

AGENDA
COLORADO LIMITED GAMING CONTROL COMMISSION

Meeting of December 16, 2021
Beginning at 9:15 a.m.
Via Cisco Webex

Division of Gaming – Lakewood Office
1707 Cole Blvd., Suite 300
Lakewood, CO 80401

This meeting will be held virtually at 9:15 a.m. and the video meeting link can be found on our webpage: <https://sbg.colorado.gov/limited-gaming-control-commission>.

In addition to other matters that may properly be considered by the Colorado Limited Gaming Control Commission, the following items are scheduled for consideration and adoption on December 16, 2021. Times contained in the agenda are approximate.

PUBLIC SESSION

I. Call to Order

EXECUTIVE SESSION

Review of confidential background licensing reports scheduled for consideration during the public session.

PUBLIC SESSION (reconvened)

II. Consideration of Licensing Actions

Limited Gaming Licenses

Renewal of the Retail and Master License for

AMERISTAR CASINO BLACK HAWK, LLC d/b/a Ameristar Casino Black Hawk
PREMIER ENTERTAINMENT BLACK HAWK, LLC d/b/a Bally's Black Hawk North
Casino

PREMIER ENTERTAINMENT BLACK HAWK, LLC d/b/a Bally's Black Hawk West
Casino

PREMIER ENTERTAINMENT BLACK HAWK, LLC d/b/a Bally's Black Hawk East
Casino

Renewal of the Manufacturer/Distributor License for

AMERISTAR CASINO BLACK HAWK, LLC d/b/a Ameristar Casino Black Hawk
Universal Gaming Resources LLC

Bally's Corporation f/k/a Twin River Worldwide Holdings, Inc.

Renewal of the Operator Licenses for

AMERISTAR CASINO BLACK HAWK, LLC d/b/a Ameristar Casino Black Hawk
Universal Gaming Resources LLC

Sports Betting Licenses

*Temporary Internet Operator License for
Hillside (Colorado) LLC d/b/a bet365*

*Temporary Vendor Major License for
K49A Media LLC*

*First Vendor Minor License for
Don Best Sports Corporation
Gambler's Guide
BC 99 Ltd. d/b/a Betclever
Scrimmage LLC d/b/a Scrimmage
Friday Beers Inc.
PGA TOUR Gaming LLC
MetaReviews Inc.
STEADYPICKS GAMING LLC
Odds Crowd Pty Ltd
EMX Digital, Inc.
OddsJam, Inc.
JJ Walker LLC.
Intiha Marketing Technologies LTD
Telmario LTD d/b/a MediaSquad
DIGITAL FUEL PERFORMANCE LIMITED
Elias Digital Solutions LLC dba Elias Game Plan
KaFe Rocks USA, LLC
Popdust, Inc. d/b/a GeistM*

- III. Opportunity for Public to Address the Commission
- IV. Consideration of Division Limited Gaming Financial Statements for October 2021
- V. Consideration of Division Sports Betting Financial Statements for October 2021
- VI. Consideration of Sports Betting Rule 3
- VII. Consideration of Organizational Matters
Adoption of Minutes for November 18, 2021
Directors' Reports
Commissioner Updates from NCLGS Winter Conference
- VIII. Opportunity for Industry Members to Address the Commission on Current Issues and Events
- IX. Adjournment

At the discretion of the Commission, any or all of the above matters may be continued for consideration or adoption at a different time, may be considered out of order, or may be considered at the next meeting of the Commission.

Public Session



**STATEMENT OF GAMING REVENUES,
GAMING TAXES, AND EXPENDITURES**

(UNAUDITED)

FOR THE FOUR (4) MONTHS ENDED

OCTOBER 31, 2021



COLORADO

Department of Revenue

Specialized Business Group—Gaming

1707 Cole Blvd., Suite 300
Lakewood, CO 80401

December 16, 2021

State Treasurer and Members of the Colorado Limited Gaming Control Commission:

Pursuant to Section 44-30-203 (i), C.R.S., the Colorado Division of Gaming is required to furnish monthly a, "report which contains a full and complete statement of the division's revenues and expenses."

The attached combined financial statements for October 31, 2021 have not been audited. They contain the most current data available. This information has been collected and recorded in accordance with generally accepted accounting principles.

Respectfully submitted,

Vickie Floyd
Division Controller

**COLORADO DIVISION OF GAMING
FINANCIAL STATEMENTS
(UNAUDITED)**

DISTRIBUTION

Honorable Jared Polis	Governor
Representative Alec Garnett	Speaker of the House of Representatives
Senator Leroy Garcia	President of the Senate
Senator Chris Holbert	Senate Minority Leader
Representative Hugh McKean	House Minority Leader
Senator Dominick Moreno	Chair, Joint Budget Committee
Mr. Richard Nathan	Chair, Limited Gaming Control Commission
Mr. Justin Davis	Vice Chair, Limited Gaming Control Commission
Mr. Kevin Armstrong	Limited Gaming Control Commission
Mr. Shawn Coleman	Limited Gaming Control Commission
Ms. Patsy Landaveri	Limited Gaming Control Commission
Mr. Mark Ferrandino	Executive Director, Department of Revenue
Mr. Cory Amend	Senior Director of Enforcement, Department of Revenue
Mr. Daniel Hartman	Director, Division of Gaming
Mr. Jason Grothaus	Acting Accounting Director, Department of Revenue
Mr. Ramon Alvarado	Deputy Budget Director, Department of Revenue
Mr. Bob Jaros	State Controller
Mr. Charles Scheibe	Chief Financial Officer, Department of the Treasury
Mr. George Orłowski	State Archivist
Ms. Kerri Hunter	State Auditor
Ms. Elizabeth Burger	Joint Legislative Library
Mr. Ben Henderson	Deputy Director for Budget, Governor's Office
Colorado State Publications Depository and Distribution Center	State of Colorado Library

**DIVISION OF GAMING
STATEMENT OF REVENUES
GAMING TAXES, AND EXPENDITURES
(UNAUDITED)**

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**COLORADO DIVISION OF GAMING
TAX REVENUES COMPARISON
OCTOBER 31, 2021 AND 2020**

The Colorado Limited Gaming Control Commission assesses taxes based on adjusted gross proceeds (AGP).

The tax rates for period ending June 30, 2022 are:

- 3% on AGP from charitable gaming
- .25% on amounts up to \$2 million
- 2% on amounts over \$2 million and up to \$5 million
- 9% on amounts over \$5 million and up to \$8 million
- 11% on amounts over \$8 million and up to \$10 million
- 16% on amounts over \$10 million and up to \$13 million
- 20% on amounts over \$13 million

The tax rates for year ending June 30, 2022 are the same as they were for year ending June 30, 2021.

For Periods Beginning July 1, 2020 and 2021 through October 31, 2020 and 2021

<u>AGP Comparison</u>				
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change
\$0 - \$2 Million	\$ 8,605,279	\$ 4,490,383	\$ (4,114,896)	(47.82)%
\$2 - \$5 Million	\$ 33,954,423	\$ 40,820,868	\$ 6,866,445	20.22%
\$5 - \$10 Million	\$ 65,613,828	\$ 71,565,536	\$ 5,951,708	9.07%
\$10 - \$13+ Million	\$ 146,869,760	\$ 241,263,517	\$ 94,393,757	64.27%
Total	<u>\$ 255,043,290</u>	<u>\$ 358,140,304</u>	<u>\$ 103,097,014</u>	<u>40.42%</u>

<u>Tax Comparison</u>				
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change
\$0 - \$2 Million	\$ 151,513	\$ 156,226	\$ 4,713	3.11%
\$2 - \$5 Million	\$ 1,139,089	\$ 1,256,417	\$ 117,328	10.30%
\$5 - \$10 Million	\$ 3,874,145	\$ 4,939,808	\$ 1,065,663	27.51%
\$10 - \$13+ Million	\$ 18,852,994	\$ 35,613,038	\$ 16,760,044	88.90%
Total	<u>\$ 24,017,741</u>	<u>\$ 41,965,489</u>	<u>\$ 17,947,748</u>	<u>74.73%</u>

<u>Open Casinos Comparison</u>			
Range	Prior Year No. of Tax Returns Filed by Casinos	This Year No. of Tax Returns Filed by Casinos	Difference
\$0 - \$2 Million	7	4	(3)
\$2 - \$5 Million	11	13	2
\$5 - \$10 Million	10	10	0
\$10 - \$13+ Million	5	6	1
Total	<u>33</u>	<u>33</u>	<u>0</u>

**COLORADO DIVISION OF GAMING
COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOUR MONTHS ENDED OCTOBER 31, 2021 AND 2020
(UNAUDITED)**

	FY 2022			FY 2021		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
REVENUES:						
Gaming Taxes	\$ 0	\$ 41,965,489	\$ 41,965,489	\$ 0	\$ 24,018,038	\$ 24,018,038
License and Application Fees	0	256,720	256,720	0	178,852	178,852
Background Investigations	0	35,197	35,197	0	40,688	40,688
Fines	0	84	84	0	84	84
Interest Income	19,552	167,185	186,737	21,079	156,629	177,708
Other Revenue	0	1	1	0	29	29
TOTAL REVENUES	<u>19,552</u>	<u>42,424,676</u>	<u>42,444,228</u>	<u>21,079</u>	<u>24,394,320</u>	<u>24,415,399</u>
EXPENDITURES:						
Salaries and Benefits	0	2,769,546	2,769,546	0	2,686,983	2,686,983
Annual and Sick Leave Payouts	0	1,463	1,463	0	4,964	4,964
Professional Services	0	32,229	32,229	0	29,362	29,362
Travel	0	10,441	10,441	0	1,337	1,337
Automobiles	0	59,583	59,583	0	47,429	47,429
Printing	0	3,275	3,275	0	1,935	1,935
Police Supplies	0	3,936	3,936	0	4,171	4,171
Computer Services & Name Searches	0	34,947	34,947	0	21,474	21,474
Materials, Supplies, and Services	0	104,507	104,507	0	109,906	109,906
Postage	0	1,236	1,236	0	986	986
Telephone	0	25,044	25,044	0	30,038	30,038
Utilities	0	8,713	8,713	0	7,976	7,976
Other Operating Expenditures	0	30,021	30,021	0	33,819	33,819
Leased Space	0	34,994	34,994	0	60,970	60,970
EXPENDITURES - SUBTOTAL	<u>0</u>	<u>3,119,935</u>	<u>3,119,935</u>	<u>0</u>	<u>3,041,350</u>	<u>3,041,350</u>
STATE AGENCY SERVICES						
Colorado Bureau of Investigation	0	119,750	119,750	0	364,377	364,377
Division of Fire Prevention and Control	0	78,912	78,912	0	71,287	71,287
Colorado State Patrol	0	1,123,179	1,123,179	0	1,045,346	1,045,346
State Auditors	0	10,100	10,100	0	10,375	10,375
Indirect Costs - Department of Revenue	0	391,945	391,945	0	369,250	369,250
Regulatory Agencies	0	2,311	2,311	0	0	0
Colorado Department of Law	0	81,018	81,018	0	82,147	82,147
OIT Purchased Services	0	131,296	131,296	0	254,365	254,365
TOTAL STATE AGENCY SERVICES	<u>0</u>	<u>1,938,511</u>	<u>1,938,511</u>	<u>0</u>	<u>2,197,147</u>	<u>2,197,147</u>
Non Personal Services Background Exp.	0	970	970	0	813	813
TOTAL EXPENDITURES	<u>0</u>	<u>5,059,416</u>	<u>5,059,416</u>	<u>0</u>	<u>5,239,310</u>	<u>5,239,310</u>
Excess of Revenues Over Expenditures	<u>19,552</u>	<u>37,365,260</u>	<u>37,384,812</u>	<u>21,079</u>	<u>19,155,010</u>	<u>19,176,089</u>
FY21 & FY20 Extended Gaming Distr.	(17,647,531)	0	(17,647,531)	(15,310,639)	0	(15,310,639)
FUND BALANCE AT JULY 1, 2021 & 2020	<u>17,647,531</u>	<u>2,267,873</u>	<u>19,915,404</u>	<u>15,310,639</u>	<u>2,765,627</u>	<u>18,076,266</u>
TOTAL FUND BAL. OCTOBER 31, 2021 & 2020	<u>\$ 19,552</u>	<u>\$ 39,633,133</u>	<u>\$ 39,652,685</u>	<u>\$ 21,079</u>	<u>\$ 21,920,637</u>	<u>\$ 21,941,716</u>

COLORADO DIVISION OF GAMING
STATEMENT OF BUDGET TO ACTUAL
FOUR MONTHS ENDED OCTOBER 31, 2021
(UNAUDITED)

	BEGINNING BUDGET *	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATED BUDGET **	33.3% OF BUDGETED AMOUNT EXCEPT FOR TAXES ***	YEAR-TO-DATE ACTUAL	OVER / (UNDER) ANNUAL BUDGET	% EARNED % EXPENDED OF ANNUAL BUDGET
REVENUES:							
Gaming Taxes	\$ 114,882,675	\$ 0	\$ 114,882,675	\$ 24,130,091	\$ 41,965,489	\$ (72,917,186)	36.53%
License and Application Fees	628,417	0	628,417	209,472	256,720	(371,697)	40.85%
Background Investigations	183,186	0	183,186	61,062	35,197	(147,989)	19.21%
Fines and Fees	0	0	0	0	84	84	100.00%
Interest Revenue	573,762	0	573,762	191,254	167,185	(406,577)	29.14%
Other Revenue	0	0	0	0	1	1	100.00%
TOTAL REVENUES	116,268,040	0	116,268,040	38,756,013 ^	42,424,676	(73,843,364)	36.49%
EXPENDITURES:							
Personal Services	9,045,115	8	9,045,123	3,015,041	2,804,655	(6,240,468)	31.01%
Operating Expenditures	782,488	0	782,488	260,829	133,085	(649,403)	17.01%
Workers Compensation	35,305	(2,320)	32,985	10,995	10,994	(21,991)	33.33%
Risk Management	22,683	132	22,815	7,605	7,605	(15,210)	33.33%
Licensure Activities	127,154	0	127,154	42,385	38,978	(88,176)	30.65%
Leased Space	312,677	(167,763)	144,914	48,305	34,994	(109,920)	24.15%
Vehicle Lease Payments - Fixed	85,000	55,889	140,889	46,963	31,103	(109,786)	22.08%
Vehicle Lease Payments - Variable	59,000	22,066	81,066	27,022	28,480	(52,586)	35.13%
Utilities	27,425	0	27,425	9,142	8,713	(18,712)	31.77%
Legal Services	243,054	0	243,054	81,018	81,018	(162,036)	33.33%
CORE Operations	71,780	(9,878)	61,902	20,634	20,634	(41,268)	33.33%
Payments to Office of Information Technology	60,324	333,563	393,887	131,295	131,296	(262,591)	33.33%
IT Division - MIPC Phones & ISD	77,000	(25,731)	51,269	17,090	13,105	(38,164)	25.56%
Indirect Costs - Department of Revenue	1,092,006	83,829	1,175,835	391,945	391,945	(783,890)	33.33%
State Agency Services	5,079,898	0	5,079,898	1,693,299	1,321,841	(3,758,057)	26.02%
Division Expenditures	17,120,909	289,795	17,410,704	5,803,568	5,058,446	(12,352,258)	29.05%
Non Personal Services Background Expenditures	68,468	0	68,468	22,823	970	(67,498)	1.42%
TOTAL EXPENDITURES	17,189,377	289,795	17,479,172	5,826,391	5,059,416	(12,419,756)	28.95%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 99,078,663	N/A	\$ 98,788,868	\$ 32,929,623	\$ 37,365,260	\$ (61,423,608)	37.82%

* Represents original information given to the Commission in April of 2021. The percent of the fiscal year elapsed through October 31, 2021 is 33.3%.

** Amount includes Long Bill items and Supplemental Appropriations.

*** The original tax projection assumed an AGP increase of 6%, which was then applied to the existing casinos' graduated tax tiers. The \$24,130,091 is this tax projection through October, which is \$17,835,398 less than the actual taxes collected for the same period.

^ Calculated number is not a sum, rather elapsed percentage of Annual Revised Estimated Budget.



COLORADO
Department of Revenue

Specialized Business Group—Gaming
1707 Cole Blvd., Suite 300
Lakewood, CO 80401

Memo

To: Colorado Limited Gaming Control Commission
From: Vickie Floyd, Gaming Controller
Cc: Dan Hartman
Date: December 16, 2021
Re: FY21 Audit & October Gaming Fund Financial Statement Presentation

The Division of Gaming's fiscal year 2021 financial audit has been completed. Thanks to the hard work and dedication of Gaming staff, we received a clean audit opinion once again. You should have received the complete financial statement audit report in the mail a few weeks ago. Please let me know if you did not receive it.

Following are highlights from the Gaming Fund financial statements ending October 31, 2021.

Statement of Revenues, Expenditures, and Changes in Fund Balance

Gaming tax revenues have increased by \$17,947,451 or 75% over last year. Please recall, casinos had been closed from March 17 through June 15, 2020 due to the pandemic and were only open in limited capacity in fiscal year 2021. In addition, Amendment 77 was effective May 1, 2021. Total Revenues for the Limited Gaming Fund as of October 31 were \$42,424,676, a 74% increase compared to October 2020.

Total expenditures for the period ending October 2021 were approximately \$5 million. This represents a 3% decrease over last year. The largest decrease of \$244,627 is in the Colorado Bureau of Investigation line. This is due to the fact that the interagency agreement between the Division of Gaming and the Colorado Bureau of Investigation was cancelled, effective August 31, 2021.

The excess of total revenues over expenditures was \$37,365,260. This is a 95% increase over last year and represents the amount we could distribute as of October 31.

Statement of Budget to Actual

Total revenues collected through October 2021 were 36% of budgeted. Total expenditures were 29% of budgeted, which is below the 33% of the fiscal year that has elapsed. In addition, the excess of revenues over expenditures was 38% of budgeted.

Please feel free to contact me if you have any questions on the Gaming Fund financial statements.



**STATEMENT OF SPORTS BETTING REVENUES,
SPORTS BETTING TAXES, AND EXPENDITURES**

(UNAUDITED)

FOR THE FOUR (4) MONTHS ENDED

OCTOBER 31, 2021

**DIVISION OF GAMING
STATEMENT OF REVENUES
SPORTS BETTING TAXES, AND
EXPENDITURES
(UNAUDITED)**

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**COLORADO DIVISION OF GAMING
SPORTS BETTING COMBINED STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOUR MONTHS ENDED OCTOBER 31, 2021 AND 2020
(UNAUDITED)**

	FY 2022			FY 2021		
	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS
REVENUES:						
Sports Betting Taxes	\$ 0	\$ 3,457,574	\$ 3,457,574	\$ 0	\$ 1,307,658	\$ 1,307,658
License and Application Fees	0	62,414	62,414	0	60,301	60,301
Sports Betting Operations Fees	0	2,034,100	2,034,100	0	1,618,700	1,618,700
Background Investigations	0	17,312	17,312	0	56,271	56,271
Fines	0	168	168	0	0	0
Interest Income	385	27,768	28,153	0	13,720	13,720
Other Revenue	0	41	41	0	0	0
TOTAL REVENUES	385	5,599,377	5,599,762	0	3,056,650	3,056,650
EXPENDITURES:						
Salaries and Benefits	0	585,935	585,935	0	376,615	376,615
Professional Services	0	1,377	1,377	0	0	0
Travel	0	7,946	7,946	0	0	0
Automobiles	0	4,102	4,102	0	0	0
Printing	0	638	638	0	610	610
Police Supplies	0	227	227	0	0	0
Computer Services & Name Searches	0	7,907	7,907	0	7,040	7,040
Materials, Supplies, and Services	0	12,662	12,662	0	472	472
Postage	0	279	279	0	181	181
Telephone	0	2,716	2,716	0	822	822
Other Operating Expenditures	0	6,516	6,516	0	6,683	6,683
Leased Space	0	8,748	8,748	0	0	0
EXPENDITURES - SUBTOTAL	0	639,053	639,053	0	392,423	392,423
STATE AGENCY SERVICES						
Colorado Bureau of Investigation	0	6,303	6,303	0	0	0
State Auditors	0	170,851	170,851	0	14,000	14,000
Indirect Costs - Department of Revenue	0	42,429	42,429	0	42,429	42,429
Colorado Department of Law	0	47,463	47,463	0	47,463	47,463
OIT Purchased Services	0	49,357	49,357	0	49,357	49,357
TOTAL STATE AGENCY SERVICES	0	316,403	316,403	0	153,249	153,249
Non Personal Services Background Exp.	0	914	914	0	1,967	1,967
TOTAL EXPENDITURES	0	956,370	956,370	0	547,639	547,639
EXCESS OF REVENUES OVER EXPENDITURES	385	4,643,007	4,643,392	0	2,509,011	2,509,011
OTHER FINANCING SOURCES (USES):						
Sports Betting Distribution	0	(8,075,834)	(8,075,834)	0	0	0
Transferred to Hold-Harmless Fund	0	(488,782)	(488,782)	0	0	0
Transfer from Sports Betting Fund	488,782	0	488,782	0	0	0
FUND BALANCE AT JULY 1, 2021 & 2020	0	8,570,798	8,570,798	0	1,414,500	1,414,500
TOTAL FUND BAL. OCTOBER 31, 2021 & 2020	\$ 489,167	\$ 4,649,189	\$ 5,138,356	\$ 0	\$ 3,923,511	\$ 3,923,511

COLORADO DIVISION OF GAMING
SPORTS BETTING STATEMENT OF BUDGET TO ACTUAL
FOUR MONTHS ENDED OCTOBER 31, 2021
(UNAUDITED)

	BEGINNING BUDGET *	SUPPLE- MENTAL CHANGES / ROLLFORWARDS	ANNUAL REVISED ESTIMATED BUDGET **	33.3% OF BUDGETED AMOUNT	YEAR-TO-DATE ACTUAL	OVER / (UNDER) ANNUAL BUDGET	% EARNED % EXPENDED OF ANNUAL BUDGET
REVENUES:							
Sports Betting Taxes	\$ 6,310,903	\$ 0	\$ 6,310,903	\$ 2,103,635	\$ 3,457,574	\$ (2,853,329)	54.79%
License and Application Fees	220,150	0	220,150	73,383	62,414	(157,736)	28.35%
Sports Betting Operations Fees	2,342,925	0	2,342,925	780,975	2,034,100	(308,825)	86.82%
Background Investigations	181,144	0	181,144	60,381	17,312	(163,832)	9.56%
Fines and Fees	0	0	0	0	168	168	100.00%
Interest Revenue	57,315	0	57,315	19,105	27,768	(29,547)	48.45%
Other Revenue	0	0	0	0	41	41	100.00%
TOTAL REVENUES	9,112,437	0	9,112,437	3,037,479	5,599,377	(3,513,060)	61.45%
EXPENDITURES:							
Personal Services	2,503,377	0	2,503,377	834,459	755,728	(1,747,649)	30.19%
Operating Expenditures	110,197	0	110,197	36,732	27,871	(82,326)	25.29%
Workers Compensation	7,820	(515)	7,305	2,435	2,435	(4,870)	33.33%
Risk Management	5,671	33	5,704	1,901	1,901	(3,803)	33.33%
Licensure Activities	23,735	0	23,735	7,912	4,914	(18,821)	20.70%
Leased Space	78,169	(41,941)	36,228	12,076	8,748	(27,480)	24.15%
Vehicle Lease Payments - Fixed	8,000	(2,463)	5,537	1,846	3,737	(1,800)	67.49%
Legal Services	142,388	0	142,388	47,463	47,463	(94,925)	33.33%
CORE Operations	15,898	(2,188)	13,710	4,570	4,570	(9,140)	33.33%
Payments to Office of Information Technology	13,361	134,711	148,072	49,357	49,357	(98,715)	33.33%
Indirect Costs - Department of Revenue	127,287	0	127,287	42,429	42,429	(84,858)	33.33%
State Agency Services	60,070	0	60,070	20,023	6,303	(53,767)	10.49%
Division Expenditures	3,095,973	87,637	3,183,610	1,061,203	955,456	(2,228,154)	30.01%
Non Personal Services Background Expenditures	35,602	0	35,602	11,867	914	(34,688)	2.57%
TOTAL EXPENDITURES	3,131,575	87,637	3,219,212	1,073,070	956,370	(2,262,842)	29.71%
EXCESS OF REVENUES OVER EXPENDITURES	\$ 5,980,862	N/A	\$ 5,893,225	\$ 1,964,409	\$ 4,643,007	\$ (1,250,218)	78.79%

* Represents original information given to the Commission in April of 2021.

The percent of the fiscal year elapsed through October 31, 2021 is 33.3%.

** Amount includes Long Bill items and Supplemental Appropriations.



COLORADO
Department of Revenue

Specialized Business Group—Gaming
1707 Cole Blvd., Suite 300
Lakewood, CO 80401

Memo

To: Colorado Limited Gaming Control Commission
From: Eric Shannon, Deputy Gaming Controller
Cc: Dan Hartman
Date: December 16, 2021
Re: October 2021 Sports Betting Fund Financial Statements

Following are highlights from the Sports Betting Fund financial statements ending October 31, 2021.

Statement of Revenues, Expenditures, and Changes in Fund Balance

Current fiscal year Sports Betting Tax revenue was \$3,457,574 which is an increase of \$2,149,916 over the prior fiscal year. The current fiscal year increase in Sports Betting Tax revenue is due primarily to the year over year increase in active Sports Betting Operations.

Current fiscal year Sports Betting Operations Fees revenue was \$2,034,100, which is an increase of \$415,400 over the prior fiscal year. Through October of the current fiscal year 42 total operations fees were collected, 25 for internet operations and 17 for on-site operations. Through October of the prior fiscal year 31 total operations fees were collected, 18 for internet operations and 13 for on-site operations. Both internet and on-site operations fees decreased in amount for fiscal year 2022 as compared to fiscal year 2021.

Total Sports Betting Fund revenues through October 2021 increased by \$2,542,727 or 83% over October 2020.

Total Sports Betting Fund expenditures through October 2021 were \$956,370. This is an increase of about 74% over October 2020. The increase is due primarily to the increase in salaries and benefits, and the payments to the State Auditors for the performance audit.

Statement of Budget to Actual

Total revenues collected through October 2021 were about 61% of budgeted. Total expenditures were about 30% of budgeted, which is below the 33.3% of the fiscal year that has elapsed. Excess of revenues over expenditures was 79% of budgeted.

Please feel free to contact me if you have any questions on the Sports Betting Fund financial statements.



Memo

To: Colorado Limited Gaming Commission
From: Brett Buckingham, Agent In Charge
CC: Dan Hartman, Matt Heap
Date: December 7, 2021
Re: Proposed Rule Change - Summary

On December 16, 2021, I will be presenting a Rule change to the Commission on behalf of the Division. The proposed change will affect Sports Betting Rule 3 Applications, Investigations and Licensure.

The current version of Sports Betting Rule 3 only allows the Division to accept checks as payment for background investigation deposits. This Rule change will allow the Division to begin accepting additional forms of payment.

DEPARTMENT OF REVENUE

Division of Gaming

SPORTS BETTING REGULATIONS

1 CCR 207-2

BASIS AND PURPOSE FOR RULE 3

The purpose of Rule 3 is to enable applications, investigations and licensure as related to sports betting, including to establish and provide the specific information required on license applications; to establish license fees for each type of license; to establish investigation fees for certain applicants and deposit procedures for investigation fees; to establish procedures for conducting background checks on applicants and other interested persons and assessing the costs of such background checks; to require certain information regarding the premises the applicant wishes to be licensed, and to provide a procedure for approval of modifications of such premises; and to provide for the issuance of conditional licenses. The statutory basis for Rule 3 is found in sections 44-30-201, C.R.S.; 44-30-203, C.R.S.; 44-30-302, C.R.S.; 44-30-507, C.R.S., and part 15 of article 30 of title 44, C.R.S.

RULE 3 **APPLICATIONS, INVESTIGATIONS AND LICENSURE** *Effective 4/14/20*

3.5 **Investigation and background check costs.**

- (1) Before any such investigations are conducted, each original applicant for a sports betting operator license or internet sports betting operator license, or vendor major license shall pay a deposit of \$10,000 ~~by check made out to the Colorado Division of Gaming~~ to the sports betting fund. Upon notice to the applicant, all other license types may be required to pay a deposit to the sports betting fund in an amount, which, in the Director's discretion, is sufficient to enable the investigation to be conducted.