

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

Meeting of December 17, 2020  
Beginning at 9:15 a.m.  
Via Cisco Webex

Division of Gaming  
1707 Cole Blvd., Ste. 350  
Lakewood, CO 80401

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 17, 2020. 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 and confidential report regarding investigative sports betting processes from the Division of Gaming.

**PUBLIC SESSION** (reconvened)

II. Consideration of Licensing Actions

**Limited Gaming Licenses**

*First Licensing of the Manufacturer/Distributor License*  
Ditronics Financial Services, LLC

*Renewal of the Manufacturer/Distributor License*  
Konami Gaming, Inc.  
F&E/Financial Equipment Company, Inc.

*Renewal of the Operator License*  
Konami Gaming, Inc.

*Renewal of the Retail License*  
Kings, Queens, and Jacks, LLC d/b/a Saratoga Casino Black Hawk

**Sports Betting Licenses**

*First Licensing of the Master License*  
Kings, Queens, and Jacks, LLC d/b/a Saratoga Casino Black Hawk

*Temporary licensing for Internet Sports Betting Operator*  
VHL Colorado, LLC d/b/a 888  
Betsson U.S. Corp. d/b/a Betsson

*Temporary licensing for Vendor Major*  
White Hat Gaming Inc.

*First licensing of Vendor Minor*  
iGaming.com America, Inc.  
VAIX Limited  
Blackhawk Network, Inc. d/b/a Main Street Solutions  
Kontempny LTD  
Your Fielder's Choice L.L.C. d/b/a Your Fielder's Choice  
Cobalt Labs, Inc.  
EML Payments USA, LLC  
3312276 Nova Scotia Limited  
Xomi, Inc.  
Bob Menery Productions  
Sports Gambling Guides, LLC

- III. Opportunity for Public to Address the Commission
- IV. Consideration of Division Limited Gaming Financial Statements for October 2020
- V. Consideration of Division Sports Betting Financial Statements for October 2020
- VI. Emergency Rulemaking Rule 3 Regulation 30-313.5 – Licensed Premises Location
- VII. Division of Gaming Sunset Review – Bryan Jameson
- VIII. Presentation from Colorado Gaming Association – Peggi O'Keefe
- IX. Consideration of Organizational Matters
- X. Adjournment

# Public Session



**STATEMENT OF GAMING REVENUES  
GAMING TAXES, AND EXPENDITURES  
(UNAUDITED)  
FOR THE FOUR (4) MONTHS ENDED  
OCTOBER 31, 2020**



**COLORADO**  
Department of Revenue  
Specialized Business Group—Gaming

December 17, 2020

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, 2020 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 KC Becker	Speaker of the House of Representatives
Senator Leroy Garcia	President of the Senate
Senator Chris Holbert	Senate Minority Leader
Representative Patrick Neville	House Minority Leader
Senator Dominick Moreno	Chair, Joint Budget Committee
Ms. Kristen Blessman	Chair, Limited Gaming Control Commission
Mr. Richard Nathan	Vice Chair, Limited Gaming Control Commission
Mr. Timothy Carlson	Limited Gaming Control Commission
Mr. Shawn Coleman	Limited Gaming Control Commission
Mr. Justin Davis	Limited Gaming Control Commission
Ms. Heidi Humphreys	Interim 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	Director of Accounting and Financial Services, 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. Dianne Ray	State Auditor
Ms. Molly Otto	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)**

**TABLE OF CONTENTS**

Comparative Tax Revenues .....	1
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance.....	2
Budget Status .....	3



**COLORADO DIVISION OF GAMING  
TAX REVENUES COMPARISON  
OCTOBER 31, 2020 AND 2019**

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

**The tax rates for period ending June 30, 2021 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, 2021 are the same as they were for year ending June 30, 2020.

**For Periods Beginning July 1, 2019 and 2020 through October 31, 2019 and 2020**

<b>AGP Comparison</b>					
Range	Prior Year AGP	Current Year AGP	Difference	Percent Change	
\$0 - \$2 Million	\$ 10,401,229	\$ 8,605,279	\$ (1,795,950)	(17.27)%	
\$2 - \$5 Million	\$ 32,319,252	\$ 33,954,423	\$ 1,635,171	5.06%	
\$5 - \$10 Million	\$ 76,614,817	\$ 65,613,828	\$ (11,000,989)	(14.36)%	
\$10 - \$13+ Million	\$ 167,927,933	\$ 146,869,760	\$ (21,058,173)	(12.54)%	
Total	\$ 287,263,231	\$ 255,043,290	\$ (32,219,941)	(11.22)%	

<b>Tax Comparison</b>					
Range	Prior Year Tax	Current Year Tax	Difference	Percent Change	
\$0 - \$2 Million	\$ 151,003	\$ 151,513	\$ 510	0.34%	
\$2 - \$5 Million	\$ 1,246,385	\$ 1,139,089	\$ (107,296)	(8.61)%	
\$5 - \$10 Million	\$ 4,428,303	\$ 3,874,145	\$ (554,158)	(12.51)%	
\$10 - \$13+ Million	\$ 23,064,616	\$ 18,852,994	\$ (4,211,622)	(18.26)%	
Total	\$ 28,890,307	\$ 24,017,741	\$ (4,872,566)	(16.87)%	

<b>Open Casinos Comparison</b>			
Range	Prior Year No. of Tax Returns Filed by Casinos	This Year No. of Tax Returns Filed by Casinos	Difference
\$0 - \$2 Million	8	7	(1)
\$2 - \$5 Million	9	11	2
\$5 - \$10 Million	11	10	(1)
\$10 - \$13+ Million	5	5	0
Total	33	33	0



**COLORADO DIVISION OF GAMING  
COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOUR MONTHS ENDED OCTOBER 31, 2020 AND 2019  
(UNAUDITED)**

	FY 2021			FY 2020		
	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS	EXTENDED GAMING FUND	LIMITED GAMING FUND	TOTAL GAMING FUNDS
<b>REVENUES:</b>						
Gaming Taxes	\$ 0	\$ 24,018,038	\$ 24,018,038	\$ 0	\$ 28,890,308	\$ 28,890,308
License and Application Fees	0	178,852	178,852	0	202,201	202,201
Background Investigations	0	40,688	40,688	0	132,406	132,406
Fines	0	84	84	0	2,505	2,505
Interest Income	21,079	156,629	177,708	37,482	430,698	468,180
Other Revenue	0	29	29	0	951	951
<b>TOTAL REVENUES</b>	<b>21,079</b>	<b>24,394,320</b>	<b>24,415,399</b>	<b>37,482</b>	<b>29,659,069</b>	<b>29,696,551</b>
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	2,686,983	2,686,983	0	2,990,326	2,990,326
Annual and Sick Leave Payouts	0	4,964	4,964	0	2,773	2,773
Professional Services	0	29,362	29,362	0	82,414	82,414
Travel	0	1,337	1,337	0	21,285	21,285
Automobiles	0	47,429	47,429	0	47,646	47,646
Printing	0	1,935	1,935	0	8,969	8,969
Police Supplies	0	4,171	4,171	0	7,373	7,373
Computer Services & Name Searches	0	21,474	21,474	0	28,541	28,541
Materials, Supplies, and Services	0	109,906	109,906	0	85,497	85,497
Postage	0	986	986	0	2,087	2,087
Telephone	0	30,038	30,038	0	29,548	29,548
Utilities	0	7,976	7,976	0	8,944	8,944
Other Operating Expenditures	0	33,819	33,819	0	25,629	25,629
Leased Space	0	60,970	60,970	0	109,538	109,538
<b>EXPENDITURES - SUBTOTAL</b>	<b>0</b>	<b>3,041,350</b>	<b>3,041,350</b>	<b>0</b>	<b>3,450,570</b>	<b>3,450,570</b>
<b>STATE AGENCY SERVICES</b>						
Colorado Bureau of Investigation	0	364,377	364,377	0	339,227	339,227
Division of Fire Prevention and Control	0	71,287	71,287	0	39,707	39,707
Colorado State Patrol	0	1,045,346	1,045,346	0	1,137,187	1,137,187
State Auditors	0	10,375	10,375	0	24,375	24,375
Indirect Costs - Department of Revenue	0	369,250	369,250	0	329,557	329,557
Colorado Department of Law	0	82,147	82,147	0	73,314	73,314
OIT Purchased Services	0	254,365	254,365	0	129,336	129,336
<b>TOTAL STATE AGENCY SERVICES</b>	<b>0</b>	<b>2,197,147</b>	<b>2,197,147</b>	<b>0</b>	<b>2,072,703</b>	<b>2,072,703</b>
Non Personal Services Background Exp.	0	813	813	0	25,510	25,510
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>5,239,310</b>	<b>5,239,310</b>	<b>0</b>	<b>5,548,783</b>	<b>5,548,783</b>
<b>Excess of Revenues Over Expenditures</b>	<b>21,079</b>	<b>19,155,010</b>	<b>19,176,089</b>	<b>37,482</b>	<b>24,110,286</b>	<b>24,147,768</b>
FY20 & FY19 Extended Gaming Distr.	(15,310,639)	0	(15,310,639)	(17,931,787)	0	(17,931,787)
<b>FUND BALANCE AT JULY 1, 2020 &amp; 2019</b>	<b>15,310,639</b>	<b>2,765,627</b>	<b>18,076,266</b>	<b>17,931,787</b>	<b>2,629,136</b>	<b>20,560,923</b>
<b>TOTAL FUND BAL. OCTOBER 31, 2020 &amp; 2019</b>	<b>\$ 21,079</b>	<b>\$ 21,920,637</b>	<b>\$ 21,941,716</b>	<b>\$ 37,482</b>	<b>\$ 26,739,422</b>	<b>\$ 26,776,904</b>

**COLORADO DIVISION OF GAMING**  
**STATEMENT OF BUDGET TO ACTUAL**  
**FOUR MONTHS ENDED OCTOBER 31, 2020**  
**(UNAUDITED)**

	BEGINNING BUDGET *	SUPP- 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
<b>REVENUES:</b>							
Gaming Taxes	\$ 96,280,198	\$ 0	\$ 96,280,198	\$ 22,828,098	\$ 24,018,038	\$ (72,262,160)	24.95%
License and Application Fees	672,515	0	672,515	224,172	178,852	(493,663)	26.59%
Background Investigations	238,140	0	238,140	79,380	40,688	(197,452)	17.09%
Fines and Fees	0	0	0	0	84	84	100.00%
Interest Revenue	678,833	0	678,833	226,278	156,629	(522,204)	23.07%
Other Revenue	0	0	0	0	29	29	100.00%
<b>TOTAL REVENUES</b>	<b>97,869,686</b>	<b>0</b>	<b>97,869,686</b>	<b>32,623,229</b> <sup>^^</sup>	<b>24,394,320</b>	<b>(73,475,366)</b>	<b>24.93%</b>
<b>EXPENDITURES:</b>							
Personal Services	8,896,360	0	8,896,360	2,965,453	2,717,560	(6,178,800)	30.55%
Operating Expenditures	557,523	0	557,523	185,841	123,655	(433,868)	22.18%
Workers Compensation	42,373	0	42,373	14,124	14,124	(28,249)	33.33%
Risk Management	14,839	0	14,839	4,946	4,946	(9,893)	33.33%
Licensure Activities	166,279	0	166,279	55,426	28,295	(137,984)	17.02%
Leased Space	408,347	(74,847)	333,500	111,167	60,970	(272,530)	18.28%
Vehicle Lease Payments - Fixed	72,642	0	72,642	26,047	26,047	(46,595)	35.86%
Vehicle Lease Payments - Variable	96,639	0	96,639	32,213	21,382	(75,257)	22.13%
Utilities	23,425	4,000	27,425	9,142	7,976	(19,449)	29.08%
Legal Services	246,440	0	246,440	82,147	82,147	(164,293)	33.33%
CORE Operations	86,618	0	86,618	28,873	28,873	(57,745)	33.33%
Payments to Office of Information Technology	763,094	0	763,094	254,365	254,365	(508,729)	33.33%
IT Division - MIPC Phones	93,823	(17,548)	76,275	25,425	17,897	(58,378)	23.46%
Indirect Costs - Department of Revenue	899,596	208,154	1,107,750	369,250	369,250	(738,500)	33.33%
State Agency Services	4,958,340	0	4,958,340	1,652,780	1,481,010	(3,477,330)	29.87%
Division Expenditures	17,326,338	119,759	17,446,097	5,815,366	5,238,497	(12,207,600)	30.03%
Non Personal Services Background Expenditures	254,308	0	254,308	84,769	813	(253,495)	0.32%
<b>TOTAL EXPENDITURES</b>	<b>17,580,646</b>	<b>119,759</b>	<b>17,700,405</b>	<b>5,900,135</b>	<b>5,239,310</b>	<b>(12,461,095)</b>	<b>29.60%</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 80,289,040</b>	<b>N/A</b>	<b>\$ 80,169,281</b>	<b>\$ 26,723,094</b>	<b>\$ 19,155,010</b>	<b>\$ (61,014,271)</b>	<b>23.89%</b>

\* Represents original information given to the Commission in April and June of 2020.

The percent of the fiscal year elapsed through October 31, 2020 is 33.3%.

\*\* Amount includes Long Bill items and Supplemental Appropriations.

\*\*\* The original tax projection assumed an AGP increase of 11.4%, which was then applied to the existing casinos' graduated tax tiers. The \$22,828,098 is this tax projection through October, which is \$1,189,940 less than the actual taxes collected for the same period.

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



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

**FOR THE FOUR (4) MONTHS ENDED  
OCTOBER 31, 2020**

**COLORADO DIVISION OF GAMING**  
**SPORTS BETTING COMBINED STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOUR MONTHS ENDED OCTOBER 31, 2020 AND 2019**  
**(UNAUDITED)**

	FY 2021			FY 2020		
	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	\$ 1,307,658	\$ 1,307,658	\$ 0	\$ 0	\$ 0
License and Application Fees	0	60,301	60,301	0	0	0
Sports Betting Operations Fees	0	1,618,700	1,618,700	0	0	0
Background Investigations	0	56,271	56,271	0	0	0
Interest Income	0	13,720	13,720	0	0	0
TOTAL REVENUES	0	3,056,650	3,056,650	0	0	0
<b>EXPENDITURES:</b>						
Salaries and Benefits	0	376,615	376,615	0	0	0
Printing	0	610	610	0	0	0
Computer Services & Name Searches	0	7,040	7,040	0	0	0
Materials, Supplies, and Services	0	472	472	0	0	0
Postage	0	181	181	0	0	0
Telephone	0	822	822	0	0	0
Other Operating Expenditures	0	6,683	6,683	0	0	0
EXPENDITURES - SUBTOTAL	0	392,423	392,423	0	0	0
<b>STATE AGENCY SERVICES</b>						
State Auditors	0	14,000	14,000	0	0	0
Indirect Costs - Department of Revenue	0	42,429	42,429	0	0	0
Colorado Department of Law	0	47,463	47,463	0	0	0
OIT Purchased Services	0	49,357	49,357	0	0	0
TOTAL STATE AGENCY SERVICES	0	153,249	153,249	0	0	0
Non Personal Services Background Exp.	0	1,967	1,967	0	0	0
TOTAL EXPENDITURES	0	547,639	547,639	0	0	0
<b>Excess of Revenues Over Expenditures</b>	0	2,509,011	2,509,011	0	0	0
<b>FUND BALANCE AT JULY 1, 2020 &amp; 2019</b>	0	1,414,500	1,414,500	0	0	0
<b>TOTAL FUND BAL. OCTOBER 31, 2020 &amp; 2019</b>	\$ 0	\$ 3,923,511	\$ 3,923,511	\$ 0	\$ 0	\$ 0

## **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**

### **30-313.5            Licensed premises – location.**

Notwithstanding Regulation 30-313, for the period December 26, 2020 through April 25, 2021, the following shall apply:

On each floor of the building in which limited gaming will take place, the licensed premises may consist of more than two non-contiguous areas as approved by the Director. Nothing in this section, however, shall be construed to permit violation of any fire safety, health or building codes by any licensee. The licensed premises must be clearly marked as such so that the patrons of each retail gaming establishment can readily discern the licensed premises. The total square footage comprising the licensed premises shall not exceed 35 percent of the total square footage of the building and shall not exceed 50 percent of the square footage of any one floor.