

## **Colorado Limited Gaming Control Commission**

Minutes of Public Session

May 23, 2024

### **PUBLIC SESSION**

#### **I. Call to Order**

Chair Armstrong called the May 23, 2024, meeting of the Colorado Limited Gaming Control Commission to order at 9:17 a.m. MDT in person at the 1707 Cole Blvd., Suite 300 Lakewood, CO 80401, Division of Gaming Office and virtually via Cisco Webex. Commissioners Tipton and Coleman were present in person, and a quorum existed.

#### **Officials & Administrators in Attendance**

Kevin Armstrong, Chair

Shawn Coleman, Vice-Chair

John Tipton, Commissioner

Michael Phibbs, Senior Director, Specialized Business Group

Christopher Schroder, Director

Kirsten Gregg, Chief of Investigations via Cisco Webex

Allen Hiserodt, Chief of Sports Betting

Kenya Collins, Director of Administration via Cisco Webex

Bradford Jones, Senior Assistant Attorney General

Paul Hogan, Chief Auditor

J. Wolff, Agent in Charge, Central City/Black Hawk

Bradley Nelson, Agent in Charge, Cripple Creek

John Madruga, Agent in Charge, Background Unit

Michael Payne, Table Games Chair

Breanne Nolan, Executive Assistant, Secretary to CLGCC

#### **II. Vice Chair Election for Remainder of Fiscal Year 2023-2024**

The Chair relinquished the floor to Senior Assistant Attorney General Bradford Jones to conduct the election for the Vice-Chair of the Colorado Limited Gaming Control Commission for the remainder of Fiscal Year 2023-2024.

Commissioner Tipton nominated Commissioner Coleman to serve as the Vice-Chair of the Colorado Limited Gaming Control Commission. Commissioner Coleman accepted the nomination and was elected as the Vice-Chair of the Colorado Limited Gaming Control Commission for the remainder of Fiscal Year 2023-2024.

Vice-Chair Coleman thanked his fellow Commissioners for their nomination and support.

## **EXECUTIVE SESSION**

The Commission voted unanimously to go into the Executive Session pursuant to sections 24-6-402(3)(a) (III), 44-30-521(1)(a), 44-30-526(1)(d), and 44-30-1507 of the Colorado Revised Statutes to review confidential background licensing reports that were scheduled for consideration in the Public Session.

The Executive Session was called to order at 9:24 a.m. MDT.

## **PUBLIC SESSION**

The Public Session was called back to order by Chair Armstrong at 9:53 a.m. MDT.

### **III. Approval of Licensing Actions**

The Commission voted unanimously to approve the Renewal of the Retail and Master Licenses for G Investments, LLC d/b/a Colorado Grande Hotel and Casino. These Retail and Master licenses will expire two years from their current dates of expiration.

The reissuance of the above Master license does not concurrently grant approval to entities or individuals with whom this licensee has entered into or considered entering into contracts for sports betting operations or internet sports betting operations; nor does it preclude any entities or individuals from being called forward by the Division to conduct a comprehensive background investigation regarding their suitability to operate in Colorado.

The Commission voted unanimously to approve the First Vendor Minor Licenses and the Renewals of the Vendor Minor Licenses listed in the Consent Agenda in the May 2024 public materials. These Vendor Minor Licenses will expire two years from their dates of issuance and/or expiration.

### **IV. Opportunity for the Public to Address the Commission**

The Chair gave anyone from the public an opportunity to address the Commission on any item not appearing in the agenda. No one from the public came forward for comment.

### **V. Consideration of Limited Gaming Financial Statements for March 2024**

The Commission voted unanimously to approve the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the nine months ending on March 31, 2024, and to authorize its distribution.

### **VI. Consideration of Division Sports Betting Financial Statement for March 2024**

The Commission voted unanimously to approve the Statement of Sports Betting Revenues, Taxes, and Expenditures (unaudited) for the nine months ending on March 31, 2024, and to authorize its distribution.

## **VII. Consideration of Limited Gaming Rules 10 & 21**

The Commission voted unanimously to open the rulemaking hearing on Colorado Limited Gaming Rules 10 & 21.

Michael Payne, Table Games Chair, was sworn in and gave the presentation for Limited Gaming Rules 10 & 21.

Discussion was had between the Commission and Table Games Chair Payne regarding identification of betting sensor lens color for different wager amounts, under Rule 12 30-1254(5)(A).

Christopher Schroder, Director, Division of Gaming, was sworn in for comment. He stated that as the rules were written, the Division had no input on color; rather, requested that there be delineation between sensor color for a wager that was made on the progressive.

Commissioner Tipton stated that, based on comments, the rule be amended to add “color to be determined by the casino.”

The Chair extended an opportunity for the public to testify on behalf of Limited Gaming Rules 10 & 21. No members of the public came forward to testify.

The Commission voted unanimously to close the public comment portion of the rulemaking hearing for Limited Gaming Rules 10 & 21.

The Commission voted unanimously to approve the amendments to Colorado Limited Gaming Rules 10 & 21, as amended, with added language, “as determined by the Casino” under Rule 12 30-1254(5)(A) as noted by the Commission and its counsel.

The Commission voted unanimously to close the rulemaking hearing on Colorado Limited Gaming Rules 10 & 21.

## **VIII. Fiscal Year 2025 Budget Requests**

Kristi Piazza, Budget Manager, Specialized Business Group, presented the Fiscal Year 2025 Limited Gaming Budget Request. Discussion was had between the Commission, Budget Manager Piazza, and Director Christopher Schroder.

The Commission voted unanimously to approve the Fiscal Year 2025 Limited Gaming Budget Request in the amount of \$22,271,423.

Kristi Piazza presented the Fiscal Year 2025 Responsible Gaming Fund Budget Request.

Bradford Jones, Senior Assistant Attorney General, made the motion to approve the Fiscal Year 2025 Responsible Gaming Fund Budget Request in the amount of \$3,958,326. The Commission voted unanimously to accept the motion.

Kristi Piazza presented the Fiscal Year 2025 Sports Betting Budget Request. Discussion was had by the Commission and Budget Manager Piazza.

The Commission voted unanimously to approve the Fiscal Year 2025 Sports Betting Budget Request in the amount of \$5,199,857.

## **IX. Rulemaking Hearing on Colorado Gaming Rule 14, Gaming Tax**

The Commission voted unanimously to reopen the rulemaking hearing on Colorado Gaming Rule 14, Gaming Tax.

Paul Hogan, Chief Auditor, was sworn in and gave the report from the City of Black Hawk. The City of Black Hawk recommended that no change be made to the tax rate for fiscal year 2025.

Paul Hogan submitted the report from the City of Central into the record. He stated that the City of Central requested the tax rate remain unchanged for fiscal year 2025.

Paul Hogan presented the report from the County of Gilpin. He stated that the County of Gilpin requested that the “Colorado Limited Gaming Control Commission keep current tax rates in place for the upcoming fiscal year (FY25),” as stated in the County’s report.

Paul Harris, Finance Director, City of Cripple Creek, was sworn in and presented the report for the City of Cripple Creek. He stated that the City of Cripple Creek requested no change to the tax rate for fiscal year 2025. Discussion was had by the Commission and Finance Director Harris regarding affordable housing options for casino workers.

Daniel Holmes, Partner and National Practice Leader for Gaming Services Practice, RubinBrown LLP, gave a presentation on gaming industry performance trends, as well as detailed gaming revenues statistics with regard to earnings and taxes of casinos within Colorado. Discussion was had between the Commission and Mr. Holmes regarding ratios of current assets over current liabilities which placed casinos into tax rate tiers.

### **Executive Session II**

The Commission voted unanimously to go into Executive Session pursuant to sections 24-6-402(3)(a)(II) and (III) and 44-30-526(1) and (3) of the Colorado Revised Statutes to discuss confidential tax information of individual casinos and to receive legal advice regarding the Commission’s tax authority, if necessary.

Executive Session II was called to order by Chair Armstrong at 11:04 a.m. MDT.

### **Public Session (reconvened)**

The Public Session was called back to order by Chair Armstrong at 11:14 a.m. MDT.

The Chair extended an opportunity for members of the public to testify on behalf of Gaming Rule 14, Gaming Tax. No members of the public came forward to testify.

The Commission voted unanimously to close the public comment portion of the rulemaking hearing for Colorado Rule 14, Gaming Tax.

After public deliberation amongst the Commissioners, the Commission voted unanimously to make no change to Colorado Limited Gaming Rule 14, Gaming Tax, basis for fiscal year 2025.

The Commission voted unanimously to close the hearing on Gaming Rule 14, Gaming Tax.

## **X. Consideration of Organizational Matters**

Michael Phibbs, Senior Director, Specialized Business Group, stated that a new building had been chosen for the new location of the Central City Division of Gaming office and that negotiations with the property owner had begun. He explained that moving the office into a more modern building was beneficial and that he hoped to report back on the progress of the move soon. He also detailed that during the 2024 legislative session, a bill to add a referendum to the ballot in November would give voters the ability to remove the cap on the \$29 million in tax revenue that is kept by the State of Colorado, allowing the distribution of tax revenue to beneficiaries to be increased.

Senior Director Phibbs stated that himself as well as Christopher Schroder, Director of the Colorado Division of Gaming; Katherine Redhorse, Executive Director of the Colorado Commission of Indian Affairs; and Paul Hogan, Chief Auditor of the Division of Gaming, visited the Southern Ute and Ute Mountain Ute Divisions of Gaming. He stated that there were discussions regarding the Tribes' position of sovereignty, as well as collaborations on investigative issues, resource sharing, and the opportunity to partner on responsible gaming activities. He also stated that the Tribes requested to be considered stakeholders and to be included early on in any rulemaking or policy changes.

Lastly, Senior Director Phibbs explained that the Governor put together a proposal to allow the casinos located on Southern Ute and Ute Mountain Ute land to participate in online sports betting. He stated that this also involved negotiations between the Division of Gaming as well as Southern Ute and Ute Mountain Ute Divisions of Gaming, which proposed sharing background investigations, patron complaints, and suspensions. He said that he would leave it up to the Governor's Office to discuss specifics of these negotiations.

Christopher Schroder, Director Division of Gaming, stated that Kevin Hyland would be joining the Colorado Limited Gaming Control Commission in June as the Certified Public Accountant member.

## **XI. Opportunity for the Industry Members to Address the Commission**

The Chair extended an opportunity for any members of the gaming industry to address the Commission regarding any current issues or events. No members of the gaming industry came forward.

## **XII. Adjournment**

The Commission voted unanimously to adjourn the May 23, 2024, meeting of the Colorado Limited Gaming Control Commission at 11:28 a.m. MDT.

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Breanne Nolan, Secretary to the Colorado Limited Gaming Control Commission