

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 23-0355.01 Josh Schultz x5486

SENATE BILL 23-259

SENATE SPONSORSHIP

Roberts and Baisley,

HOUSE SPONSORSHIP

Weinberg and Snyder,

Senate Committees

Business, Labor, & Technology

House Committees

Finance

A BILL FOR AN ACT

101 **CONCERNING THE EXTENSION OF CREDIT FOR PARTICIPATION IN**
102 **LIMITED GAMING.**

Bill Summary

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

The bill eliminates the prohibition on persons licensed by the Colorado limited gaming act (act) from extending credit to another person for participation in limited gaming if:

- The licensee evaluates the person's credit and establishes the person as credit-worthy;
- The licensee does not have knowledge of a conviction of

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

HOUSE
2nd Reading Unamended
May 3, 2023

SENATE
3rd Reading Unamended
April 21, 2023

SENATE
Amended 2nd Reading
April 20, 2023

- the person for committing specified unlawful acts; and
The licensee determines that the person has no outstanding child support debt or unpaid debt due to the state and does not owe restitution from a Colorado criminal case.

Additionally, the bill specifies the documentation the licensee must maintain for any extension of credit and requires the licensee to inform every person to whom credit is extended, orally and in writing, that the financial obligations created must be fully paid to the licensee within 150 days.

The bill prohibits licensees from reducing their gaming tax burden through deducting unpaid credit from their gross proceeds.

The bill allows licensees to pursue all remedies at law to recover unpaid credit, as well as interest and reasonable recovery costs. Additionally, the bill restricts licensees from settling or compromising the amount to be repaid until specific conditions are met.

Finally, the bill outlines record-keeping requirements for licensees that extend credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 44-30-815 as
3 follows:

4 **44-30-815. Extension of credit - restrictions.** (1) No person
5 licensed under this article 30 may extend credit to another person for
6 participation in limited gaming UNLESS:

7 (a) THE LICENSEE HAS EVALUATED THE PERSON'S CREDIT AND
8 ESTABLISHED THE PERSON AS CREDIT-WORTHY BASED ON:

9 (I) A SUBSTANTIVE ASSESSMENT REGARDING THE PERSON'S
10 OVERALL CREDIT HISTORY USING AN INDEPENDENT SOURCE OF
11 INFORMATION;

12 (II) WHERE APPLICABLE, A SUBSTANTIVE ASSESSMENT OF THE
13 PERSON'S CREDIT HISTORY WITH ANY OF THE LICENSEE'S AFFILIATED
14 LICENSED GAMING OPERATIONS, WHETHER IN COLORADO OR IN ANY OTHER
15 STATE; AND

16 (III) THE PERSON'S RECORD OF FULL RESOLUTION OF ANY PRIOR

1 EXTENSION OF CREDIT EXTENDED BY THE LICENSEE TO THE PERSON;

2 (b) THE LICENSEE DOES NOT HAVE KNOWLEDGE OF ANY
3 CONVICTION OF THE PERSON FOR ANY:

4 (I) ACT OF CHEATING UNDER SECTION 44-30-821 (2);

5 (II) FRAUDULENT ACT UNDER SECTION 44-30-822;

6 (III) USE OF A DEVICE FOR CALCULATING PROBABILITIES UNDER
7 SECTION 44-30-823;

8 (IV) USE OF ANY CHEATING GAMES OR DEVICES UNDER SECTION
9 44-30-825;

10 (V) USE OR POSSESSION OF ANY PROHIBITED DEVICE, EQUIPMENT,
11 MATERIAL, OR TOKEN UNDER SECTION 44-30-826; OR

12 (VI) UNLAWFUL ENTRY BY AN EXCLUDED OR EJECTED PERSON
13 UNDER SECTION 44-30-827; AND

14 (c) THE LICENSEE ESTABLISHES THAT THE PERSON HAS NO
15 OUTSTANDING DEBT, AS DEFINED IN SECTION 44-33-103 (2)(a), WHEN THE
16 PERSON SEEKS AN EXTENSION OF CREDIT.

17 (2) BEFORE EXTENDING CREDIT TO A PERSON, THE LICENSEE SHALL
18 INFORM THE PERSON, ORALLY AND IN WRITING, THAT THE FINANCIAL
19 OBLIGATIONS CREATED BY THE EXTENSION OF CREDIT MUST BE FULLY PAID
20 TO THE LICENSEE WITHIN ONE HUNDRED FIFTY DAYS AFTER THE LICENSEE
21 EXTENDS THE CREDIT TO THE PERSON.

22 (3) THE EXTENSION OF CREDIT SHALL BE DOCUMENTED ON A FORM
23 PROVIDED BY THE DIVISION AND SHALL SET FORTH, IN READILY
24 UNDERSTANDABLE LANGUAGE:

25 (a) THE DOLLAR AMOUNT OF THE CREDIT EXTENDED;

26 (b) THE MAXIMUM ALLOWABLE INTEREST RATE THAT THE
27 LICENSEE MAY CHARGE IF THE PERSON FAILS TO REPAY THE CREDIT OR

1 OTHERWISE RESOLVE THE FINANCIAL OBLIGATION WITHIN NINETY DAYS,
2 OR WITHIN A SPECIFICALLY STATED SHORTER PERIOD DETERMINED BY THE
3 LICENSEE, AFTER THE CREDIT IS EXTENDED;

4 (c) THE TOTAL DOLLAR AMOUNT DUE TO MAKE FULL REPAYMENT
5 BEFORE ANY INTEREST IS CHARGED AS AUTHORIZED BY THIS SECTION;

6 (d) A STATEMENT THAT THE LICENSEE IS ENTITLED TO PURSUE ANY
7 OF THE LICENSEE'S LEGAL REMEDIES, CONSISTENT WITH SUBSECTION (5) OF
8 THIS SECTION, IF THE CREDIT EXTENDED IS NOT REPAYED OR OTHERWISE
9 RESOLVED BY THE PARTIES; AND

10 (e) ANY OTHER MATERIAL TERMS OR CONDITIONS PERTAINING TO
11 THE EXTENSION OF CREDIT OR REPAYMENT OF THE FINANCIAL OBLIGATION.

12 (4) THE FAILURE OF A PERSON TO WHOM CREDIT HAS BEEN
13 EXTENDED TO MAKE FULL REPAYMENT DOES NOT RELIEVE ANY LICENSEE
14 FROM MAKING FULL PAYMENT OF ALL GAMING TAXES ON THE ADJUSTED
15 GROSS PROCEEDS ATTRIBUTABLE TO THE EXTENSION OF CREDIT.

16 (5) (a) A LICENSEE MAY PURSUE ALL CIVIL REMEDIES AT LAW TO
17 RECOVER ANY AMOUNT OF CREDIT THAT IS NOT REPAYED OR OTHERWISE
18 RESOLVED, ALL INTEREST ASSESSED CONSISTENT WITH THIS SECTION, AND
19 THE REASONABLE COSTS ASSOCIATED WITH AN ACTION TO RECOVER
20 AMOUNTS DUE.

21 (b) A LICENSEE MUST NOT SETTLE OR COMPROMISE THE AMOUNT
22 TO BE REPAYED UNTIL:

23 (I) THE LICENSEE HAS MADE A BONA FIDE DEMAND TO THE PERSON
24 FOR PAYMENT OF THE FULL AMOUNT OF THE CREDIT EXTENDED;

25 (II) THE PERSON TO WHOM CREDIT WAS EXTENDED HAS FAILED TO
26 MAKE FULL REPAYMENT WITHIN A COMMERCIALY REASONABLE PERIOD
27 OF TIME; AND

1 (III) AT LEAST NINETY DAYS, OR THE SHORTER PERIOD
2 DETERMINED AND SET FORTH UNDER SUBSECTION (3)(b) OF THIS SECTION,
3 HAVE PASSED SINCE THE DATE THE CREDIT WAS EXTENDED.

4 (6) A LICENSEE THAT EXTENDS CREDIT SHALL:

5 (a) PRESERVE FOR AT LEAST THREE YEARS ALL RECORDS
6 PERTAINING TO THE EXTENSION OF CREDIT, INCLUDING DOCUMENTATION
7 OF THE CREDIT EXTENDED, THE SUBSTANTIVE ASSESSMENTS OF A PERSON'S
8 CREDIT HISTORY UNDER SUBSECTION (1) OF THIS SECTION, AND THE
9 RECORD OF REPAYMENT OR FAILURE TO MAKE REPAYMENT OF THE CREDIT;
10 AND

11 (b) MAKE THE RECORDS DESCRIBED IN SUBSECTION (6)(a) OF THIS
12 SECTION AVAILABLE TO THE DIVISION FIVE BUSINESS DAYS AFTER THE
13 DIVISION MAKES A WRITTEN REQUEST FOR SPECIFIED MATERIALS.

14 (7) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO ALTER THE
15 RIGHTS OR OBLIGATIONS OF A LENDER UNDER OTHER APPLICABLE LAWS.
16 LENDERS SHALL COMPLY WITH THE "UNIFORM CONSUMER CREDIT CODE",
17 ARTICLES 1 TO 9 OF TITLE 5, TO THE EXTENT IT IS APPLICABLE.

18 (8) THE MINIMUM AMOUNT OF AN EXTENSION OF CREDIT MADE
19 PURSUANT TO THIS SECTION IS ONE THOUSAND DOLLARS.

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly; except
23 that, if a referendum petition is filed pursuant to section 1 (3) of article V
24 of the state constitution against this act or an item, section, or part of this
25 act within such period, then the act, item, section, or part will not take
26 effect unless approved by the people at the general election to be held in

- 1 November 2024 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.