First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

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

LLS NO. 23-0250.01 Richard Sweetman x4333

HOUSE BILL 23-1041

HOUSE SPONSORSHIP

Duran and Lynch,

SENATE SPONSORSHIP

Ginal and Simpson,

House Committees

Senate Committees

Business Affairs & Labor Finance

A BILL FOR AN ACT

101	CONCERNING A PROHIBITION AGAINST WAGERING ON RACES OF
102	GREYHOUNDS THAT ARE SIMULCAST FROM OUT-OF-STATE
103	TRACKS AT WHICH THE RACES ARE CONDUCTED.

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.)

Current law prohibits racing of greyhounds in Colorado; however, it is legal to wager on greyhound races that are conducted at out-of-state race tracks and simulcast for viewing in off-track betting venues in Colorado. The bill makes it unlawful in Colorado to wager on any race of greyhounds that is conducted at, and simulcast from, a track that is

outside of Colorado.

The bill also makes conforming amendments.

1	Be it enacted by the General Assembly of the State of Colorado:
2	SECTION 1. In Colorado Revised Statutes, 44-32-102, amend
3	(15), (18), and (22); and repeal (5) as follows:
4	44-32-102. Definitions - rules. As used in this article 32, unless
5	the context otherwise requires:
6	(5) "Cross simulcasting" means the receipt of a simulcast race of
7	greyhounds at an out-of-state host track by a simulcast facility that is
8	located on the premises of a track that is licensed to race horses.
9	(15) "Out-of-state host track" means a track, located within a state
10	other than Colorado, that is licensed or otherwise properly authorized
11	under the laws of the state to conduct live races of horses or greyhounds
12	and to broadcast the races as simulcast races and that broadcasts the
13	simulcast races to an in-state simulcast facility.
14	(18) "Pari-mutuel wagering" means a form of wagering on the
15	outcome of horse and greyhound races in which those who wager
16	purchase tickets of various denominations on one or more horses or
17	greyhounds from one or more pools and all like wagers from each race
18	are pooled and the winning ticket holders are paid prizes from the pool in
19	amounts proportional to the total receipts in the pool minus deductions
20	authorized by statute.
21	(22) "Simulcast race" means a live, audio-visual broadcast THAT
22	IS:
23	(a) Transmitted simultaneously with either:
24	(I) The performance of a live race of horses or greyhounds by an
25	out-of-state host track; or

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1	(II) The performance of a live race of horses by an in-state host
2	track; AND
3	(b) that is Received by a simulcast facility.
4	SECTION 2. In Colorado Revised Statutes, 44-32-202, amend
5	(4)(a)(I) as follows:
6	44-32-202. Director - qualifications - powers and duties - rules.
7	(4) If so directed by the commission, the director may, on behalf of this
8	state:
9	(a) Negotiate, enter into, and participate in one or more interstate
10	compacts that enable party states to act jointly and cooperatively to create
11	more uniform, effective, and efficient practices, programs, and rules
12	relating to:
13	(I) Live horse and greyhound racing; and
14	SECTION 3. In Colorado Revised Statutes, amend 44-32-514 as
15	follows:
16	44-32-514. Payments of winnings - intercept. Before making a
17	payment of cash winnings from pari-mutuel wagering on horse or
18	greyhound racing for which the licensee is required to file form W-2G,
19	or a substantially equivalent form, with the United States internal revenue
20	service, the licensee shall comply with the requirements of article 33 of
21	this title 44.
22	SECTION 4. In Colorado Revised Statutes, 44-32-602, amend
23	(1) and (5); and repeal (2) and (4)(a) as follows:
24	44-32-602. Simulcast facilities and simulcast races - unlawful
25	act - repeal. (1) It is unlawful for any person to accept or place wagers
26	on any simulcast race within the state of Colorado except under the
27	provisions of this article 32. It is lawful to conduct pari-mutuel wagering

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1	on simulcast races of horses or greyhounds that are received by an in-state
2	simulcast facility authorized and operated pursuant to this article 32.
3	(2) Cross simulcasting between an in-state host track or an
4	out-of-state host track and an in-state simulcast facility, or between an
5	in-state host track and an out-of-state simulcast facility, is permissible.
6	(4) (a) (I) An in-state simulcast facility may, subject to the
7	commission's approval, receive the broadcast signal of greyhounds from
8	an out-of-state host track and conduct pari-mutuel wagering on the signal
9	through an in-state simulcast facility located on the premises of a class B
10	track that has conducted, or is scheduled to conduct during the next
11	twelve months, a live race meet of horses of at least the duration required
12	for a class B track.
13	(II) The specified portions of the gross receipts from pari-mutuel
14	wagers placed at an in-state simulcast facility on simulcast greyhound
15	races being held on out-of-state host tracks from signals received through
16	a class B track shall be distributed in accordance with section 44-32-701
17	(2).
18	(5) An in-state simulcast facility having a written simulcast racing
19	agreement with an in-state or out-of-state host track pursuant to section
20	44-32-503 (2) may receive simulcast races, as specified in subsections (2)
21	to (4) SUBSECTION (4)(b) of this section, on any day, including a day not
22	within the race meet of the in-state simulcast facility that is also a track
23	and a day on which no live race is conducted within the race meet of the
24	in-state simulcast facility that is also a track.
25	SECTION 5. In Colorado Revised Statutes, amend 44-32-604 as
26	follows:

44-32-604. Greyhound racing prohibited. (1) No live

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greyhound racing involving the betting or wagering on the speed or ability of the greyhounds racing shall be conducted in Colorado. The commission shall not accept or approve an application or request for race dates for live greyhound racing in Colorado.

(2) NOTWITHSTANDING THE PROVISIONS OF THIS ARTICLE 32 OR ANY OTHER GENERAL OR SPECIFIC LAW TO THE CONTRARY, IT IS UNLAWFUL IN COLORADO TO WAGER ON ANY RACE OF GREYHOUNDS THAT IS CONDUCTED AT, AND SIMULCAST FROM, A TRACK THAT IS OUTSIDE OF COLORADO.

SECTION 6. In Colorado Revised Statutes, 44-32-701, **amend** (2)(a), (2)(b), and (2)(c)(I); and **repeal** (1) as follows:

requirement - rules - repeal. (1) Subject to section 44-32-702 (1), for the privilege of conducting racing under a license issued under and of operating an in-state simulcast facility pursuant to this article 32, a licensee for the racing of greyhounds and an operator of an in-state simulcast facility that receives simulcast races of greyhounds shall pay to the department through the division four and one-half percent of the gross receipts derived from pari-mutuel wagering during any such race meet or placed on the simulcast races that are received through a live greyhound track.

(2) (a) (I) For the privilege of conducting racing under a license issued under, and of operating an in-state simulcast facility pursuant to, this article 32, a licensee for the racing of horses and an operator of an in-state simulcast facility that receives simulcast races of horses or greyhounds pursuant to section 44-32-602 (4)(a)(I) 44-32-602 (4)(b) shall pay to the department through the division three-fourths of one percent

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of the gross receipts of the pari-mutuel wagering at any race meet or placed on the simulcast races; except that a licensee for the racing of horses at a class B track race meet shall pay to the department through the division three-fourths of one percent of the gross receipts of the pari-mutuel wagering at any such race meet.

- (I.5) (A) OF THE MONEY THAT IS PAID TO THE DEPARTMENT BY LICENSEES PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION, ON JANUARY 1, 2024, THE DEPARTMENT SHALL DEPOSIT TWENTY-FIVE THOUSAND DOLLARS INTO A TRUST ACCOUNT FOR DISTRIBUTION TO GREYHOUND WELFARE AND ADOPTION ORGANIZATIONS IN ACCORDANCE WITH RULES PROMULGATED BY THE COMMISSION. ON EACH JANUARY 1 THEREAFTER, THE DEPARTMENT SHALL DEPOSIT FIFTY THOUSAND DOLLARS INTO THE TRUST ACCOUNT. THE DEPARTMENT MAY NOT CONDITION DISTRIBUTIONS FROM THE TRUST ACCOUNT ON WHETHER A GREYHOUND WELFARE AND ADOPTION ORGANIZATION SUPPORTS OR OPPOSES GREYHOUND RACING.
- 17 (B) This subsection (2)(a)(I.5) is repealed, effective August 1, 2026.
 - (II) (A) Except as otherwise provided in subsection (2)(a)(II)(B) of this section, In addition to the amount paid to the department through the division in subsection (2)(a)(I) of this section, a licensee for the racing of horses and an operator of an in-state simulcast facility that receives simulcast races of horses or greyhounds pursuant to section 44-32-602 (4)(a)(I) 44-32-602 (4)(b) shall pay to Colorado state university for allocation to its school of veterinary medicine one-fourth of one percent of the gross receipts of all pari-mutuel wagering, except on win, place, or show, at the horse race meet or placed on the simulcast races, to be used

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for racing-related equine research. To receive research funding under this subsection (2)(a)(II), an institution or individual must describe and report to the commission on all projects upon completion.

- (B) In the case of pari-mutuel wagers on greyhound simulcast signals received by a class B track, in lieu of the amounts otherwise payable to Colorado state university pursuant to subsection (2)(a)(II)(A) of this section, the licensee shall instead pay an equivalent amount into a trust account for distribution in accordance with rules of the commission under section 44-32-702 (1)(e)(I).
- (b) In addition to any money to be paid pursuant to subsection (2)(a) of this section, a licensee for the racing of horses and an operator of an in-state simulcast facility that receives simulcast races of horses or greyhounds pursuant to section 44-32-602 (4)(a)(I) 44-32-602 (4)(b) shall pay to a trust account one-half of one percent of the gross receipts of pari-mutuel wagering on win, place, and show and one and one-half percent of the gross receipts from all other pari-mutuel wagering at any such race meet or placed on the simulcast races for the horse breeders' and owners' awards and supplemental purse fund established in section 44-32-705.
- (c) (I) The operator of a simulcast facility that receives simulcast races of horses or greyhounds pursuant to section 44-32-602 (4)(a)(I) 44-32-602 (4)(b) shall retain five percent of the gross receipts of pari-mutuel wagering placed on the simulcast races at that facility, to be used to cover the particular expenses incurred in operating a simulcast facility.
- **SECTION 7.** In Colorado Revised Statutes, 44-32-702, **amend** (1)(b)(I), (1)(e)(I), (1)(h)(III), and (4) introductory portion; and **repeal**

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(1)(h)(II) and (1)(i) as follows:

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44-32-702. Unlawful to wager - exception - excess - taxes - special provisions for simulcast races - rules. (1) (b) (I) Except as otherwise provided in subsection (4) of this section, it is unlawful for a racing or simulcast facility licensee for the racing of greyhounds or horses to take more than the percentage of the gross receipts authorized by the commission pursuant to subsection (1)(b)(II) of this section of any pari-mutuel wagering on the races or simulcast races.

(e) (I) Each operator of an in-state simulcast facility that receives simulcast races of horses from either an in-state host track or an out-of-state host track or of greyhounds from an out-of-state host track, shall pay to purse funds for the racing of horses and to the in-state or out-of-state tracks and simulcast facilities described in the simulcast agreement filed with the commission, the percentages of the gross pari-mutuel wagering on the simulcast races, after deduction of a signal fee required by an out-of-state host track or an in-state host track, paid during the current year or a previous year, and the applicable amounts specified in subsection (2)(b) of this section and in sections $\frac{44-32-701}{1}$ and (2) 44-32-701 (2) and 44-32-705 (2), as specified in the simulcast agreement. In the case of pari-mutuel wagers on greyhound simulcast signals received by a class B track from an out-of-state host track, the operator shall deposit the amounts payable pursuant to section 44-32-701 (2)(a)(H)(B) into a trust account for distribution, in accordance with rules of the commission, to greyhound welfare and adoption organizations.

(h) (II) The breakage at any greyhound race meet shall be retained by the licensee under whose license the greyhound race meet was held.

(III) Except as otherwise provided in subsection (1)(h)(IV) or (4)

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of this section, the breakage on any simulcast race of horses or greyhounds received by an in-state simulcast facility shall be retained by the operator of the in-state simulcast facility.

- (i) An operator of an in-state simulcast facility shall retain the proceeds derived from all unclaimed pari-mutuel tickets for each simulcast race of greyhounds received for a race held at an out-of-state host track and, after a period of one year following the simulcast race, the proceeds revert and belong to the operator:
- (4) Pursuant to a valid simulcasting agreement, an operator of an in-state simulcast facility that receives simulcast signals of horse or greyhound races held in another state may:
- **SECTION 8.** In Colorado Revised Statutes, 44-32-704, **amend** (1) and (2)(a) as follows:
- 44-32-704. Limitations on pari-mutuel wagering. (1) Wagers on pari-mutuel horse or greyhound races conducted in or out of this state may only be placed ONLY upon the premises of a racetrack or an in-state simulcast facility licensed by the commission or the out-of-state racetrack or simulcast facility as authorized by the commission. No wagering or betting on the results of any of the races licensed under this article 32 shall be conducted outside a licensed or approved racetrack or simulcast facility.
- (2) (a) No person or agent or employee of any person shall place, receive, offer, or agree to place or receive a wager on a pari-mutuel horse or greyhound race, conducted in or broadcast in this state, by messenger, telephone, telegraph, facsimile machine, or other electronic device; except that this subsection (2) shall not apply to associations or simulcast facilities licensed by the commission. Nothing in this section shall be

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1	construed to prohibit gambling as provided in section 18-10-102 (2)(d).
2	SECTION 9. In Colorado Revised Statutes, 26-13-118.7, amend
3	as it will become effective July 1, 2023, (2) as follows:
4	26-13-118.7. Gambling winnings - interception - rules.
5	(2) Upon receipt from the registry operator of a payment and
6	accompanying information pursuant to section 44-33-105 (2)(b), the state
7	department, through the casino, sports betting operator, internet sports
8	betting operator, racetrack, or off-track betting facility, shall notify the
9	obligated parent in writing that the state intends to offset the parent's child
10	support debt, child support arrearages, or child support costs against the
11	parent's winnings from limited gaming, from sports betting, or from
12	pari-mutuel wagering on horse or greyhound racing. The notice must
13	include information concerning the parent's right to object to the offset
14	and to request an administrative review pursuant to the rules of the state
15	board.
16	SECTION 10. In Colorado Revised Statutes, 44-33-103, amend
17	as it will become effective July 1, 2023, (3) as follows:
18	44-33-103. Definitions. As used in this article 33, unless the
19	context otherwise requires:
20	(3) "Payment" means cash winnings from limited gaming, from
21	sports betting, or from pari-mutuel wagering on horse or greyhound
22	racing payable by a licensee for which the licensee is required to file form
23	W-2G, or a substantially equivalent form, with the United States internal
24	revenue service.
25	SECTION 11. Act subject to petition - effective date -
26	applicability. (1) This act takes effect January 1, 2024; except
27	that, if a referendum petition is filed pursuant to section 1 (3) of article V

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of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.

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