



November 2019

On November 6, 2019, Colorado voters passed Proposition DD, establishing Colorado as one of many states across the country to allow legal bets on sporting events since the Supreme Court ruling struck down a law that banned sports betting in most US states. The passage of Proposition DD, authorizing HB 19-1327, the Colorado Limited Gaming Control Commission, and the Colorado Division of Gaming became the statutory authority over the regulation of legalized sports betting in Colorado.

By a very narrow margin, Colorado voters approved a ten percent (10%) tax on the net proceeds of sports bet wagering. With the passage of Proposition DD, the Division of Gaming was charged with the regulation, and therefore, implementation of sports betting in the state of Colorado in a manner that ensured honesty and integrity in sports betting gaming. Legalized, regulated sports betting began in Colorado on May 1, 2020.

Anticipating the aggressive time frame to establish a regulatory environment for sports betting in Colorado, before the November 2019 vote, division staff began researching best practices and lessons learned from other states in the country that had legalized sports betting before the Colorado voters approved it. Since 1991, the Division of Gaming and the Colorado Limited Gaming Control Commission (CLGCC) have overseen a robust industry of limited stakes gaming in Colorado, and the Division applied the same successful regulation model to ensure the integrity of the sports betting industry.

On November 21, 2019, the CLGCC approved emergency rules that authorized the Division to begin accepting sports betting gaming license applications and the sports betting license fee schedule. The Division began accepting applications for sports betting master, internet operator, retail operator, vendor minor, and vendor major licenses on Wednesday, November 27, 2019.

December 2019

The Division staff engaged industry stakeholders in productive conversations by holding rulemaking sessions with industry operators, regulators, sports teams, and problem



gaming representatives to develop sound and fair rules for the new sports betting landscape in Colorado.

The Division worked extensively with stakeholders, holding meetings with over 70 various industry representatives, ensuring that the regulations put in place in Colorado incorporated the needs of the gaming and sports betting industry, as well as provided an excellent and robust entertainment option for the Colorado bettor.

January & February 2020

After conducting multiple days of stakeholder workshops, the Division presented the agreed-upon rules to the Colorado Limited Gaming Commission for approval on January 16, 2020 (Rule 3) and February 20, 2020 (Rules 1, 2, 4-10). The Commission approved the rules unanimously, thus ensuring that the implementation of sports betting in Colorado would start with a set of rules to guide the business decisions and operations of authorized, licensed sports betting operators.

April 2020

To identify the types of bets allowed, the Division identified, researched, and developed an extensive sport betting catalog that lists and tracks all approved sports, wagers, and leagues sanctioned in the Colorado market. The publication of the extensive and comprehensive sports catalog, approved by the Colorado Limited Gaming Control Commission on April 16, 2020, allowed for a smooth opening for sports betting. Additionally, the Colorado Limited Gaming Control Commission approved a proposed operational fee, chargeable to sports betting operators, to cover the administrative costs to regulate sports betting, which allowed the maximum amount of tax revenues to be distributed to beneficiaries.

May 2020

Between November 2019 and May 2020, the Division of Gaming staff conducted background investigations on all license applications for sports betting operators and vendor licenses. During this period, the Colorado Limited Gaming Control Commission



reviewed and approved 33 master licenses, 18 internet operators, 11 retail operator licenses, 11 vendor major licenses, 103 vendor minor licenses. The Division issued five key sports betting licenses and 279 support sports betting licenses to persons working in the sports betting industry.

Due to the COVID-19 pandemic and temporary closure of Colorado casinos, the Division faced a critical decision to move forward with the statutorily defined start date of sports betting. The Division decided to move forward with the May 1 start date and subsequently adapted practices and procedures to a virtual format. Division staff worked tirelessly to continue setting up the sports betting industry in Colorado to make sure those operators who wanted to open on May 1 were able to do so.

On May 1, 2020, sports betting became legal in Colorado, and the Division guided four internet operators with minimal offerings through a successful soft launch. Two additional online operators opened after the initial launch date. The total amount wagered in Colorado for the first month of legalized sports betting, May 2020, totaled \$25,621,761.63 with the total taxes due of \$96,537.55. Despite the COVID-19 pandemic affecting the entire nation and the cessation of professional and collegiate sporting events, the Division successfully launched sports betting in Colorado.

June 2020

In June 2020, the first retail sportsbook and one additional online operators began operating in the market.

The total amount wagered in June 2020 totaled \$38,136,949.16, a percentage increase of 49% over the total amount wagered in May 2020, and the total taxes collected from the Net Sports Betting Proceeds were \$217,023.40.

For the second month in a row, table tennis dominated the top spot for total wagers with \$9,148,983.78 wagered in June and is followed by soccer and golf, respectively, for the top three wagered sports.

July 2020



July 2020 saw the return of Basketball, baseball, hockey, and other national leagues resuming gameplay after the COVID-19 shutdowns. The total sports betting wagers placed in July 2020 doubled the initial wagers of the first month of sports betting (May 2020). The doubling of total wagers was the first indicator that Coloradans were embracing the new form of regulated entertainment as a new way to interact with their favorite sporting events.

The total amount wagered in Colorado for the third month of legalized sports betting totaled \$59,183,619.73, a percentage increase of 55% over the total amount wagered in June 2020. The total taxes collected from the Net Sports Betting Proceeds were \$241,866.91.

With the return to play for the major national leagues, table tennis was knocked off its top spot for the total wagers. Baseball dominated the July total wagers with a total of \$9,217,342.92 after the opening day of play on July 23, 2020. Soccer held on to the second spot for the second month in a row, with a \$7,601,500.94 bet in July, and table tennis moved into the third spot with \$5,901,201.84 total wagers.

The July figures included total wagers from new operators entering the market with eight retail operators, and ten internet operators live in July 2020.

August 2020

The return to play for professional sports resulted in a big win in August 2020, with monthly figures for the month's sports betting wagers and taxes reporting a 117% increase in total handle over the month prior, July 2020.

The total handle for both retail and online sports betting wagers in Colorado in August totaled \$128,646,209.09. The total taxes collected from the Net Sports Betting Proceeds were \$189,461.84. The top three sports by total wagers were Basketball with \$38,040,027.19 in wagers placed in with both retail and online operators, followed by baseball with \$22,789,309.27 and ice hockey with \$13,594,062.38.

September 2020

Football's return yielded significant returns for the booming Colorado sports betting



market in September, with total wagers again surpassing that of the prior month with an increase of 61% in total handle over the month prior.

The total handle for both retail and online sports betting wagers in Colorado in September totaled \$207,655,942. Mobile betting continued to account for a majority of the total betting handle, with 98% of wagers made online and 2% of wagers placed in a retail location.

The top sport wagered on in September was baseball with \$47.1 million in wagers placed in with both retail and online operators, followed by professional American football in the second spot with \$38.6 million, and in third was Basketball with \$37.7 million in total wagers. The return to play for football outpaced initial bets placed on the other major sports leagues, with \$13.2 million wagers placed on the first weekend of professional football play. Comparatively, the wagers placed for the first four days of play resulted in \$4.2 million total bets on Basketball, and \$3.4 million was wagered on baseball.

October 2020

October proved to be another prosperous month for Colorado, with a significant rise in the amount of taxes collected by the state. The total handle for both retail and online sports betting wagers in Colorado in October 2020 totaled \$210,719,821. In October, the total taxes collected \$824,700, representing a 91.5% increase over September 2020 and the largest amount to date collected since legalization in May 2020.

Colorado's sports betting tax structure was established in the enabling legislation, [HB 19-1327](#), developing the calculation for the net sports betting proceeds as the total amount of all, "wagers excluding free bets, less all payments to players and less all federal excise taxes." To help explain the unique tax structure of sports betting revenues, the Division released a "How Sports Betting Revenues Are Taxed" publication describing Gross Gaming Revenue (GGR), Net Sports Betting Proceeds (NSBP), and Colorado Tax calculations in October 2020. The publication is available on the Division of Gaming's Sports Betting website at colorado.gov/pacific/sites/default/files/How%20SB%20Revenues%20are%20Taxed.pdf



In October, the top sport wagered on American Pro Football with \$67.9 million in wagers placed with both retail and online operators, setting a record for the most bets made in a month on one sport. Baseball took the second spot with \$23 million, and in third was National Collegiate Athletic Association (NCAA) Football with \$16.5 million in total wagers.

November 2020

Wagers and taxes continued to climb in November 2020, with the total handle for both retail and online sports betting wagers in Colorado coming in at \$231,238,842, a 9.7% increase over October 2020 total wagers. In November, the state collected \$793,820 in taxes from sports betting operators.

November's top sport was American Pro Football with \$88.4 million in wagers placed with both retail and online operators, followed by National Collegiate Athletic Association (NCAA) Football with \$22.2 million, and in third was table tennis with \$12.4 million. Professional Basketball and NCAA basketball took the fourth and fifth slots with \$9.6 million and \$8.2 million, respectively.

December 2020

Colorado hits the first significant milestone in December 2020 with seeing the first \$1 billion in total wagers. The year 2020 proved to be an opportune time to launch sports betting in Colorado, with \$1,185,754,617 in total wagers placed between May and December 2020. Taxes collected by the state in 2020 from sports betting wagers totaled \$3,418,818.

December saw another record-breaking month with the total handle for both retail and online sports betting wagers totaling \$284,551,471, a 23% increase over November 2020. The total taxes collected in December was \$531,489.

December's top sport was American Professional Football, with \$88.1 million in wagers placed with retail and online operators, followed by Basketball with \$42.8



million. In third was NCAA Basketball with \$35.2 million. NCAA Football took the fourth spot with \$14.9 million, and Table Tennis continues to hang on to the top five sports, placing in fifth with \$10.9 million in total bets.

“Hitting the \$1 billion mark is a milestone event for the department, leading us to believe that the trust and competition in the industry are leading bettors from the black market to the regulated market,” said Dan Hartman, director of the Colorado Division of Gaming. “We believe the legal marketplace is having and will continue to have a positive impact on Colorado.”

January 2021

After a stunning success to the start of sports betting in Colorado with just shy of \$1.2 billion bets made in 2020, the first month of the new year proved to be just as promising with a record \$326,903,462 total wagers made in January 2021. With this new figure of January’s bets added into the total wagers made, Colorado has hit over the \$1.5 billion mark of total bets made in the nine months of legalized sports betting.

Taxes collected by the state in January 2021 from sports betting wagers totaled \$1,195,774, representing a 125% increase over December 2020. Mobile betting continues to account for a majority of the total betting handle, with 98% of wagers made online and 2% of wagers placed in a retail location.

Professional Basketball took the top spot for January, with \$88 million in wagers placed with retail and online operators. American Pro Football followed in the second slot with \$74 million, and in third was NCAA Basketball with \$39 million. Table Tennis continues to have a strong following in Colorado, placing in fourth with \$11 million in total bets, and Ice Hockey rounds out the top five sports in fifth with \$9 million.

February 2021

With a month falling between the end of the professional football season and the beginning of March Madness, February 2021 was the first month since legalization that saw a drop in total handle. Sports betting figures dropped slightly in February 2021,



with an 18.5% decrease over January 2021. Even with this decrease, February figures came in at third-highest for the state of Colorado, behind January 2021 at (\$326 million) and December 2020 total wagers (\$284 million).

The total wagers placed in February from both retail and online operators came in at \$266,549,206. Taxes collected by the state in February 2021 from sports betting wagers totaled \$332,227. Mobile betting continues to account for a majority of the total betting handle, with 97% of wagers made online and 3% of wagers placed in a retail location.

Professional Basketball took the top spot for February, with \$95 million in wagers placed with retail and online operators. American Pro Football followed in second with \$39 million, and in third was NCAA Basketball with \$24 million. Table Tennis was in the fourth spot with \$13 million in total bets, and Ice Hockey was fifth with \$9 million.

March 2021

Colorado reached another notable milestone in the new sports betting market by hitting the \$2 billion mark in total wagers in March of 2021, only three months after reaching \$1 billion in December 2020. The figures released for March continued to show the upward growth trajectory of the legal sports betting market with the second-highest monthly total since sports betting was introduced on May 1, 2020.

The total handle for March 2021 came in at \$300,990,842, a 12.9% increase over the prior month. Taxes collected by the state in March 2021 from sports betting wagers totaled \$1,060,854. Mobile betting continues to account for a majority of the total betting handle, with 98% of wagers made online and 2% of wagers placed in a retail location.

Basketball dominated the betting for March, with Professional Basketball taking the top spot, with \$106.9 million in wagers placed with retail and online operators. March Madness tournament NCAA Basketball followed in second with \$70.9 million, and in third was Ice Hockey with \$13.7 million. Tennis was in the fourth spot with \$10.8 million in total bets, and Soccer rounded out the top five sports with \$8.9 million.

“These large totals posted month-over-month show us that Coloradans are embracing this new form of entertainment,” said Dan Hartman, director of the Colorado Division of



Gaming. “We look forward to what will emerge in the market moving forward, as more and more sporting leagues resume a regular schedule of play and what that will translate into returns for Coloradans.”

April 2021

The Division of Gaming approves bets on the NFL Draft, releasing guidelines and regulations on allowable betting activities. With NFL Draft conducted prior to May 1 in 2020, this year, the Division was excited to roll out sports betting on the Draft that allowed players to follow along and stay engaged as the Draft with certain wagers allowed during the early rounds.