

**AGENDA**  
**COLORADO LIMITED GAMING CONTROL COMMISSION**

Meeting of September 15, 2022  
Beginning at 9:15 a.m.  
In person & via Cisco Webex

Division of Gaming – Cripple Creek  
350 West Carr Ave.  
Cripple Creek, CO 80813

\*\*This meeting will be held in person at the Cripple Creek Division of Gaming office at 350 West Carr Ave., Cripple Creek, CO 80813 and will begin at 9:15 a.m. In addition to the in-person meeting, we will offer a virtual option. The virtual 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 September 15, 2022. 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 Retail Licenses for*

DOSTAL ALLEY, INC. d/b/a Dostal Alley

CCSC/BLACKHAWK, INC. d/b/a Lady Luck Casino Black Hawk

ISLE OF CAPRI BLACK HAWK, LLC d/b/a Horseshoe Black Hawk

*Renewal of Master Licenses for*

DOSTAL ALLEY, INC. d/b/a Dostal Alley

CCSC/BLACKHAWK, INC. d/b/a Lady Luck Casino Black Hawk

ISLE OF CAPRI BLACK HAWK, LLC d/b/a Horseshoe Black Hawk

*Renewal of Operator License for*

CCSC/BLACKHAWK, INC. d/b/a Lady Luck Casino Black Hawk

*Renewal of Manufacturer/Distributor License for*

IOC-BLACK HAWK DISTRIBUTION COMPANY, LLC

*Renewal of Associated Equipment Supplier License for*

Programs on Demand, Inc

**Sports Betting Licenses**

*Reissuance of Vendor Major Licenses for*  
ONLINE VENTURE STRATEGIES, LLC

*Renewal of Vendor Minor Licenses for*  
Swissclear Global, Inc. d/b/a TAPPP  
Team Rankings, LLC  
Seven Star Digital Ltd  
Prizeout Corp.  
One Week Season, LLC  
Topgolf Media, LLC  
Outbrain Inc.  
Rock Intention Malta Limited  
The Moneyline LLC d/b/a The Moneyline  
TGD Operations Ltd. f/k/a Horizon Media Limited

*First Vendor minor Licenses for*  
Ribacka Media AB  
Upside Spring Ltd  
SEON Technologies US Inc.  
Jokerzino Marketing AB  
BETTER THAN VEGAS, INC.  
Source Gaming Company d/b/a BetSource

- III. Opportunity for Public to Address the Commission
- IV. Consideration of Division Limited Gaming Financial Statements for July 2022
- V. Consideration of Division Sports Betting Financial Statements for July 2022
- VI. Consideration of FY22 Sports Betting Fund Distribution
- VII. Presentation from Colorado Water Conservation Board
- VIII. Consideration of Limited Gaming Rules 1, 3, 4 & 25
- IX. Consideration of Sports Betting Rules 3 & 7
- X. Consideration of Organizational Matters
- XI. Opportunity for Industry Members to Address the Commission on Current Issues and Events
- XII. 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.



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

**FOR THE FIRST (1) MONTH ENDED  
JULY 31, 2022**



**COLORADO**

**Department of Revenue**

Specialized Business Group—Gaming

1707 Cole Blvd., Suite 300  
Lakewood, CO 80401

September 15, 2022

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 July 31, 2022 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 Garnet	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
Representative Julie McCluskie	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. Scott Koehler	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
Ms. Aly Jabrocki	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  
JULY 31, 2022 AND 2021**

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

**The tax rates for period ending June 30, 2023 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, 2023 are the same as they were for year ending June 30, 2022.

**For Periods Beginning July 1, 2021 and 2022 through July 31, 2021 and 2022**

<b><u>AGP Comparison</u></b>				
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change
\$0 - \$2 Million	\$ 24,019,395	\$ 21,199,759	\$ (2,819,636)	(11.74)%
\$2 - \$5 Million	\$ 14,695,091	\$ 16,933,154	\$ 2,238,063	15.23%
\$5 - \$13+ Million	\$ 56,243,755	\$ 63,380,528	\$ 7,136,773	12.69%
Total	<u>\$ 94,958,241</u>	<u>\$ 101,513,441</u>	<u>\$ 6,555,200</u>	<u>6.90%</u>

<b><u>Tax Comparison</u></b>				
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change
\$0 - \$2 Million	\$ 105,049	\$ 102,999	\$ (2,050)	(1.95)%
\$2 - \$5 Million	\$ 333,902	\$ 338,663	\$ 4,761	1.43%
\$5 - \$13+ Million	\$ 4,942,927	\$ 6,297,066	\$ 1,354,139	27.40%
Total	<u>\$ 5,381,878</u>	<u>\$ 6,738,728</u>	<u>\$ 1,356,850</u>	<u>25.21%</u>

<b><u>Open Casinos Comparison</u></b>			
Range	Prior Year No. of Tax Returns Filed by Casinos	This Year No. of Tax Returns Filed by Casinos	Difference
\$0 - \$2 Million	24	23	(1)
\$2 - \$5 Million	5	6	1
\$5 - \$13+ Million	4	4	0
Total	<u>33</u>	<u>33</u>	<u>0</u>



**COLORADO DIVISION OF GAMING  
COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
FIRST MONTH ENDED JULY 31, 2022 AND 2021  
(UNAUDITED)**

	FY 2023			FY 2022		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
<b>REVENUES:</b>						
Gaming Taxes	\$ 0	\$ 6,738,728	\$ 6,738,728	\$ 0	\$ 5,381,878	\$ 5,381,878
License and Application Fees	0	67,291	67,291	0	74,147	74,147
Background Investigations	0	3,402	3,402	0	10,647	10,647
Fines	0	1,260	1,260	0	0	0
Interest Income	29	212,025	212,054	16	78,439	78,455
Other Revenue	0	44	44	0	0	0
<b>TOTAL REVENUES</b>	<b>29</b>	<b>7,022,750</b>	<b>7,022,779</b>	<b>16</b>	<b>5,545,111</b>	<b>5,545,127</b>
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	826,322	826,322	0	778,376	778,376
Annual and Sick Leave Payouts	0	0	0	0	400	400
Professional Services	0	12,825	12,825	0	9,015	9,015
Travel	0	15,459	15,459	0	2,602	2,602
Automobiles	0	18,013	18,013	0	14,362	14,362
Printing	0	955	955	0	928	928
Police Supplies	0	9,709	9,709	0	1,033	1,033
Computer Services & Name Searches	0	7,300	7,300	0	10,262	10,262
Materials, Supplies, and Services	0	24,202	24,202	0	42,166	42,166
Postage	0	72	72	0	290	290
Telephone	0	6,567	6,567	0	6,492	6,492
Utilities	0	2,463	2,463	0	2,497	2,497
Other Operating Expenditures	0	10,830	10,830	0	7,511	7,511
Leased Space	0	11,975	11,975	0	0	0
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>946,692</b>	<b>946,692</b>	<b>0</b>	<b>875,934</b>	<b>875,934</b>
<b>STATE AGENCY SERVICES</b>						
Colorado Bureau of Investigation	0	0	0	0	89,300	89,300
Division of Fire Prevention and Control	0	18,100	18,100	0	18,100	18,100
Colorado State Patrol	0	295,000	295,000	0	295,000	295,000
Indirect Costs - Department of Revenue	0	97,125	97,125	0	91,001	91,001
Colorado Department of Law	0	19,299	19,299	0	20,255	20,255
OIT Purchased Services	0	12,489	12,489	0	5,027	5,027
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>442,013</b>	<b>442,013</b>	<b>0</b>	<b>518,683</b>	<b>518,683</b>
Non Personal Services Background Exp.	0	128	128	0	379	379
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>1,388,833</b>	<b>1,388,833</b>	<b>0</b>	<b>1,394,996</b>	<b>1,394,996</b>
<b>Excess of Revenues Over Expenditures</b>	<b>29</b>	<b>5,633,917</b>	<b>5,633,946</b>	<b>16</b>	<b>4,150,115</b>	<b>4,150,131</b>
<b>FUND BALANCE AT JULY 1, 2022 &amp; 2021</b>	<b>46,823,932</b>	<b>2,445,701</b>	<b>49,269,633</b>	<b>17,647,531</b>	<b>2,267,873</b>	<b>19,915,404</b>
<b>TOTAL FUND BAL. JULY 31, 2022 &amp; 2021</b>	<b>\$ 46,823,961</b>	<b>\$ 8,079,618</b>	<b>\$ 54,903,579</b>	<b>\$ 17,647,547</b>	<b>\$ 6,417,988</b>	<b>\$ 24,065,535</b>



**COLORADO**

**Department of Revenue**

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

# Memo

To: Colorado Limited Gaming Control Commission  
From: Tseko Ivanov, Gaming Reporting Accountant  
Cc: Dan Hartman  
Date: September 15, 2022  
Re: July 2022 Gaming Fund Financial Statement Presentation

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Following are highlights from the Gaming Fund financial statements ending July 31, 2022.

*Statement of Revenues, Expenditures, and Changes in Fund Balance*

Gaming tax revenues have increased by \$1,356,850 or 25% over last year. Please recall, Amendment 77 was effective May 1, 2021. Total Revenues for the Limited Gaming Fund as of July 31 were \$7,022,750, a 27 % increase compared to July 2021.

Total expenditures for the period ending July 2022 were approximately \$1.39 million. This represents a 0.44% decrease over last year. The main reason for the decrease is in the Colorado Bureau of Investigations line, which decreased by \$89,300 or 100% over last year. This is due to the fact 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 \$5,633,917. This is a 36% increase over last year and represents the amount we could distribute as of July 31.

Next, as you are aware from my cover letter, we are only required to prepare a Statement of Revenues and Expenditures. For those of you who were here last year, you may recall that since the inception of the statewide financial system known as CORE, the State now takes a long time to close the fiscal year. Beginning balances do not roll into the next fiscal year until the State closes the previous fiscal year. Therefore, we will not be able to prepare a balance sheet until the State closes. Regarding the budget, we should be able to prepare this statement with September's financial statements.

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 FIRST (1) MONTH ENDED  
JULY 31, 2022**

**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  
FIRST MONTH ENDED JULY 31, 2022 AND 2021  
(UNAUDITED)**

	FY 2023			FY 2022		
	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS	HOLD-HARMLESS FUND	SPORTS BETTING FUND	TOTAL SPORTS BETTING FUNDS
<b>REVENUES:</b>						
Sports Betting Taxes	\$ 0	\$ 1,091,676	\$ 1,091,676	\$ 0	\$ 1,004,536	\$ 1,004,536
License and Application Fees	0	26,001	26,001	0	29,443	29,443
Sports Betting Operations Fees	0	1,734,400	1,734,400	0	1,047,400	1,047,400
Background Investigations	0	11,724	11,724	0	3,498	3,498
Interest Income	640	16,689	17,329	0	6,935	6,935
Other Revenue	0	41	41	0	0	0
<b>TOTAL REVENUES</b>	<b>640</b>	<b>2,880,531</b>	<b>2,881,171</b>	<b>0</b>	<b>2,091,812</b>	<b>2,091,812</b>
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	207,741	207,741	0	153,271	153,271
Professional Services	0	12,487	12,487	0	817	817
Travel	0	748	748	0	2,439	2,439
Automobiles	0	2,959	2,959	0	720	720
Printing	0	148	148	0	58	58
Police Supplies	0	71	71	0	0	0
Computer Services & Name Searches	0	2,632	2,632	0	2,056	2,056
Materials, Supplies, and Services	0	2,995	2,995	0	3,396	3,396
Postage	0	26	26	0	60	60
Telephone	0	1,222	1,222	0	538	538
Other Operating Expenditures	0	2,598	2,598	0	1,620	1,620
Leased Space	0	2,994	2,994	0	0	0
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>236,621</b>	<b>236,621</b>	<b>0</b>	<b>164,975</b>	<b>164,975</b>
<b>STATE AGENCY SERVICES</b>						
Colorado Bureau of Investigation	0	0	0	0	4,700	4,700
State Auditors	0	0	0	0	35,294	35,294
Indirect Costs - Department of Revenue	0	10,445	10,445	0	10,607	10,607
Colorado Department of Law	0	6,810	6,810	0	11,866	11,866
OIT Purchased Services	0	3,665	3,665	0	0	0
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>20,920</b>	<b>20,920</b>	<b>0</b>	<b>62,467</b>	<b>62,467</b>
Non Personal Services Background Exp.	0	492	492	0	327	327
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>258,033</b>	<b>258,033</b>	<b>0</b>	<b>227,769</b>	<b>227,769</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>640</b>	<b>2,622,498</b>	<b>2,623,138</b>	<b>0</b>	<b>1,864,043</b>	<b>1,864,043</b>
<b>FUND BALANCE AT JULY 1, 2022 &amp; 2021</b>	<b>493,165</b>	<b>12,253,994</b>	<b>12,747,159</b>	<b>0</b>	<b>8,570,798</b>	<b>8,570,798</b>
<b>TOTAL FUND BAL. JULY 31, 2022 &amp; 2021</b>	<b>\$ 493,805</b>	<b>\$ 14,876,492</b>	<b>\$ 15,370,297</b>	<b>\$ 0</b>	<b>\$ 10,434,841</b>	<b>\$ 10,434,841</b>



**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: September 15, 2022  
Re: July 2022 Sports Betting Fund Financial Statements

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Following are highlights from the Sports Betting Fund financial statements ending July 31, 2022.

## *Statement of Revenues, Expenditures, and Changes in Fund Balance*

Current fiscal year Sports Betting Tax revenue was \$1,091,676 which is an increase of \$87,140, or about 9%, over the prior fiscal year. Although net sports betting proceeds increased 48% year over year, the amount of net loss credit carry forwards that offset taxes due increased by about \$372,000 year over year.

Current fiscal year Sports Betting Operations Fees revenue was \$1,734,400, which is an increase of \$687,700 over the prior fiscal year. Through July of the current fiscal year 34 total operations fees were collected, 22 for internet operations and 12 for on-site operations. Through July of the prior fiscal year 21 total operations fees were collected, 13 for internet operations and 8 for on-site operations. Internet operations fees did not change year over year while on-site operations fees decreased in amount year over year.

Total Sports Betting Fund revenues through July 2022 increased by \$788,719 or 38% over July 2021.

Total Sports Betting Fund expenditures through July 2022 were \$258,033. This is an increase of about 13% over July 2021. The increase is due primarily to the increase in salaries and benefits.

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

# Colorado Sports Betting Fund Distribution

Fiscal Year 2022



**COLORADO**  
Department of Revenue

# Sports Betting Fund Distribution as outlined in CRS 44-30-1509(2)

- First, transfer an amount to the general fund to repay the general fund.  
\$1,552,397 was transferred to the general fund in March of FY21
- Second, pay all ongoing expenses related to the administration of sports betting
- Third, transfer an amount equal to six percent of the full fiscal year sports betting tax revenues to the wagering revenue recipients hold-harmless fund, referred to as the “hold-harmless fund”
- Fourth, transfer one hundred thirty thousand dollars annually to the office of behavioral health
- Fifth, transfer all remaining unexpended and unencumbered money in the fund to the water plan implementation cash fund



**COLORADO DIVISION OF GAMING**  
**JUNE 30, 2022**  
**SPORTS BETTING FUND DISTRIBUTION**

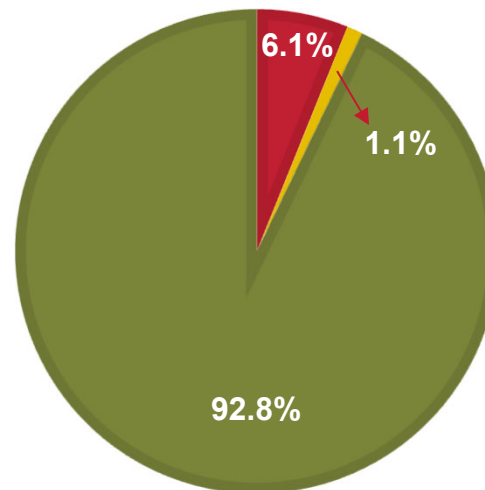
**6/30/2022**

FY22 Total SBET Fund Revenues	\$	15,044,118.52	
Minus FY22 Total SBET Fund Expenditures		11,360,923.05	**Includes distribution of FY21 funds
Plus FY21 Ending SBET Fund balance		8,570,798.08	
Equals FY22 SBET Fund Balance		<u>12,253,993.55</u>	
Minus Reserve		-	44-30-1509(2)(b)
Minus Prepaids		<u>17,476.50</u>	This is already spent
<b>Total Amount Available for FY22 Sports Betting Fund Distribution</b>	<b>\$</b>	<b><u>12,236,517.05</u></b>	
Full Fiscal Year Sports Betting Tax Revenue	\$	12,445,447.97	From CORE and GenTax data
6% Hold-Harmless Fund Distribution	\$	746,726.88	44-30-1509(2)(c)
6% Hold-Harmless Fund Distribution	\$	746,726.88	6% of full fiscal year sports betting tax revenues, 44-30-1509(2)(c)
Office of Behavioral Health		130,000.00	44-30-1509(2)(d)
Water Plan Implementation Cash Fund		<u>11,359,790.17</u>	44-30-1509(2)(e)
<b>Total FY22 Sports Betting Fund Distribution</b>	<b>\$</b>	<b><u>12,236,517.05</u></b>	



**COLORADO**  
Department of Revenue

## SPORTS BETTING DISTRIBUTION OF FY 2022 FUNDS

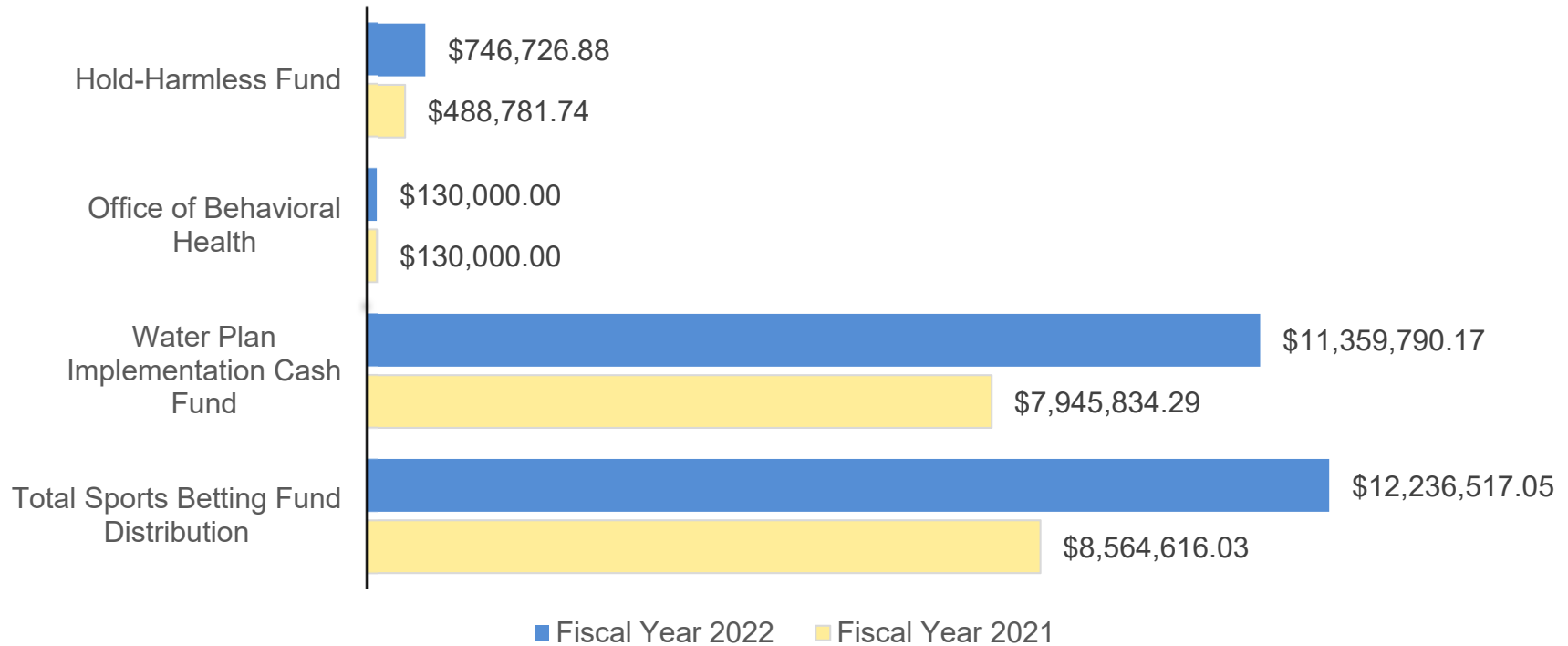


- Hold-Harmless Fund - \$746,726.88
- Office of Behavioral Health - \$130,000
- Water Plan Implementation Cash Fund - \$11,359,790.17



**COLORADO**  
Department of Revenue

## Sports Betting Distribution Fiscal Year 2022 vs 2021



**COLORADO**  
Department of Revenue

# Memo

**To:** Colorado Limited Gaming Commission  
**From:** Kirsten Gregg, Chief of Investigations  
**CC:** Dan Hartman & Kenya Collins  
**Date:** September 8, 2022  
**Re:** Proposed Emergency Rule Changes – Summary

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On September 15, 2022, I will be presenting Rule changes to the Commission on behalf of the Division. The proposed changes affect Gaming Rule 1 General Rules and Regulations, Rule 3 Applications, Investigations and Licensure, Rule 4 Rights and Duties of Licensees, and Sports Betting Rule 3 Applications, Investigations and Licensure. These Rule changes were adopted as emergency Rules at the July 17, 2022 Commission meeting. We are now moving forward with adopting these changes permanently. Additionally, I will be presenting changes to Gaming Rule 25 Rules for Keno, and Sports Betting Rule 7 Requirements of Sports Betting Operators.

On May 11, 2022 the Colorado General Assembly passed House Bill 22-1412, resulting in the need to pass Rule changes to comply with the legislation.

The adoption of the amendments to Regulation 30-106 *Definitions* under Rule 1 is necessary to conform with the removal of the prohibition of any person who is less than twenty-one years of age from lingering in the gaming area of a casino.

The adoption of the amendment to Regulation 30-301 *Qualifications for licensure* under Rule 3 is necessary to conform with the required age for a “gaming employee” being changed from twenty-one to eighteen years of age.

The adoption of the amendment to Regulation 30-414 *Player rules* under Rule 4 is necessary to conform with the removal of the prohibitions from individuals under the age of twenty-one from lingering and from being present at a gaming table, slot machine, or other area in which gaming is conducted.

Section 8 of HB 22-1412 changed the requirement for each sports betting applicant to submit a set of fingerprints to the Division of Gaming, by adding the exception that an applicant whose primary residence is located outside of the United States is not required to satisfy that requirement unless the Colorado Limited Gaming Control Commission determines that the applicant is required to do so. The adoption of the amendments to Regulation 3.5 *Investigation and background check costs* under Rule 3 are necessary to conform with the added exception to the fingerprint requirement for sports betting applicants.

Section 9 of HB 22-1412 requires that sports betting operators comply with Article 33 of Title 44 C.R.S. regarding gambling payment interceptions on gambling winnings. The adoption of the amendments to Regulation 7.5 *Internal control procedures* is necessary to conform with the requirements set forth in the house bill.

The Division determined that Regulation 30-2059 *Payment of winning wagers* was inappropriately located in Rule 25 and is proposing that this Regulation be moved, amended and renumbered to Gaming Rule 4 as Regulation 30-429.

## BASIS AND PURPOSE FOR RULE 1

The purpose of Rule 1 is to present definitions of various terms used throughout the rules of the Colorado Limited Gaming Control Commission so that the rules can be uniformly applied and understood. The statutory basis for Rule 1 is found in sections 44-30-102 C.R.S., 44-30-103, C.R.S., 44-30-104, C.R.S., 44-30-201, C.R.S., 44-30-203, C.R.S., and 44-30-302, C.R.S. *Amended 2/14/14, Amended 1/14/15*

## RULE 1 GENERAL RULES AND REGULATIONS

### 30-106 Definitions.

- (26) ~~“Linger in a gaming area of a casino” as used in C.R.S. 44-30-809(1)(a)(I) and (3)(a)(I), means that a person under twenty-one years of age remains, for a period of thirty consecutive minutes or more, within a casino’s licensed premises, as defined by C.R.S. 44-30-103(19), which licensed premises are diagrammed on a retail floor plan, pursuant to C.R.S. 44-30-508, and outlined in red, in compliance with Rule 30-313(2). *Effective 12/15/18*~~
- (27) ~~6~~ “Link” means one or more progressive slot machines that are connected to a progressive controller and that may be played in order to achieve the stated progressive amount.
- (28) ~~7~~ “Matched play” means the use of a coupon at table games that is issued to a patron by an establishment for play that must be accompanied by a bet. *Effective 11/30/2006*
- (29) ~~8~~ “Mobile ATM Receipt” means a receipt generated by a Table Games Mobile ATM in exchange for an authorized debit or credit card transaction. A Mobile ATM Receipt may be exchanged at a table game for physical or electronic chips. *Effective 7/1/13*
- (30) ~~29~~ “Moral turpitude” means an act done contrary to honesty and good morals; it is an act of baseness, vileness, or depravity in the private and social duties which a person owes to an individual or to society in general.
- (31) ~~40~~ “Normal mode” means the mode of a progressive slot machine at all times other than when it is in the jackpot verification mode.
- (32) ~~1~~ “Physical skill” means an individual’s physical coordination, agility, or nimbleness, or lack thereof. *Effective 11/30/2007*
- (33) ~~2~~ “Player banked” means a game in which players with winning hands are awarded all or part of a pot which consists of pooled antes, blinds, and wagers made by players playing in the hand. In a player banked game, the bankroll of the retail licensee is not at risk and is not used to pay winning wagers. The licensee will maintain only an imprest bank at the table.
- (34) ~~3~~ “Progressive controller” means the hardware and software that controls all communications among the slot machines within a progressive slot machine link and its associated progressive meter, or among the gaming tables which offer a metered progressive jackpot within a progressive table game link and its associated progressive meter.
- (35) ~~4~~ “Proposition player” means a person in a poker game paid a fixed sum by the licensee for the specific purpose of playing in a card game, who uses personal funds and who retains the winnings and absorbs the losses.
- (35) ~~5~~ “Purchase Ticket” means an encoded credit ticket issued at the cashier cage, kiosk or table game. *Effective 10/15/20*

### **BASIS AND PURPOSE FOR RULE 3**

The purpose of Rule 3 is to establish and provide the specific information required on license applications; to establish yearly license fees for each type of license; to establish nonrefundable application fees; 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, temporary, and duplicate licenses. The statutory basis for Rule 3 is found in sections 44-30-102, C.R.S., 44-30-103, C.R.S., 44-30-201, C.R.S., 44-30-203, C.R.S., 44-30-302, C.R.S., and part 5 of article 30 of title 44, C.R.S. *Amended 1/14/15*

### **RULE 3 APPLICATIONS, INVESTIGATIONS AND LICENSURE**

#### **30-301 Qualifications for licensure.**

To qualify for licensure an applicant must:

- (1) Be at least **1821** years of age;

### **BASIS AND PURPOSE FOR RULE 4**

The purpose of Rule 4 is to specify the rights, responsibilities, and duties of licensees; specify certain duties of licensees related to permitting access to the Division of information, records, and premises controlled by the licensee; require licensees to maintain sufficient financial reserves; establish restrictions on the use of skills and proposition players; require that certain information be publicly posted; direct the licensee to prohibit certain conduct; and establish procedures for patron disputes, dissolution of corporations, transfers of interests and terminations of licensee employment or licensure. The statutory basis for Rule 4 is found in sections 44-30-201, C.R.S., 44-30-203, C.R.S., 44-30-301, C.R.S., and 44-30-502, C.R.S., 44-30-510, C.R.S., 44-30-528, C.R.S., and 44-30-833, C.R.S. *Amended 12/15/16*

### **RULE 4 RIGHTS AND DUTIES OF LICENSEES**

#### **30-414 Player rules.**

A retail licensee must post the following rules on the licensed areas:

- (1) Players ~~and other persons present~~ in the gaming area must be at least 21 years of age;

#### **30-429 PAYMENT OF WINNING WAGERS.**

- (1) A retail licensee shall follow the current IRS standards for all jackpot awards and perform a gaming intercept as required for all jackpot pay outs as outlined in the Internal Control Minimum Procedures Section 1 H.

### **BASIS AND PURPOSE FOR RULE 25**

The purpose of Rule 25 is to establish playing rules for keno and procedures for conducting keno games in compliance with section 44-30-302 (2), C.R.S. The statutory basis for Rule 25 is found in sections 44-30-201, C.R.S., 44-30-203, C.R.S., 44-30-302, C.R.S., and 44-30-818, C.R.S.

**RULE 25        RULES FOR KENO**

**30-2509        Payment of winning wagers.**

~~(4) — The casino licensee shall follow the current IRS standards for keno jackpot awards and perform a gaming intercept as required for all jackpot pay outs as outlined in the Internal Control Minimum Procedures Section 1 H.~~ (30-2509 (4) REPEALED AND READOPTED AS 30-429, WITH AMENDMENTS, PERM. 9/15/22)



## 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.**

- (2) **ADDITIONALLY, A** applicants shall **additionally** submit a set of fingerprints to the Division, **EXCEPT THAT AN APPLICANT WHOSE PRIMARY RESIDENCE IS LOCATED OUTSIDE OF THE UNITED STATES IS NOT REQUIRED TO SATISFY THIS REQUIREMENT UNLESS THE COMMISSION DETERMINES OTHERWISE.** The Division shall forward the fingerprints to the Colorado Bureau of Investigation for the purpose of conducting a state and national fingerprint-based criminal history record check utilizing records of the Colorado Bureau of Investigation and the Federal Bureau of Investigation. The applicant for a sports betting license shall be responsible for the actual costs of submitting such fingerprints for investigation. The total amount of the fee for issuance of a license, investigation fees, and fees for the background check for an applicant for a sports betting license may not exceed one hundred and twenty-five thousand dollars.

#### BASIS AND PURPOSE FOR RULE 7

The purpose of Rule 7 is to establish a Sports Betting Operations Fee to defray the cost of regulating the sports betting industry, specify the requirements regarding the certification, assessment and security of sports betting systems and kiosks, direct Sports Betting Operations to establish internal control procedures, including accounting controls, outline reporting requirements and the computation of taxes, establish geofence and sports betting account requirements, and to outline procedures for change control. The statutory basis for Rule 7 is found in sections 44-30-102, C.R.S., 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., 44-30-302, C.R.S., 44-30-503, C.R.S., 44-30-510, C.R.S., 44-30-528, C.R.S., 44-30-833, C.R.S., and part 15 of article 30 of title 44, C.R.S.

#### **RULE 7 REQUIREMENTS OF SPORTS BETTING OPERATIONS** *Effective 4/14/20*

##### **7.5 Internal control procedures.**

Prior to beginning sports betting activity, a Sports Betting Operation must submit for approval internal controls for the following:

- (35) BEGINNING ON JULY 1, 2023, SPORT BETTING OPERATIONS NEED PROCEDURES THAT ENSURE THAT ALL SPORTS BETTING OPERATIONS FOLLOW THE CURRENT IRS STANDARDS BEFORE MAKING SPORTS BETTING PAYMENTS AND PERFORM A GAMING INTERCEPT AS REQUIRED FOR ALL SPORTS BETTING PAYMENTS AS OUTLINED IN THE LIMITED GAMING INTERNAL CONTROL MINIMUM PROCEDURES SECTION 1 H.

The Sports Betting Operation shall stamp or otherwise mark each page of the internal control procedures submitted to the Commission with the word "CONFIDENTIAL" if the material submitted is not subject to disclosure under 44-30-1507, C.R.S., and this Rule 7.