

CHAPTER 347

REVENUE - ACTIVITIES REGULATION

HOUSE BILL 19-1327

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AN ACT

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

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

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

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

(a) WHEN, IN 2018, THE UNITED STATES SUPREME COURT HELD IN *MURPHY V. NATIONAL COLLEGIATE ATHLETIC ASSOCIATION*, 138 S. CT. 1461, THAT THERE EXISTED NO CURRENT FEDERAL IMPEDIMENT TO AN INDIVIDUAL STATE'S AUTHORITY TO LEGALIZE SPORTS BETTING, BUT THAT SUCH AN EFFORT WAS SUBJECT ONLY TO THAT STATE'S OWN CONSTITUTIONAL LIMITS ON THAT AUTHORITY, COLORADO HAD THE OPTION TO EXPAND THE RESPONSIBILITIES OF THE LIMITED GAMING CONTROL COMMISSION CREATED IN THIS ARTICLE 30 TO INCLUDE SPORTS BETTING;

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(c) THE GENERAL ASSEMBLY INTENDS, THROUGH PASSAGE OF HOUSE BILL 19-1327, ENACTED IN 2019, TO INCORPORATE SPORTS BETTING SEAMLESSLY INTO THE REGULATORY AND TAXING SYSTEM ESTABLISHED FOR LIMITED GAMING UNDER THIS ARTICLE 30 IN A MANNER THAT HONORS THE VOTERS' INTENT IN ADOPTING SECTION 9 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND HAS DONE SO THROUGH ENACTMENT OF A REFERRED MEASURE REQUIRING STATEWIDE APPROVAL;

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

(e) THE SUCCESS OF SPORTS BETTING IS DEPENDENT UPON PUBLIC CONFIDENCE AND TRUST THAT ACTIVITIES RELATED TO SPORTS BETTING ARE CONDUCTED HONESTLY AND COMPETITIVELY; THAT THE RIGHTS OF THE CREDITORS OF LICENSEES ARE PROTECTED; AND THAT SPORTS BETTING IS FREE FROM CRIMINAL AND CORRUPTIVE ELEMENTS. PUBLIC CONFIDENCE AND TRUST CAN BE MAINTAINED ONLY BY STRICT REGULATION OF SPORTS BETTING.

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

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

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

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

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

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

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

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

44-30-201. Division of gaming - creation - repeal. (1) There is hereby created, within the department, the division of gaming, the head of which ~~shall be~~ is the director of the division of gaming. The director ~~shall be~~ is appointed by, and ~~shall~~

be IS subject to removal by, the executive director. The division of gaming, the Colorado limited gaming control commission created in section 44-30-301, and the director of the division of gaming shall exercise their respective powers and perform their respective duties and functions as specified in this article 30 under the department as if ~~the same~~ THEY were transferred to the department by a **type 2** transfer, as the transfer is defined in the "Administrative Organization Act of 1968", article 1 of title 24; except that the commission ~~shall have~~ HAS full and exclusive authority to promulgate rules related to limited gaming AND SPORTS BETTING without any approval by, or delegation of authority from, the department. NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (1) TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

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

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

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

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

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

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

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

(2) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

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

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

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

rules of the commission;

(f) Advise the commission and recommend to the commission any rules and other procedures as the director deems necessary and advisable to improve the operation of the division and the conduct of limited gaming OR SPORTS BETTING;

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

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

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

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

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

(b) Inspect, examine, investigate, hold, or impound any premises where limited gaming OR SPORTS BETTING is conducted, any devices or equipment designed for or used in limited gaming OR SPORTS BETTING, and any books and records in any way connected with any limited gaming OR SPORTS BETTING activity;

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

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

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

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

SECTION 8. In Colorado Revised Statutes, 44-30-302, **amend** (1)(a), (1)(d),

(1)(f), (1)(h), (1)(j), (1)(n)(I), (1)(p), (1)(s), (1)(u), (2) introductory portion, (2)(a), (2)(b), (2)(c), (2)(d), (2)(e), (2)(f), (2)(r), and (2)(s); and **add** (3) as follows:

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

(a) To promulgate the rules governing the licensing, conducting, and operating of limited gaming AND SPORTS BETTING as it deems necessary to carry out the purposes of this article 30. The director shall prepare and submit to the commission written recommendations concerning proposed rules for this purpose.

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

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

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

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

(n) (I) Except as otherwise provided in subsection (1)(n)(II) of this section, to inspect and examine without notice all premises ~~wherein~~ IN WHICH limited gaming OR SPORTS BETTING is conducted or WHERE devices or equipment used in ~~limited gaming~~ THOSE ACTIVITIES are located, manufactured, sold, or distributed, and to summarily seize, remove, and impound, without notice or hearing, from the premises any equipment, devices, supplies, books, or records for the purpose of examination or inspection.

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

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

(u) To demand, at any time when business is being conducted, access to and inspection, examination, photocopying, and auditing of all papers, books, and

records of applicants and licensees, on their premises or elsewhere as practicable and in the presence of the licensee or ~~his or her~~ THE LICENSEE'S agent, pertaining to the gross income produced by any ~~licensed gaming establishment and~~ OR ACTIVITY LICENSED UNDER THIS ARTICLE 30; to require verification of income, and all other matters affecting the enforcement of the policies of the commission or any provision of this article 30; and to impound or remove all papers, books, and records of applicants and licensees, without hearing, for inspection or examination; and

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

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

(b) The requirements, qualifications, and grounds for the issuance, revocation, suspension, and summary suspension of all types of permanent and temporary licenses required for the conduct of limited gaming OR SPORTS BETTING;

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

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

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

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

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

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

(3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

SECTION 9. In Colorado Revised Statutes, 44-30-401, **amend** (1)(d) as follows:

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

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

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

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

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

(b) (I) All money paid into the limited gaming fund shall be available immediately, without further appropriation, for the purposes of the fund. From the money in the limited gaming fund, the state treasurer is hereby authorized to pay all ongoing expenses of the commission, the department, the division, and any other state agency from whom assistance related to the administration of this article 30 is requested by the commission, director, or executive director, EXCEPT THOSE EXPENSES RELATED TO SPORTS BETTING, AS SPECIFIED IN PART 15 OF THIS ARTICLE 30. The payment shall be made upon proper presentation of a voucher prepared by the commission in accordance with other statutes governing payments of liabilities incurred on behalf of the state. The payment shall not be conditioned on any appropriation by the general assembly. Receipt of the payment shall constitute spending authority by the division of gaming in the department.

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

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

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

(3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

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

44-30-705. Attorney general - duties. (3) Expenses of the attorney general incurred in the performance of the responsibilities under this section shall be paid from the limited gaming fund; EXCEPT THAT ANY SUCH EXPENSES RELATED TO SPORTS BETTING UNDER PART 15 OF THIS ARTICLE 30 SHALL BE PAID FROM THE

SPORTS BETTING FUND. NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3) TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

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

**PART 15
SPORTS BETTING**

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

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

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

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

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

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

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

(7) "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.

(8) "PROHIBITED SPORTS EVENT" MEANS:

(a) A HIGH SCHOOL SPORTS EVENT;

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

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

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

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

(11) "SPORTS 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.

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

(I) 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;

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

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

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

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

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

44-30-1502. Conflict of interest - participants in sports or athletic events.

(1) THE FOLLOWING PERSONS SHALL NOT HAVE ANY OWNERSHIP INTEREST IN, CONTROL OF, OR OTHERWISE BE EMPLOYED BY A SPORTS BETTING OPERATOR, A LICENSEE, OR A FACILITY IN WHICH SPORTS BETTING TAKES PLACE OR PLACE A WAGER ON A SPORTS EVENT THAT IS OVERSEEN BY THAT PERSON'S SPORTS GOVERNING BODY BASED ON PUBLICLY AVAILABLE INFORMATION:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) (a) A LICENSE SHALL BE REVOKED UPON A FINDING THAT THE LICENSEE HAS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION IS AN OFFICER, DIRECTOR, OR MANAGING AGENT, WHETHER COMPENSATED OR NOT; OR

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

(5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

44-30-1504. Disclosure of information by corporate applicants - license required - investigation - criminal history record check - rules - definition.

(1) CORPORATE APPLICANTS FOR A SPORTS BETTING LICENSE AND LICENSEES SHALL DISCLOSE TO THE COMMISSION, IN A FORM AND MANNER DETERMINED BY THE COMMISSION, THE IDENTITY OF:

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

(b) EACH DIRECTOR OF THE APPLICANT OR LICENSEE;

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

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

(e) EACH HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY OF THE APPLICANT OR LICENSEE; AND

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

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

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

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

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

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

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

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

(4) ALL PERSONS EMPLOYED DIRECTLY IN GAMBLING-RELATED ACTIVITIES CONDUCTED BY A LICENSEE OR APPLICANT FOR A SPORTS BETTING LICENSE, WHETHER IN A CASINO, IN A SPORTS BETTING OPERATION OR INTERNET SPORTS BETTING OPERATION, OR IN ANY OTHER CAPACITY, MUST BE LICENSED UNDER THIS PART 15. OTHER EMPLOYEES OF A LICENSEE MAY BE REQUIRED TO HOLD SUPPORT LICENSES, IF APPROPRIATE, IN ACCORDANCE WITH RULES OF THE COMMISSION PROMULGATED IN CONSULTATION WITH THE DIVISION.

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

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

(7) (a) EACH APPLICANT FOR A SPORTS BETTING LICENSE, WITH THE SUBMISSION OF THE APPLICATION, SHALL SUBMIT A SET OF FINGERPRINTS TO THE DIVISION. THE

DIVISION SHALL FORWARD THE FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING A STATE AND NATIONAL FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK UTILIZING RECORDS OF THE COLORADO BUREAU OF INVESTIGATION AND THE FEDERAL BUREAU OF INVESTIGATION. ONLY THE ACTUAL COSTS OF THE RECORD CHECK SHALL BE BORNE BY THE APPLICANT. NOTHING IN THIS SUBSECTION (7) PRECLUDES THE DIVISION FROM MAKING FURTHER INQUIRIES INTO THE BACKGROUND OF THE APPLICANT.

(b) FOR PURPOSES OF THIS SUBSECTION (7), "APPLICANT" MEANS AN INDIVIDUAL OR EACH OFFICER OR DIRECTOR OF A FIRM, ASSOCIATION, OR CORPORATION THAT IS APPLYING FOR A SPORTS BETTING LICENSE PURSUANT TO THIS SECTION.

(8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

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

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

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

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

(III) A MASTER LICENSEE SHALL CONDUCT SPORTS BETTING ON ITS PREMISES IN ACCORDANCE WITH THIS PART 15 AND SHALL NOT TRANSFER ITS LICENSED SPORTS BETTING OPERATION TO BE CONDUCTED AT ANY FACILITY LOCATED OUTSIDE THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, OR THE CITY OF CRIPPLE CREEK, REGARDLESS OF WHETHER THAT FACILITY IS LICENSED TO MANUFACTURE OR SELL ALCOHOL BEVERAGES UNDER THIS TITLE 44; LICENSED AS A CLASS B TRACK OR SIMULCAST FACILITY UNDER ARTICLE 32 OF THIS TITLE 44; LICENSED AS A LOTTERY SALES AGENT UNDER SECTION 44-40-107; OR LICENSED TO CONDUCT BINGO OR RAFFLES UNDER PART 6 OF ARTICLE 21 OF TITLE 24. THIS SUBSECTION (2)(a)(III) DOES NOT PROHIBIT SPORTS BETTING THROUGH A LICENSED INTERNET SPORTS

BETTING OPERATOR BY A CUSTOMER USING HIS OR HER OWN COMPUTER OR MOBILE OR INTERACTIVE DEVICE ANYWHERE IN THE STATE.

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

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

(II) 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. AN INTERNET SPORTS BETTING OPERATION SHALL NOT BE OPENED TO THE PUBLIC, AND, EXCEPT FOR TEST PURPOSES, SPORTS BETTING SHALL NOT BE CONDUCTED IN THE INTERNET SPORTS BETTING OPERATION UNTIL THE INTERNET SPORTS BETTING OPERATOR RECEIVES ITS LICENSE AND THE COMMISSION APPROVES ITS CONTRACT WITH THE MASTER LICENSEE IN ACCORDANCE WITH SUBSECTION (3) OF THIS SECTION.

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

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

(4) EACH LICENSE ISSUED PURSUANT TO THIS SECTION EXPIRES TWO YEARS AFTER ISSUANCE BUT MAY BE RENEWED UPON THE FILING AND APPROVAL OF AN APPLICATION FOR RENEWAL. THE FEE FOR ISSUANCE OR RENEWAL OF A LICENSE LISTED IN SUBSECTION (1) OF THIS SECTION IS AS SPECIFIED BY THE COMMISSION BY RULE IN AN AMOUNT SUFFICIENT TO RECOVER THE COMMISSION'S DIRECT AND INDIRECT COSTS OF PROCESSING THE APPLICATION AND CONDUCTING BACKGROUND INVESTIGATIONS, NOT TO EXCEED ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS.

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

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

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

(d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 30, SPORTS BETTING, OTHER THAN BY A CUSTOMER USING HIS OR HER OWN COMPUTER OR MOBILE OR INTERACTIVE DEVICE THROUGH AN INTERNET SPORTS BETTING OPERATION, SHALL NOT BE CONDUCTED ANYWHERE IN THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, OR THE CITY OF CRIPPLE CREEK UNLESS SPORTS BETTING IS AUTHORIZED BY THE LOCAL VOTERS OF THE RESPECTIVE CITY IN A MUNICIPAL OR COORDINATED ELECTION HELD IN NOVEMBER 2019, CONCURRENTLY WITH THE STATEWIDE ELECTION DESCRIBED IN SECTION 44-30-1514.

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

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

(8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-1327.

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

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

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

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

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

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

(IV) WHO IS AN AGENT OR PROXY FOR ANY OTHER PERSON FOR THE PURPOSE OF PLACING THE BET.

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

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

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

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

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

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

(IV) SUSPICIOUS OR ILLEGAL WAGERING ACTIVITIES, INCLUDING THE USE OF FUNDS DERIVED FROM ILLEGAL ACTIVITY, WAGERS TO CONCEAL OR LAUNDER FUNDS DERIVED FROM ILLEGAL ACTIVITY, USE OF AGENTS TO PLACE BETS, OR USE OF FALSE IDENTIFICATION.

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

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

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

(e) THE DIVISION MAY SHARE ANY INFORMATION OBTAINED UNDER THIS SECTION WITH ANY LAW ENFORCEMENT ENTITY, TEAM, SPORTS GOVERNING BODY, OR REGULATORY AGENCY THAT REQUESTS INFORMATION FROM THE DIVISION IN CONNECTION WITH AN INVESTIGATION CONDUCTED BY THAT ENTITY, TEAM, SPORTS GOVERNING BODY, OR REGULATORY AGENCY. THE DIVISION MAY REDACT OR AGGREGATE INFORMATION TO PROTECT THE PRIVACY OF PERSONS WHO ARE NOT SUBJECTS OR TARGETS OF THE INVESTIGATION.

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

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

CLASS OF SPORTS BETTING OR ON THAT SPORTS EVENT.

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

44-30-1507. Records - confidentiality - exceptions. (1) EXCEPT AS SPECIFIED IN SUBSECTIONS (2) AND (3) OF THIS SECTION, INFORMATION AND RECORDS OF THE COMMISSION ENUMERATED BY THIS SECTION ARE CONFIDENTIAL AND MAY NOT BE DISCLOSED EXCEPT PURSUANT TO A COURT ORDER. NO PERSON MAY BY SUBPOENA OR STATUTORY AUTHORITY OBTAIN SUCH INFORMATION OR RECORDS. INFORMATION AND RECORDS CONSIDERED CONFIDENTIAL INCLUDE:

(a) TAX RETURNS OF INDIVIDUAL LICENSEES;

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

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

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

(2) SUBSECTION (1) OF THIS SECTION DOES NOT APPLY TO REQUESTS FOR INFORMATION OR RECORDS DESCRIBED IN SUBSECTION (1) OF THIS SECTION FROM THE GOVERNOR, ATTORNEY GENERAL, STATE AUDITOR, ANY OF THE RESPECTIVE DISTRICT ATTORNEYS OF THIS STATE, OR ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY, OR FOR THE USE OF THE INFORMATION OR RECORDS BY THE EXECUTIVE DIRECTOR, DIRECTOR, OR COMMISSION FOR OFFICIAL PURPOSES, OR BY EMPLOYEES OF THE DIVISION OR THE DEPARTMENT IN THE PERFORMANCE OF THEIR AUTHORIZED AND OFFICIAL DUTIES.

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

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

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

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

(d) A FORMER EMPLOYEE OR OFFICER IS LIABLE FOR TREBLE DAMAGES TO AN INJURED PARTY IN A CIVIL ACTION THE SUBJECT OF WHICH INCLUDES THE RELEASE OF RECORDS OR INFORMATION AFTER LEAVING STATE EMPLOYMENT IF THE PERSON VIOLATING THIS SECTION IS A FORMER EMPLOYEE OR OFFICER OF THE STATE WHO OBTAINED THE CONFIDENTIAL RECORDS OR INFORMATION DURING HIS OR HER EMPLOYMENT AND THE PERSON EXECUTED A WRITTEN STATEMENT WITH THE STATE AGREEING TO BE HELD TO THE CONFIDENTIALITY STANDARDS EXPRESSED IN THIS SUBSECTION (4).

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

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

44-30-1509. Sports betting fund - creation - rules - definitions. (1)(a) THERE IS HEREBY CREATED, IN THE STATE TREASURY, THE SPORTS BETTING FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE INITIAL APPROPRIATION TO THE DIVISION FOR SPORTS BETTING REGULATION AND ALL SUBSEQUENT REVENUES OF THE DIVISION DERIVED FROM SPORTS BETTING ACTIVITY, INCLUDING LICENSE FEES, FINES AND PENALTIES, AND COLLECTION OF THE SPORTS BETTING TAX, SHALL BE DEPOSITED INTO THE FUND. ALL EXPENSES OF THE DIVISION RELATED TO SPORTS BETTING REGULATION, INCLUDING THE EXPENSES OF INVESTIGATION AND PROSECUTION RELATING TO SPORTS BETTING, SHALL BE PAID FROM THE FUND.

(b) ALL MONEY PAID INTO THE FUND IS CONTINUOUSLY APPROPRIATED FOR THE PURPOSES OF IMPLEMENTING THIS PART 15. PAYMENT SHALL BE MADE UPON PROPER PRESENTATION OF A VOUCHER PREPARED BY THE COMMISSION IN ACCORDANCE WITH OTHER STATUTES GOVERNING PAYMENTS OF LIABILITIES INCURRED ON BEHALF OF THE STATE AND SHALL NOT BE CONDITIONED ON ANY APPROPRIATION BY THE GENERAL ASSEMBLY. RECEIPT OF THE PAYMENT CONSTITUTES SPENDING AUTHORITY BY THE DIVISION.

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

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

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

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

(I) THE COMMISSION SHALL ACCEPT APPLICATIONS FROM THE FOLLOWING PERSONS AND ENTITIES FOR ANNUAL, LUMP-SUM PAYMENTS TO OFFSET ANY LOSS OF REVENUE THAT THEY CAN DEMONSTRATE, TO THE COMMISSION'S SATISFACTION, IS ATTRIBUTABLE TO SPORTS BETTING:

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

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

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

(D) THE COUNTIES OF GILPIN AND TELLER; AND

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

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

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

(d) FOURTH, TRANSFER ONE HUNDRED THIRTY THOUSAND DOLLARS ANNUALLY

TO THE OFFICE OF BEHAVIORAL HEALTH IN THE DEPARTMENT OF HUMAN SERVICES, TO BE USED AS FOLLOWS:

(I) THIRTY THOUSAND DOLLARS FOR THE OPERATION OF A CRISIS HOTLINE FOR GAMBLERS BY ROCKY MOUNTAIN CRISIS PARTNERS OR ITS SUCCESSOR ORGANIZATION; AND

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

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

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

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

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

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

(7) NO CLAIM FOR THE PAYMENT OF ANY EXPENSE OF THE DIVISION RELATING TO ADMINISTERING THIS PART 15 CAN BE MADE UNLESS IT IS AGAINST THE FUND. NO OTHER MONEY OF THE STATE SHALL BE USED OR OBLIGATED TO PAY THE EXPENSES OF THE DIVISION OR COMMISSION RELATED TO SPORTS BETTING.

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

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

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

COMMISSION;

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

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

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

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

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

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

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

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

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

44-30-1515. Repeal of part. (1) THIS PART 15 IS REPEALED, EFFECTIVE MAY 1, 2020, IF THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION DO NOT APPROVE THE QUESTION DESCRIBED IN SECTION 44-30-1514 AND THE GOVERNOR ISSUES AN OFFICIAL DECLARATION OF THE VOTE THEREON.

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

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

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

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

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

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

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

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

37-60-123.3. Water plan implementation cash fund - created. (1) THERE IS HEREBY CREATED IN THE STATE TREASURY THE WATER PLAN IMPLEMENTATION CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND CONSISTS OF SPORTS BETTING REVENUES TRANSFERRED FROM THE SPORTS BETTING FUND IN ACCORDANCE WITH SECTION 44-30-1509 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

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

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

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

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

SECTION 15. Appropriation. (1) For the 2019-20 state fiscal year, \$1,739,015 is appropriated to the department of revenue. This appropriation is from the general

fund. To implement this act, the department may use this appropriation as follows:

(a) \$882,345 for use by the limited gaming division for personal services, which amount is based on an assumption that the division will require an additional 11.6 FTE;

(b) \$234,416 for use by the limited gaming division for operating expenses;

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

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

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

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

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

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

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

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

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

44-30-1514, Colorado Revised Statutes, enacted in section 12 of this act.

(b) If the voters at the November 2019 statewide election approve the ballot question described in subsection (2)(a) of this section, then sections 1 to 3, 6, 7, 13, and 14 of this act and sections 44-30-1501, 44-30-1502, and 44-30-1506 to 44-30-1514, Colorado Revised Statutes, enacted by section 12 of this act, take effect May 1, 2020.

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

Approved: May 29, 2019