

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 16-1175.01 Thomas Morris x4218

HOUSE BILL 16-1404

HOUSE SPONSORSHIP

Duran and Wist,

SENATE SPONSORSHIP

Cooke and Guzman,

House Committees

Business Affairs and Labor
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF FANTASY CONTESTS, AND IN**
102 **CONNECTION THEREWITH, 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 applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill defines a "fantasy contest" as a game or contest in which:

- ! The value of all prizes offered to winning participants is made known to the participants in advance of the contest; and
- ! Winning outcomes:
 - ! Reflect the relative knowledge and skill of the

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

HOUSE
3rd Reading Unamended
April 25, 2016

HOUSE
Amended 2nd Reading
April 22, 2016

participants;

- ! Are determined predominantly by accumulated statistical results of the performance of athletes in fully completed sporting events; and
- ! Are not based on randomized or historical events or on the score, point spread, or any performance of any single actual sports team or combination of such teams or solely on any single performance of an individual athlete in any single actual sporting event.

University, college, high school, and youth sporting events are excluded from fantasy contests.

A person must be licensed by the newly created office of fantasy contests in the department of regulatory agencies to be able to offer to conduct a fantasy contest. Fantasy contests may be conducted by a fantasy contest operator at licensed gaming establishments, class B horse racing tracks, and at a licensed facility at which pari-mutuel wagering may occur.

A licensed fantasy contest operator must:

- ! Submit to a fingerprint-based criminal history record check in connection with initial licensure;
- ! Not use a device that replicates or qualifies as limited gaming;
- ! Contract with a third party to annually perform an independent audit to ensure compliance and submit the results of the audit to the office; and
- ! Keep daily records of its operations and maintain the records for at least 3 years.

A fantasy contest operator who violates the act is subject to a civil penalty of not more than \$1,000 for each violation.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 15.5 to
3 title 12 as follows:

4 **ARTICLE 15.5**

5 **Fantasy Contests**

6 **12-15.5-101. Short title.** THE SHORT TITLE OF THIS ARTICLE IS
7 THE "FANTASY CONTESTS ACT".

8 **12-15.5-102. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "CONFIDENTIAL INFORMATION" MEANS INFORMATION RELATED
3 TO THE PLAY OF A FANTASY CONTEST BY FANTASY CONTEST PLAYERS
4 OBTAINED AS A RESULT OF OR BY VIRTUE OF A PERSON'S EMPLOYMENT.

5 (2) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION OF
6 PROFESSIONS AND OCCUPATIONS WITHIN THE DEPARTMENT OF
7 REGULATORY AGENCIES OR HIS OR HER DESIGNEE.

8 (3) "ENTRY FEE" MEANS CASH OR CASH EQUIVALENTS THAT ARE
9 REQUIRED TO BE PAID BY A FANTASY CONTEST PLAYER TO A FANTASY
10 CONTEST OPERATOR IN ORDER TO PARTICIPATE IN A FANTASY CONTEST.

11 (4) "FANTASY CONTEST" MEANS A FANTASY OR SIMULATED GAME
12 OR CONTEST IN WHICH:

13 (a) THE VALUE OF ALL PRIZES AND AWARDS OFFERED TO WINNING
14 PARTICIPANTS IS ESTABLISHED AND MADE KNOWN TO THE PARTICIPANTS
15 IN ADVANCE OF THE CONTEST;

16 (b) ALL WINNING OUTCOMES REFLECT THE RELATIVE KNOWLEDGE
17 AND SKILL OF THE PARTICIPANTS AND ARE DETERMINED PREDOMINANTLY
18 BY ACCUMULATED STATISTICAL RESULTS OF THE PERFORMANCE OF
19 ATHLETES IN FULLY COMPLETED SPORTING EVENTS; EXCEPT THAT A
20 SPORTING EVENT THAT HAS BEEN CALLED OR SUSPENDED DUE TO
21 WEATHER OR ANY OTHER NATURAL OR UNFORSEEN EVENT IS CONSIDERED
22 FULLY COMPLETED; AND

23 (c) WINNING OUTCOMES ARE NOT BASED ON RANDOMIZED OR
24 HISTORICAL EVENTS OR ON THE SCORE, POINT SPREAD, OR ANY
25 PERFORMANCE OF ANY SINGLE ACTUAL SPORTS TEAM OR COMBINATION OF
26 SUCH TEAMS OR SOLELY ON ANY SINGLE PERFORMANCE OF AN INDIVIDUAL
27 ATHLETE IN ANY SINGLE ACTUAL SPORTING EVENT.

1 (5) "FANTASY CONTEST OPERATOR" MEANS A PERSON OR ENTITY
2 THAT OFFERS FANTASY CONTESTS WITH AN ENTRY FEE FOR A CASH PRIZE
3 TO MEMBERS OF THE PUBLIC.

4 (6) "FANTASY CONTEST PLAYER" MEANS A PERSON WHO
5 PARTICIPATES IN A FANTASY CONTEST OFFERED BY A FANTASY CONTEST
6 OPERATOR.

7 (7) "SMALL FANTASY CONTEST OPERATOR" MEANS A FANTASY
8 CONTEST OPERATOR THAT HAS NO MORE THAN SEVEN THOUSAND FIVE
9 HUNDRED FANTASY CONTEST PLAYERS IN COLORADO WITH ACTIVE
10 ACCOUNTS.

11 **12-15.5-103. Fantasy contests - director - rules.** (1) THE
12 DIRECTOR SHALL PROMULGATE REASONABLE RULES FOR THE
13 IDENTIFICATION, LICENSING, AND FINGERPRINTING OF APPLICANTS FOR
14 LICENSURE.

15 (2) THE DIRECTOR MAY ADMINISTER OATHS, TAKE AFFIRMATIONS
16 OF WITNESSES, AND ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF
17 WITNESSES AND THE PRODUCTION OF ALL RELEVANT PAPERS, BOOKS,
18 RECORDS, DOCUMENTARY EVIDENCE, AND MATERIALS IN ANY HEARING,
19 INVESTIGATION, ACCUSATION, OR OTHER MATTER COMING BEFORE THE
20 DIRECTOR PURSUANT TO THIS ARTICLE. THE DIRECTOR MAY APPOINT AN
21 ADMINISTRATIVE LAW JUDGE PURSUANT TO PART 10 OF ARTICLE 30 OF
22 TITLE 24, C.R.S., TO TAKE EVIDENCE AND TO MAKE FINDINGS.

23 **12-15.5-104. Registration.** (1) ON AND AFTER JULY 1, 2017, AN
24 ENTITY SHALL NOT OPERATE AS A SMALL FANTASY CONTEST OPERATOR
25 UNLESS THE ENTITY IS REGISTERED WITH THE DIRECTOR. ON AND AFTER
26 JULY 1, 2017, AN INDIVIDUAL WHO IS NOT OPERATING THROUGH AN
27 ENTITY SHALL NOT OPERATE AS A SMALL FANTASY CONTEST OPERATOR

1 UNLESS THE INDIVIDUAL IS REGISTERED WITH THE DIRECTOR.

2 (2) A SMALL FANTASY CONTEST OPERATOR IS SUBJECT TO ALL OF
3 THE PROVISIONS OF THIS ARTICLE; EXCEPT THAT:

4 (a) A SMALL FANTASY CONTEST OPERATOR NEED ONLY BE
5 REGISTERED, NOT LICENSED, IN ORDER TO OFFER FANTASY CONTESTS FOR
6 A FEE, AND A SMALL FANTASY OPERATOR IS SUBJECT TO SECTION
7 12-15.5-105 (3); AND

8 (b) THE DIRECTOR SHALL:

9 (I) ESTABLISH A REGISTRATION PROCESS FOR SMALL FANTASY
10 CONTEST OPERATORS; AND

11 (II) NOT INITIATE AN INVESTIGATION OF A POTENTIAL VIOLATION
12 OF THIS ARTICLE BY A SMALL FANTASY CONTEST OPERATOR EXCEPT UPON
13 THE FILING OF A COMPLAINT WITH THE DIRECTOR THAT THE DIRECTOR
14 REASONABLY BELIEVES WARRANTS INVESTIGATION.

15 **12-15.5-105. Licensing.** (1) ON AND AFTER JULY 1, 2017, AN
16 ENTITY SHALL NOT OPERATE AS A FANTASY CONTEST OPERATOR UNLESS
17 THE ENTITY IS LICENSED BY THE DIRECTOR. ON AND AFTER JULY 1, 2017,
18 AN INDIVIDUAL WHO IS NOT OPERATING THROUGH AN ENTITY SHALL NOT
19 OPERATE AS A FANTASY CONTEST OPERATOR UNLESS THE INDIVIDUAL IS
20 LICENSED AS A FANTASY CONTEST OPERATOR BY THE DIRECTOR. AN
21 APPLICANT FOR LICENSURE MUST PAY LICENSE, RENEWAL, AND
22 REINSTATEMENT FEES ESTABLISHED BY THE DIRECTOR CONSISTENT WITH
23 SECTION 24-34-105, C.R.S., AND OTHER AUTHORITIES. THE FEES MUST BE
24 SUFFICIENT TO COVER THE DIVISION'S DIRECT AND INDIRECT COSTS IN
25 ADMINISTERING THIS ARTICLE. A LICENSEE MUST RENEW THE LICENSE IN
26 ACCORDANCE WITH A SCHEDULE ESTABLISHED BY THE DIRECTOR
27 PURSUANT TO SECTION 24-34-102 (8), C.R.S. IF A LICENSEE FAILS TO

1 RENEW THE LICENSE PURSUANT TO THE SCHEDULE ESTABLISHED BY THE
2 DIRECTOR, THE LICENSE EXPIRES AND THE ENTITY SHALL NOT PRACTICE
3 UNDER THIS ARTICLE UNTIL THE REINSTATEMENT FEES ARE PAID AND THE
4 DIRECTOR REINSTATES THE LICENSE. A PERSON THAT CONTINUES TO
5 PRACTICE ONCE A LICENSE HAS EXPIRED IS SUBJECT TO THE PENALTIES
6 PROVIDED IN THIS ARTICLE AND SECTION 24-34-102 (8), C.R.S.

7 (2) APPLICATIONS FOR LICENSURE AS A FANTASY CONTEST
8 OPERATOR MUST:

9 (a) BE VERIFIED BY THE OATH OR AFFIRMATION OF SUCH PERSON
10 OR PERSONS AS THE DIRECTOR MAY PRESCRIBE;

11 (b) BE MADE TO THE DIRECTOR ON FORMS PREPARED AND
12 FURNISHED BY THE DIRECTOR; AND

13 (c) SET FORTH SUCH INFORMATION AS THE DIRECTOR MAY REQUIRE
14 TO ENABLE THE DIRECTOR TO DETERMINE WHETHER AN APPLICANT MEETS
15 THE REQUIREMENTS FOR LICENSURE UNDER THIS ARTICLE. THE
16 INFORMATION MUST INCLUDE:

17 (I) THE NAME AND ADDRESS OF THE APPLICANT; ■

18 (II) IF A PARTNERSHIP, THE NAMES AND ADDRESSES OF ALL OF THE
19 PARTNERS, AND IF A CORPORATION, ASSOCIATION, OR OTHER
20 ORGANIZATION, THE NAMES AND ADDRESSES OF THE PRESIDENT, VICE
21 PRESIDENT, SECRETARY, AND MANAGING OFFICER, TOGETHER WITH ALL
22 OTHER INFORMATION DEEMED NECESSARY BY THE DIRECTOR; AND

23 (III) A DESIGNATION OF THE RESPONSIBLE PARTY WHO IS THE
24 AGENT FOR THE LICENSEE FOR ALL COMMUNICATIONS WITH THE DIRECTOR.

25 (3) (a) AN APPLICANT MAY NOT BE ELIGIBLE FOR LICENSURE OR
26 REGISTRATION AS A FANTASY CONTEST OPERATOR OR LICENSURE
27 RENEWAL IF THE APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OR

1 GENERAL PARTNERS HAS BEEN CONVICTED OF OR HAS ENTERED A PLEA OF
2 NOLO CONTENDERE OR GUILTY TO A FELONY.

3 (b) THE DIRECTOR IS GOVERNED BY SECTION 24-5-101, C.R.S., IN
4 CONSIDERING THE CONVICTION OR PLEA OF NOLO CONTENDERE TO A
5 FELONY FOR ANY INDIVIDUAL SUBJECT TO A CRIMINAL HISTORY RECORD
6 CHECK PURSUANT TO SUBSECTION (4) OF THIS SECTION.

7 (4) WITH THE SUBMISSION OF AN APPLICATION FOR A LICENSE
8 GRANTED PURSUANT TO THIS SECTION, EACH APPLICANT AND ITS OFFICERS,
9 DIRECTORS, AND GENERAL PARTNERS SHALL SUBMIT A COMPLETE SET OF
10 HIS OR HER FINGERPRINTS TO [REDACTED] THE COLORADO BUREAU OF
11 INVESTIGATION FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED
12 CRIMINAL HISTORY RECORD CHECKS. THE COLORADO BUREAU OF
13 INVESTIGATION SHALL FORWARD THE FINGERPRINTS TO THE FEDERAL
14 BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
15 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE DIRECTOR
16 MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY RECORD CHECK FOR A
17 PERSON WHO HAS TWICE SUBMITTED TO A FINGERPRINT-BASED CRIMINAL
18 HISTORY RECORD CHECK AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE.
19 A PERSON WHO HAS PREVIOUSLY SUBMITTED FINGERPRINTS FOR STATE OR
20 LOCAL LICENSING PURPOSES MAY REQUEST THE USE OF THE FINGERPRINTS
21 ON FILE. THE DIRECTOR SHALL USE THE INFORMATION RESULTING FROM
22 THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO
23 INVESTIGATE AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO
24 HOLD A LICENSE PURSUANT TO THIS SECTION. THE DIRECTOR MAY VERIFY
25 THE INFORMATION AN APPLICANT IS REQUIRED TO SUBMIT. THE APPLICANT
26 SHALL PAY THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED
27 CRIMINAL HISTORY RECORD CHECK TO THE COLORADO BUREAU OF

1 INVESTIGATION.

2 (5) A FANTASY CONTEST OPERATOR SHALL NOT CONDUCT,
3 OPERATE, OR OFFER A FANTASY CONTEST THAT:

4 (a) UTILIZES:

5 (I) VIDEO OR MECHANICAL REELS OR SYMBOLS OR ANY OTHER
6 DEPICTIONS OF SLOT MACHINES, POKER, BLACKJACK, CRAPS, OR ROULETTE;
7 OR

8 (II) ANY DEVICE THAT QUALIFIES AS OR REPLICATES GAMES THAT
9 CONSTITUTE LIMITED GAMING UNDER SECTION 9 OF ARTICLE XVIII OF THE
10 COLORADO CONSTITUTION; OR

11 (b) INCLUDES A UNIVERSITY, COLLEGE, HIGH SCHOOL, OR YOUTH
12 SPORTING EVENT.

13 **12-15.5-106. Consumer protections.** (1) A FANTASY CONTEST
14 OPERATOR, INCLUDING A SMALL FANTASY CONTEST OPERATOR, SHALL
15 IMPLEMENT COMMERCIALY REASONABLE PROCEDURES FOR FANTASY
16 CONTESTS WITH AN ENTRY FEE, WHICH PROCEDURES ARE DESIGNED TO:

17 (a) PREVENT EMPLOYEES OF THE FANTASY CONTEST OPERATOR,
18 INCLUDING A SMALL FANTASY CONTEST OPERATOR, AND RELATIVES
19 LIVING IN THE SAME HOUSEHOLD AS SUCH EMPLOYEES, FROM COMPETING
20 IN ANY FANTASY CONTESTS OFFERED BY ANY FANTASY CONTEST
21 OPERATOR IN WHICH THE OPERATOR OFFERS A CASH PRIZE;

22 (b) PREVENT SHARING OF CONFIDENTIAL INFORMATION THAT
23 COULD AFFECT SUCH FANTASY CONTEST PLAY WITH THIRD PARTIES UNTIL
24 THE INFORMATION IS MADE PUBLICLY AVAILABLE;

25 
26 (c) VERIFY THAT A FANTASY CONTEST PLAYER IN SUCH A FANTASY
27 CONTEST IS EIGHTEEN YEARS OF AGE OR OLDER;

1 (d) ENSURE THAT INDIVIDUALS WHO PARTICIPATE OR OFFICIATE IN
2 A GAME OR CONTEST THAT IS THE SUBJECT OF SUCH A FANTASY CONTEST
3 WILL BE RESTRICTED FROM ENTERING SUCH A FANTASY CONTEST THAT IS
4 DETERMINED, IN WHOLE OR IN PART, ON THE ACCUMULATED STATISTICAL
5 RESULTS OF A TEAM OF INDIVIDUALS IN THE GAME OR CONTEST IN WHICH
6 THEY ARE A PLAYER OR OFFICIAL;

7 (e) ALLOW INDIVIDUALS TO RESTRICT THEMSELVES FROM
8 ENTERING SUCH A FANTASY CONTEST UPON REQUEST AND PROVIDE
9 REASONABLE STEPS TO PREVENT THE PERSON FROM ENTERING SUCH
10 FANTASY CONTESTS OFFERED BY THE FANTASY CONTEST OPERATOR,
11 INCLUDING A SMALL FANTASY CONTEST OPERATOR;

12 (f) DISCLOSE THE NUMBER OF ENTRIES THAT A FANTASY CONTEST
13 PLAYER MAY SUBMIT TO EACH SUCH FANTASY CONTEST, PROVIDE
14 REASONABLE STEPS TO PREVENT PLAYERS FROM SUBMITTING MORE THAN
15 THE ALLOWABLE NUMBER, AND, IN ANY CONTEST INVOLVING AT LEAST
16 ONE HUNDRED ONE ENTRIES, NOT ALLOW A PLAYER TO SUBMIT MORE THAN
17 THE LESSER OF THREE PERCENT OF ALL ENTRIES OR ONE HUNDRED FIFTY
18 ENTRIES;

19 (g) SEGREGATE FANTASY CONTEST PLAYER FUNDS FROM
20 OPERATIONAL FUNDS AND MAINTAIN A RESERVE IN THE FORM OF CASH,
21 CASH EQUIVALENTS, AN IRREVOCABLE LETTER OF CREDIT, A BOND, OR A
22 COMBINATION THEREOF, IN THE AMOUNT OF THE DEPOSITS MADE TO THE
23 ACCOUNTS OF FANTASY CONTEST PLAYERS FOR THE BENEFIT AND
24 PROTECTION OF THE FUNDS HELD IN SUCH ACCOUNTS;

25 (h) DISTINGUISH HIGHLY EXPERIENCED PLAYERS AND BEGINNER
26 PLAYERS AND ENSURE THAT HIGHLY EXPERIENCED PLAYERS ARE
27 CONSPICUOUSLY IDENTIFIED AS SUCH TO ALL PLAYERS;

1 (i) PROHIBIT THE USE OF SCRIPTS IN FANTASY CONTESTS THAT GIVE
2 A PLAYER AN UNFAIR ADVANTAGE OVER OTHER PLAYERS AND MAKE ALL
3 AUTHORIZED SCRIPTS READILY AVAILABLE TO ALL FANTASY CONTEST
4 PLAYERS;

5 (j) CLEARLY AND CONSPICUOUSLY DISCLOSE ALL RULES THAT
6 GOVERN ITS CONTESTS, INCLUDING THE MATERIAL TERMS OF EACH
7 PROMOTIONAL OFFER AT THE TIME THE OFFER IS ADVERTISED; AND

8 (k) USE TECHNOLOGICALLY REASONABLE MEASURES TO LIMIT
9 EACH FANTASY CONTEST PLAYER TO ONE ACTIVE ACCOUNT WITH THAT
10 OPERATOR.

11 (2) A FANTASY CONTEST OPERATOR OFFERING FANTASY CONTESTS
12 IN THIS STATE SHALL:

13 (a) CONTRACT WITH A THIRD PARTY TO ANNUALLY PERFORM AN
14 INDEPENDENT AUDIT, CONSISTENT WITH THE STANDARDS ESTABLISHED BY
15 THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD, TO ENSURE
16 COMPLIANCE WITH THIS ARTICLE; AND

17 (b) SUBMIT THE RESULTS OF THE AUDIT TO THE DIRECTOR.

18 **12-15.5-107. Duty to maintain records.** EACH FANTASY CONTEST
19 OPERATOR SHALL KEEP DAILY RECORDS OF ITS OPERATIONS AND SHALL
20 MAINTAIN THE RECORDS FOR AT LEAST THREE YEARS. THE RECORDS MUST
21 SUFFICIENTLY DETAIL ALL FINANCIAL TRANSACTIONS TO DETERMINE
22 COMPLIANCE WITH THE REQUIREMENTS OF THIS ARTICLE AND MUST BE
23 AVAILABLE FOR AUDIT AND INSPECTION BY THE DIRECTOR DURING THE
24 FANTASY CONTEST OPERATOR'S REGULAR BUSINESS HOURS.

25 **12-15.5-108. Authorization to conduct fantasy contests.**

26 (1) FANTASY CONTESTS ARE AUTHORIZED AND MAY BE CONDUCTED BY
27 A FANTASY CONTEST OPERATOR AT A LICENSED GAMING ESTABLISHMENT,

1 AS THAT TERM IS DEFINED IN SECTION 12-47.1-103 (15). A GAMING
2 RETAILER, AS THAT TERM IS DEFINED IN SECTION 12-47.1-103 (24), MAY
3 CONDUCT FANTASY CONTESTS IF THE GAMING RETAILER IS LICENSED AS A
4 FANTASY CONTEST OPERATOR.

5 (2) FANTASY CONTESTS ARE AUTHORIZED AND MAY BE
6 CONDUCTED BY A FANTASY CONTEST OPERATOR AT A LICENSED FACILITY
7 AT WHICH PARI-MUTUEL WAGERING, AS THAT TERM IS DEFINED IN SECTION
8 12-60-102 (20.5), MAY OCCUR. AN OPERATOR OF A CLASS B TRACK, AS
9 THAT TERM IS DEFINED IN SECTION 12-60-102 (4), MAY CONDUCT FANTASY
10 CONTESTS IF THE OPERATOR IS LICENSED AS A FANTASY CONTEST
11 OPERATOR.

12 (3) A FANTASY CONTEST CONDUCTED IN COMPLIANCE WITH THIS
13 ARTICLE DOES NOT VIOLATE ARTICLE 10 OR 10.5 OF TITLE 18, C.R.S.

14 **12-15.5-109. Grounds for discipline.** (1) THE DIRECTOR MAY
15 DENY, SUSPEND, OR REVOKE A LICENSE OR REGISTRATION OR PLACE ON
16 PROBATION OR ISSUE A LETTER OF ADMONITION TO A LICENSEE OR
17 REGISTRANT IF THE FANTASY CONTEST OPERATOR, INCLUDING A SMALL
18 FANTASY CONTEST OPERATOR:

19 (a) VIOLATES ANY ORDER OF THE DIRECTOR OR ANY PROVISION OF
20 THIS ARTICLE OR THE RULES ESTABLISHED UNDER THIS ARTICLE;

21 (b) FAILS TO MEET THE REQUIREMENTS FOR LICENSURE UNDER
22 THIS ARTICLE; OR

23 (c) USES FRAUD, MISREPRESENTATION, OR DECEIT IN APPLYING FOR
24 OR ATTEMPTING TO APPLY FOR LICENSURE OR REGISTRATION OR
25 OTHERWISE IN OPERATING OR OFFERING TO OPERATE A FANTASY CONTEST.

26 (2) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
27 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT, THAT A PERSON IS

1 OPERATING OR OFFERING TO OPERATE A FANTASY CONTEST WITHOUT
2 HAVING OBTAINED A REGISTRATION OR LICENSE, THE DIRECTOR MAY ISSUE
3 AN ORDER TO CEASE AND DESIST THE ACTIVITY. THE DIRECTOR SHALL SET
4 FORTH IN THE ORDER THE STATUTES AND RULES ALLEGED TO HAVE BEEN
5 VIOLATED, THE FACTS ALLEGED TO HAVE CONSTITUTED THE VIOLATION,
6 AND THE REQUIREMENT THAT ALL UNAUTHORIZED PRACTICES
7 IMMEDIATELY CEASE. WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO
8 CEASE AND DESIST PURSUANT TO THIS SUBSECTION (2), THE PERSON MAY
9 REQUEST A HEARING ON THE QUESTION OF WHETHER ACTS OR PRACTICES
10 IN VIOLATION OF THIS ARTICLE HAVE OCCURRED. THE HEARING SHALL BE
11 CONDUCTED PURSUANT TO SECTION 24-4-105, C.R.S.

12 **12-15.5-110. Civil fines.** IN ADDITION TO ANY OTHER REMEDY
13 PROVIDED BY LAW, A FANTASY CONTEST OPERATOR, OR AN EMPLOYEE OR
14 AGENT THEREOF, WHO VIOLATES THIS ARTICLE IS SUBJECT TO A CIVIL FINE
15 OF NOT MORE THAN ONE THOUSAND DOLLARS FOR EACH SUCH VIOLATION,
16 WHICH THE STATE TREASURER SHALL CREDIT TO THE GENERAL FUND. THE
17 DIRECTOR MAY FILE A CIVIL ACTION TO COLLECT THE FINE.

18 **12-15.5-111. Applicability.** THIS ARTICLE APPLIES TO CONDUCT
19 OCCURRING ON OR AFTER JULY 1, 2017.

20 **SECTION 2. Appropriation.** (1) For the 2016-17 state fiscal
21 year, \$77,546 is appropriated to the department of regulatory agencies.
22 This appropriation is from the division of professions and occupations
23 cash fund created in section 24-34-105 (2) (b) (I), C.R.S. To implement
24 this act, the department may use this appropriation as follows:

25 (a) \$62,392 for use by the division of professions and occupations
26 for personal services, which amount is based on an assumption that the
27 division will require an additional 0.9 FTE and temporary staff;

1 (b) \$5,653 for use by the division professions and occupations for
2 operating expenses; and

3 (c) \$9,501 for the purchase of legal services.

4 (2) For the 2016-17 state fiscal year, \$9,501 is appropriated to the
5 department of law. This appropriation is from reappropriated funds
6 received from the department of regulatory agencies under paragraph (c)
7 of subsection (1) of this section. To implement this act, the department of
8 law may use this appropriation to provide legal services for the
9 department of regulatory agencies.

10 (3) For the 2016-17 state fiscal year, \$527 is appropriated to the
11 department of public safety for use by the Colorado bureau of
12 investigation. This appropriation is from the Colorado bureau of
13 investigation identification unit fund created in section 24-33.5-426,
14 C.R.S. To implement this act, the bureau may use this appropriation for
15 operating expenses related to identification.

16 **SECTION 3. Act subject to petition - effective date -**
17 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
18 the expiration of the ninety-day period after final adjournment of the
19 general assembly (August 10, 2016, if adjournment sine die is on May 11,
20 2016); except that, if a referendum petition is filed pursuant to section 1
21 (3) of article V of the state constitution against this act or an item, section,
22 or part of this act within such period, then the act, item, section, or part
23 will not take effect unless approved by the people at the general election
24 to be held in November 2016 and, in such case, will take effect on the
25 date of the official declaration of the vote thereon by the governor.

26 (2) This act applies to conduct occurring on or after July 1, 2017.