

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0314.01 Richard Sweetman x4333

HOUSE BILL 22-1412

HOUSE SPONSORSHIP

Garnett and Van Winkle, Amabile, Roberts

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE CONTINUATION OF THE DIVISION OF GAMING IN THE
102 DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH,
103 IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE
104 2021 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY
105 AGENCIES.

Bill Summary

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

Sunset Process - House Business Affairs and Labor Committee. The bill implements the recommendations of the department

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.

of regulatory agencies in its sunset review and report on the division of gaming (division) in the department of revenue. Specifically:

- **Sections 1 and 2** of the bill implement a portion of *recommendation 1* of the report by continuing the division for 11 years, until 2033;
- **Sections 1 and 3** implement a portion of *recommendation 1* by continuing the regulation of sports betting by the division for 5 years, until 2027;
- **Section 4** implements *recommendation 2* by allowing the Colorado limited gaming control commission to delegate licensing duties to the division;
- **Sections 5 and 6** implement *recommendation 3* by changing the minimum age for a casino employee from 21 years of age to 18 years of age;
- **Sections 7 and 8** implement *recommendation 4* by designating the department of revenue's hearings division to conduct hearings under the "Fantasy Contests Act";
- **Section 9** implements *recommendation 5* by repealing the requirement that internationally based internet sports betting personnel submit to a fingerprint-based criminal history record check; and
- **Sections 10 through 14** implement *recommendation 6* by subjecting payments of sports bet winnings to the "Gambling Payment Intercept Act".

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (23)(a)(VII); and **add** (28)(a)(VII) and (34)(a)(II) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (23) (a) The following agencies, functions, or both,
7 are scheduled for repeal on September 1, 2022:

8 (VII) ~~The division of gaming created in part 2 of article 30 of title~~
9 ~~44;~~

10 (28) (a) The following agencies, functions, or both, are scheduled
11 for repeal on September 1, 2027:

1 (VII) THE REGULATION OF SPORTS BETTING BY THE DIVISION OF
2 GAMING PURSUANT TO PART 15 OF ARTICLE 30 OF TITLE 44.

3 (34) (a) The following agencies, functions, or both, are scheduled
4 for repeal on September 1, 2033:

5 (II) THE DIVISION OF GAMING CREATED IN PART 2 OF ARTICLE 30
6 OF TITLE 44.

7 **SECTION 2.** In Colorado Revised Statutes, **amend** 44-30-206 as
8 follows:

9 **44-30-206. Repeal of division - review of functions.** ~~Unless~~
10 ~~continued by the general assembly,~~ This part 2 is repealed, effective
11 ~~September 1, 2022,~~ and those powers, duties, and functions of the director
12 ~~specified in this part 2 are abolished.~~ The provisions of section ~~24-34-104~~
13 ~~(2) to (8) concerning a wind-up period, an analysis and evaluation, public~~
14 ~~hearings, and claims by or against an agency apply to the powers, duties,~~
15 ~~and functions of the director of the division~~ SEPTEMBER 1, 2033. BEFORE
16 THE REPEAL, THE DIVISION OF GAMING IS SCHEDULED FOR REVIEW IN
17 ACCORDANCE WITH SECTION 24-34-104.

18 **SECTION 3.** In Colorado Revised Statutes, **recreate and**
19 **reenact, with amendments,** 44-30-1515 as follows:

20 **44-30-1515. Repeal of part.** THIS PART 15 IS REPEALED,
21 EFFECTIVE SEPTEMBER 1, 2027. BEFORE THE REPEAL, THE REGULATION OF
22 SPORTS BETTING BY THE DIVISION OF GAMING IS SCHEDULED FOR REVIEW
23 IN ACCORDANCE WITH SECTION 24-34-104.

24 **SECTION 4.** In Colorado Revised Statutes, **amend** 44-30-507 as
25 follows:

26 **44-30-507. Delegation of licensing duties.** The commission, AT
27 ITS DISCRETION, may delegate LICENSING DUTIES DESCRIBED IN THIS PART

1 5 to the division. ~~the authority to issue permanent and temporary support~~
2 ~~and key employee licenses, but the commission shall review and approve~~
3 ~~the issuance of all other licenses issued pursuant to this article 30.~~

4 **SECTION 5.** In Colorado Revised Statutes, 44-30-103, **amend**
5 (14) introductory portion as follows:

6 **44-30-103. Definitions.** As used in this article 30, unless the
7 context otherwise requires:

8 (14) "Gaming employee" means any person employed by an
9 operator or retailer hosting gaming to work directly with the gaming
10 portion of the operator's or retailer's business, who shall be ~~twenty-one~~
11 EIGHTEEN years of age or older and hold a support license. Persons
12 deemed to be gaming employees shall include: ~~but shall not be limited to:~~

13 **SECTION 6.** In Colorado Revised Statutes, **amend** 44-30-811 as
14 follows:

15 **44-30-811. Persons conducting limited gaming.** (1) ~~No~~ A
16 person under ~~the age of twenty-one years~~ EIGHTEEN YEARS OF AGE shall
17 NOT:

- 18 (a) Be employed as a gaming employee;
- 19 (b) Conduct, or assist in conducting, any limited gaming activity;
- 20 ~~and no such person shall~~ OR
- 21 (c) Manage or handle any of the proceeds from limited gaming.

22 **SECTION 7.** In Colorado Revised Statutes, 44-30-1610, **amend**
23 (2) as follows:

24 **44-30-1610. Grounds for discipline.** (2) If it appears to the
25 director, based upon credible evidence as presented in a written
26 complaint, that a person is operating or offering to operate a fantasy
27 contest without having obtained a registration or license, the director may

1 issue an order to cease and desist the activity. The director shall set forth
2 in the order the statutes and rules alleged to have been violated, the facts
3 alleged to have constituted the violation, and the requirement that all
4 unauthorized practices immediately cease. Within ten days after service
5 of the order to cease and desist pursuant to this subsection (2), the person
6 may request a hearing on the question of whether acts or practices in
7 violation of this part 16 have occurred. The hearing shall be conducted
8 pursuant to section 24-4-105 BY THE HEARINGS DIVISION OF THE
9 DEPARTMENT IN ACCORDANCE WITH SECTION 44-30-1613.

10 **SECTION 8.** In Colorado Revised Statutes, **add** 44-30-1613 as
11 follows:

12 **44-30-1613. Hearings.** FOR THE PURPOSES OF THIS PART 16,
13 ADMINISTRATIVE HEARINGS SHALL BE CONDUCTED BY THE HEARINGS
14 DIVISION OF THE DEPARTMENT.

15 **SECTION 9.** In Colorado Revised Statutes, 44-30-1504, **amend**
16 (7)(a) as follows:

17 **44-30-1504. Disclosure of information by corporate applicants**
18 **- license required - investigation - criminal history record check -**
19 **rules - definition.** (7) (a) Each applicant for a sports betting license, with
20 or as a supplement to the application, shall submit a set of fingerprints to
21 the division; EXCEPT THAT AN APPLICANT WHOSE PRIMARY RESIDENCE IS
22 LOCATED OUTSIDE OF THE UNITED STATES IS NOT REQUIRED TO SATISFY
23 THIS REQUIREMENT UNLESS THE COMMISSION DETERMINES THAT THE
24 APPLICANT IS SO REQUIRED. The division shall forward the fingerprints to
25 the Colorado bureau of investigation for the purpose of conducting a state
26 and national fingerprint-based criminal history record check utilizing
27 records of the Colorado bureau of investigation and the federal bureau of

1 investigation. Only the actual costs of the record check shall be borne by
2 the applicant. Nothing in this subsection (7) precludes the division from
3 making further inquiries into the background of the applicant.

4 **SECTION 10.** In Colorado Revised Statutes, 26-13-118.7,
5 **amend** (2) as follows:

6 **26-13-118.7. Gambling winnings - interception - rules.**

7 (2) Upon receipt from the registry operator of a payment and
8 accompanying information pursuant to section 44-33-105 (2)(b), the state
9 department shall notify the obligated parent in writing that the state
10 intends to offset the parent's child support debt, child support arrearages,
11 or child support costs against the parent's winnings from limited gaming,
12 FROM SPORTS BETTING, or from pari-mutuel wagering on horse or
13 greyhound racing. The notice ~~shall~~ MUST include information ~~on~~
14 CONCERNING the parent's right to object to the offset and to request an
15 administrative review pursuant to the rules of the state board.

16 **SECTION 11.** In Colorado Revised Statutes, 44-30-1503, **amend**
17 (2)(a)(IV) as follows:

18 **44-30-1503. Licenses - rules.** (2) (a) A license shall be revoked
19 upon a finding that the licensee has:

20 (IV) EXCEPT AS REQUIRED BY SECTION 44-30-1516, intentionally
21 refused to pay a ~~prize~~ CASH WINNINGS in the licensee's possession to a
22 person entitled to receive the ~~prize~~ CASH WINNINGS under this part 15.

23 **SECTION 12.** In Colorado Revised Statutes, **add** 44-30-1516 as
24 follows:

25 **44-30-1516. Duties of licensees under the gambling payment**
26 **intercept act.** BEFORE MAKING A PAYMENT OF CASH WINNINGS, A
27 LICENSEE SHALL COMPLY WITH THE REQUIREMENTS OF ARTICLE 33 OF THIS

1 TITLE 44.

2 **SECTION 13.** In Colorado Revised Statutes, 44-33-102, **amend**
3 (1)(c) and (1)(f) as follows:

4 **44-33-102. Legislative declaration.** (1) The general assembly
5 hereby finds and declares that:

6 (c) Children are adversely affected when parents divert their
7 financial support to limited gaming, SPORTS BETTING, and pari-mutuel
8 wagering;

9 (f) Victims of crime and all the people of the state are adversely
10 affected when criminal offenders divert restitution to limited gaming,
11 SPORTS BETTING, and pari-mutuel wagering;

12 **SECTION 14.** In Colorado Revised Statutes, 44-33-103, **amend**
13 (1) and (3) as follows:

14 **44-33-103. Definitions.** As used in this article 33, unless the
15 context otherwise requires:

16 (1) "Licensee" means a licensee as defined in section 44-32-102
17 (14), ~~or~~ an operator or retail gaming licensee under section 44-30-501
18 (1)(b) or (1)(c), AN INTERNET SPORTS BETTING OPERATOR AS DEFINED IN
19 SECTION 44-30-1501 (5), OR A SPORTS BETTING OPERATOR AS DEFINED IN
20 SECTION 44-30-1501 (11).

21 (3) "Payment" means cash winnings from limited gaming, FROM
22 SPORTS BETTING, or from pari-mutuel wagering on horse or greyhound
23 racing payable by a licensee for which the licensee is required to file form
24 W-2G, or a substantially equivalent form, with the United States internal
25 revenue service.

26 **SECTION 15. Act subject to petition - effective date.** This act
27 takes effect September 1, 2022; except that, if a referendum petition is

1 filed pursuant to section 1 (3) of article V of the state constitution against
2 this act or an item, section, or part of this act within the ninety-day period
3 after final adjournment of the general assembly, then the act, item,
4 section, or part will not take effect unless approved by the people at the
5 general election to be held in November 2022 and, in such case, will take
6 effect on the date of the official declaration of the vote thereon by the
7 governor.