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BASIS AND PURPOSE FOR RULE 2

The purpose of Rule 2 is to delegate certain authority to the Director or other Division agent; provide for the review of any action taken pursuant to such authority; provide for the reference by the Director of matters delegated to the Director back to the Commission; and to establish procedures for Commission actions and hearings. Rule 2 also empowers the Commission to contract for legal counsel, and directs the Licensee to obtain moneys owed to a deceased patron and properly distribute such moneys. The statutory basis for Rule 2 is found in sections 44-30-201, C.R.S., 44-30-203, C.R.S., 44-30-301, C.R.S., 44-30-302, C.R.S., 44-30-501, C.R.S., 44-30-502, C.R.S., 44-30-507, C.R.S., 44-30-1103, C.R.S., and 24-4-105, C.R.S. *Amended 1/14/15*

RULE 2 POWERS AND DUTIES OF COMMISSION AND DIRECTOR *Amended 1/14/15*

30-201 Commission action.

In addition to meeting in person, the Commission may take action by telephone or video conferencing. If telephone or video conferencing is used, the Director must participate in the meeting and take minutes of the Commission's action. Telephone or video conferencing is a meeting of the Commission. *Amended 1/14/15*

30-202 Recessed meetings.

Any meeting of the Commission may be recessed to consider matters duly noticed as items on the agenda of that meeting, to such time and place as the Commission may designate. Notice of a recessed meeting to consider matters duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by statute. *Amended 8/14/19*

30-203 Appointment of committees.

The Chairperson of the Commission may at the Chairperson's discretion appoint committees to study and report to the Division or the Commission on any matter appropriate to the Commission's administration of the Colorado Limited Gaming Act or these rules.

30-204 Right of review.

The Commission may review any action taken by the Director by its own motion, by direction of the Chairperson, or by a request from a member of the Commission, the Attorney General, the Executive Director or the Governor.

30-205 Right of reference.

The Director, with approval of the Commission, may refer any matters delegated to the Director back to the Commission for its decision.

30-206 Delegation.

Unless the Commission determines otherwise, the Director may delegate an act required to be performed by the Director to any agent or employee of the Division.

30-207 Authority of Director.

- (1) The Director may issue key employee and support licenses, without necessity for Commission approval, to qualified applicants upon submission to the Director of proper applications, costs, and fees. (30-207 temp. 1/29/92. perm. 4/30/92, amended 03/30/00)
- (2) The Director may issue temporary key employee and support licenses to qualified applicants upon the same terms and conditions as temporary licenses are issued by the Commission to applicants for other types of licenses.
- (3) The Director may deny key employee license applications for any reason that a support license application may be denied.
- (4) The director may approve the suitability of officers and directors of a licensee, without necessity for commission approval, provided such officers or directors have less than five percent ownership equity in the licensee.
- (5) The director may deny the suitability of officers and directors of a licensee or applicant for any reason that a key license application may be denied.
- (6) The director may approve ownership changes in a licensee, without necessity for commission approval, when:
 - (a) The proposed change only reallocates ownership shares among persons whom the commission has previously approved as owners; and
 - (b) When no person will attain a total effective ownership equity of five percent or greater, when such person previously held less than five percent equity.
- (7) All such ownership changes approved by the Director must be reported to the Commission at the time of the next renewal application of the licensee. *Rev 11/30/2012*
- (8) The Director may authorize a retail gaming license applicant to own, possess, or own and possess slot machines in this state before obtaining a retail gaming license. In order for a retail applicant to own, possess, or own and possess slot machines before licensure, the following conditions must be met: *Effective 1/14/15*
 - (a) The retail gaming license applicant will submit a request to own, possess, or own and possess slot machines to the Director; and *Effective 1/14/15*
 - (b) The Director determines if significant progress has been made in the background investigation, and is satisfied that the investigation of the applicant conducted thus far, and the application in its entirety, indicate that the applicant and its gaming business: meet all the requirements of article 30 of title 44, C.R.S.; do not present any danger to the public or to the reputation of limited gaming in this state; and that further investigation most likely will not uncover any derogatory information about the applicant; and *Effective 1/14/15*
 - (c) All other requirements to possess slot machines have been met. *Effective 1/14/15*

30-208 Petition for hearing in an adjudicatory proceeding.

A person aggrieved by an action of the Commission or the Director that was taken without a hearing may, within 30 days following the date of the action, petition the Commission for a hearing. The Commission may in its discretion, disallow the petition, determine that it be treated as one for a declaratory order, or it

may grant a hearing to consider the matters alleged in the petition. If a hearing is granted, the Commission may direct the petitioner to provide certain information to the Division prior to the hearing or grant the hearing conditioned upon the fulfillment by the petitioner of other reasonable terms and conditions. The hearing must be held at a time and place convenient for the Commission and the petitioner. The hearing shall be considered an adjudicatory proceeding. The Commission shall issue all decisions in any adjudicatory proceeding in writing. Commission actions shall be deemed final in such cases upon the mailing of the decision by first class mail to the petitioner's address listed in the petition.

Amended 8/14/19

30-209 Summoning of licensee.

The Commission may summon any licensee or licensee's agents or employees to appear to testify before it or its agents with regard to the conduct of the licensee or the agents or employees of the licensee. The testimony may be under oath and may embrace any matters which the Commission or its agents consider relevant to the discharge of its official duties. Testimony so taken may be used by the Commission as evidence in any proceeding or matter then before it or which may later come before it. Failure to appear and testify fully at the time and place designated, unless excused, may constitute grounds for disciplinary action against a license held by the person summoned, that person's principal or that person's employer.

30-210 Enforcement powers.

In addition to other powers and duties, the Director or an employee or agent of the Division by direction of the Director may perform the following activities:

- (1) Without notice, inspect and examine premises where gaming is conducted or gaming devices or equipment are located, sold, distributed, or stored; *Amended 8/14/19*
- (2) Without notice or hearing, examine, inspect, seize or remove from the premises and impound any gaming devices, equipment or supplies for the purposes of examination and inspection;
- (3) At any time when business is being conducted, inspect, examine and photocopy, or remove and impound all records of applicants and licensees; *Amended 1/14/15*
- (4) Investigate the conduct of all licensees, their employees, and other persons having any involvement with a licensee or licensed establishment, to assist in the enforcement of article 30 of title 44, C.R.S., and to ensure that there is no involvement in or with a licensee or a licensed establishment by unqualified or unsuitable persons.

30-211 Filing or notice

If a filing or notice to the Commission or Director is permitted or required by these rules, the filing or notice may be delivered in person or mailed to the Division at 1707 Cole Blvd., Suite 300, Lakewood, Colorado 80401. A filing or notice is complete on the date it is received by the Division. Notification to the Division shall be deemed notification to the Commission for purposes of these rules. *Rev 11/30/2012, amended 8/14/21*

30-212 Attorney for Commission.

The Commission shall contract for legal counsel with the Colorado Attorney General.

30-213 Procedure for issuance, renewal, denial, revocation, suspension, limitation, and modification of license.

(Deleted effective 8/30/98)

30-214 Death of a gaming patron.

All coins, chips, tokens, gaming coupons, or tickets in the possession of a gaming patron who dies before such coins, chips, tokens, gaming coupons, or tickets are surrendered by such patron, shall be paid by the licensee by check drawn upon a financial institution, chartered by the State of Colorado or any other state or the United States Government, to the estate of the deceased patron unless the licensee is directed otherwise pursuant to an appropriate judicial order. *Rev 11/30/2012, Amended 1/14/15*

30-215 Responsible gaming grant program. *Effective 2/14/23*

(1) Responsible gaming grant program creation.

The Commission shall operate a program to administer grants from the responsible gaming grant program cash fund. The Commission in collaboration with the behavioral health administration, shall administer the grant program, and shall award grants. The program shall provide grants for supporting efforts that impact, improve and support responsible gaming and problem gambling programs and the issues that come with increased gaming and gaming options. The responsible gaming grant program is meant to provide meaningful funding and encourage prevention, education on gambling addiction, additional gambling addiction counselors, public awareness, treatment, recovery, data and research. Additionally, the Commission shall ensure that the grantees use the money for which the money was awarded and report to the Commission the results of whether the objectives of the grant were achieved. the terms of gaming and Gambling are synonymous for the purposes of this Rule.

- (a) In addition to any monies appropriated by the general assembly, any additional funds, grants, gifts and donations received by the Commission shall be transferred to the state treasurer and credited to the fund.
- (b) The Commission may expend money from the fund to pay direct and indirect administrative expenses incurred by the Commission in administering the grant program. The Commission may not expend more than 5% of the total amount of grant money awarded by the Commission in that state fiscal year.
- (c) Each year at the beginning of the grant application process, the Commission shall receive a report from the Division on available funds for that year's grant process.
- (d) To be eligible for the initial grant process, the applicant must have their application in on or before December 1, 2022. Application deadlines for subsequent grant distributions, provided that grant money is available, shall be received by December 1st of that grant year.
- (e) Grant applications shall be reviewed by the Division and presented to the Commission for its consideration no later than March 1st of the upcoming calendar year. If for any reason, after releasing initial grant funding, the Commission has funds available in the fund. the Commission may, at their sole discretion, decide to take applications for additional grant funding. If the Commission elects to take additional applications it shall also set the time frame for applications and distribution.

(2) Responsible gaming grant application.

Eligible applicants for responsible gaming grants must file an approved application by the date set by the Commission. All applications must be received by the Division of gaming on or before the date set by the Commission. Applications will be reviewed by the Division for completeness, content and eligibility. Applications must include the following information:

- (a) Information as required on the application on the person, persons, nonprofit or governmental entity making application;

- (b) The amount of grant money requested by the eligible applicant;
 - (c) How the eligible applicant will spend the grant money to address problem gambling or increase awareness of responsible gaming;
 - (d) The timeline for spending any awarded grant money, and the programs expected milestones during that timeline;
 - (e) Information concerning any current or past projects in which the eligible applicant has participated that addressed responsible gambling or problem gaming;
 - (f) Acknowledge that the grant applicant or if the applicant is a nonprofit, that the applicant and any board members are not fundamentally opposed to gaming; and
 - (g) Acknowledge that the grant applicant or if the applicant is a nonprofit, that the applicant and/or a majority of board members are not affiliated with a person licensed under article 44-30;
 - (h) Grant applications shall be reviewed by the Division and presented to the Commission no later than March 1st of the upcoming calendar year. If for any reason, after releasing initial grant funding, the Commission has funds available in the fund. the Commission may, at their sole discretion, decide to take applications for additional grant funding. If the Commission elects to take additional applications it shall also set the time frame for applications and distribution.
- (3) Reviewing responsible gaming grant applications and criteria for awarding grants.

When awarding grants, the Commission shall employ a process for collaboration with the behavioral health administration. In consideration of awarding grants, the Commission shall consider the following criteria:

- (a) The current needs of the state relating to responsible or problem gambling;
- (b) The overall impact that the proposed grant may have on responsible gaming or problem gambling;
- (c) The amount of money in the fund;
- (d) Whether the eligible applicant intends to use grant money for any of the following purposes:
 - (i) Prevention or education services concerning gambling addiction;
 - (ii) Certification of gambling addiction counselors;
 - (iii) Public awareness of services concerning gambling addiction;
 - (iv) Treatment of gambling addiction disorders;
 - (v) Recovery services;
 - (vi) Data reporting and data systems;
 - (vii) For a portion of the costs associated with the national problem gambling helpline, website, chat or text for service;

- (vii) Research for problem gambling or gambling addiction; and
- (viii) Costs associated with research for problem gaming or gambling addiction.
- (e) When considering the current needs of the state related to responsible gaming and/or problem gambling, the Commission may establish additional purposes for awarding grants;
- (4) Duties and responsibilities of the grantee.

The following are the duties and responsibilities of the grantee during the calendar year grant money was awarded:

- (a) Grantees shall use grant money only for the purpose for which the grant money was awarded;
- (b) On or before September 1, 2023, and on or before September 1 each year thereafter, each grantee shall submit a report to the Commission. At a minimum, the report must include the following information:
 - (i) An indication of whether the grantee achieved or is making significant progress in achieving the objectives the grantee described in its application or a grant;
 - (ii) Evaluation of the results of the grantee's grant-funded project;
 - (iii) A description of the impact of the grantees use of grant money on the community with regards to responsible gaming or problem gambling;
 - (iv) Total amount of the grant money received and the total amount of grant money expended by the grantee; and
 - (v) Any additional reporting requirements required by the Commission when the grant was awarded;
- (c) Prior to any grant money being dispersed, once the Commission has made it's grant decisions, grantees must cooperate to finalize all needed state purchasing contract paperwork.
- (5) Reporting responsibilities of the Commission and Division.

The following are the reporting responsibilities of the Commission and Division:

- (a) On or before December 1, 2023 and on or before December 1 each year thereafter the Commission shall create and submit a summarized report in accordance with C.R.S. 44-30-1702(7)(b). a minimum report must include the following information:
 - (i) Total number of grants, and the total amount of grant money, awarded by the Commission in the preceding state fiscal year;
 - (ii) The identity of each grantee and the total amount of grant money awarded to each grantee in the preceding state fiscal year;
 - (iii) The information reported by each grantee pursuant to 30-215 (4); and

- (iv) Financial statements concerning the status of, and activities concerning, the responsible gaming grant fund.

(Reg. 30-215 amended temp. effective 10/27/22, perm. Effective 2/14/23)