

Colorado Limited Gaming Control Commission

Minutes of Public Session

August 22, 2024

PUBLIC SESSION

I. Call to Order

Chair Armstrong called the August 22, 2024, meeting of the Colorado Limited Gaming Control Commission to order at 9:15 a.m. MDT in person at the Department of Revenue Office at 1881 Pierce St., Lakewood, CO 80214, and virtually via Zoom. Commissioners Tipton, Hyland, and George were present in person, and a quorum existed.

Officials & Administrators in Attendance

Kevin Armstrong, Chair

John Tipton, Commissioner Vice-Chair

Kevin Hyland, Commissioner

Ahilya George, Commissioner

Christopher Schroder, Director

Kirsten Gregg, Chief of Investigations via Zoom

Kenya Collins, Director of Administration via Zoom

Bradford Jones, Senior Assistant Attorney General

Torrey Samson, Senior Assistant Attorney General via Zoom

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

Andrew Fulton, Agent in Charge, Sports Betting

Ryan Galbreath, Investigator

Katherine Ford, Investigator

Charles Schoepflin, Investigator

Melinda Schubert, Investigator

Breanne Nolan, Executive Assistant, Secretary to CLGCC

II. Swearing in of Commissioner George

Chair Armstrong introduced Ahilya George as the newest member of the Colorado Limited Gaming Control Commission, filling the role of the corporate manager with five years of experience.

Commissioner George introduced herself and stated that she was excited about giving back to the citizens of Colorado and working with the Commission and Division of Gaming.

Christopher Schroder, Director, Division of Gaming, administered the oath of office and officially swore in Commissioner George as a member of the Colorado Limited Gaming Control Commission.

III. Swearing in of Investigators

Chair Armstrong administered the oath to and appointed Ryan Galbreath, Katherine Forde, Charlie Schoepflin, and Melinda Schubert, Investigators for the Colorado Division of Gaming effective on their respective dates of hire.

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 9:31 a.m. MDT.

PUBLIC SESSION

The Public Session was called back to order by Chair Armstrong at 10:26 a.m. MDT.

IV. Approval of Licensing Actions

The Commission voted unanimously to approve the First Manufacturer/Distributor License for Acres Manufacturing Company. The Manufacturer/Distributor License will expire two years from its date of issuance.

The Commission voted unanimously to approve the Renewal of the Manufacturer/Distributor License for Aces Up Gaming Inc. This Manufacturer/Distributor License will expire two years from its current date of expiration.

The Commission voted unanimously to approve the Temporary Reissuance of the Vendor Major Licenses for GAN NEVADA, INC.; GBG ENDEAVORS LLC d/b/a MetaBet; NeoGames Solutions LLC d/b/a NeoGames; SimpleBet, Inc.; SIS CONTENT SERVICES, INC.; and Sports IQ Analytics Inc. The Vendor Major Licenses were issued pending the final results of the Division's background investigations.

Bradford Jones, Senior Assistant Attorney General, stated the based on conflict of interest, under Commission Policy 24-01, the Commission can remove a license renewal or new application from the consent agenda. He explained that BMM International LLC would be removed from the consent agenda and voted on in a separate motion due to a conflict with a commissioner.

Prior to calling for a motion on the Sports Betting Licensing Actions, Chair Armstrong noted that there is an issue of licensees not submitting their renewal applications within 120 days of their renewal date. Commissioner Tipton stated that this issue was becoming burdensome to Division staff, requiring warning letters to be issued and multiple follow up calls to be made.

Commissioner Hyland agreed that the failure to renew within 120 days was an important issue that needed more attention and accountability from licensees. Commissioner George stated that focusing on problem areas like this should be prioritized by the Division and that resolution was critical.

In accordance with Commission Policy 24-01, the Commission voted unanimously to approve the First Vendor Minor Licenses and Renewals of the Vendor Minor Licenses listed in the Consent Agenda in the August 2024 public packet.

Commissioners Armstrong, Hyland, and George voted to approve the First Vendor Minor License for BMM INTERNATIONAL LLC. Commissioner Tipton recused himself from the vote due to a conflict. The Vendor Minor License will expire two years from its date of issuance.

V. 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.

VI. Consideration of Limited Gaming Financial Statements for June 2024

Vickie Floyd, Controller, Division of Gaming, presented the Limited Gaming Financial Statements for June 2024. Discussion was had between Commissioner Hyland and Controller Floyd regarding the differences between the Responsible Gaming budget lines from 2023 and 2024.

The Commission voted unanimously to approve the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the twelve months ending on June 30, 2024, and to authorize its distribution.

VII. Consideration of Limited Gaming and Extended Gaming Fund Distribution for Fiscal Year 2024

Tseko Ivanov, Reporting Accountant, Division of Gaming, presented the Fiscal Year 2024 Distribution of the Limited Gaming Fund and the Extended Gaming Fund. Discussion was had between the Commission and Tseko Ivanov regarding the processing of the distribution disbursement. It was confirmed that the deadline for the disbursement was September 1st; therefore, would be completed on the last business day of August.

The Commission voted unanimously to certify the Fiscal Year 2024 Distribution of the Limited Gaming Fund and the Extended Gaming Fund as presented by the Division.

VIII. Consideration of Division Sports Betting Financial Statement for June 2024

The Commission voted unanimously to approve the Statement of Sports Betting Revenues, Taxes, and Expenditures (unaudited) for the twelve months ending on June 30, 2024, and to authorize its distribution.

IX. Consideration of Colorado Limited Gaming Regulation 30-1403 Tax Rate Adjustments & Resulting Refunds

Paul Hogan, Chief Auditor, submitted into the record the data provided to the Commission regarding Colorado Limited Gaming Regulation 30-1403 Tax Rate Adjustments & Resulting Refunds. Discussion was had by the Commission, Chief Auditor Hogan and Senior Assistant Attorney General Jones regarding the trial program and data requirements to continue. It was

determined that if a 3.5% growth in EPC credits is met each year, the pilot program continues and ends if the growth rate and other benchmarks are not met.

The Commission voted unanimously to approve the tax rate adjustments proposed by the Division of Gaming in accordance with Colorado Limited Gaming Regulation 30-1403. The tax rate adjustments under Gaming Regulation 30-1403 would be applied through the use of tax credits for use by each individual casino. The electronic promotional credits totaling \$1,825,852.66 would be allocated to the casinos based on each casino's reported share of electronic promotional credits.

VIII. Consideration of Organizational Matters

The Commission voted unanimously to approve the minutes from the July 11, 2024, Public Session of Colorado Limited Gaming Control Commission, as presented.

Michael Phibbs, Senior Director, Specialized Business Group, explained that following the findings of the third-party consulting firm which analyzed best law enforcement practices for the Division, body worn camera procurement was in process. He stated that the Division applied for federal grants to receive the cameras and would find out in September if it received the funds. He also explained that a new licensing processing and reporting system was in the works and budget impacts would be seen in December. He explained that the Department of Revenue had transferred ownership of the Pierce Office to History Colorado for its artifact storage and procurement projects. He detailed that the Department had outgrown the building and an announcement regarding the relocation of the Divisions within the Pierce building would be made in the future. Finally, Senior Director Phibbs stated that there would be a referendum on the ballot in November which would remove the \$29 million cap on the revenue collected on sports betting taxes. This ballot would allow the Division of Gaming to keep more than \$29 million dollars for funding and keep the distribution amounts the same for the water conservation board.

Christopher Schroder, Director Division of Gaming, stated that he was hopeful the Colorado Limited Gaming Control Commission would have its final member, a CPA with 5 years of corporate experience, filled by October.

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 July 11, 2024, meeting of the Colorado Limited Gaming Control Commission at 11:10 a.m. MDT.

Breanne Nolan, Secretary to the Colorado Limited Gaming Control Commission