

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 19-0030.03 Duane Gall x4335

HOUSE BILL 19-1327

HOUSE SPONSORSHIP

Garnett and Neville, Roberts, Van Winkle, Arndt, Baisley, Becker, Benavidez, Bird, Bockenfeld, Buckner, Buentello, Catlin, Galindo, Hansen, McCluskie, Mullica, Soper, Titone, Valdez D., Will

SENATE SPONSORSHIP

Donovan and Cooke, Priola

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING SPORTS BETTING, AND, IN CONNECTION THEREWITH,**
102 **SUBMITTING TO THE REGISTERED ELECTORS OF THE STATE OF**
103 **COLORADO A BALLOT MEASURE AUTHORIZING THE COLLECTION**
104 **OF A TAX ON THE NET PROCEEDS OF SPORTS BETTING THROUGH**
105 **LICENSED CASINOS, DIRECTING THE REVENUES GENERATED**
106 **THROUGH COLLECTION OF THE SPORTS BETTING TAX TO**
107 **SPECIFIED PUBLIC PURPOSES, INCLUDING THE STATE WATER**
108 **PLAN THROUGH CREATION OF THE WATER PLAN**
109 **IMPLEMENTATION CASH FUND, AND MAKING AN APPROPRIATION.**

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

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

HOUSE
Amended 3rd Reading
April 24, 2019

HOUSE
Amended 2nd Reading
April 23, 2019

applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

In 2018, the United States supreme court held in *Murphy v. National Collegiate Athletic Association*, 138 S. Ct. 1461, that a federal law prohibiting states from authorizing sports betting violated the tenth amendment of the United States constitution. States may now authorize sports betting.

The bill decriminalizes sports betting in Colorado, effective May 1, 2020, under the following conditions:

- ! The collection of a tax on the net proceeds of sports betting must be approved by the registered electors of Colorado at the November 2019 general election;
- ! Sports betting will be regulated by the department of revenue, subject to supervision by the existing limited gaming control commission;
- ! A limited number of licenses will be issued. Persons or entities currently licensed to conduct limited gaming (i.e., the owners of casinos in Central City, Black Hawk, and Cripple Creek) are the only persons or entities eligible to hold a "master license" to conduct sports betting upon paying a license fee and submitting to background checks. A master license entitles the licensee to contract with a licensed "sports betting operator" or a licensed "internet sports betting operator", or both, for the operation of sports betting; and
- ! The state will collect a tax of 10% on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 44-30-102, **add** (3)

3 as follows:

4 **44-30-102. Legislative declaration.** (3) THE GENERAL ASSEMBLY
5 FURTHER FINDS, DETERMINES, AND DECLARES THAT:

6 (a) WHEN, IN 2018, THE UNITED STATES SUPREME COURT HELD IN
7 *MURPHY V. NATIONAL COLLEGIATE ATHLETIC ASSOCIATION*, 138 S. CT.
8 1461, THAT THERE EXISTED NO CURRENT FEDERAL IMPEDIMENT TO AN

1 INDIVIDUAL STATE'S AUTHORITY TO LEGALIZE SPORTS BETTING, BUT THAT
2 SUCH AN EFFORT WAS SUBJECT ONLY TO THAT STATE'S OWN
3 CONSTITUTIONAL LIMITS ON THAT AUTHORITY, COLORADO HAD THE
4 OPTION TO EXPAND THE RESPONSIBILITIES OF THE LIMITED GAMING
5 CONTROL COMMISSION CREATED IN THIS ARTICLE 30 TO INCLUDE SPORTS
6 BETTING;

7 (b) EXPANSION OF THE COMMISSION'S ROLE IN THIS WAY IS
8 APPROPRIATE, GIVEN THE COMMISSION'S EXPERIENCE IN REGULATING
9 LIMITED GAMING SINCE 1991 AND ITS TRACK RECORD OF COMPETENT,
10 EVENHANDED, AND EFFICIENT DISCHARGE OF THE DUTIES ENTRUSTED TO
11 IT BY COLORADO'S VOTERS UNDER SECTION 9 OF ARTICLE XVIII OF THE
12 STATE CONSTITUTION;

13 (c) THE GENERAL ASSEMBLY INTENDS, THROUGH PASSAGE OF
14 HOUSE BILL 19-____, ENACTED IN 2019, TO INCORPORATE SPORTS
15 BETTING SEAMLESSLY INTO THE REGULATORY AND TAXING SYSTEM
16 ESTABLISHED FOR LIMITED GAMING UNDER THIS ARTICLE 30 IN A MANNER
17 THAT HONORS THE VOTERS' INTENT IN ADOPTING SECTION 9 OF ARTICLE
18 XVIII OF THE STATE CONSTITUTION AND HAS DONE SO THROUGH
19 ENACTMENT OF A REFERRED MEASURE REQUIRING STATEWIDE APPROVAL;

20 (d) IT IS APPROPRIATE, AND THE GENERAL ASSEMBLY INTENDS,
21 THAT AFTER THE INCORPORATION OF SPORTS BETTING INTO THIS ARTICLE
22 30 ON MAY 1, 2020, NO FURTHER EXPANSION OF SPORTS BETTING NOR
23 AUTHORIZATION OF ANY NEW OR EXPANDED CLASS OF LICENSEES BE MADE
24 EXCEPT WITH THE APPROVAL OF COLORADO VOTERS THROUGH
25 LEGISLATION OR CONSTITUTIONAL AMENDMENTS THAT ARE SUBMITTED TO
26 A STATEWIDE VOTE; AND

27 (e) THE SUCCESS OF SPORTS BETTING IS DEPENDENT UPON PUBLIC

1 CONFIDENCE AND TRUST THAT ACTIVITIES RELATED TO SPORTS BETTING
2 ARE CONDUCTED HONESTLY AND COMPETITIVELY; THAT THE RIGHTS OF
3 THE CREDITORS OF LICENSEES ARE PROTECTED; AND THAT SPORTS BETTING
4 IS FREE FROM CRIMINAL AND CORRUPTIVE ELEMENTS. PUBLIC CONFIDENCE
5 AND TRUST CAN BE MAINTAINED ONLY BY STRICT REGULATION OF SPORTS
6 BETTING.

7 **SECTION 2.** In Colorado Revised Statutes, 44-30-103, **amend**
8 (5) and (17); and **add** (32.5) as follows:

9 **44-30-103. Definitions.** As used in this article 30, unless the
10 context otherwise requires:

11 (5) "Bet" means an amount placed as a wager in a game of chance
12 OR ON A SPORTS EVENT, AS DEFINED IN SECTION 44-30-1501 (12).

13 (17) "Key employee" means any executive, employee, or agent of
14 a gaming licensee OR SPORTS BETTING LICENSEE having the power to
15 exercise a significant influence over decisions concerning any part of the
16 operation of a THE gaming licensee OR SPORTS BETTING LICENSEE.

17 (32.5) "SPORTS BETTING" MEANS PLACING ONE OR MORE BETS IN
18 A SPORTS BETTING OPERATION, AS DEFINED IN SECTION 44-30-1501 (10).

19 **SECTION 3.** In Colorado Revised Statutes, **amend** 44-30-104 as
20 follows:

21 **44-30-104. Limited gaming - sports betting - authorization -**
22 **regulation.** Limited gaming ~~is~~ AND SPORTS BETTING ARE hereby
23 authorized and may be operated and maintained subject to ~~the provisions~~
24 ~~of~~ this article 30. All limited gaming AND SPORTS BETTING authorized by
25 this article 30 ~~shall be regulated~~ IS SUBJECT TO REGULATION by the
26 Colorado ~~limited gaming control~~ commission.

27 **SECTION 4.** In Colorado Revised Statutes, **amend** 44-30-201 as

1 follows:

2 **44-30-201. Division of gaming - creation - repeal.** (1) There is
3 hereby created, within the department, the division of gaming, the head
4 of which ~~shall be~~ IS the director of the division of gaming. The director
5 ~~shall be~~ IS appointed by, and ~~shall be~~ IS subject to removal by, the
6 executive director. The division of gaming, the Colorado limited gaming
7 control commission created in section 44-30-301, and the director of the
8 division of gaming shall exercise their respective powers and perform
9 their respective duties and functions as specified in this article 30 under
10 the department as if ~~the same~~ THEY were transferred to the department by
11 a **type 2** transfer, as the transfer is defined in the "Administrative
12 Organization Act of 1968", article 1 of title 24; except that the
13 commission ~~shall have~~ HAS full and exclusive authority to promulgate
14 rules related to limited gaming AND SPORTS BETTING without any approval
15 by, or delegation of authority from, the department. NOTWITHSTANDING
16 ANY PROVISION OF THIS SUBSECTION (1) TO THE CONTRARY, SPORTS
17 BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER
18 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED
19 PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL
20 19-_____.

21 (2) (a) THE COMMISSION MAY ADOPT TEMPORARY OR EMERGENCY
22 RULES, OR BOTH, AND MAY ACCEPT LICENSE APPLICATIONS, BEFORE MAY
23 1, 2020, IN ANTICIPATION OF THE AUTHORIZATION OF SPORTS BETTING
24 UNDER PART 15 OF THIS ARTICLE 30.

25 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2020.

26 **SECTION 5.** In Colorado Revised Statutes, **amend** 44-30-202 as
27 follows:

1 **44-30-202. Functions of division - repeal.** (1) The function
2 FUNCTIONS of the division ~~is~~ ARE to license, implement, regulate, and
3 supervise the conduct IN THIS STATE of:

4 (a) Limited gaming ~~in this state~~ as authorized by section 9 of
5 article XVIII of the state constitution; AND

6 (b) (I) SPORTS BETTING AS AUTHORIZED BY PART 15 OF THIS
7 ARTICLE 30.

8 (II) THIS SUBSECTION (1)(b) IS REPEALED, EFFECTIVE SEPTEMBER
9 1, 2020, IF THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION DO
10 NOT APPROVE THE QUESTION DESCRIBED IN SECTION 44-30-1514 AND THE
11 GOVERNOR ISSUES AN OFFICIAL DECLARATION OF THE VOTE THEREON.

12 (2) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
13 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
14 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
15 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
16 2019 IN HOUSE BILL 19-_____.

17 **SECTION 6.** In Colorado Revised Statutes, 44-30-203, **amend**
18 (2) introductory portion, (2)(a), (2)(f), (2)(h), and (2)(k) as follows:

19 **44-30-203. Director - qualification - powers and duties.** (2) In
20 addition to the duties imposed upon the director elsewhere in this part 2
21 AND IN PART 15 OF THIS ARTICLE 30, the director shall:

22 (a) Supervise and administer the operation of the division, ~~and~~
23 limited gaming, AND SPORTS BETTING in accordance with ~~the provisions~~
24 ~~of~~ this article 30 and the rules of the commission;

25 (f) Advise the commission and recommend to the commission any
26 rules and other procedures as the director deems necessary and advisable
27 to improve the operation of the division and the conduct of limited

1 gaming OR SPORTS BETTING;

2 (h) Make a continuous study and investigation of the operation
3 and the administration of similar laws that may be in effect in other states
4 or countries; of any literature on gaming OR SPORTS BETTING that from
5 time to time may be published or available; and of any federal laws that
6 may affect the operation of the division, the ~~conduction~~ CONDUCT of
7 limited gaming OR SPORTS BETTING, or the reaction of Colorado citizens
8 to limited gaming OR SPORTS BETTING with a view to recommending or
9 effecting changes that would serve the purposes of this article 30;

10 (k) Take any action as may be determined by the commission to
11 be necessary to protect the security and integrity of limited gaming OR
12 SPORTS BETTING; and

13 **SECTION 7.** In Colorado Revised Statutes, 44-30-204, **amend**
14 (1) introductory portion, (1)(a), (1)(b), (1)(d), (1)(e), (1)(f), and (1)(g) as
15 follows:

16 **44-30-204. Investigator - peace officers.** (1) All investigators of
17 the division of ~~gaming~~, and their supervisors, including the director and
18 the executive director, ~~shall~~ have all the powers of any peace officer to:

19 (a) Make arrests, with or without warrant, for any violation of ~~the~~
20 ~~provisions of~~ this article 30, article 20 of title 18, or the rules promulgated
21 pursuant to this article 30, any other laws or rules pertaining to the
22 ~~conducting~~ CONDUCT of limited gaming OR SPORTS BETTING in this state,
23 or any criminal law of this state, if, during an officer's exercise of powers
24 or performance of duties under this section, probable cause is established
25 that a violation of any said law or rule has occurred;

26 (b) Inspect, examine, investigate, hold, or impound any premises
27 where limited gaming OR SPORTS BETTING is conducted, any devices or

1 equipment designed for or used in limited gaming OR SPORTS BETTING,
2 and any books and records in any way connected with any limited gaming
3 OR SPORTS BETTING activity;

4 (d) Serve all warrants, notices, summonses, or other processes
5 relating to the enforcement of laws regulating limited gaming OR SPORTS
6 BETTING;

7 (e) Serve distraint warrants issued by the department pertaining
8 to limited gaming OR SPORTS BETTING;

9 (f) Conduct investigations into the character, record, and
10 reputation of all applicants for limited gaming OR SPORTS BETTING
11 licenses, all licensees, and any other persons as the commission may
12 determine pertaining to limited gaming OR SPORTS BETTING;

13 (g) Investigate violations of all the laws pertaining to limited
14 gaming, SPORTS BETTING, and ~~limited gaming~~ activities RELATED TO
15 BOTH;

16 **SECTION 8.** In Colorado Revised Statutes, 44-30-302, **amend**
17 (1)(a), (1)(d), (1)(f), (1)(h), (1)(j), (1)(n)(I), (1)(p), (1)(s), (1)(u), (2)
18 introductory portion, (2)(a), (2)(b), (2)(c), (2)(d), (2)(e), (2)(f), (2)(r), and
19 (2)(s); and **add** (3) as follows:

20 **44-30-302. Commission - powers and duties - rules.** (1) In
21 addition to any other powers and duties set forth in this part 3, and
22 notwithstanding the designation of the Colorado limited gaming control
23 commission under section 44-30-201 as a **type 2** transfer, the commission
24 shall nonetheless have the following powers and duties:

25 (a) To promulgate the rules governing the licensing, conducting,
26 and operating of limited gaming AND SPORTS BETTING as it deems
27 necessary to carry out the purposes of this article 30. The director shall

1 prepare and submit to the commission written recommendations
2 concerning proposed rules for this purpose.

3 (d) To conduct a continuous study and investigation of limited
4 gaming AND SPORTS BETTING throughout the state for the purpose of
5 ascertaining any defects in this article 30 or in the rules promulgated
6 pursuant to this article 30 in order to discover any abuses in the
7 administration and operation of the division or any violation of this article
8 30 or any rule promulgated pursuant to this article 30;

9 (f) To report immediately to the governor, the attorney general,
10 the speaker of the house of representatives, the president of the senate, the
11 minority leaders of both houses, and any other state officers as the
12 commission deems appropriate concerning any laws that it determines
13 require immediate amendment to prevent abuses and violations of this
14 article 30 or any rule promulgated pursuant to this article 30 or to remedy
15 undesirable conditions in connection with the administration or the
16 operation of the division, ~~or~~ limited gaming, OR SPORTS BETTING;

17 (h) To issue temporary or permanent licenses to those involved in
18 the ownership, participation, or conduct of limited gaming OR SPORTS
19 BETTING;

20 (j) To establish and collect fees and taxes upon persons, licenses,
21 and gaming devices used in, or participating in, limited gaming OR
22 SPORTS BETTING;

23 (n)(I) Except as otherwise provided in subsection (1)(n)(II) of this
24 section, to inspect and examine without notice all premises ~~wherein~~ IN
25 WHICH limited gaming OR SPORTS BETTING is conducted or WHERE
26 devices or equipment used in ~~limited gaming~~ THOSE ACTIVITIES are
27 located, manufactured, sold, or distributed, and to summarily seize,

1 remove, and impound, without notice or hearing, from the premises any
2 equipment, devices, supplies, books, or records for the purpose of
3 examination or inspection.

4 (p) To exercise any other incidental powers as may be necessary
5 to ensure the safe and orderly regulation of limited gaming AND SPORTS
6 BETTING and the secure collection of all revenues, taxes, and license fees;

7 (s) To establish and collect fees for performing, or having
8 performed, tests on equipment and devices to be used in limited gaming
9 OR SPORTS BETTING;

10 (u) To demand, at any time when business is being conducted,
11 access to and inspection, examination, photocopying, and auditing of all
12 papers, books, and records of applicants and licensees, on their premises
13 or elsewhere as practicable and in the presence of the licensee or ~~his or~~
14 ~~her~~ THE LICENSEE'S agent, pertaining to the gross income produced by any
15 ~~licensed gaming~~ establishment and OR ACTIVITY LICENSED UNDER THIS
16 ARTICLE 30; to require verification of income, and all other matters
17 affecting the enforcement of the policies of the commission or any
18 provision of this article 30; and to impound or remove all papers, books,
19 and records of applicants and licensees, without hearing, for inspection
20 or examination; and

21 (2) Rules promulgated pursuant to subsection (1) of this section
22 ~~shall~~ MUST include, ~~but shall not be limited to~~ AT A MINIMUM, the
23 following:

24 (a) The types of limited gaming AND SPORTS BETTING activities to
25 be conducted and the rules for those activities;

26 (b) The requirements, qualifications, and grounds for the issuance,
27 revocation, suspension, and summary suspension of all types of

1 permanent and temporary licenses required for the conduct of limited
2 gaming OR SPORTS BETTING;

3 (c) Qualifications of persons to hold limited gaming OR SPORTS
4 BETTING licenses;

5 (d) Restrictions upon the times, places, and structures where
6 limited gaming ~~shall be~~ OR SPORTS BETTING ARE authorized;

7 (e) The ongoing operation of limited gaming OR SPORTS BETTING
8 activities, INCLUDING THE TESTING AND APPROVAL OF SOFTWARE OR
9 ACCOUNTING SYSTEMS USED IN CONNECTION WITH LIMITED GAMING OR
10 SPORTS BETTING;

11 (f) The scope and conditions for investigations and inspections
12 into the conduct of limited gaming OR SPORTS BETTING, the background
13 of licensees and applicants for licenses, the premises where limited
14 gaming ~~is~~ OR SPORTS BETTING ARE authorized, all premises where gaming
15 devices are located, the books and records of licensees, and the sources
16 and maintenance of limited gaming OR SPORTS BETTING devices and
17 equipment;

18 (r) The conditions and circumstances that constitute suitability of
19 persons, locations, and equipment for gaming OR SPORTS BETTING;

20 (s) The types and specifications of all equipment and devices used
21 in or with limited gaming OR SPORTS BETTING; and

22 (3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
23 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
24 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
25 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
26 2019 IN HOUSE BILL 19-_____.

27 **SECTION 9.** In Colorado Revised Statutes, 44-30-401, **amend**

1 (1)(d) as follows:

2 **44-30-401. Conflict of interest.** (1) Members of the commission
3 and employees of the division are declared to be in positions of public
4 trust. In order to ensure the confidence of the people of the state in the
5 integrity of the division, its employees, and the commission, the following
6 restrictions shall apply:

7 (d) No member of the commission or employee of the division,
8 including the director, and no member of their immediate families, shall
9 participate in limited gaming OR SPORTS BETTING.

10 **SECTION 10.** In Colorado Revised Statutes, 44-30-701, **amend**
11 (1)(a), (1)(b)(I), and (1)(b)(II); and **add** (3) as follows:

12 **44-30-701. Limited gaming fund - created.** (1) There is hereby
13 created in the office of the state treasurer the limited gaming fund. The
14 fund shall be maintained and operated as follows:

15 (a) EXCEPT AS SPECIFIED IN PART 15 OF THIS ARTICLE 30, all
16 revenues of the division shall be paid into the limited gaming fund.
17 EXCEPT FOR THOSE EXPENSES RELATED TO SPORTS BETTING AS SPECIFIED
18 IN PART 15 OF THIS ARTICLE 30, all expenses of the division and the
19 commission, including the expenses of investigation and prosecution
20 relating to limited gaming, shall be paid from the fund.

21 (b) (I) All money paid into the limited gaming fund shall be
22 available immediately, without further appropriation, for the purposes of
23 the fund. From the money in the limited gaming fund, the state treasurer
24 is hereby authorized to pay all ongoing expenses of the commission, the
25 department, the division, and any other state agency from whom
26 assistance related to the administration of this article 30 is requested by
27 the commission, director, or executive director, EXCEPT THOSE EXPENSES

1 RELATED TO SPORTS BETTING, AS SPECIFIED IN PART 15 OF THIS ARTICLE
2 30. The payment shall be made upon proper presentation of a voucher
3 prepared by the commission in accordance with other statutes governing
4 payments of liabilities incurred on behalf of the state. The payment shall
5 not be conditioned on any appropriation by the general assembly. Receipt
6 of the payment shall constitute spending authority by the division of
7 gaming in the department.

8 (II) EXCEPT AS SPECIFIED IN PART 15 OF THIS ARTICLE 30:

9 (A) No claim for the payment of any expense of the commission,
10 department, division, or other state agency shall be made unless it is
11 against the limited gaming fund; AND

12 (B) No other money of the state shall be used or obligated to pay
13 the expenses of the division or commission.

14 (3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
15 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
16 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
17 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
18 2019 IN HOUSE BILL 19-_____.

19 **SECTION 11.** In Colorado Revised Statutes, 44-30-705, **amend**
20 (3) as follows:

21 **44-30-705. Attorney general - duties.** (3) Expenses of the
22 attorney general incurred in the performance of the responsibilities under
23 this section shall be paid from the limited gaming fund; EXCEPT THAT ANY
24 SUCH EXPENSES RELATED TO SPORTS BETTING UNDER PART 15 OF THIS
25 ARTICLE 30 SHALL BE PAID FROM THE SPORTS BETTING FUND.
26 NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3) TO THE
27 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT

1 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
2 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
3 2019 IN HOUSE BILL 19-_____.

4 **SECTION 12.** In Colorado Revised Statutes, **add** part 15 to
5 article 30 of title 44 as follows:

6 PART 15

7 SPORTS BETTING

8 **44-30-1501. Definitions - rules.** DEFINITIONS APPLICABLE TO THIS
9 PART 15 ALSO APPEAR IN SECTION 44-30-103 AND ARTICLE 1 OF THIS TITLE
10 44. AS USED IN THIS PART 15, UNLESS THE CONTEXT OTHERWISE REQUIRES:

11 (1) "CASINO" MEANS A LICENSED GAMING ESTABLISHMENT AS
12 DEFINED IN SECTION 44-30-103 (18).

13 (2) "COLLEGIATE SPORTS EVENT" MEANS A SPORTS EVENT
14 OFFERED OR SPONSORED BY OR PLAYED IN CONNECTION WITH A PUBLIC OR
15 PRIVATE INSTITUTION THAT OFFERS EDUCATIONAL SERVICES BEYOND THE
16 SECONDARY LEVEL.

17 (3) "FANTASY SPORTS ACTIVITY" MEANS THE CONDUCT OF, OR
18 PARTICIPATION IN, A FANTASY CONTEST AS DEFINED IN SECTION
19 12-15.5-102 (4).

20 (4) "INTERNET SPORTS BETTING OPERATION" MEANS A SPORTS
21 BETTING OPERATION IN WHICH WAGERS ON SPORTS EVENTS ARE MADE
22 THROUGH A COMPUTER OR MOBILE OR INTERACTIVE DEVICE AND
23 ACCEPTED BY AN INTERNET SPORTS BETTING OPERATOR.

24 (5) "INTERNET SPORTS BETTING OPERATOR" MEANS A PERSON
25 LICENSED BY THE COMMISSION TO OPERATE AN INTERNET SPORTS BETTING
26 OPERATION.

27 (6) "MASTER LICENSE" MEANS A SPORTS BETTING LICENSE, ISSUED

1 BY THE COMMISSION PURSUANT TO SECTION 44-30-1505 (1)(a), THAT
2 AUTHORIZES THE LICENSEE TO EITHER CONDUCT SPORTS BETTING AND
3 INTERNET SPORTS BETTING ITSELF OR CONTRACT WITH A SPORTS BETTING
4 OPERATOR, AN INTERNET SPORTS BETTING OPERATOR, OR BOTH, TO
5 CONDUCT SPORTS BETTING.

6 (7) "NET SPORTS BETTING PROCEEDS" MEANS THE TOTAL AMOUNT
7 OF ALL BETS PLACED BY PLAYERS IN A SPORTS BETTING OPERATION OR
8 INTERNET SPORTS BETTING OPERATION, EXCLUDING FREE BETS, LESS ALL
9 PAYMENTS TO PLAYERS AND LESS ALL EXCISE TAXES PAID PURSUANT TO
10 FEDERAL LAW. PAYMENTS TO PLAYERS INCLUDE ALL PAYMENTS OF CASH
11 PREMIUMS, MERCHANDISE, OR ANY OTHER THING OF VALUE.

12 (8) "PROHIBITED SPORTS EVENT" MEANS:

13 (a) A HIGH SCHOOL SPORTS EVENT;

14 (b) A VIDEO GAME THAT IS NOT SANCTIONED BY A SPORTS
15 GOVERNING BODY AS AN ELECTRONIC COMPETITION; AND

16 (c) ONLY WITH RESPECT TO PROPOSITION BETS, A COLLEGIATE
17 SPORTS EVENT.

18 (9) "SPORTS BETTING LICENSE" MEANS ANY OF THE LICENSES
19 SPECIFIED IN SECTION 44-30-1505 (1).

20 (10) "SPORTS BETTING OPERATION" MEANS A LICENSED WAGERING
21 OPERATION IN WHICH BETS ARE PLACED ON SPORTS EVENTS THROUGH ANY
22 SYSTEM OR METHOD OF WAGERING, INCLUDING SINGLE-GAME BETS,
23 TEASER BETS, PARLAYS, OVER-UNDER, MONEYLINE, POOLS, EXCHANGE
24 WAGERING, IN-GAME WAGERING, IN-PLAY BETS, PROPOSITION BETS OTHER
25 THAN THOSE RELATING TO COLLEGIATE SPORTS EVENTS, OR STRAIGHT
26 BETS.

27 (11) "SPORTS BETTING OPERATOR" MEANS A PERSON THAT IS

1 LICENSED TO OPERATE A SPORTS BETTING OPERATION IN WHICH
2 CUSTOMERS PLACE BETS IN PERSON AT A DESIGNATED PHYSICAL
3 LOCATION.

4 (12) (a) "SPORTS EVENT" MEANS:

5 (I) ANY INDIVIDUAL OR TEAM SPORT OR ATHLETIC EVENT IN WHICH
6 THE OUTCOME IS NOT DETERMINED SOLELY BY CHANCE, WHETHER
7 AMATEUR OR PROFESSIONAL, INCLUDING AN OLYMPIC OR INTERNATIONAL
8 SPORT OR ATHLETIC EVENT AND ANY COLLEGIATE SPORTS EVENT;

9 (II) ANY PORTION OF A SPORT OR ATHLETIC EVENT LISTED IN
10 SUBSECTION (12)(a)(I) OF THIS SECTION, INCLUDING THE INDIVIDUAL
11 PERFORMANCE STATISTICS OF ATHLETES IN A SPORTS EVENT OR
12 COMBINATION OF SPORTS EVENTS;

13 (III) A SANCTIONED MOTOR SPORT, AS AUTHORIZED BY THE
14 COMMISSION BY RULE; AND

15 (IV) ANY OTHER SPORTS EVENT OR COMBINATION OF SPORTS
16 EVENTS AS AUTHORIZED BY THE COMMISSION BY RULE.

17 (b) "SPORTS EVENT" DOES NOT INCLUDE A PROHIBITED SPORTS
18 EVENT OR A FANTASY SPORTS ACTIVITY.

19 (13) "SPORTS GOVERNING BODY" MEANS AN ORGANIZATION THAT
20 PERFORMS A REGULATORY OR SANCTIONING FUNCTION OVER THE
21 CONDUCT OF A SPORTS EVENT.

22 **44-30-1502. Conflict of interest - participants in sports or**
23 **athletic events.** (1) THE FOLLOWING PERSONS SHALL NOT HAVE ANY
24 OWNERSHIP INTEREST IN, CONTROL OF, OR OTHERWISE BE EMPLOYED BY
25 A SPORTS BETTING OPERATOR, A LICENSEE, OR A FACILITY IN WHICH
26 SPORTS BETTING TAKES PLACE OR PLACE A WAGER ON A SPORTS EVENT
27 THAT IS OVERSEEN BY THAT PERSON'S SPORTS GOVERNING BODY BASED ON

1 PUBLICLY AVAILABLE INFORMATION:

2 (a) AN ATHLETE, COACH, REFEREE, EMPLOYEE, OR DIRECTOR OF:

3 (I) A SPORTS GOVERNING BODY THAT SANCTIONS OR GOVERNS A
4 SPORTS EVENT ON WHICH BETS ARE PLACED; OR

5 (II) ANY TEAM THAT IS A MEMBER TEAM IN A SPORTS GOVERNING
6 BODY DESCRIBED IN SUBSECTION (1)(a)(I) OF THIS SECTION.

7 (b) A SPORTS GOVERNING BODY OR ANY OF ITS MEMBER TEAMS;

8 (c) AN AGENT, UNION, OR UNION REPRESENTATIVE THAT
9 ADVOCATES FOR PLAYERS, REFEREES, OR OTHER PERSONNEL INVOLVED
10 WITH THE CONDUCT OF A SPORTS EVENT;

11 (d) A PERSON WHO HOLDS A POSITION OF AUTHORITY OR
12 INFLUENCE SUFFICIENT TO EXERT INFLUENCE OVER THE PARTICIPANTS IN
13 A SPORTS EVENT, INCLUDING COACHES, MANAGERS, AND ATHLETIC
14 TRAINERS;

15 (e) A PERSON WITH ACCESS TO NONPUBLIC INFORMATION ON ANY
16 SPORTS EVENT OVERSEEN BY THAT PERSON'S SPORTS GOVERNING BODY,
17 WHICH INFORMATION PERTAINS TO OR COULD AFFECT OR INFLUENCE THE
18 PERFORMANCE OF ANY TEAM, COACH, OR PARTICIPANT IN THE SPORTS
19 EVENT; OR

20 (f) A PERSON IDENTIFIED BY THE SPORTS GOVERNING BODY TO THE
21 DIVISION OR THE COMMISSION FOR PURPOSES OF ESTABLISHING ACTUAL OR
22 POTENTIAL CONFLICTS OF INTEREST.

23 (2) THE DIRECT OR INDIRECT LEGAL OR BENEFICIAL OWNER OF TEN
24 PERCENT OR MORE OF A SPORTS GOVERNING BODY OR ANY OF ITS MEMBER
25 TEAMS SHALL NOT PLACE OR ACCEPT ANY WAGER ON A SPORTS EVENT IN
26 WHICH ANY MEMBER TEAM OF THAT SPORTS GOVERNING BODY
27 PARTICIPATES.

1 (3) THE PROHIBITIONS SET FORTH IN THIS SECTION DO NOT APPLY
2 TO A SPORTS GOVERNING BODY, A MEMBER TEAM OF A SPORTS GOVERNING
3 BODY, OR A PERSON WHO IS A DIRECTOR OR A DIRECT OR INDIRECT OWNER
4 OF A SPORTS GOVERNING BODY OR MEMBER TEAM OF A SPORTS
5 GOVERNING BODY:

6 (a) WHO HOLDS LESS THAN TEN PERCENT DIRECT OR INDIRECT
7 OWNERSHIP INTEREST IN A CASINO OR SPORTS BETTING OPERATION; OR

8 (b) WHOSE SPORTS BETTING OPERATION PROHIBITS ANY WAGERING
9 ON THE OWNER'S TEAM OR PLAYERS OR THE SPORTS GOVERNING BODY'S
10 SPORTS EVENTS.

11 **44-30-1503. Licenses - rules.** (1) (a) THE COMMISSION SHALL
12 ISSUE, DENY, SUSPEND, REVOKE, AND RENEW SPORTS BETTING LICENSES
13 PURSUANT TO SUBSECTION (3) OF THIS SECTION AND RULES ADOPTED BY
14 THE COMMISSION AND MAY ASSESS FINES AND PENALITIES FOR VIOLATIONS
15 OF THIS PART 15. THE COMMISSION'S LICENSING RULES MUST INCLUDE
16 REQUIREMENTS RELATING TO THE FINANCIAL RESPONSIBILITY OF THE
17 LICENSEE, THE LICENSEE'S SOURCE OF REVENUE FOR ITS SPORTS BETTING
18 OPERATIONS, THE CHARACTER OF THE LICENSEE, THE TRUSTWORTHY
19 OPERATION OF THE SPORTS BETTING ACTIVITY SOUGHT TO BE LICENSED,
20 AND OTHER MATTERS NECESSARY TO PROTECT THE PUBLIC INTEREST AND
21 TRUST IN SPORTS BETTING. SUSPENSION IS LIMITED TO CIRCUMSTANCES IN
22 WHICH THE LICENSEE'S ACTIONS APPEAR CONTRARY TO THE PUBLIC
23 INTEREST OR TEND TO UNDERMINE PUBLIC TRUST IN THE INTEGRITY OF
24 SPORTS BETTING.

25 (b) THE COMMISSION'S RULES MUST REQUIRE THAT LICENSES BE
26 PROMINENTLY DISPLAYED IN AREAS VISIBLE TO THE PUBLIC.

27 (2) (a) A LICENSE SHALL BE REVOKED UPON A FINDING THAT THE

1 LICENSEE HAS:

2 (I) PROVIDED MISLEADING INFORMATION TO THE DIVISION OR
3 COMMISSION;

4 (II) BEEN CONVICTED OF A FELONY OR ANY GAMBLING-RELATED
5 OFFENSE;

6 (III) BECOME A PERSON WHOSE CHARACTER IS NO LONGER
7 CONSISTENT WITH THE PROTECTION OF THE PUBLIC INTEREST AND TRUST
8 IN SPORTS BETTING; OR

9 (IV) INTENTIONALLY REFUSED TO PAY A PRIZE IN THE LICENSEE'S
10 POSSESSION TO A PERSON ENTITLED TO RECEIVE THE PRIZE UNDER THIS
11 PART 15.

12 (b) A LICENSE MAY BE SUSPENDED, REVOKED, OR NOT RENEWED
13 FOR ANY OF THE FOLLOWING CAUSES:

14 (I) A DELINQUENCY IN REMITTING MONEY RIGHTFULLY OWED TO
15 PLAYERS, CONTRACTORS, OR OTHERS INVOLVED IN SPORTS BETTING;

16 (II) FAILURE TO ENSURE THE TRUSTWORTHY OPERATION OF SPORTS
17 BETTING; OR

18 (III) ANY INTENTIONAL VIOLATION OF THIS PART 15 OR ANY RULE
19 ADOPTED PURSUANT TO THIS PART 15.

20

21 (3) LICENSEES MAY INCLUDE INDIVIDUALS, FIRMS, ASSOCIATIONS,
22 OR CORPORATIONS, WHETHER FOR PROFIT OR NONPROFIT, BUT THE
23 FOLLOWING ARE INELIGIBLE FOR A LICENSE UNDER THIS PART 15:

24 (a) A PERSON WHO HAS BEEN CONVICTED OF A
25 GAMBLING-RELATED OFFENSE, NOTWITHSTANDING SECTION 24-5-101;

26 (b) A PERSON WHO IS OR HAS BEEN A PROFESSIONAL GAMBLER OR
27 GAMBLING PROMOTER;

1 (c) A PERSON WHO HAS ENGAGED IN BOOKMAKING OR ANY OTHER
2 FORM OF ILLEGAL GAMBLING, INCLUDING ANY SPORTS BETTING OPERATION
3 WHOSE WAGERING ACTIVITIES DID NOT RESULT IN PROSECUTION BUT THAT
4 THE COMMISSION FINDS VIOLATED STATE OR FEDERAL LAW;

5 (d) A PERSON WHO IS NOT OF GOOD CHARACTER AND REPUTATION,
6 NOTWITHSTANDING SECTION 24-5-101; ■ ■

7 (e) A PERSON WHO HAS BEEN CONVICTED OF A CRIME INVOLVING
8 MISREPRESENTATION, NOTWITHSTANDING SECTION 24-5-101;

9 (f) A FIRM OR CORPORATION IN WHICH A PERSON DESCRIBED IN
10 SUBSECTIONS (3)(b) TO (3)(e) OF THIS SECTION HAS A PROPRIETARY,
11 EQUITABLE, OR CREDIT INTEREST OF TEN PERCENT OR MORE;

12 (g) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN
13 SUBSECTIONS (3)(b) TO (3)(e) OF THIS SECTION IS AN OFFICER, DIRECTOR,
14 OR MANAGING AGENT, WHETHER COMPENSATED OR NOT; OR

15 (h) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN
16 SUBSECTIONS (3)(b) TO (3)(e) OF THIS SECTION IS TO PARTICIPATE IN THE
17 MANAGEMENT OR PROMOTION OF SPORTS BETTING.

18 (4) IN ADDITION TO THE PERSONS SPECIFIED IN SUBSECTION (3) OF
19 THIS SECTION AS INELIGIBLE FOR A LICENSE, THE COMMISSION MAY
20 DETERMINE THE FOLLOWING TO BE INELIGIBLE FOR A LICENSE UNDER THIS
21 PART 15:

22 (a) A PERSON WHO HAS BEEN CONVICTED OF A FELONY OR A CRIME
23 INVOLVING FRAUD, NOTWITHSTANDING SECTION 24-5-101;

24 (b) A FIRM OR CORPORATION IN WHICH A PERSON DESCRIBED IN
25 SUBSECTION (4)(a) OF THIS SECTION HAS A PROPRIETARY, EQUITABLE, OR
26 CREDIT INTEREST OF TEN PERCENT OR MORE;

27 (c) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN

1 SUBSECTION (4)(a) OF THIS SECTION IS AN OFFICER, DIRECTOR, OR
2 MANAGING AGENT, WHETHER COMPENSATED OR NOT; OR

3 (d) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN
4 SUBSECTION (4)(a) OF THIS SECTION IS TO PARTICIPATE IN THE
5 MANAGEMENT OR PROMOTION OF SPORTS BETTING.

6 (5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
7 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
8 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
9 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
10 2019 IN HOUSE BILL 19-_____.

11 **44-30-1504. Disclosure of information by corporate applicants**

12 **- license required - investigation - criminal history record check -**
13 **rules - definition.** (1) CORPORATE APPLICANTS FOR A SPORTS BETTING
14 LICENSE AND LICENSEES SHALL DISCLOSE TO THE COMMISSION, IN A FORM
15 AND MANNER DETERMINED BY THE COMMISSION, THE IDENTITY OF:

16 (a) EACH BOARD-APPOINTED OFFICER OF THE APPLICANT OR
17 LICENSEE;

18 (b) EACH DIRECTOR OF THE APPLICANT OR LICENSEE;

19 (c) EACH PERSON WHO DIRECTLY HOLDS ANY VOTING OR
20 CONTROLLING INTEREST OF TEN PERCENT OR MORE, IN THE CASE OF A
21 SPORTS BETTING OPERATOR LICENSE OR INTERNET SPORTS BETTING
22 OPERATOR LICENSE, OR OF ANY PERCENTAGE, IN THE CASE OF A MASTER
23 LICENSE, OF THE SECURITIES ISSUED BY THE APPLICANT OR LICENSEE;

24 (d) EACH PERSON WHO DIRECTLY HOLDS ANY NONVOTING OR
25 PASSIVE OWNERSHIP INTEREST OF TWENTY-FIVE PERCENT OR MORE OF THE
26 SECURITIES ISSUED BY THE APPLICANT OR LICENSEE;

27 (e) EACH HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY OF

1 THE APPLICANT OR LICENSEE; AND

2 (f) EACH LENDER FROM WHICH THE APPLICANT OR LICENSEE
3 CURRENTLY HAS AN OUTSTANDING LOAN.

4 (2) AS TO EACH HOLDING, INTERMEDIARY, OR SUBSIDIARY
5 COMPANY OF AN APPLICANT FOR A SPORTS BETTING LICENSE OR A
6 LICENSEE, THE APPLICANT OR LICENSEE SHALL ESTABLISH AND MAINTAIN
7 THE QUALIFICATIONS OF:

8 (a) EACH BOARD-APPOINTED OFFICER OF THE HOLDING,
9 INTERMEDIARY, OR SUBSIDIARY COMPANY;

10 (b) EACH DIRECTOR OF THE HOLDING, INTERMEDIARY, OR
11 SUBSIDIARY COMPANY;

12 (c) EACH PERSON WHO DIRECTLY HOLDS ANY VOTING OR
13 CONTROLLING INTEREST OF TEN PERCENT OR MORE, IN THE CASE OF A
14 SPORTS BETTING OPERATOR LICENSE OR INTERNET SPORTS BETTING
15 OPERATOR LICENSE, OR OF ANY PERCENTAGE, IN THE CASE OF A MASTER
16 LICENSE, OF THE SECURITIES ISSUED BY THE HOLDING, INTERMEDIARY, OR
17 SUBSIDIARY COMPANY;

18 (d) EACH PERSON WHO DIRECTLY HOLDS ANY NONVOTING OR
19 PASSIVE OWNERSHIP INTEREST OF TWENTY-FIVE PERCENT OR MORE IN THE
20 HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY; AND

21 (e) EACH LENDER FROM WHICH THE HOLDING, INTERMEDIARY, OR
22 SUBSIDIARY COMPANY CURRENTLY HAS AN OUTSTANDING LOAN.

23 (3) THE COMMISSION OR THE DIVISION MAY WAIVE ANY OR ALL OF
24 THE QUALIFICATION REQUIREMENTS FOR ANY PERSON LISTED IN
25 SUBSECTION (1) OR (2) OF THIS SECTION.

26 (4) ALL PERSONS EMPLOYED DIRECTLY IN GAMBLING-RELATED
27 ACTIVITIES CONDUCTED BY A LICENSEE OR APPLICANT FOR A SPORTS

1 BETTING LICENSE, WHETHER IN A CASINO, IN A SPORTS BETTING OPERATION
2 OR INTERNET SPORTS BETTING OPERATION, OR IN ANY OTHER CAPACITY,
3 MUST BE LICENSED UNDER THIS PART 15. OTHER EMPLOYEES OF A
4 LICENSEE MAY BE REQUIRED TO HOLD SUPPORT LICENSES, IF APPROPRIATE,
5 IN ACCORDANCE WITH RULES OF THE COMMISSION PROMULGATED IN
6 CONSULTATION WITH THE DIVISION.

7 (5) A MASTER LICENSEE SHALL DESIGNATE ONE OR MORE KEY
8 EMPLOYEES TO BE RESPONSIBLE FOR THE OPERATION OF THE SPORTS
9 BETTING OPERATION. AT LEAST ONE SUCH KEY EMPLOYEE SHALL BE ON
10 THE PREMISES WHENEVER SPORTS BETTING IS CONDUCTED.

11 (6) THE APPLICANT FOR A SPORTS BETTING LICENSE MUST SUBMIT
12 TO AND PAY THE COSTS OF ANY INVESTIGATION INTO THE BACKGROUND OF
13 AN APPLICANT. THE DIVISION MAY CONDUCT THE INVESTIGATION
14 PURSUANT TO SECTION 44-30-204.

15 (7)(a) EACH APPLICANT FOR A SPORTS BETTING LICENSE, WITH THE
16 SUBMISSION OF THE APPLICATION, SHALL SUBMIT A SET OF FINGERPRINTS
17 TO THE DIVISION. THE DIVISION SHALL FORWARD THE FINGERPRINTS TO
18 THE COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF
19 CONDUCTING A STATE AND NATIONAL FINGERPRINT-BASED CRIMINAL
20 HISTORY RECORD CHECK UTILIZING RECORDS OF THE COLORADO BUREAU
21 OF INVESTIGATION AND THE FEDERAL BUREAU OF INVESTIGATION. ONLY
22 THE ACTUAL COSTS OF THE RECORD CHECK SHALL BE BORNE BY THE
23 APPLICANT. NOTHING IN THIS SUBSECTION (7) PRECLUDES THE DIVISION
24 FROM MAKING FURTHER INQUIRIES INTO THE BACKGROUND OF THE
25 APPLICANT.

26 (b) FOR PURPOSES OF THIS SUBSECTION (7), "APPLICANT" MEANS
27 AN INDIVIDUAL OR EACH OFFICER OR DIRECTOR OF A FIRM, ASSOCIATION,

1 OR CORPORATION THAT IS APPLYING FOR A SPORTS BETTING LICENSE
2 PURSUANT TO THIS SECTION.

3 (8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
4 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
5 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
6 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
7 2019 IN HOUSE BILL 19-_____.

8 **44-30-1505. License classifications - number of licenses -**
9 **designated sports betting operators - qualifications - rules.** (1) THE
10 COMMISSION SHALL ISSUE THE FOLLOWING THREE CLASSIFICATIONS OF
11 SPORTS BETTING LICENSES IN ADDITION TO ANY LICENSE CLASSIFICATIONS
12 THE COMMISSION CHOOSES TO AUTHORIZE IN ACCORDANCE WITH SECTION
13 44-30-1504 (4):

- 14 (a) MASTER LICENSE;
- 15 (b) SPORTS BETTING OPERATOR; AND
- 16 (c) INTERNET SPORTS BETTING OPERATOR.

17 (2) (a) (I) THE COMMISSION MAY ISSUE A MASTER LICENSE,
18 UPON THE APPLICANT'S PAYMENT OF ANY REQUIRED FEES AND
19 COMPLIANCE WITH ALL OTHER REQUIREMENTS OF THIS PART 15, TO A
20 PERSON THAT HOLDS A RETAIL GAMING LICENSE AS DESCRIBED IN SECTION
21 44-30-501 (1)(c). A PERSON HOLDING MORE THAN ONE RETAIL GAMING
22 LICENSE MAY BE ISSUED ONE MASTER LICENSE FOR EACH RETAIL GAMING
23 LICENSE IT HOLDS.

24 (II) THE PURCHASE OF AN EXISTING OWNERSHIP INTEREST IN A
25 CASINO REQUIRING THE ISSUANCE OF A NEW RETAIL GAMING LICENSE DOES
26 NOT PROHIBIT THE TRANSFER OF AN EXISTING MASTER LICENSE WITH THE
27 OWNERSHIP INTEREST, SUBJECT TO APPROVAL BY THE COMMISSION.

1 (III) A MASTER LICENSEE SHALL CONDUCT SPORTS BETTING ON ITS
2 PREMISES IN ACCORDANCE WITH THIS PART 15 AND SHALL NOT TRANSFER
3 ITS LICENSED SPORTS BETTING OPERATION TO BE CONDUCTED AT ANY
4 FACILITY LOCATED OUTSIDE THE CITY OF CENTRAL, THE CITY OF BLACK
5 HAWK, OR THE CITY OF CRIPPLE CREEK, REGARDLESS OF WHETHER THAT
6 FACILITY IS LICENSED TO MANUFACTURE OR SELL ALCOHOL BEVERAGES
7 UNDER THIS TITLE 44; LICENSED AS A CLASS B TRACK OR SIMULCAST
8 FACILITY UNDER ARTICLE 32 OF THIS TITLE 44; LICENSED AS A LOTTERY
9 SALES AGENT UNDER SECTION 44-40-107; OR LICENSED TO CONDUCT
10 BINGO OR RAFFLES UNDER PART 6 OF ARTICLE 21 OF TITLE 24. THIS
11 SUBSECTION (2)(a)(III) DOES NOT PROHIBIT SPORTS BETTING THROUGH A
12 LICENSED INTERNET SPORTS BETTING OPERATOR BY A CUSTOMER USING
13 HIS OR HER OWN COMPUTER OR MOBILE OR INTERACTIVE DEVICE
14 ANYWHERE IN THE STATE.

15 (IV) A MASTER LICENSE EXPIRES TWO YEARS AFTER THE DATE OF
16 ISSUANCE BUT MAY BE RENEWED UPON THE FILING AND APPROVAL OF AN
17 APPLICATION FOR RENEWAL.

18 (b) (I) A SPORTS BETTING OPERATOR LICENSE OR INTERNET SPORTS
19 BETTING OPERATOR LICENSE ENTITLES THE LICENSEE TO CONTRACT WITH
20 A MASTER LICENSEE FOR THE PURPOSE OF OPERATING A SPORTS BETTING
21 OPERATION OR INTERNET SPORTS BETTING OPERATION, AS APPLICABLE.
22 EACH MASTER LICENSEE SHALL CONTRACT WITH NO MORE THAN ONE
23 SPORTS BETTING OPERATOR AND ONE INTERNET SPORTS BETTING
24 OPERATOR AT THE SAME TIME. A MASTER LICENSEE MAY CONTRACT WITH
25 THE SAME ENTITY TO PROVIDE THE SERVICES OF A SPORTS BETTING
26 OPERATOR AND AN INTERNET SPORTS BETTING OPERATOR.

27 (II) AN INTERNET SPORTS BETTING OPERATOR MAY PROVIDE ONLY

1 ONE INDIVIDUALLY BRANDED WEBSITE, WHICH MAY HAVE AN
2 ACCOMPANYING MOBILE APPLICATION THAT MUST BEAR THE SAME UNIQUE
3 BRAND AS THE WEBSITE FOR AN INTERNET SPORTS BETTING OPERATION.
4 AN INTERNET SPORTS BETTING OPERATION SHALL NOT BE OPENED TO THE
5 PUBLIC, AND, EXCEPT FOR TEST PURPOSES, SPORTS BETTING SHALL NOT BE
6 CONDUCTED IN THE INTERNET SPORTS BETTING OPERATION UNTIL THE
7 INTERNET SPORTS BETTING OPERATOR RECEIVES ITS LICENSE AND THE
8 COMMISSION APPROVES ITS CONTRACT WITH THE MASTER LICENSEE IN
9 ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION.

10 (c) A PERSON MAY HOLD BOTH A SPORTS BETTING OPERATOR
11 LICENSE AND AN INTERNET SPORTS BETTING OPERATOR LICENSE. THE
12 COMMISSION SHALL DETERMINE BY RULE THE DISTINCTIONS AND SPECIFIC
13 QUALIFICATIONS APPLICABLE TO THESE LICENSES, INCLUDING
14 QUALIFICATIONS AS TO THE TIME, PLACE, AND MANNER OF ACCEPTING
15 WAGERS AND OF VERIFYING THE IDENTITY OF PERSONS SEEKING TO PLACE
16 WAGERS.

17 (3) A CONTRACT BETWEEN TWO OR MORE LICENSEES LISTED IN
18 SUBSECTION (1) OF THIS SECTION MUST BE SUBMITTED IN ADVANCE TO,
19 AND IS SUBJECT TO APPROVAL BY, THE DIVISION IN ACCORDANCE WITH
20 RULES OF THE COMMISSION.

21 (4) EACH LICENSE ISSUED PURSUANT TO THIS SECTION EXPIRES
22 TWO YEARS AFTER ISSUANCE BUT MAY BE RENEWED UPON THE FILING AND
23 APPROVAL OF AN APPLICATION FOR RENEWAL. THE FEE FOR ISSUANCE OR
24 RENEWAL OF A LICENSE LISTED IN SUBSECTION (1) OF THIS SECTION IS AS
25 SPECIFIED BY THE COMMISSION BY RULE IN AN AMOUNT SUFFICIENT TO
26 RECOVER THE COMMISSION'S DIRECT AND INDIRECT COSTS OF PROCESSING
27 THE APPLICATION AND CONDUCTING BACKGROUND INVESTIGATIONS, NOT

1 TO EXCEED ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS.

2 (5) (a) A SPORTS BETTING OPERATION OTHER THAN AN INTERNET
3 SPORTS BETTING OPERATION MUST BE OPERATED IN A DESIGNATED AREA
4 WITHIN A CASINO, SUBJECT TO ALL REQUIREMENTS CONCERNING DESIGN,
5 EQUIPMENT, SECURITY MEASURES, AND RELATED MATTERS ESTABLISHED
6 BY THE COMMISSION BY RULE, AND MAY OFFER SPORTS BETTING ON ANY
7 SPORTS EVENT AUTHORIZED UNDER RULES OF THE COMMISSION.

8 (b) ALL SPORTS BETTING LICENSES MUST SPECIFY THE PORTION OF
9 THE LICENSEE'S PREMISES LOCATED WITHIN THE CITY OF CENTRAL, THE
10 CITY OF BLACK HAWK, OR THE CITY OF CRIPPLE CREEK WHERE SPORTS
11 BETTING WILL TAKE PLACE. THE COMMISSION SHALL NOT REQUIRE SPORTS
12 BETTING TO BE CONDUCTED WITHIN A CASINO'S DESIGNATED GAMING
13 AREA AS AUTHORIZED BY THE COMMISSION BY RULE, BUT ANY SPORTS
14 BETTING CONDUCTED OUTSIDE OF A CASINO'S DESIGNATED GAMING AREA
15 MUST BE CONDUCTED ONLY BY A LICENSED INTERNET SPORTS BETTING
16 OPERATOR, AND BETS MUST BE PLACED ONLY THROUGH A CUSTOMER'S
17 OWN COMPUTER OR MOBILE OR INTERACTIVE DEVICE.

18 (c) A CASINO'S SUPPORT SERVICES FOR SPORTS BETTING,
19 INCLUDING DATA AGGREGATION, RISK MANAGEMENT, COMPUTER
20 SERVICES, SETTING OF ODDS, AND BANKING MAY BE SITED OUTSIDE OF A
21 CASINO'S DESIGNATED GAMING AREA.

22 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE
23 30, SPORTS BETTING, OTHER THAN BY A CUSTOMER USING HIS OR HER OWN
24 COMPUTER OR MOBILE OR INTERACTIVE DEVICE THROUGH AN INTERNET
25 SPORTS BETTING OPERATION, SHALL NOT BE CONDUCTED ANYWHERE IN
26 THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, OR THE CITY OF
27 CRIPPLE CREEK UNLESS SPORTS BETTING IS AUTHORIZED BY THE LOCAL

1 VOTERS OF THE RESPECTIVE CITY IN A MUNICIPAL OR COORDINATED
2 ELECTION HELD IN NOVEMBER 2019, CONCURRENTLY WITH THE
3 STATEWIDE ELECTION DESCRIBED IN SECTION 44-30-1514.

4 (6) EACH LICENSEE SHALL KEEP A COMPLETE SET OF BOOKS OF
5 ACCOUNT, CORRESPONDENCE, AND ALL OTHER RECORDS NECESSARY TO
6 FULLY SHOW THE SPORTS BETTING TRANSACTIONS OF THE LICENSEE, ALL
7 OF WHICH MUST BE OPEN AT ALL TIMES DURING BUSINESS HOURS FOR
8 INSPECTION AND EXAMINATION BY THE DIVISION OR ITS DULY AUTHORIZED
9 REPRESENTATIVES. THE DIVISION MAY REQUIRE ANY LICENSEE TO FURNISH
10 THE INFORMATION THAT THE DIVISION CONSIDERS NECESSARY FOR THE
11 PROPER ADMINISTRATION OF THIS PART 15 AND MAY REQUIRE AN AUDIT TO
12 BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS WHEN THE DIVISION
13 CONSIDERS IT NECESSARY BY AN AUDITOR, SELECTED BY THE DIRECTOR,
14 WHO SHALL LIKEWISE HAVE ACCESS TO ALL THE BOOKS AND RECORDS OF
15 THE LICENSEE, AND THE LICENSEE MAY BE REQUIRED TO PAY THE EXPENSE
16 OF THE AUDIT.

17 (7) A SPORTS GOVERNING BODY MAY PETITION THE COMMISSION
18 TO RESTRICT, LIMIT, OR EXCLUDE A TYPE OF WAGER THE OUTCOME OF
19 WHICH IS SOLELY DETERMINED BY THE ACTIONS OF A SINGLE PLAYER.
20 UPON RECEIVING SUCH A PETITION, THE COMMISSION SHALL REVIEW THE
21 REQUEST IN GOOD FAITH, SEEK INPUT FROM THE SPORTS BETTING
22 OPERATORS ON THE PETITION, AND, IF THE COMMISSION DEEMS IT
23 APPROPRIATE, ADOPT RULES TO RESTRICT, LIMIT, OR EXCLUDE THAT TYPE
24 OF WAGER.

25 (8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
26 CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
27 THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT

1 QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
2 2019 IN HOUSE BILL 19-1327.

3 **44-30-1506. Operations - eligibility to place bets -**
4 **record-keeping - information sharing.** (1) A PERSON MUST BE AT LEAST
5 TWENTY-ONE YEARS OF AGE TO PLACE A BET.

6 (2) (a) A SPORTS BETTING OPERATOR SHALL ADOPT PROCEDURES
7 TO PREVENT PERSONS WHO ARE PROHIBITED FROM WAGERING ON SPORTS
8 EVENTS FROM DOING SO. IN THE EVENT OF A WAGER PLACED BY A PERSON
9 LATER DETERMINED TO BE INELIGIBLE, THE SPORTS BETTING OPERATOR
10 SHALL REFUND THE WAGER IF POSSIBLE OR, IF A REFUND IS NOT POSSIBLE,
11 SHALL REMIT THE AMOUNT OF THE WAGER TO THE COMMISSION FOR
12 TRANSFER TO THE SPORTS BETTING FUND.

13 (b) A SPORTS BETTING OPERATOR SHALL NOT ACCEPT A BET FROM
14 ANY PERSON WHOSE IDENTITY IS KNOWN TO THE SPORTS BETTING
15 OPERATOR AND:

16 (I) WHOSE NAME APPEARS ON THE EXCLUSION LIST MAINTAINED
17 BY THE MASTER LICENSEE WITH WHOM THE SPORTS BETTING OPERATOR
18 HAS A CONTRACTUAL RELATIONSHIP; EXCEPT THAT A PERSON MAY NOT
19 INVALIDATE OR RETRACT A BET ALREADY PLACED AT THE TIME THE
20 PERSON'S NAME IS PLACED ON THE EXCLUSION LIST;

21 (II) WHO IS THE SPORTS BETTING OPERATOR, A DIRECTOR, OFFICER,
22 OWNER, OR EMPLOYEE OF THE SPORTS BETTING OPERATOR, OR ANY
23 RELATIVE OF THE SPORTS BETTING OPERATOR LIVING IN THE SAME
24 HOUSEHOLD AS THE SPORTS BETTING OPERATOR;

25 (III) WHO HAS ACCESS TO NONPUBLIC, CONFIDENTIAL
26 INFORMATION HELD BY THE SPORTS BETTING OPERATOR; OR

27 (IV) WHO IS AN AGENT OR PROXY FOR ANY OTHER PERSON FOR

1 THE PURPOSE OF PLACING THE BET.

2 (3) A SPORTS BETTING OPERATOR SHALL ESTABLISH OR DISPLAY
3 THE ODDS AT WHICH WAGERS MAY BE PLACED ON SPORTS EVENTS.

4 (4) A SPORTS BETTING OPERATOR SHALL ADOPT PROCEDURES TO
5 OBTAIN PERSONALLY IDENTIFIABLE INFORMATION FROM ANY INDIVIDUAL
6 WHO PLACES ANY SINGLE BET IN AN AMOUNT OF TEN THOUSAND DOLLARS
7 OR MORE ON A SPORTS EVENT WHILE PHYSICALLY PRESENT IN A CASINO,
8 AND ALL DISCLOSURE AND REPORTING REQUIREMENTS OTHERWISE
9 APPLICABLE TO WAGERS UNDER THIS ARTICLE 30 APPLY TO THE CONDUCT
10 OF SPORTS BETTING UNDER THIS PART 15.

11 (5) (a) A SPORTS BETTING OPERATOR SHALL PROMPTLY REPORT TO
12 THE DIVISION:

13 (I) ANY CRIMINAL OR DISCIPLINARY PROCEEDINGS COMMENCED
14 AGAINST THE SPORTS BETTING OPERATOR OR ITS EMPLOYEES IN
15 CONNECTION WITH THE OPERATIONS OF THE SPORTS BETTING OPERATION
16 OR INTERNET SPORTS BETTING OPERATION;

17 (II) ANY ABNORMAL BETTING ACTIVITY OR DISCERNIBLE PATTERNS
18 THAT MAY INDICATE A CONCERN ABOUT THE INTEGRITY OF A SPORTS
19 EVENT OR EVENTS;

20 (III) ANY OTHER CONDUCT WITH THE POTENTIAL TO CORRUPT A
21 BETTING OUTCOME OF A SPORTS EVENT FOR PURPOSES OF FINANCIAL GAIN,
22 INCLUDING MATCH FIXING OR THE USE OF MATERIAL, NONPUBLIC
23 INFORMATION TO PLACE BETS OR FACILITATE ANOTHER PERSON'S SPORTS
24 BETTING ACTIVITY; AND

25 (IV) SUSPICIOUS OR ILLEGAL WAGERING ACTIVITIES, INCLUDING
26 THE USE OF FUNDS DERIVED FROM ILLEGAL ACTIVITY, WAGERS TO
27 CONCEAL OR LAUNDER FUNDS DERIVED FROM ILLEGAL ACTIVITY, USE OF

1 AGENTS TO PLACE BETS, OR USE OF FALSE IDENTIFICATION.

2 (b) IN ADDITION TO REPORTING TO THE DIVISION AS REQUIRED BY
3 SUBSECTION (5)(a) OF THIS SECTION, A SPORTS BETTING OPERATOR SHALL
4 MAINTAIN RECORDS OF ALL BETS PLACED, INCLUDING PERSONALLY
5 IDENTIFIABLE INFORMATION OF THE BETTOR WHEN AVAILABLE, AMOUNT
6 AND TYPE OF BET, TIME THE BET WAS PLACED, LOCATION OF THE BET,
7 INCLUDING INTERNET PROTOCOL ADDRESS IF APPLICABLE, THE OUTCOME
8 OF THE BET, AND RECORDS OF ABNORMAL BETTING ACTIVITY. A SPORTS
9 BETTING OPERATOR SHALL MAINTAIN THESE RECORDS FOR AT LEAST
10 THREE YEARS AFTER THE SPORTS EVENT OCCURS AND SHALL MAKE THE
11 RECORDS AVAILABLE FOR INSPECTION UPON REQUEST OF THE DIVISION OR
12 AS REQUIRED BY COURT ORDER.

13 (c) THE DIVISION SHALL, GIVEN GOOD AND SUFFICIENT REASON,
14 COOPERATE WITH A SPORTS GOVERNING BODY AND SPORTS BETTING
15 OPERATORS TO ENSURE THE TIMELY, EFFICIENT, AND ACCURATE SHARING
16 OF INFORMATION FOR THE SOLE PURPOSE OF ENSURING THE INTEGRITY OF
17 THEIR SPORT.

18 (d) THE DIVISION AND SPORTS BETTING OPERATORS SHALL, GIVEN
19 GOOD AND SUFFICIENT REASON, COOPERATE WITH INVESTIGATIONS
20 CONDUCTED BY SPORTS GOVERNING BODIES AND SHALL COOPERATE WITH
21 LAW ENFORCEMENT AGENCIES, INCLUDING PROVIDING OR FACILITATING
22 THE PROVISION OF ACCOUNT-LEVEL BETTING INFORMATION AND ANY
23 AVAILABLE AUDIO OR VIDEO FILES RELATING TO PERSONS PLACING BETS.

24 (e) THE DIVISION MAY SHARE ANY INFORMATION OBTAINED UNDER
25 THIS SECTION WITH ANY LAW ENFORCEMENT ENTITY, TEAM, SPORTS
26 GOVERNING BODY, OR REGULATORY AGENCY THAT REQUESTS
27 INFORMATION FROM THE DIVISION IN CONNECTION WITH AN

1 INVESTIGATION CONDUCTED BY THAT ENTITY, TEAM, SPORTS GOVERNING
2 BODY, OR REGULATORY AGENCY. THE DIVISION MAY REDACT OR
3 AGGREGATE INFORMATION TO PROTECT THE PRIVACY OF PERSONS WHO
4 ARE NOT SUBJECTS OR TARGETS OF THE INVESTIGATION.

5 (6) ALL BETS AUTHORIZED UNDER THIS PART 15 MUST BE
6 INITIATED, RECEIVED, AND OTHERWISE MADE WITHIN COLORADO UNLESS
7 OTHERWISE DETERMINED BY THE DIVISION IN ACCORDANCE WITH
8 APPLICABLE FEDERAL AND STATE LAWS. CONSISTENT WITH THE INTENT OF
9 THE UNITED STATES CONGRESS AS ARTICULATED IN THE FEDERAL
10 "UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006", 31
11 U.S.C. SEC. 5361-5367, THE INTERMEDIATE ROUTING OF ELECTRONIC
12 DATA RELATING TO A LAWFUL INTRASTATE WAGER AUTHORIZED UNDER
13 THIS PROVISION DOES NOT DETERMINE THE LOCATION OR LOCATIONS IN
14 WHICH THE WAGER IS INITIATED, RECEIVED, OR OTHERWISE MADE.

15 (7) EACH SPORTS BETTING OPERATOR MAY SET SUCH BET LIMITS
16 AS IT SEES FIT, IN ITS SOLE DISCRETION, AND MAY MAKE THOSE LIMITS
17 SPECIFIC TO A FORM OR CLASS OF SPORTS BETTING, A SPECIFIC SPORTS
18 EVENT, OR A PERSON PLACING A BET, BASED ON INDIVIDUAL OR
19 AGGREGATE DATA CONCERNING BETS TO BE PLACED OR THAT HAVE BEEN
20 PLACED HISTORICALLY BY THAT INDIVIDUAL OR ON THAT FORM OR CLASS
21 OF SPORTS BETTING OR ON THAT SPORTS EVENT.

22 (8) AN INTERNET SPORTS BETTING OPERATOR SHALL ACCEPT BETS
23 ONLY FROM PERSONS PHYSICALLY LOCATED WITHIN THE STATE OF
24 COLORADO. AN INTERNET SPORTS BETTING OPERATOR MAY ESTABLISH
25 AND FUND SPORTS WAGERING ACCOUNTS ELECTRONICALLY THROUGH
26 COMMISSION-APPROVED MOBILE APPLICATIONS AND DIGITAL PLATFORMS.

27 **44-30-1507. Records - confidentiality - exceptions.** (1) EXCEPT

1 AS SPECIFIED IN SUBSECTIONS (2) AND (3) OF THIS SECTION, INFORMATION
2 AND RECORDS OF THE COMMISSION ENUMERATED BY THIS SECTION ARE
3 CONFIDENTIAL AND MAY NOT BE DISCLOSED EXCEPT PURSUANT TO A
4 COURT ORDER. NO PERSON MAY BY SUBPOENA OR STATUTORY AUTHORITY
5 OBTAIN SUCH INFORMATION OR RECORDS. INFORMATION AND RECORDS
6 CONSIDERED CONFIDENTIAL INCLUDE:

7 (a) TAX RETURNS OF INDIVIDUAL LICENSEES;

8 (b) CREDIT REPORTS AND SECURITY REPORTS AND PROCEDURES OF
9 APPLICANTS AND OTHER PERSONS SEEKING TO DO BUSINESS OR DOING
10 BUSINESS WITH THE COMMISSION;

11 (c) AUDIT WORK PAPERS, WORKSHEETS, AND AUDITING
12 PROCEDURES USED BY THE COMMISSION, ITS AGENTS, OR EMPLOYEES; AND

13 (d) INVESTIGATIVE REPORTS CONCERNING VIOLATIONS OF LAW OR
14 CONCERNING THE BACKGROUNDS OF LICENSEES, APPLICANTS, OR OTHER
15 PERSONS PREPARED BY DIVISION INVESTIGATORS OR INVESTIGATORS FROM
16 OTHER AGENCIES WORKING WITH THE COMMISSION AND ANY WORK PAPERS
17 RELATED TO THE REPORTS; EXCEPT THAT THE COMMISSION MAY, IN ITS
18 SOLE DISCRETION, DISCLOSE SO MUCH OF THE REPORTS OR WORK PAPERS
19 AS IT DEEMS NECESSARY AND PRUDENT.

20 (2) SUBSECTION (1) OF THIS SECTION DOES NOT APPLY TO
21 REQUESTS FOR INFORMATION OR RECORDS DESCRIBED IN SUBSECTION (1)
22 OF THIS SECTION FROM THE GOVERNOR, ATTORNEY GENERAL, STATE
23 AUDITOR, ANY OF THE RESPECTIVE DISTRICT ATTORNEYS OF THIS STATE,
24 OR ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY, OR FOR THE USE
25 OF THE INFORMATION OR RECORDS BY THE EXECUTIVE DIRECTOR,
26 DIRECTOR, OR COMMISSION FOR OFFICIAL PURPOSES, OR BY EMPLOYEES OF
27 THE DIVISION OR THE DEPARTMENT IN THE PERFORMANCE OF THEIR

1 AUTHORIZED AND OFFICIAL DUTIES.

2 (3) THIS SECTION DOES NOT MAKE CONFIDENTIAL THE AGGREGATE
3 TAX COLLECTIONS DURING ANY REPORTING PERIOD, THE NAMES AND
4 BUSINESSES OF LICENSEES, OR FIGURES SHOWING THE AGGREGATE
5 AMOUNT OF MONEY BET DURING ANY REPORTING PERIOD.

6 (4) (a) A PERSON WHO DISCLOSES CONFIDENTIAL RECORDS OR
7 INFORMATION IN VIOLATION OF THIS SECTION COMMITS A CLASS 1
8 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
9 18-1.3-501. A CRIMINAL PROSECUTION PURSUANT TO THIS SECTION MUST
10 BE BROUGHT WITHIN FIVE YEARS AFTER THE DATE THE VIOLATION
11 OCCURRED.

12 (b) IF A PERSON VIOLATING THIS SECTION IS AN OFFICER OR
13 EMPLOYEE OF THE STATE, IN ADDITION TO ANY OTHER PENALTIES OR
14 SANCTIONS, THE PERSON IS SUBJECT TO DISMISSAL IF THE PROCEDURES IN
15 SECTION 24-50-125 ARE FOLLOWED.

16 (c) A PERSON IS LIABLE FOR TREBLE DAMAGES TO AN INJURED
17 PARTY IN A CIVIL ACTION THE SUBJECT OF WHICH INCLUDES THE RELEASE
18 OF CONFIDENTIAL RECORDS OR INFORMATION, IF THE PERSON VIOLATING
19 THIS SECTION IS A CURRENT EMPLOYEE OR OFFICER OF THE STATE WHO
20 OBTAINED THE CONFIDENTIAL RECORDS OR INFORMATION SPECIFIED IN
21 SUBSECTION (1) OF THIS SECTION DURING HIS OR HER EMPLOYMENT.

22 (d) A FORMER EMPLOYEE OR OFFICER IS LIABLE FOR TREBLE
23 DAMAGES TO AN INJURED PARTY IN A CIVIL ACTION THE SUBJECT OF WHICH
24 INCLUDES THE RELEASE OF RECORDS OR INFORMATION AFTER LEAVING
25 STATE EMPLOYMENT IF THE PERSON VIOLATING THIS SECTION IS A FORMER
26 EMPLOYEE OR OFFICER OF THE STATE WHO OBTAINED THE CONFIDENTIAL
27 RECORDS OR INFORMATION DURING HIS OR HER EMPLOYMENT AND THE

1 PERSON EXECUTED A WRITTEN STATEMENT WITH THE STATE AGREEING TO
2 BE HELD TO THE CONFIDENTIALITY STANDARDS EXPRESSED IN THIS
3 SUBSECTION (4).

4 **44-30-1508. Sports betting tax - rules.** (1) THERE IS HEREBY
5 IMPOSED A TAX ON SPORTS BETTING ACTIVITY, AT THE RATE OF TEN
6 PERCENT OF NET SPORTS BETTING PROCEEDS. THE COMMISSION SHALL
7 ESTABLISH BY RULE THE FORM AND MANNER IN WHICH THE TAX IS
8 COLLECTED.

9 (2) ALL PROCEEDS OF THE SPORTS BETTING TAX SHALL BE
10 FORWARDED TO THE STATE TREASURER, WHO SHALL CREDIT THEM TO THE
11 SPORTS BETTING FUND CREATED IN SECTION 44-30-1509.

12 **44-30-1509. Sports betting fund - creation - rules - definitions.**

13 (1) (a) THERE IS HEREBY CREATED, IN THE STATE TREASURY, THE SPORTS
14 BETTING FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE INITIAL
15 APPROPRIATION TO THE DIVISION FOR SPORTS BETTING REGULATION AND
16 ALL SUBSEQUENT REVENUES OF THE DIVISION DERIVED FROM SPORTS
17 BETTING ACTIVITY, INCLUDING LICENSE FEES, FINES AND PENALTIES, AND
18 COLLECTION OF THE SPORTS BETTING TAX, SHALL BE DEPOSITED INTO THE
19 FUND. ALL EXPENSES OF THE DIVISION RELATED TO SPORTS BETTING
20 REGULATION, INCLUDING THE EXPENSES OF INVESTIGATION AND
21 PROSECUTION RELATING TO SPORTS BETTING, SHALL BE PAID FROM THE
22 FUND.

23 (b) ALL MONEY PAID INTO THE FUND IS CONTINUOUSLY
24 APPROPRIATED FOR THE PURPOSES OF IMPLEMENTING THIS PART 15.
25 PAYMENT SHALL BE MADE UPON PROPER PRESENTATION OF A VOUCHER
26 PREPARED BY THE COMMISSION IN ACCORDANCE WITH OTHER STATUTES
27 GOVERNING PAYMENTS OF LIABILITIES INCURRED ON BEHALF OF THE STATE

1 AND SHALL NOT BE CONDITIONED ON ANY APPROPRIATION BY THE
2 GENERAL ASSEMBLY. RECEIPT OF THE PAYMENT CONSTITUTES SPENDING
3 AUTHORITY BY THE DIVISION.

4 (2) FROM THE MONEY IN THE SPORTS BETTING FUND, TO THE
5 EXTENT THE UNEXPENDED AND UNENCUMBERED BALANCE IN THE FUND SO
6 PERMITS, THE STATE TREASURER SHALL:

7 (a) FIRST, TRANSFER AN AMOUNT TO THE GENERAL FUND TO REPAY
8 ANY APPROPRIATION MADE FROM THE GENERAL FUND FOR THE
9 COMMISSION'S AND DIVISION'S STARTUP COSTS, INCLUDING INITIAL
10 LICENSING AND RULE-MAKING, RELATED TO SPORTS BETTING.

11 (b) SECOND, PAY ALL ONGOING EXPENSES RELATED TO
12 ADMINISTERING THIS PART 15 INCURRED BY THE COMMISSION, THE
13 DEPARTMENT, THE DIVISION, AND ANY OTHER STATE AGENCY FROM WHOM
14 ASSISTANCE RELATED TO THE ADMINISTRATION OF THIS PART 15 IS
15 REQUESTED BY THE COMMISSION OR THE DIRECTOR, AS DETERMINED IN
16 ACCORDANCE WITH RULES OF THE COMMISSION. WHEN MAKING
17 DISTRIBUTIONS FROM THE FUND AS DESCRIBED IN THIS SUBSECTION (2),
18 THE STATE TREASURER MAY WITHHOLD AN AMOUNT REASONABLY
19 ANTICIPATED TO BE SUFFICIENT TO PAY THE EXPENSES UNTIL THE NEXT
20 ANNUAL DISTRIBUTION.

21 (c) THIRD, TRANSFER AN AMOUNT EQUAL TO SIX PERCENT OF
22 THE FULL FISCAL YEAR SPORTS BETTING TAX REVENUES TO THE WAGERING
23 REVENUE RECIPIENTS HOLD-HARMLESS FUND, REFERRED TO IN THIS
24 SECTION AS THE "HOLD-HARMLESS FUND", WHICH IS HEREBY CREATED IN
25 THE STATE TREASURY, FROM WHICH THE STATE TREASURER SHALL MAKE
26 DISBURSEMENTS AS DIRECTED BY THE COMMISSION AS FOLLOWS:

27 (I) THE COMMISSION SHALL ACCEPT APPLICATIONS FROM THE

1 FOLLOWING PERSONS AND ENTITIES FOR ANNUAL, LUMP-SUM PAYMENTS
2 TO OFFSET ANY LOSS OF REVENUE THAT THEY CAN DEMONSTRATE, TO THE
3 COMMISSION'S SATISFACTION, IS ATTRIBUTABLE TO SPORTS BETTING:

4 (A) THE STATE HISTORICAL FUND CREATED BY SECTION 9 (5)(b)(II)
5 OF ARTICLE XVIII OF THE STATE CONSTITUTION;

6 (B) THE COLLEGES DESCRIBED IN SECTION 44-30-702 (4)(a);

7 (C) THE CITIES OF CENTRAL, BLACK HAWK, AND CRIPPLE CREEK;

8 (D) THE COUNTIES OF GILPIN AND TELLER; AND

9 (E) ANY PERSONS OR ENTITIES WHO BENEFIT FROM PURSE FUNDS
10 COLLECTED PURSUANT TO SECTION 44-32-702 (1)(c) OR 44-32-705.

11 (II) THE COMMISSION SHALL ESTABLISH, BY RULE, AN ANNUAL
12 SCHEDULE FOR THE ACCEPTANCE OF APPLICATIONS; THE FORM AND
13 MANNER IN WHICH APPLICATIONS MUST BE MADE; ITS CRITERIA FOR
14 VERIFYING THE AMOUNT OF EACH APPLICANT'S REVENUE LOSS
15 ATTRIBUTABLE TO SPORTS BETTING; AND THE DATE ON WHICH
16 DISTRIBUTIONS FROM THE HOLD-HARMLESS FUND ARE TO BE MADE.

17 (III) IF, ON THE ANNUAL DATE OF DISTRIBUTION, THERE IS NOT
18 SUFFICIENT MONEY IN THE HOLD-HARMLESS FUND TO PAY ALL VERIFIED
19 LOSSES, THE COMMISSION SHALL DIRECT THE STATE TREASURER TO
20 REDUCE THE AMOUNT OF ALL CLAIMS BY A UNIFORM PERCENTAGE SO THAT
21 APPLICANTS RECEIVE A SHARE OF THE MONEY PROPORTIONATE TO THEIR
22 VERIFIED LOSSES.

23 (d) FOURTH, TRANSFER ONE HUNDRED THIRTY THOUSAND
24 DOLLARS ANNUALLY TO THE OFFICE OF BEHAVIORAL HEALTH IN THE
25 DEPARTMENT OF HUMAN SERVICES, TO BE USED AS FOLLOWS:

26 (I) THIRTY THOUSAND DOLLARS FOR THE OPERATION OF A CRISIS
27 HOTLINE FOR GAMBLERS BY ROCKY MOUNTAIN CRISIS PARTNERS OR ITS

1 SUCCESSOR ORGANIZATION; AND

2 (II) ONE HUNDRED THOUSAND DOLLARS FOR PREVENTION,
3 EDUCATION, TREATMENT, AND WORKFORCE DEVELOPMENT BY, AND
4 INCLUDING THE PAYMENT OF SALARIES OF, COUNSELORS CERTIFIED IN THE
5 TREATMENT OF GAMBLING DISORDERS.

6 (e) FIFTH, TRANSFER ALL REMAINING UNEXPENDED AND
7 UNENCUMBERED MONEY IN THE FUND TO THE WATER PLAN
8 IMPLEMENTATION CASH FUND CREATED IN SECTION 37-60-123.3.

9 (3) NOTHING IN THIS SECTION PERMITS COMPOUNDING OR
10 ACCUMULATION OF THE ANNUAL ADJUSTMENT.

11 (4) UPON REQUEST, THE STATE TREASURER SHALL REPORT TO THE
12 DIRECTOR OR THE COMMISSION THE AMOUNT OF MONEY AVAILABLE IN THE
13 FUND. THE DIRECTOR SHALL CERTIFY ALL ACCOUNTS AND EXPENDITURES
14 FROM THE FUND. THE STATE TREASURER SHALL PAY UPON WARRANTS
15 DRAWN BY THE CONTROLLER. THE CONTROLLER IS AUTHORIZED AS
16 DIRECTED TO DRAW WARRANTS PAYABLE OUT OF THE FUND UPON
17 VOUCHERS PROPERLY CERTIFIED.

18 (5) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND
19 SO LONG AS THE MONEY IS TIMELY AVAILABLE TO PAY THE EXPENSES OF
20 THE DIVISION. INVESTMENTS MUST BE THOSE OTHERWISE PERMITTED BY
21 STATE LAW, AND INTEREST OR ANY OTHER RETURN ON THE INVESTMENTS
22 SHALL BE PAID INTO THE FUND.

23 (6) THE DIVISION SHALL BE OPERATED SO THAT, AFTER THE INITIAL
24 STATE APPROPRIATION, ITS ADMINISTRATION OF THIS PART 15 IS
25 FINANCIALLY SELF-SUSTAINING.

26 (7) NO CLAIM FOR THE PAYMENT OF ANY EXPENSE OF THE DIVISION
27 RELATING TO ADMINISTERING THIS PART 15 CAN BE MADE UNLESS IT IS

1 AGAINST THE FUND. NO OTHER MONEY OF THE STATE SHALL BE USED OR
2 OBLIGATED TO PAY THE EXPENSES OF THE DIVISION OR COMMISSION
3 RELATED TO SPORTS BETTING.

4 **44-30-1510. Audits.** THE SPORTS BETTING FUND SHALL BE
5 AUDITED AT LEAST ONCE BEFORE MAY 1, 2022, AND AT LEAST ONCE
6 EVERY FIVE YEARS THEREAFTER, BY OR UNDER THE DIRECTION OF THE
7 STATE AUDITOR, WHO, NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I),
8 SHALL SUBMIT A REPORT OF THE AUDIT TO THE LEGISLATIVE AUDIT
9 COMMITTEE. THE EXPENSES OF THE AUDIT SHALL BE PAID FROM THE
10 SPORTS BETTING FUND.

11 **44-30-1511. Unlawful acts.** (1) IN ADDITION TO THE
12 PROHIBITIONS IN SECTION 44-30-801, IT IS UNLAWFUL FOR ANY PERSON:

13 (a) TO CHARGE, IN CONNECTION WITH THE PLACEMENT OR
14 ACCEPTANCE OF A BET, A COMMISSION OR FEE GREATER THAN OR LESS
15 THAN THAT FIXED BY THE COMMISSION;

16 (b) TO ACCEPT A BET BY ANY PERSON UNDER TWENTY-ONE YEARS
17 OF AGE; OR

18 (c) TO ACCEPT A BET AT ANY PLACE OR IN ANY MANNER OTHER
19 THAN A PLACE OR MANNER AUTHORIZED AND SPECIFIED IN A SPORTS
20 BETTING LICENSE.

21 **44-30-1512. Penalties.** (1) IN ADDITION TO ANY OTHER PENALTIES
22 THAT MAY APPLY, A PERSON VIOLATING SECTION 44-30-1511 COMMITS A
23 CLASS 2 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
24 18-1.3-501.

25 (2) A PERSON VIOLATING THE ACCEPTANCE OF BETS RESTRICTIONS
26 OF SECTION 44-30-1511 (1)(b) MAY ALSO BE PROSECUTED PURSUANT TO
27 SECTION 18-6-701 FOR CONTRIBUTING TO THE DELINQUENCY OF A MINOR.

1 (3) A PERSON PURPORTING TO ISSUE, SUSPEND, REVOKE, OR RENEW
2 LICENSES PURSUANT TO THIS PART 15 OR TO PROCURE OR INFLUENCE THE
3 ISSUANCE, SUSPENSION, REVOCATION, OR RENEWAL OF A LICENSE FOR ANY
4 PERSONAL PECUNIARY GAIN OR ANY THING OF VALUE, AS DEFINED IN
5 SECTION 18-1-901 (3)(r), OR A PERSON VIOLATING SECTION 44-30-1502
6 COMMITS A CLASS 3 FELONY AND SHALL BE PUNISHED AS PROVIDED IN
7 SECTION 18-1.3-401.

8 (4) A PERSON VIOLATING ANY PROVISION OF THIS PART 15
9 RELATING TO DISCLOSURE BY PROVIDING FALSE OR MISLEADING
10 INFORMATION COMMITS A CLASS 6 FELONY AND SHALL BE PUNISHED AS
11 PROVIDED IN SECTION 18-1.3-401.

12 **44-30-1513. Other laws inapplicable.** ANY OTHER STATE OR
13 LOCAL LAW IN CONFLICT WITH THIS PART 15 IS INAPPLICABLE, BUT THIS
14 SECTION DOES NOT SUPERSEDE OR AFFECT PART 6 OF ARTICLE 21 OF TITLE
15 24.

16 **44-30-1514. Approval by electors - repeal.** (1) THE SECRETARY
17 OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR
18 THEIR APPROVAL OR REJECTION AT THE STATEWIDE ELECTION HELD IN
19 NOVEMBER 2019 THE FOLLOWING BALLOT ISSUE: "SHALL STATE TAXES BE
20 INCREASED BY TWENTY-NINE MILLION DOLLARS ANNUALLY TO FUND
21 STATE WATER PROJECTS AND COMMITMENTS AND TO PAY FOR THE
22 REGULATION OF SPORTS BETTING THROUGH LICENSED CASINOS BY
23 AUTHORIZING A TAX ON SPORTS BETTING OF TEN PERCENT OF NET SPORTS
24 BETTING PROCEEDS, AND TO IMPOSE THE TAX ON PERSONS LICENSED TO
25 CONDUCT SPORTS BETTING OPERATIONS?"

26 (2) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2020.

27 **44-30-1515. Repeal of part.** (1) THIS PART 15 IS REPEALED,

1 EFFECTIVE MAY 1, 2020, IF THE VOTERS AT THE NOVEMBER 2019
2 STATEWIDE ELECTION DO NOT APPROVE THE QUESTION DESCRIBED IN
3 SECTION 44-30-1514 AND THE GOVERNOR ISSUES AN OFFICIAL
4 DECLARATION OF THE VOTE THEREON.

5 (2) THIS SECTION IS REPEALED, EFFECTIVE MAY 1, 2020, IF THE
6 VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE
7 QUESTION DESCRIBED IN SECTION 44-30-1514 AND THE GOVERNOR ISSUES
8 AN OFFICIAL DECLARATION OF THE VOTE THEREON.

9 **SECTION 13.** In Colorado Revised Statutes, 18-10-102, **amend**
10 (2)(d) and (2)(f); and **add** (2)(g) as follows:

11 **18-10-102. Definitions.** As used in this article 10, unless the
12 context otherwise requires:

13 (2) "Gambling" means risking any money, credit, deposit, or other
14 thing of value for gain contingent in whole or in part upon lot, chance, the
15 operation of a gambling device, or the happening or outcome of an event,
16 including a sporting event, over which the person taking a risk has no
17 control, but does not include:

18 (d) Any game, wager, or transaction ~~which~~ THAT is incidental to
19 a bona fide social relationship, is participated in by natural persons only,
20 and in which no person is participating, directly or indirectly, in
21 professional gambling; ~~or~~

22 (f) Any use of or transaction involving a crane game, as defined
23 in section 44-30-103 (9); OR

24 (g) SPORTS BETTING CONDUCTED IN ACCORDANCE WITH PART 15
25 OF ARTICLE 30 OF TITLE 44 AND APPLICABLE RULES OF THE LIMITED
26 GAMING CONTROL COMMISSION.

27 **SECTION 14.** In Colorado Revised Statutes, **add** 37-60-123.3 as

1 follows:

2 **37-60-123.3. Water plan implementation cash fund - created.**

3 (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE WATER PLAN
4 IMPLEMENTATION CASH FUND, REFERRED TO IN THIS SECTION AS THE
5 "FUND". THE FUND CONSISTS OF SPORTS BETTING REVENUES TRANSFERRED
6 FROM THE SPORTS BETTING FUND IN ACCORDANCE WITH SECTION
7 44-30-1509 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
8 APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL
9 CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
10 INVESTMENT OF MONEY IN THE FUND TO THE FUND.

11 (2) FROM THE FUND, THE BOARD MAY APPROVE OF:

12 (a) GRANTS PURSUANT TO SECTION 37-60-106.3 (6);

13 (b) EXPENDITURES TO ENSURE COMPLIANCE WITH INTERSTATE
14 WATER ALLOCATION COMPACTS, EQUITABLE APPORTIONMENT DECREES,
15 INTERNATIONAL TREATIES, AND FEDERAL LAWS RELATING TO INTERSTATE
16 STORAGE AND RELEASE, APPORTIONMENT, AND ALLOCATION OF WATER,
17 INCLUDING TO SUPPORT PROJECTS AND PROCESSES THAT MAY INCLUDE
18 COMPENSATION TO WATER USERS FOR TEMPORARY AND VOLUNTARY
19 REDUCTIONS IN CONSUMPTIVE USE THAT ARE REGIONALLY EQUITABLE AND
20 AVOID DISPROPORTIONATE, NEGATIVE ECONOMIC OR ENVIRONMENTAL
21 IMPACTS TO ANY SINGLE SUBBASIN OR REGION; AND

22 (c) EXPENDITURES THAT MAY BE NECESSARY FOR THE
23 ADMINISTRATION OF GRANTS AND COMPACT EXPENDITURES LISTED IN
24 SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION.

25 **SECTION 15. Appropriation.** (1) For the 2019-20 state fiscal
26 year, \$1,874,365 is appropriated to the department of revenue. This
27 appropriation is from the general fund. To implement this act, the

1 department may use this appropriation as follows:

2 (a) \$170,324 for use by the executive director's office for personal
3 services related to administration and support, which amount is based on
4 an assumption that the office will require an additional 2.3 FTE;

5 (b) \$25,700 for use by the executive director's office for operating
6 expenses related to administration and support;

7 (c) \$796,081 for use by the limited gaming division for personal
8 services, which amount is based on an assumption that the division will
9 require an additional 9.5 FTE;

10 (d) \$260,006 for use by the limited gaming division for operating
11 expenses;

12 (e) \$443,500 for tax administration IT system (GenTax) support;

13 (f) \$142,388 for the purchase of legal services;

14 (g) \$34,650 for vehicle lease payments; and

15 (h) \$1,716 for the purchase of criminal history record checks.

16 (2) For the 2019-20 state fiscal year, \$142,388 is appropriated to
17 the department of law. This appropriation is from reappropriated funds
18 received from the department of revenue under subsection (1)(f) of this
19 section and is based on an assumption that the department of law will
20 require an additional 0.8 FTE. To implement this act, the department of
21 law may use this appropriation to provide legal services for the
22 department of revenue.

23 (3) For the 2019-20 state fiscal year, \$34,650 is appropriated to
24 the department of personnel. This appropriation is from reappropriated
25 funds received from the department of revenue under subsection (1)(g)
26 of this section. To implement this act, the department of personnel may
27 use this appropriation to provide vehicles for the department of revenue.

1 (4) For the 2019-20 state fiscal year, \$1,716 is appropriated to the
2 department of public safety for use by the biometric identification and
3 records unit. This appropriation is from reappropriated funds received
4 from the department of revenue under subsection (1)(h) of this section.
5 To implement this act, the unit may use this appropriation to provide
6 criminal history record checks for the department of revenue.

7 **SECTION 16. Act subject to petition - effective date.**

8 (1) Except as specified in subsection (2) of this section, this act takes
9 effect at 12:01 a.m. on the day following the expiration of the ninety-day
10 period after final adjournment of the general assembly (August 2, 2019,
11 if adjournment sine die is on May 3, 2019); except that, if a referendum
12 petition is filed pursuant to section 1 (3) of article V of the state
13 constitution against this act or an item, section, or part of this act within
14 such period, then the act, item, section, or part will not take effect unless
15 approved by the people at the general election to be held in November
16 2020 and, in such case, will take effect on the date of the official
17 declaration of the vote thereon by the governor.

18 (2) (a) Sections 1 to 3, 6, 7, 13, and 14 of this act and sections
19 44-30-1501, 44-30-1502, and 44-30-1506 to 44-30-1514, Colorado
20 Revised Statutes, enacted by section 12 of this act, take effect only if, at
21 the November 2019 statewide election, a majority of voters approve the
22 ballot question submitted pursuant to section 44-30-1514, Colorado
23 Revised Statutes, enacted in section 12 of this act.

24 (b) If the voters at the November 2019 statewide election approve
25 the ballot question described in subsection (2)(a) of this section, then
26 sections 1 to 3, 6, 7, 13, and 14 of this act and sections 44-30-1501,
27 44-30-1502, and 44-30-1506 to 44-30-1514, Colorado Revised Statutes,

1 enacted by section 12 of this act, take effect May 1, 2020.

2 (c) Section 14 of this act takes effect only if Senate Bill 19-212

3 becomes law.