Cost Assessment	\$688,582	\$624,242	(\$64,340)
SBG Administration Indirect Cost Recovery	334,567	334,567	-
Central Appropriations	2,847,403	3,604,038	\$756,635
Gaming Budget Request Total	\$13,418,260	\$14,248,447	\$830,187
Other State Agencies Request Total	4,018,554	4,520,115	501,561
<b>Total Request</b>	<b>\$ 17,436,814</b>	<b>\$ 18,768,562</b>	<b>\$1,331,748</b>

6.19% Variance

# Limited Gaming Fund

## AGP and Tax: Year to Year Growth



The current tax rate commenced July 1, 2012.

# Limited Gaming Fund

## Limited Gaming Fund Projected Cash Flow

In Millions

	FY 2022-23 Projected	FY 2023-24 Requested Funds
<b>Beginning Fund Balance*</b>	\$ 2	\$ 3
<b>Revenue</b>	\$ 172	\$ 178
<b>Expenditures</b>		
Department of Revenue Expenditures	\$ 12	\$ 14
Payments to Other State Agencies	\$ 4	\$ 5
<b>Total Expenditures</b>	\$ 16	\$ 19
<b>Net Income</b>	\$ 156	\$ 159
<b>Projected Fund Balance*</b>	\$ 159	\$ 162
Escrow Reserve	\$ 3	\$ 3
<b>Fund Balance Available for Distributions*</b>	\$ 156	\$ 159

\*FY 2023-24 Beginning Fund Balance is the ending FY 2022-23 Escrow Reserve. The remaining funds will be included in the year-end distribution.