



COLORADO
Department of Revenue

Executive Director's Office

Physical Address:
 1375 Sherman Street
 Denver, CO 80203

Mailing Address:
 P.O. Box 17087
 Denver, CO 80217-0087

December 29, 2017

The Honorable Vicki Marble
Chair, Senate State, Veterans, and Military Affairs Committee
Colorado General Assembly

The Honorable Mike Foote
Chair, House State, Veterans, and Military Affairs Committee
Colorado General Assembly

The Honorable Jim Smallwood
Chair, Senate Health and Human Services Committee
Colorado General Assembly

The Honorable Jonathan Singer
Chair House Public Health Care and Human Services Committee
Colorado General Assembly

Dear Senators and Representatives:

House Bill 15-1255, Section 1 added C.R.S 26-2-104 (2) (f) that requires on or before January 1, 2016, and July 1, 2016, and on or before each January thereafter, the Department of Revenue and the State Department shall each submit, and present the reports at the same meeting, on electronic benefits transfers to the State, Veterans, and Military Affairs Committees of the Senate and House of Representatives, the Health and Human Services Committee of the Senate, and the Public Health Care and Human Services Committee of the House of Representatives, or any successor committees. The reports must list the numbers of instances that a client accessed cash benefits through the electronic benefits transfer service through automated teller machines located in each type of establishment described in paragraph (a) of the subsection (2) or any other establishment in which a client is prohibited from accessing benefits by Federal Law.

The Department of Revenue (DOR) has the Liquor, Marijuana, Racing, and Gaming Divisions that are governed by House Bill 15-1255. DOR has provided licensee information from these regulated industries to the Department of Human Services (DHS). With this information, DHS has compiled reports of EBT prohibited card use at DOR's licensed regulated industries and has provided this information to DOR. The table below details and compares the EBT card use at prohibited licensed locations regulated by the DOR from December 1 through August 31 for 2016 and 2017.

DOR Regulated Industry	Instances of EBT Card Use: 12/1/15 - 8/31/16	Instances of EBT Card Use: 12/1/16 - 8/31/17¹
Liquor	8,562	3,533
Racing	16	6
Marijuana	330	67
Gaming	100	15
Totals	9,008	3,621

¹The reporting period was modified in this report for comparison purposes due to a change in reporting periods as required pursuant to § 26-2-104(2)(f), C.R.S., and as a result of technical issues with the reporting software which led to delays in receiving reportable data for the current reporting period of 12/1/2016 through 11/30/2017.

The House Bill 15-1255 also required DOR to adopt rules on or before January 1, 2016 to enforce the prohibition of clients accessing benefits at an automated teller machine located in the DOR regulated industries listed above. The DOR held a stakeholder work group and drafted proposed Rule 1 CCR 210-4, Enforcement of the Prohibited Use of Electronic Benefits Transfer Cards at Certain Locations. The regulated industries were invited to participate in the rulemaking hearing and the final rule was effective January 1, 2016.

Since the inception of Rule 1 CCR 210-4, the DOR has taken an educational approach with each of its regulated industries to ensure a decrease in the number of instances of EBT Card usage. Some of these methods include, sending periodic industry bulletins to advise the respective licensees reminding them of the requirements of the rule, adding a step to the preopening checklist used by the Enforcement Divisions that assists a new licensee in ensuring they adhere to proper opening requirements and conducting compliance inspections on licensees. With this approach and as is presented in the data in the table above, the DOR has seen a 60% overall reduction of EBT card use at prohibited locations. DOR expects to continue to see a positive trend of compliance due to its regulatory efforts and cooperation from its regulated industries.

The DOR will continue its regulatory enforcement and efforts to ensure licensees comply with the requirements of House Bill 15-1255.

Sincerely,



Michael Hartman
Executive Director
Colorado Department of Revenue

cc: Members of the Senate State, Veterans, and Military Affairs Committee, Colorado General Assembly
Members of the House State, Veterans, and Military Affairs Committee, Colorado General Assembly
Members of the Senate Health and Human Services Committee, Colorado General Assembly
Members of the House Public Health Care and Human Services Committee, Colorado General Assembly

Senate State, Veterans, and Military Affairs Committee Members:
The Honorable Jerry Sonnenberg, Vice Chair
The Honorable Lois Court
The Honorable Stephen Fenberg
The Honorable Owen Hill

House State, Veterans, and Military Affairs Committee Members:

The Honorable Susan Lontine, Vice Chair
The Honorable Adrienne Benavidez
The Honorable Edie Hooton
The Honorable Stephen Humphrey
The Honorable Timothy Leonard
The Honorable Jovan Melton
The Honorable Mike Weissman
The Honorable Dave Williams

Senate Health and Human Services Committee Members:

The Honorable Beth Martinez Humenik, Vice Chair
The Honorable Irene Aguilar
The Honorable Larry W. Crowder
The Honorable John Kefalas

Public Health Care and Human Services Committee Members:

The Honorable Jessie Danielson, Vice Chair
The Honorable Marc Catlin
The Honorable Justin Everett
The Honorable Joann Ginal
The Honorable Edie Hooton
The Honorable Lois Landgraf
The Honorable Kimmi Lewis
The Honorable Larry Liston
The Honorable Dafna Michaelson Jenet
The Honorable Dan Pabon
The Honorable Brittany Pettersen
The Honorable Kim Ransom

Electronic Benefit Transfer (EBT) Prohibited Usage



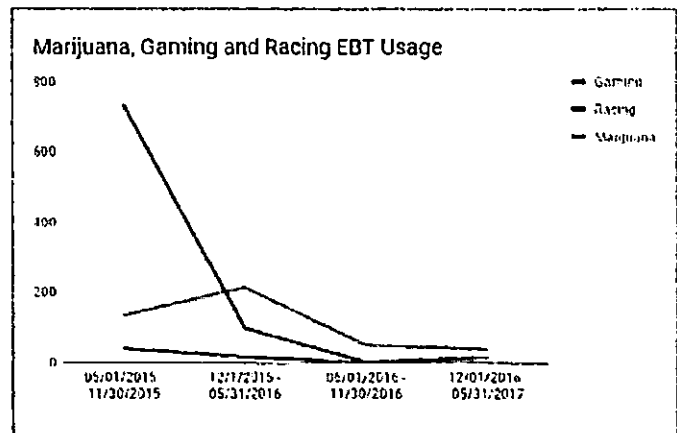
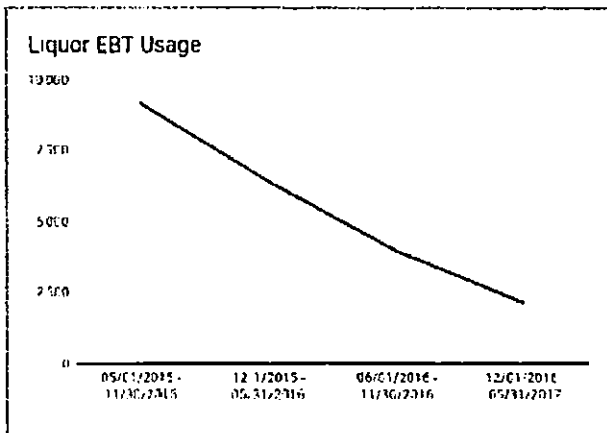
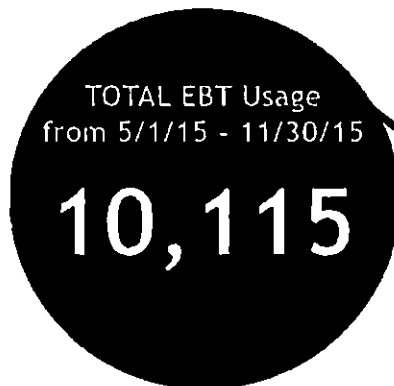
COLORADO
Department of Revenue
Enforcement Division

The Department of Revenue (DOR) has the Liquor, Marijuana, Racing, and Gaming Divisions that are governed by House Bill 15-1255. DOR has provided licensee information from these regulated industries to the Department of Human Services (DHS). With this information, DHS has compiled reports of EBT prohibited card use at DOR's licensed regulated industries and has provided this information to DOR. The chart below details the EBT card use as at prohibited licensed locations regulated by the DOR since the law became effective on May 1, 2015.

DOR Regulated Industry	05/01/2015 - 11/30/2015	12/1/2015 - 05/31/2016	06/01/2016 - 11/30/2016	12/01/2016 - 05/31/2017	06/01/2016 - 08/31/2017*
Liquor	9,204	6,438	3,969	2,111	1,422
Racing	40	16	-	2	4
Marijuana	134	214	50	37	30
Gaming	737	98	2	15	-
Totals	10,115	6,766	4,021	2,165	1,456

Percentage decrease from the first six month period compared to the most recent six months

79%



*The reporting period was modified in this report for comparison purposes due to a change in reporting periods as required pursuant to § 26-2-104(2)(f), C.R.S., and as a result of technical issues with the reporting software which led to delays in receiving reportable data for the current reporting period of 12/1/2016 through 11/30/2017.