

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0299.01 Sarah Lozano x3858

SENATE BILL 26-131

SENATE SPONSORSHIP

Ball and Pelton B.,

HOUSE SPONSORSHIP

Woodrow and Woog,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING PROTECTIONS AGAINST ABUSIVE PRACTICES IN SPORTS**
102 **BETTING.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates certain requirements and prohibitions related to sports betting.

Section 2 of the bill adds definitions to the statutes regulating sports betting.

Section 3 prohibits a person licensed by the Colorado limited gaming control commission (commission) to operate an internet sports

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

betting operation (internet sports betting operator) from:

- Accepting more than 5 separate deposits from an individual in a 24-hour period;
- Limiting the size and frequency of deposits or bets because an individual obtains a financial benefit as a result of placing the bet or due to the individual's betting activities, unless the betting activities constitute a suspicious betting activity or are indicative of a gambling disorder; or
- Initiating or sending mobile device push notifications or text messages to account holders in the state soliciting bets or deposits.

Section 4 prohibits a person from:

- Including enhanced payout promotions or information on how to place a sports bet in an advertisement or promotion for a sports betting operation; or
- Broadcasting an advertisement or promotion for a sports betting operation from 8 a.m. to 10 p.m. or during a live broadcast of an athletic competition.

Section 4 also requires:

- A sports betting operator or internet sports betting operator to comply with certain requirements in contracting with and compensating a third party for marketing and advertising services; and
- An internet sports betting operator to provide to the division of gaming in the department of revenue data and metrics related to the operator's sports betting operation for the preceding calendar year. The division must comply with certain confidentiality requirements and compile the data into a public report every 3 years starting on January 1, 2029.

Section 5 prohibits an internet sports betting operator from offering or accepting a proposition bet or directly or indirectly accepting deposits using a credit card in connection with the acceptance of a sports bet (prohibitions). A violation of a prohibition constitutes a class 2 misdemeanor.

Section 6 allows the commission to assess a maximum penalty of \$25,000 against a violator of a prohibition.

Section 7 requires that the amount of money annually transferred from the sports betting fund to the water plan implementation cash fund is no less than the amount transferred to the water plan implementation cash fund in the previous state fiscal year, to the extent the unexpended and unencumbered money in the sports betting fund permits.

1 **SECTION 1. Legislative declaration.** (1) The general assembly
2 finds that:

3 (a) Participation in online sports betting has grown rapidly in
4 Colorado since its legalization in 2019. Over \$6.3 billion in online sports
5 bets were wagered in Colorado in 2025, which is an increase of over
6 130% from 2020.

7 (b) The growth has been especially pronounced among young
8 people, particularly men. More than half of 18- to 22-year-olds have
9 engaged in some form of sports betting, and surveys of high school
10 students report that between 60% and 80% have gambled for money
11 within the previous 12 months.

12 (c) Many people are capable of betting on sports responsibly, but
13 many are not. In Colorado, calls and texts to the problem-gambling
14 helpline increased by about 45% in the year after legalization of online
15 sports betting.

16 (d) Nationally, over 6 million adults struggle with a gaming
17 addiction, and the prevalence among high school students is roughly
18 double that of adults;

19 (e) Sports betting is associated with reduced household savings
20 and credit scores and more than a 25% increased risk of bankruptcies,
21 overdrafts, and loan delinquencies; and

22 (f) Women with a partner who has a gambling problem are 10
23 times more likely to have experienced intimate partner violence.

24 (2) The general assembly further finds that:

25 (a) Children and adolescents are frequently exposed to sports
26 betting advertising and are influenced by its messages;

27 (b) Advertising has a significant impact on children. "Risk-free"

1 and similar low- or no-risk claims are strongly associated with problem
2 gaming, and exposed youth often believe such claims, view sports betting
3 as normal behavior, and can accurately describe how to place sports bets.

4 (c) Children are more likely to watch television during daytime
5 hours, and sporting events draw a large mixed-age audience. Advertising
6 during daytime and live sporting events is therefore difficult to avoid for
7 sports fans, including minors and adults at an elevated risk.

8 (3) The general assembly further finds that sufficient funding for
9 the water plan implementation cash fund is a legislative priority and that
10 House Bill 25-1311, enacted in 2025, significantly increased the revenue
11 available for that purpose in 2025.

12 (4) The general assembly therefore determines that:

13 (a) Colorado has a substantial interest in regulating sports betting
14 to minimize harm to at-risk adults, children, and the broader community;
15 and

16 (b) Prohibiting deceptive low- or no-risk claims and setting
17 reasonable limits on when and where sports betting ads may appear are
18 necessary and targeted measures to protect children and reduce
19 gambling-related harm.

20 **SECTION 2.** In Colorado Revised Statutes, 44-30-1501, **add**
21 (3.5), (8.7), (14), and (15) as follows:

22 **44-30-1501. Definitions - rules.**

23 Definitions applicable to this part 15 also appear in section
24 44-30-103 and article 1 of this title 44. As used in this part 15, unless the
25 context otherwise requires:

26 (3.5) "GAMBLING DISORDER" MEANS AN ADDICTIVE DISORDER, AS
27 DEFINED BY THE MOST RECENT VERSION OF THE DIAGNOSTIC AND

1 STATISTICAL MANUAL OF MENTAL DISORDERS PUBLISHED BY THE
2 AMERICAN PSYCHIATRIC ASSOCIATION, CHARACTERIZED BY REPEATED
3 PROBLEMATIC GAMBLING BEHAVIOR THAT CAUSES SIGNIFICANT PROBLEMS
4 OR DISTRESS.

5 ==
6 (8.7) "PUSH NOTIFICATION" MEANS AN AUTOMATIC ELECTRONIC
7 MESSAGE DISPLAYED ON AN ACCOUNT HOLDER'S MOBILE DEVICE WHEN
8 THE USER INTERFACE FOR AN INTERNET SPORTS BETTING OPERATION IS
9 NOT ACTIVELY OPEN OR VISIBLE ON THE MOBILE DEVICE.

10 (14) "SUSPICIOUS BETTING ACTIVITY" MEANS AN UNUSUAL
11 BETTING ACTIVITY THAT IS INDICATIVE OF MATCH FIXING, THE
12 MANIPULATION OF AN EVENT, THE MISUSE OF INSIDE INFORMATION, OR
13 OTHER ACTIVITY PROHIBITED BY THIS PART 15.

14 (15) "UNUSUAL BETTING ACTIVITY" MEANS AN ABNORMAL
15 BETTING ACTIVITY EXHIBITED BY A PATRON AND DEEMED BY A SPORTS
16 BETTING OPERATION AS A POTENTIAL INDICATOR OF SUSPICIOUS BETTING
17 ACTIVITY, WHICH ABNORMAL BETTING ACTIVITY MAY INCLUDE THE SIZE
18 OF THE PATRON'S WAGER OR INCREASED BETTING VOLUME ON A
19 PARTICULAR EVENT OR WAGER TYPE.

20 **SECTION 3.** In Colorado Revised Statutes, 44-30-1506, **amend**
21 (7) and (8) as follows:

22 **44-30-1506. Operations - eligibility to place bets -**
23 **record-keeping - information sharing - internet sports betting**
24 **operator requirements.**

25 (7) EXCEPT AS SET FORTH IN SUBSECTION (8)(b) OF THIS SECTION,
26 each sports betting operator may set ~~such~~ bet limits as it sees fit, in its
27 sole discretion, and may make those limits specific to a form or class of

1 sports betting, a specific sports event, or ~~a person~~ AN INDIVIDUAL placing
2 a bet, based on individual or aggregate data concerning bets to be placed
3 or that have been placed historically by that individual or on that form or
4 class of sports betting or on that sports event.

5 (8) (a) (I) An internet sports betting operator shall accept bets only
6 from ~~persons~~ INDIVIDUALS physically located within the state of
7 Colorado. An internet sports betting operator may establish and fund
8 sports wagering accounts electronically through commission-approved
9 mobile applications and digital platforms.

10 (II) AN INTERNET SPORTS BETTING OPERATOR SHALL NOT ACCEPT
11 MORE THAN FIVE SEPARATE DEPOSITS FROM AN INDIVIDUAL DURING A
12 TWENTY-FOUR-HOUR PERIOD.

13 (b) AN INTERNET SPORTS BETTING OPERATOR SHALL NOT LIMIT THE
14 SIZE AND FREQUENCY OF DEPOSITS OR BETS FROM AN INDIVIDUAL USING
15 THE INTERNET SPORTS BETTING OPERATOR'S INTERNET SPORTS BETTING
16 OPERATION:

17 (I) BECAUSE THE INDIVIDUAL OBTAINS A FINANCIAL BENEFIT AS A
18 RESULT OF PLACING A BET ON THE INTERNET SPORTS BETTING OPERATION;
19 OR

20 (II) DUE TO THE INDIVIDUAL'S BETTING ACTIVITIES, UNLESS THE
21 INDIVIDUAL'S BETTING ACTIVITIES CONSTITUTE A SUSPICIOUS BETTING
22 ACTIVITY OR INDICATE THAT THE INDIVIDUAL HAS A GAMBLING DISORDER.

23 (c) AN INTERNET SPORTS BETTING OPERATOR SHALL NOT INITIATE
24 OR SEND MOBILE DEVICE PUSH NOTIFICATIONS OR TEXT MESSAGE
25 NOTIFICATIONS, INCLUDING ALERTS, TO ACCOUNT HOLDERS IN THE STATE
26 RELATING TO THE SOLICITATION OF BETS OR DEPOSITS FROM THE INTERNET
27 SPORTS BETTING OPERATOR'S INTERNET SPORTS BETTING PLATFORM.

1 (d) NOTHING IN THIS SUBSECTION (8) REQUIRES THE COMMISSION
2 TO CREATE, SUBMIT, OR MODIFY A REPORT, DATA SUBMISSION, OR OTHER
3 REPORTING REQUIREMENT.

4 **SECTION 4.** In Colorado Revised Statutes, **add 44-30-1506.5**
5 and 44-30-1507.5 as follows:

6 **44-30-1506.5. Advertisement requirements and prohibitions.**

7 (1) IN AN ADVERTISEMENT OR PROMOTION FOR A SPORTS BETTING
8 OPERATION, A PERSON SHALL NOT:

9 (a) INCLUDE AN ENHANCED PAYOUT PROMOTION OR SIMILAR
10 OFFER, INCLUDING A STATEMENT THAT CONTAINS THE WORDS "BONUS",
11 "NO SWEAT", "BONUS BET", OR OTHER SIMILAR WORD OR PHRASE; OR

12 (b) INCLUDE INFORMATION ON HOW TO PLACE A SPORTS BET.

13 (2) A PERSON SHALL NOT BROADCAST AN ADVERTISEMENT OR
14 PROMOTION FOR A SPORTS BETTING OPERATION FROM 8 A.M. TO 10 P.M. OR
15 DURING A LIVE BROADCAST OF AN ATHLETIC COMPETITION.

16 (3) (a) A SPORTS BETTING OPERATOR OR INTERNET SPORTS
17 BETTING OPERATOR SHALL NOT ENTER INTO AN AGREEMENT WITH A THIRD
18 PARTY FOR THE THIRD PARTY TO CONDUCT ADVERTISING OR MARKETING
19 ON BEHALF OF, OR TO THE BENEFIT OF, THE SPORTS BETTING OPERATOR OR
20 INTERNET SPORTS BETTING OPERATOR IF THE AGREEMENT PROVIDES THAT
21 COMPENSATION IS DEPENDENT ON, OR RELATED TO, THE NUMBER OF
22 INDIVIDUALS WHO BECOME PATRONS, THE VOLUME OR AMOUNT OF BETS
23 PLACED, OR THE OUTCOME OF BETS.

24 (b) AN INTERNET SPORTS BETTING OPERATOR MAY COMPENSATE
25 A THIRD PARTY FOR ADVERTISING SERVICES BASED ON A LINK TO THE
26 INTERNET SPORTS BETTING OPERATOR'S INTERNET SPORTS BETTING
27 OPERATION IF THE COMPENSATION IS NOT BASED ON AN INDIVIDUAL

1 CREATING AN ACCOUNT OR PLACING A BET WITH THE INTERNET SPORTS
2 BETTING OPERATION.

3 **44-30-1507.5. Internet sports betting operations - data**
4 **submission requirement - report by the division.**

5 (1) NO LATER THAN FEBRUARY 1, 2028, AND NO LATER THAN EACH
6 FEBRUARY 1 THEREAFTER, AN INTERNET SPORTS BETTING OPERATOR
7 SHALL PROVIDE TO THE DIVISION ALL TRANSACTIONAL DATA AND METRICS
8 RELATED TO THE INTERNET SPORTS BETTING OPERATOR'S INTERNET
9 SPORTS BETTING OPERATION FOR THE PREVIOUS CALENDAR YEAR.

10 (2) THE DATA AND METRICS PROVIDED PURSUANT TO SUBSECTION
11 (1) OF THIS SECTION:

12 (a) SHALL BE REDACTED TO EXCLUDE PERSONALLY IDENTIFIABLE
13 INFORMATION; AND

14 (b) ARE EXEMPT FROM THE "COLORADO OPEN RECORDS ACT",
15 PART 2 OF ARTICLE 72 OF TITLE 24.

16 (3) NO LATER THAN JANUARY 1, 2029, AND NO LATER THAN
17 JANUARY 1 EVERY THREE YEARS THEREAFTER, THE DIVISION SHALL
18 COMPILE THE DATA PROVIDED PURSUANT TO SUBSECTION (1) OF THIS
19 SECTION INTO A REPORT ON INTERNET SPORTS BETTING IN THE STATE AND
20 PUBLISH THE REPORT ON THE DIVISION'S WEBSITE.

21 **SECTION 5.** In Colorado Revised Statutes, **amend 44-30-1511**
22 as follows:

23 **44-30-1511. Unlawful acts.**

24 (1) In addition to the prohibitions in section 44-30-801, it is
25 unlawful for: ~~any person:~~

26 (a) A PERSON to charge, in connection with the placement or
27 acceptance of a bet, a commission or fee greater than or less than that

1 fixed by the commission;

2 (b) A PERSON to accept a bet by any person under twenty-one
3 years of age; or OLD;

4 (c) A PERSON to accept a bet at any place or in any manner other
5 than a place or manner authorized and specified in a sports betting
6 license; OR

7 (d) AN INTERNET SPORTS BETTING OPERATOR TO ACCEPT DEPOSITS
8 USING A CREDIT CARD, EITHER DIRECTLY OR INDIRECTLY, INCLUDING
9 THROUGH AN ACCOUNT FUNDED BY A CREDIT CARD, IN CONNECTION WITH
10 THE ACCEPTANCE OF A SPORTS BET.

11 **SECTION 6.** In Colorado Revised Statutes, 44-30-524, **amend**
12 (1)(b) introductory portion and (1)(b)(III) as follows:

13 **44-30-524. Suspension or revocation of license - grounds -**
14 **penalties.**

15 (1) (b) The commission may suspend or revoke a license granted
16 pursuant to this article 30 for a violation by the licensee or an officer,
17 director, agent, member, or employee of the licensee, after notice to the
18 licensee, the opportunity for a hearing, and upon proof by a
19 preponderance of the evidence as determined by the commission.
20 Violations that may warrant license suspension or revocation include
21 violations of this article 30, any rule ~~promulgated~~ ADOPTED by the
22 commission, any provision of article 33 of this title 44, or any rule
23 ~~promulgated~~ ADOPTED by the executive director pursuant to section
24 44-33-108 (3) or conviction of a crime. In addition to revocation or
25 suspension, or in lieu of revocation or suspension, the commission may
26 impose a reprimand or a monetary penalty not to exceed the following
27 amounts:

1 (III) If the licensee is an operator OR AN INTERNET SPORTS
2 BETTING OPERATOR THAT VIOLATES SECTION 44-30-1511 (1)(d), the
3 amount of twenty-five thousand dollars;

4 **SECTION 7.** In Colorado Revised Statutes, 44-30-1509, **amend**
5 (2)(e) as follows:

6 **44-30-1509. Sports betting fund - wagering revenue recipients**
7 **hold-harmless fund - creation - rules - definitions - repeal.**

8 (2) For fiscal years commencing on or after July 1, 2024, from the
9 money in the sports betting fund, to the extent the unexpended and
10 unencumbered balance in the fund so permits, the state treasurer shall
11 distribute an amount equal to all revenue of the division annually derived
12 from the regulation of sports betting and fantasy contests, including
13 license fees, fines, and penalties, and the first twenty-nine million dollars
14 annually collected for payment of the sports betting tax as follows:

15 (e) Third, transfer all remaining unexpended and unencumbered
16 money in the fund that is subject to distribution pursuant to this
17 subsection (2) to the water plan implementation cash fund created in
18 section 37-60-123.3, WHICH AMOUNT MUST BE NO LESS THAN THE
19 AMOUNT TRANSFERRED TO THE WATER PLAN IMPLEMENTATION CASH FUND
20 IN THE PREVIOUS STATE FISCAL YEAR.

21 **SECTION 8. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
23 the expiration of the ninety-day period after final adjournment of the
24 general assembly (August 12, 2026, if adjournment sine die is on May 13,
25 2026); except that, if a referendum petition is filed pursuant to section 1
26 (3) of article V of the state constitution against this act or an item, section,
27 or part of this act within such period, then the act, item, section, or part

1 will not take effect unless approved by the people at the general election
2 to be held in November 2026 and, in such case, will take effect on the
3 date of the official declaration of the vote thereon by the governor.

4 (2) This act applies to conduct occurring and agreements entered
5 into on or after the applicable effective date of this act.