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## **DEPARTMENT OF REVENUE**

### **Division of Gaming**

## **SPORTS BETTING REGULATIONS**

### **1 CCR 207-2**

#### **BASIS AND PURPOSE FOR RULE 1**

The purpose of Rule 1 is to provide definitions of various terms used throughout the sports betting Rules of the Colorado Limited Gaming Control Commission so that the Rules can be uniformly applied and understood. The definitions in 44-30-103, C.R.S. and 44-30-1501 C.R.S. shall also apply throughout this document. The statutory basis for Rule 1 is found in sections 44-30-102, C.R.S., 44-30-104, C.R.S., 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., and 44-30-302, C.R.S.

#### **RULE 1      GENERAL RULES AND REGULATIONS** *Effective 4/14/20*

##### **1.1      Applicable Laws, Rules, and Regulations.**

- (1) In order to ensure that sports betting is seamlessly integrated into the regulatory system established for limited gaming under article 30, title 44, and except as otherwise provided in subsection (2), the applicable Gaming Rules and Regulations, located at 1 CCR 207-1, shall apply, unless such application conflicts with any other provision of these Sports Betting Rules and Regulations or the context otherwise requires. Where the Gaming Rules and Regulations are inconsistent with these Sports Betting Rules and Regulations, the Sports Betting Rules and Regulations must be followed. The application of relevant Gaming Rules and Regulations shall not be construed as to conflict with any other provision of these Sports Betting Rules, article 30, title 44 or any other applicable statute.
- (2) Notwithstanding subsection (1) of this Rule 1.1, the following Gaming Rules and Regulations shall not apply to the Sports Betting Rules and Regulations: 1 CCR 207-1, Rules 8-11; 14; 17; and 21-24.
- (3) Nothing in these rules shall be interpreted to be inconsistent with currently enacted and applicable Colorado state and federal law.

##### **1.2      Authorized sports event.**

- (1) Sports betting permitted pursuant to article 30 of title 44, C.R.S., shall include only the following: Any individual or team sport or athletic event in which the outcome is not determined solely by chance, whether amateur or professional, including an Olympic or international sport or athletic event and any collegiate sports event.
- (2) Any portion of an authorized sport or athletic event, including the individual performance statistics of athletes in a sports event or combination of sports events.
- (3) An authorized sanctioned motor sport; and
- (4) Any other sports event or combination of sports events as authorized by the Commission by Rule.

### 1.3 Unauthorized sports betting.

- (1) No licensee shall conduct or permit on its premises or through any online or electronic means any sports betting, except sports betting which is conducted according to all the Rules and Regulations promulgated by the Commission, or the laws and regulations governing other betting activities which are licensed or approved by an agency of the State of Colorado.
- (2) No person shall make any unauthorized wager or conduct any sports betting activity on its premises or through any online or electronic means unless in accordance with the act, the Rules and Regulations promulgated by the Commission, or the laws and regulations governing other betting activities which are licensed or approved by an agency of the State of Colorado.
- (3) No licensee shall conduct or permit on its premises or through any online or electronic means any sports betting on a high school sports event, a video game that is not sanctioned by a sports governing body or equivalent as an electronic competition, or proposition bets on collegiate sports events; and
- (4) No sports bet shall be accepted from a person under the age of twenty-one years, that does not originate in the State of Colorado, and that does not conform to the laws or Regulations.

### 1.4 Definitions. *Revised and renumbered 6/14/24*

- (1) "ACH" means Automated Clearing House, which is a network that connects all banking and financial institutions within the United States.
- (2) "Additional Fee" means any fee, including but not limited to monthly fees or sign-up costs, that a Sports Betting Operator or an Internet Sports Betting Operator charges to a patron that allows the patron to place, buy or sell wagers with the Sports Betting Operator or Internet Sports Betting Operator in the State of Colorado. Additional Fees are prohibited.
- (3) "Affiliate" means an individual or entity that promotes sport betting websites in exchange for a Commission or fee.
- (4) "Age and identity verification" means a method, system, or device used by a Sports Betting Operation to verify the validity of a patron's age and the patron's identity.
- (5) "Authentication process" means a method used by a Sports Betting Operation to verify the validity of software.
- (6) "Back" means to wager on a selected outcome occurring (betting that an outcome will occur) in a given market.
- (7) "Canceled wager" means a wager that has been canceled by the Sports Betting Operation due to any issue with an event that prevents its completion.
- (8) "Card" is the list of Sports Events from which a patron can make selections for a given Pool.  
*Effective 12/15/20*
- (9) "Corrective wager" means an exchange wager placed by the Internet Sports Betting Operator or Sports Betting Operator in the market offered by that operator, under circumstances approved by the Director, in order to address the impact on that market of the cancellation or voiding of a given matched wager or given part of a matched wager.
- (10) "Entity wagering" means an entity or person, other than an individual acting in their personal name within the State of Colorado, that has funds on deposit with an Internet Sports Betting Operator or Sports Betting Operator by placing wagers, and buying and selling wagers on the

Exchange. Entity wagering is prohibited. The activity of Market Makers that complies with Rule 7.13(7) does not constitute entity wagering.

- (11) "Event number" means a set of alpha and/or numeric characters that corresponds to a sports event or an event ancillary to a sports event.
- (12) "Exchange" means a system operated by the Internet Sports Betting Operator or Sports Betting Operator in which the Internet Sports Betting Operator or Sports Betting Operator accepts, matches, and/or cancels wagers to back or lay outcomes on a sporting event approved on the Colorado Division of Gaming Official Sports Betting Catalog of Events and Wagers, or Official Catalog of Fixed Odds Wagering, as permitted under Rule 5.4.
- (13) "Exchange bets" is a reporting term used to derive net sports betting proceeds, and shall be calculated as the cumulative risk taken by patrons on a market on each gaming day
- (14) "Exchange bets paid" is a reporting term used to derive net sports betting proceeds, and shall be calculated as the cumulative amount paid out to patrons on a market on each gaming day. Exchange bets paid shall not include any commission collected by the Internet Sports Betting Operator or Sports Betting Operator approved to conduct exchange wagering.
- (15) "Exchange wagers" means wagers placed in an exchange wagering system by those present in this state on the results of a sporting event approved on the Colorado Division of Gaming Official Sports Betting Catalog of Events and Wagers, or Official Catalog of Fixed Odds Wagering, as permitted under Rule 5.4.
- (16) "Exchange wagering" means the form of wagering, authorized by this section 7.13, in which patrons place wagers that can be matched by an exchange wagering system to become back or lay wagers, and which wagering is conducted by the Internet Sports Betting Operator or Sports Betting Operator approved to conduct exchange wagering.
- (17) "Exchange wagering system" means a component of the sports betting system through which exchange wagers are processed.
- (18) "Free bet" means a bet made by patrons using non-cashable vouchers, coupons, electronic credits or electronic promotions provided by Sports Betting Operations.
- (19) "Independent Integrity Monitoring Provider" means an independent individual or entity approved by the Director or Director's designee to receive reports of unusual betting activity from a Sports Betting Operation for the purpose of assisting in identifying suspicious betting activity.
- (20) "Internet Sports Betting Operator" means a person contracted by a Master License that is licensed to operate an internet Sports Betting Operation in which customers place bets within the State of Colorado on authorized sports events through a customer's personal computer, mobile or interactive device and accepted through an online gaming system approved by the Division. An Internet Sports Betting Operator may provide only one individually branded website, which may have an accompanying mobile application that must bear the same unique brand as the website for an internet Sports Betting Operation.
- (21) "Lay" means to wager on a selected outcome not occurring (betting the outcome will not occur) in a given market.
- (22) "Market Maker" means an entity or individual other than an individual acting in their personal name, who participates in revenue sharing, and provides odds and/or liquidity, to an Internet Sports Betting Operator or Sports Betting Operator that is operating an Exchange.

- (23) “Master License” means a person, that holds a retail gaming license as described in section 44-30-501 (1)(c), issued a sports betting license by the Commission pursuant to section 44-30-1505 (1)(a), that authorizes the licensee to either conduct sports betting and internet sports betting itself or contract with a Sports Betting Operator, an internet Sports Betting Operator, or both, to conduct sports betting.
- (24) “Net sports betting proceeds” means the total amount of all bets placed by players in a Sports Betting Operation or internet Sports Betting Operation, excluding free bets, less all payments to players and less all excise taxes paid pursuant to federal law. Payments to players include all payments of cash premiums, merchandise, or any other thing of value.
- (25) “Online Sports Betting Operation” means a Sports Betting Operation in which wagers on sports events are made through personal computers, or mobile or interactive devices, and accepted through an online gaming system approved by the Division.
- (26) “Pool” means a betting or promotional offering where patrons may make selections of outcomes on a set number of Sports Events on a Card in order to enter for a chance to win all or a portion of the Prize Pool.
- (27) “Prize pool” means the prizing available for an individual pool.
- (28) “Prohibited sports betting participant” means any person who is prohibited pursuant to 44-30-1506, C.R.S., any individual whose participation may undermine the integrity of the betting or the sports event, or any person who is prohibited for other good cause, including, but not limited to: any individual placing a wager as an agent or proxy; any person who is an athlete, coach, referee, player, in, or on, any sports event overseen by that person's sports governing body based on publicly available information; a person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting contest, including, but not limited to, coaches, managers, handlers, or athletic trainers; a person with access to certain types of exclusive information on any sports event overseen by that person's sports governing body based on publicly available information, or a person identified by any lists provided by the sports governing body to the Division.
- (29) “Proposition (Prop) bet” means a bet specifically naming an individual participant, or if a team sport, a specific position on a team, thus constituting a bet upon the actions of that individual or position, regarding the occurrence or non-occurrence of a certain outcome during an event that does not directly reflect the event’s final outcome. Amended temp. 4/30/20, Amended perm. 8/14/20
- (30) “Rake” means the fee that is deducted by a Sports Betting Operation from entry fees paid by patrons who participate in a Pool.
- (31) “Rake Adjustment” means an adjustment made by the Sports Betting Operation to account for any shortfall in connection with a Pool.
- (32) “Self-service betting device (kiosk)” means an automated device used by patrons to make wagers on sporting events; the kiosk may also be used to obtain betting information, process sports betting vouchers and betting tickets, and any other automated functions approved by the Commission. All self-service betting devices must be located in an approved designated sports betting wagering area.
- (33) “Shared Liquidity Pool” means a betting or promotional offering in Colorado and at least one other jurisdiction where patrons may make selections of outcomes on a set number of Sports Events on a Card in order to enter for a chance to win all or a portion of the Prize Pool.

- (34) "Sport Betting Operator" means a person that is licensed to operate a Sports Betting Operation in which customers place bets in person at a designated physical location. A Sports Betting Operator may take authorized sports bets within the designated sports betting wagering area during such times as the Master license that they have contracted with operates.
- (35) "Sports Betting Operation" means a licensed wagering operation in which bets are placed on sports events through any system or method of betting, including single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game betting, in-play bets, proposition bets other than those relating to collegiate sports events, or straight bets.
- (36) "Sports betting system" means all equipment and software used in conjunction with the Sports Betting Operation, including but not limited to, the following: (1) sports betting interactive components, including all hardware, software and associated equipment that comprise the sports betting platform for the purpose of authorizing sports betting and online and mobile sports betting, (2) self-service sports betting devices, (3) ticket/voucher redemption devices, and (4) any other device, service or system that the Commission determines to be related to the Sports Betting Operation.
- (37) "Sports betting wagering area" means an area(s), as designated by a licensee and approved by the Division, in which sports betting is conducted by a master license or Sports Betting Operator.
- (38) "Sports event" means any individual or team sport, athletic contest, or athletic event not prohibited by the Director, including all professional electronic sports and competitive video game events that are not sponsored by high schools, and do not include high school teams, and do not include a majority of participants that are under the age of 18 years.
- (39) "Sports governing body" means an organization that performs a regulatory or sanctioning function over the conduct of a sports event.
- (40) "Sports bet" means the business of accepting approved bets by a licensee on any sports event by any approved system or method of betting.
- (41) "Sports betting manager" means a key employee of a Master licensee or a qualified employee of a Sports Betting Operator or Internet Sports Betting Operator, responsible for the operations of sports betting and final approval of all odds established on any wager made pursuant to this chapter.
- (42) "Sports betting system" means all equipment and software used in conjunction with the operation of a Sports Betting Operation.
- (43) "Sports betting ticket" means a printed record issued or an electronic record maintained by the sports betting system that evidences a sports wager.
- (44) "Sports betting voucher" means a printed record issued by a sports betting system that may be used to fund a sports wager.
- (45) "Suspicious betting activity" means unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.
- (46) "Unusual betting activity" means abnormal betting activity exhibited by patrons and deemed by the Sports Betting Operation as a potential indicator of suspicious activity. Abnormal betting activity may include the size of a patron's wager or increased betting volume on a particular event or wager type.

- (47) "Voided wager" means a wager voided by a Sports Betting Operation with supervisor approval, pursuant to the Sports Betting Operation's internal controls for betting a specific event.