

What was the enabling legislation that allows for legal sports betting in Colorado?

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 U.S. states. The passage of Proposition DD, **authorizing HB19-1327**, the Colorado Limited Gaming Control Commission, and the Colorado Division of Gaming became the statutory authority regulating 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, the implementation of sports betting in the state of Colorado in a manner that ensured honesty and integrity in sports betting gaming. The passage of Proposition DD established May 1, 2020, as the start date for legalized, regulated sports betting.

What can I bet on?

The Division identified, researched, and developed an extensive sports betting catalog that lists and tracks all approved sports, wagers, and leagues sanctioned in the Colorado market to identify the types of bets allowed. Bets are allowed on professional and college level leagues, events, and sports listed as approved in the sports betting catalog.

What is Net Sports Betting Proceeds?

The amount of revenue that the state collects taxes on is the Net Sports Betting Proceeds (NSBP). NSBP is the total amount of "all wagers excluding free bets, less all payments to players and less all federal excise taxes paid," per HB19-1327.

What is Gross Gaming Revenue?

The Gross Gaming Revenue (GGR) is a calculation used to determine Colorado taxes. GGR is the amount of the total handle minus the winning payouts.

How do bets, events, and leagues get added to the sports catalog?

Licensed Operators may request new bets to be added to the catalog by submitting bets to the Division of Gaming for review and approval of the CLGCC. Only bets appearing in the catalog may be taken within the state of Colorado by licensed operators. The catalog is online at: sbg.colorado.gov/sports-betting-catalog



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How do I find a list of licensed operators? Where do I find a list of casinos with open retail sportsbooks?

The Division of Gaming maintains a current list of licensed, open sportsbook operators, both retail locations and online operators, on the sports betting website (sbg.colorado.gov/licensed-sports-books-and-operators).

What does the term geofencing mean?

Applying geolocation and security protocols to online options for sports betting means operators have deployed this geofencing technology to ensure that their services offered are within the state physical boundaries of Colorado. Geofencing is a way of ensuring that all Colorado sports bets made are made so within the state borders.

How are sports betting taxes calculated?

To learn more about how taxes are calculated, view our "[How Sports Betting Revenues Are Taxed](#)" information sheet.

What are some protections in place to help people who have gambling issues?

The Division supports and encourages responsible gaming and has a rule dedicated to requirements of Sports Betting Operations in regards to responsible gaming, patron responsible gaming, and specify certain duties of licensees and patrons related to self-restriction. Sports Betting Rule 9 addresses responsible gaming requirements and can be found here: https://sbg.colorado.gov/sites/sbg/files/SB%20Rule%209_0.pdf

How does the Division ensure integrity?

The Division of Gaming developed a comprehensive sports catalog that lists every approved sporting event and league permitted for Colorado operators to take bets on. Division staff conducts comprehensive reviews on every event and sport listed in the catalog to ensure they meet our requirements for a legitimate event or sport.

The division uses multiple sources of information, including data from integrity monitoring associations, along with some of the operators that have internal integrity monitoring departments, to monitor the sports betting market. Colorado is one of the first in the nation to set up a system of sports betting integrity and reporting, as established in our sports betting rules. We have an entire rule on this specific issue.



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Rule 8 in Colorado sports betting regulations requires licensed operators in the state to provide aggregate data as well as have internal controls in place to identify unusual betting activities. Operators must routinely report information on wagers, including time, amount, odds, type of bet, winning payout, and team to the Division of Gaming and the state's independent integrity monitors, including U.S. Integrity and the Sports Wagering Integrity Monitoring Association.

What are the types of sports betting licenses?

A Master License is required for all persons permitting or conducting sports betting on their premises in Black Hawk, Central City, and Cripple Creek for use and operation by the public. Each person licensed as a master licensee shall have and maintain sole and exclusive legal possession of the entire premises for which the master license is issued.

The Sports Betting Operator License is required for all persons who contract with a master licensee for the purpose of conducting a sports betting operation. An operator license is not required for persons holding master gaming licenses.

The Internet Sports Betting Operator License is required for all persons who provide an individually branded website for internet sports betting operation.

A Vendor Major License is required for any person and/or entity who acts on behalf of an establishment licensed to operate sports betting gaming and: (1) Manages, administers, or controls wagers that are initiated, received, or made on sports betting gaming system; (2) Manages, administers or controls the games with which wagers that are initiated, received or made on a sports betting gaming system are associated; (3) Maintains or operates the software or hardware of a sports betting gaming system; (4) Provides products, services, information or assets to an establishment licensed to operate sports betting gaming and/or receives, therefore, a percentage of gaming revenue from the establishment's sports betting gaming system.

A Vendor Minor License is required for any person and/or entity who provides services for or acts on behalf of an establishment licensed to operate sports betting gaming, who is not required to obtain a Vendor Major License.

How are consumer complaints handled and investigated? How do I submit a consumer complaint?

Per Sports Betting Rule 6.13 (1) Patron Disputes, a sports betting operator shall attempt to resolve all patron disputes with the patron, investigating each patron complaint and provide a response to the patron within ten (10) business days. If a patron and a sports betting operator cannot reach a resolution, the patron may submit a patron complaint to the Division of Gaming. Rule 10.3 outlines the procedure for submitting and filing citizen complaints. A patron complaint form is available online at the [Division of Gaming website](#).



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Where can I find total wagers, free bets, or taxes paid for individual sportsbooks?

The Division of Gaming is prohibited from releasing individual tax data and does not release information used to calculate individuals' taxes, including free bets or taxes paid. Information released by the Division is cumulative for the market in Colorado.

Why does Colorado allow for bets on home-state teams?

The debate to include home teams seems to be a public policy issue with many different sides. In Colorado, the conclusion was made that, because the Division had set up a strong and sturdy system, certain teams or games would not be eliminated because of the belief and trust in the regulatory framework established.

Where can I find the rules and regulations for sports betting?

The Division of Gaming maintains a set of current rules for sports betting on the division's website here: sbg.colorado.gov/sports-betting-rules-and-regulations.

How much of the sports betting proceeds are distributed to the beneficiaries?

[HB19-1327](#) laid out a specific formula for the funds deposited in the sports betting fund established with the taxes collected. Section 44-30-1509 describes the uses and distributions from this fund.

After paying back the initial appropriation, 6% is set aside for the hold-harmless fund available by application to recipients of the limited gaming funds impacted negatively by the legalization of sports betting. The Office of Behavioral Health in the Department of Human Services receives \$130,000 annually. Rocky Mountain Crisis Partners receives \$30,000 annually to operate a problem gambling hotline. Problem gambling services are appropriated \$130,000 annually, and then all remaining money is transferred to the Water Plan Implementation cash fund.

All expenses for the Division of Gaming to regulate sports betting in Colorado are paid from an operator fee, paid annually by all licensed operators, and not taxes collected. The Division is committed to solid and fair regulation of the market and ensuring the maximum benefit to Coloradans by distributing all tax revenues collected to the intended beneficiaries.

Do sports teams need to be licensed by the Division of Gaming?

As part of our regulations, the Division of Gaming does not require the leagues, both professional and collegiate, to be licensed. Some states elected to institute integrity fees or sharing official league data,



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and Colorado opted out of those practices after soliciting and receiving feedback through our stakeholder meetings. Marketing companies are required to obtain a vendor major or vendor minor license with the Division, and which license type is required is determined by the amount of revenue sharing from what they produce.

What are alternative ways to fund an account, besides credit cards?

Operators may offer approved options to fund accounts using cash, like cash counters or other authorized facilities approved by the director. Authorized facilities and counter options allow the bettor to deposit cash, in any amount, into sportsbook apps, as well as payout in cash any wins. They have no betting functionality, so they are allowed per rule. All the options to fund accounts are approved by the Division of Gaming Director after the division reviews internal control procedures and AML (Anti-Money Laundering) practices.



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