

# Colorado Division of Gaming

## Sports Betting

### Operator and Internet Operator

#### *Launch Guidelines*

*Updated January 2022*



**COLORADO**

**Department of Revenue**

Specialized Business Group—Gaming

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# Pre-Launch

The following is a guideline to apply for and launch a retail or online sports betting operation.

## LICENSING

### Sports Betting License Types:

**MASTER LICENSE;** 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.

**SPORTS BETTING OPERATOR LICENSE:** required for all persons who contract with a master license for the purpose of conducting a sports betting operation. An operator license is not required for persons holding a master gaming license.

**INTERNET SPORTS BETTING OPERATOR LICENSE:** required for all persons who provide an individually branded website for internet sports betting operation.

**VENDOR MAJOR LICENSE:** 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 a sports betting gaming system.
2. Manages, administers, or controls 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.

**VENDOR MINOR LICENSE:** 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.

**SPORTS BETTING KEY LICENSE:** an executive, employee, or agent of a business licensee who has the power to exercise a significant influence over decisions affecting any part of the business.

**SPORTS BETTING SUPPORT LICENSE:** including but not limited to; cashiers, change persons, accounting, and security.

Please refer to the [Website](#) for further information such as applications and the application process.

For further questions regarding licensing please contact **Brett Buckingham - DOR** .

## REQUIREMENTS

**INTERNAL CONTROLS:** all Internal Controls listed in [Rule 7.5](#) must be addressed.

- Geofencing - must be addressed in the Internal Controls. (Please reference [Bulletin 3](#) for further information)
- Change Management - this document may be addressed in the Internal Controls or a separate document. (Please reference [Rule 7.12](#) for further information)

**HOUSE RULES:** must be a separate document. (Please reference [Rule 6.10](#) for further information)

**CERTIFICATION LETTER(S)** - applies to the software running Sportsbook systems and Internet Sportsbook Systems (Please reference [Bulletin 2](#) and [Rule 7.6](#) for further information)

**RESERVE/BOND** - per [Rule 6.9](#); All persons licensed as a Master, Sports Betting Operator, or Internet Sports Betting Operator shall at all times have available sufficient financial reserves to pay those sports bets accepted, calculated, and settled by that Sports Betting Operation (Please reference [Bulletin 5](#) for further information).

**LIST OF 3RD PARTY VENDORS** - include the Colorado Division of Gaming license number to be used in the Colorado Market for the following services:

1. Geolocation
2. Payment Processing
3. Know your customer (KYC) or Identity Services
4. Data feed(s)
5. Integrity Services
6. Data Center

**ORGANIZATIONAL CHART** - A chart that displays positions within the organization to help determine the positions that require a Key or Support license. The chart should include staff that touch the sports betting system (ie: IT, security, traders, etc).

**LIST OF EMPLOYEES WITH KEY/SUPPORT LICENSES** - a list of employees that have or will obtain a [Key](#) or [Support](#) license with the Colorado Division of Gaming. Please include the following information for each employee:

- First and last name
- Position/Role
- License type ([Key](#) or [Support](#))
- License number

**CONTACT INFORMATION** - Please provide contact information, to include name, phone number, and email address) for the following roles:

- Licensing
- Compliance
- Patron Disputes
- Trading (for updates to the Official Catalog of Events and Wages)
- Reporting
- Tax

**OPERATING FEES** - Operating fees shall be submitted prior to commencing operations and, on or before July 31st thereafter. Please refer to the [Website](#) for the applicable Operating Fee amounts.

All documentation must be submitted to the Sports Betting Submissions email; [DOR\\_SportsBetting\\_Submissions@state.co.us](mailto:DOR_SportsBetting_Submissions@state.co.us)

Please refer to the [Website](#) for further information such as rules and regulations, bulletins, and frequently asked questions.

For further questions regarding requirements please contact Mia Tsuchimoto - DOR .

Once the documentation is reviewed by the Sports Betting team and the operating fees\* have been paid, an approval letter will be sent on behalf of the Division Director prior to the actual launch date.

# Post-Launch

## REPORTING

**DAILY REPORTING** - The Division of Gaming - Sports Betting requires daily reports from retail and online operators. The most basic way of reporting is as simple as a spreadsheet\* submitted in Excel or delimited text file such as CSV through a secured SFTP site, as prescribed by the Division.

**PATRON AND MONTHLY RESERVES** - The Division requests the number of patron accounts and monthly reserve amounts to be reported on the 15th of every month. The reserve amounts requested are; amount held in player accounts (retail), amount accepted on events whose outcome is not yet determined, amounts owed but not yet paid on winning wagers (online), reserve balance at month-end.

\*The Sports Betting team has created templates for the daily reports and monthly patron and reserve reports in an Excel format.

## TAXES

**TAXES** - Per [Rule 4.1](#) payment of sports betting taxes by the Sports Betting Operation, at the statutorily set rate of ten percent of net sports betting proceeds, shall be made to the Department by an electronic funds transfer or by any other method permitted in articles 20, 21, and 26 of title 39, C.R.S. by the 15th of every month.

The operation must supply the name, title, phone, and email address of the contact person(s) responsible for daily reporting, monthly reserves, and taxes. The operation will submit the contacts to: [DOR\\_SportsBetting\\_Submissions@state.co.us](mailto:DOR_SportsBetting_Submissions@state.co.us).

After receiving the approval to launch, the contact person responsible for taxes will receive a form to set up access for Revenue Online (the Colorado Department of Revenue's online portal through which taxes are filed and tax payments are made). The Master Contact for whom the form is filled out is responsible for returning this form in a timely manner, setting up appropriate access to file the return on time (the 15th of the following month or the next business day), and setting up the Electronic Fund Transfer in a timely manner so that taxes owed for the first month of operation are able to be paid correctly and on time.

## SYSTEM ASSESSMENT

**SYSTEM ASSESSMENT** - per [Rule 7.2](#), sports betting operations are required to perform a system integrity and security assessment within 90 days of commencing operations, and annually thereafter. The assessment shall be conducted by an independent professional licensed by the Colorado Division of Gaming.

## PATRON COMPLAINTS

**PATRON DISPUTES** - per [Rule 6.13](#) patrons may submit a patron complaint form to the Division after they have made an attempt to contact the Sports Betting Operation. The operation is given 10 business days to investigate and resolve the dispute.

In the event a patron dispute remains unresolved following an investigation, and/or the unresolved dispute involves an unsettled payment of at least \$1,250, the operation must notify the Division by completing the [Division of Gaming - Sports Operation Complaint Notification form](#).

## CATALOG

The [Official Catalog of Events and Wagers](#) contains every approved bet authorized by the Colorado Limited Gaming Control Commission.

Requests for events and wagers may be submitted to the Sports Betting email: [DOR\\_SportsBetting\\_Submissions@state.co.us](mailto:DOR_SportsBetting_Submissions@state.co.us).

## SPORTS BETTING TEAM CONTACT

[DOR\\_SportsBetting\\_Submissions@state.co.us](mailto:DOR_SportsBetting_Submissions@state.co.us) - the main communication email to submit documentation, wager requests, reports, and inquiries.