A BILL FOR AN ACT

CONCERNING SPORTS BETTING, AND, IN CONNECTION THEREWITH,
SUBMITTING TO THE REGISTERED ELECTORS OF THE STATE OF
COLORADO A BALLOT MEASURE AUTHORIZING THE COLLECTION
OF A TAX ON THE NET PROCEEDS OF SPORTS BETTING THROUGH
LICENSED CASINOS AND DIRECTING THE REVENUES GENERATED
THROUGH COLLECTION OF THE SPORTS BETTING TAX TO
SPECIFIED PUBLIC PURPOSES, INCLUDING THE STATE WATER
PLAN THROUGH CREATION OF THE WATER PLAN
IMPLEMENTATION CASH FUND.

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

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.)
In 2018, the United States supreme court held in *Murphy v. National Collegiate Athletic Association*, 138 S. Ct. 1461, that a federal law prohibiting states from authorizing sports betting violated the tenth amendment of the United States constitution. States may now authorize sports betting.

The bill decriminalizes sports betting in Colorado, effective May 1, 2020, under the following conditions:

1. The collection of a tax on the net proceeds of sports betting must be approved by the registered electors of Colorado at the November 2019 general election;
2. Sports betting will be regulated by the department of revenue, subject to supervision by the existing limited gaming control commission;
3. A limited number of licenses will be issued. Persons or entities currently licensed to conduct limited gaming (i.e., the owners of casinos in Central City, Black Hawk, and Cripple Creek) are the only persons or entities eligible to hold a "master license" to conduct sports betting upon paying a license fee and submitting to background checks. A master license entitles the licensee to contract with a licensed "sports betting operator" or a licensed "internet sports betting operator", or both, for the operation of sports betting; and
4. The state will collect a tax of 10% on the net proceeds of sports betting activity to fund implementation of the state water plan and other public purposes.

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

SECTION 1. In Colorado Revised Statutes, 44-30-102, add (3) as follows:

44-30-102. Legislative declaration. (3) The general assembly further finds, determines, and declares that:

(a) When, in 2018, the United States supreme court held in *Murphy v. National Collegiate Athletic Association*, 138 S. Ct. 1461, that there existed no current federal impediment to an
INDIVIDUAL STATE'S AUTHORITY TO LEGALIZE SPORTS BETTING, BUT THAT SUCH AN EFFORT WAS SUBJECT ONLY TO THAT STATE'S OWN CONSTITUTIONAL LIMITS ON THAT AUTHORITY, COLORADO HAD THE OPTION TO EXPAND THE RESPONSIBILITIES OF THE LIMITED GAMING CONTROL COMMISSION CREATED IN THIS ARTICLE 30 TO INCLUDE SPORTS BETTING;

(b) EXPANSION OF THE COMMISSION'S ROLE IN THIS WAY IS APPROPRIATE, GIVEN THE COMMISSION'S EXPERIENCE IN REGULATING LIMITED GAMING SINCE 1992 AND ITS TRACK RECORD OF COMPETENT, EVENHANDED, AND EFFICIENT DISCHARGE OF THE DUTIES ENTRUSTED TO IT BY COLORADO'S VOTERS UNDER SECTION 9 OF ARTICLE XVIII OF THE STATE CONSTITUTION;

(c) THE GENERAL ASSEMBLY INTENDS, THROUGH PASSAGE OF HOUSE BILL 19-____, ENACTED IN 2019, TO INCORPORATE SPORTS BETTING SEAMLESSLY INTO THE REGULATORY AND TAXING SYSTEM ESTABLISHED FOR LIMITED GAMING UNDER THIS ARTICLE 30 IN A MANNER THAT HONORS THE VOTERS' INTENT IN ADOPTING SECTION 9 OF ARTICLE XVIII OF THE STATE CONSTITUTION AND HAS DONE SO THROUGH ENACTMENT OF A REFERRED MEASURE REQUIRING STATEWIDE APPROVAL;

(d) IT IS APPROPRIATE, AND THE GENERAL ASSEMBLY INTENDS, THAT AFTER THE INCORPORATION OF SPORTS BETTING INTO THIS ARTICLE 30 ON MAY 1, 2020, NO FURTHER EXPANSION OF SPORTS BETTING NOR AUTHORIZATION OF ANY NEW OR EXPANDED CLASS OF LICENSEES BE MADE EXCEPT WITH THE APPROVAL OF COLORADO VOTERS THROUGH LEGISLATION OR CONSTITUTIONAL AMENDMENTS THAT ARE SUBMITTED TO A STATEWIDE VOTE; AND

(e) THE SUCCESS OF SPORTS BETTING IS DEPENDENT UPON PUBLIC
CONFIDENCE AND TRUST THAT ACTIVITIES RELATED TO SPORTS BETTING ARE CONDUCTED HONESTLY AND COMPETITIVELY; THAT THE RIGHTS OF THE CREDITORS OF LICENSEES ARE PROTECTED; AND THAT SPORTS BETTING IS FREE FROM CRIMINAL AND CORRUPTIVE ELEMENTS. PUBLIC CONFIDENCE AND TRUST CAN BE MAINTAINED ONLY BY STRICT REGULATION OF SPORTS BETTING.

SECTION 2. In Colorado Revised Statutes, 44-30-103, amend (5) and (17); and add (32.5) as follows:

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

(5) "Bet" means an amount placed as a wager in a game of chance OR ON A SPORTS EVENT, AS DEFINED IN SECTION 44-30-1501 (12).

(17) "Key employee" means any executive, employee, or agent of a gaming licensee OR SPORTS BETTING LICENSEE having the power to exercise a significant influence over decisions concerning any part of the operation of a THE gaming licensee OR SPORTS BETTING LICENSEE.

(32.5) "SPORTS BETTING" MEANS PLACING ONE OR MORE BETS IN A SPORTS BETTING OPERATION, AS DEFINED IN SECTION 44-30-1501 (10).

SECTION 3. In Colorado Revised Statutes, amend 44-30-104 as follows:

44-30-104. Limited gaming - sports betting - authorization - regulation. Limited gaming AND SPORTS BETTING ARE hereby authorized and may be operated and maintained subject to the provisions of this article 30. All limited gaming AND SPORTS BETTING authorized by this article 30 shall be regulated IS SUBJECT TO REGULATION by the Colorado limited gaming control commission.

SECTION 4. In Colorado Revised Statutes, amend 44-30-201 as
follows:

44-30-201. Division of gaming - creation - repeal. (1) There is hereby created, within the department, the division of gaming, the head of which shall be the director of the division of gaming. The director shall be appointed by, and shall be subject to removal by, the executive director. The division of gaming, the Colorado limited gaming control commission created in section 44-30-301, and the director of the division of gaming shall exercise their respective powers and perform their respective duties and functions as specified in this article 30 under the department as if they were transferred to the department by a type 2 transfer, as the transfer is defined in the "Administrative Organization Act of 1968", article 1 of title 24; except that the commission shall have full and exclusive authority to promulgate rules related to limited gaming AND SPORTS BETTING without any approval by, or delegation of authority from, the department. NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (1) TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-____.

(2) (a) THE COMMISSION MAY ADOPT TEMPORARY OR EMERGENCY RULES, OR BOTH, AND MAY ACCEPT LICENSE APPLICATIONS, BEFORE MAY 1, 2020, IN ANTICIPATION OF THE AUTHORIZATION OF SPORTS BETTING UNDER PART 15 OF THIS ARTICLE 30.

(b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2020.

SECTION 5. In Colorado Revised Statutes, amend 44-30-202 as follows:
44-30-202. Functions of division - repeal. (1) The functions of the division are to license, implement, regulate, and supervise the conduct in this state of:

(a) Limited gaming in this state as authorized by section 9 of article XVIII of the state constitution; and

(b)(I) Sports betting as authorized by part 15 of this article 30.

(II) This subsection (1)(b) is repealed, effective September 1, 2020, if the voters at the November 2019 statewide election do not approve the question described in section 44-30-1514 and the governor issues an official declaration of the vote thereon.

(2) Notwithstanding any provision of this section to the contrary, sports betting is not authorized unless the voters at the November 2019 statewide election approve the ballot question submitted pursuant to section 44-30-1514, enacted in 2019 in House Bill 19-____.

SECTION 6. In Colorado Revised Statutes, 44-30-203, amend (2) introductory portion, (2)(a), (2)(f), (2)(h), and (2)(k) as follows:

44-30-203. Director - qualification - powers and duties. (2) In addition to the duties imposed upon the director elsewhere in this part 2 and in part 15 of this article 30, the director shall:

(a) Supervise and administer the operation of the division, and limited gaming, and sports betting in accordance with the provisions of this article 30 and the rules of the commission;

(f) Advise the commission and recommend to the commission any rules and other procedures as the director deems necessary and advisable to improve the operation of the division and the conduct of limited
gaming OR SPORTS BETTING;

(h) Make a continuous study and investigation of the operation and the administration of similar laws that may be in effect in other states or countries; of any literature on gaming OR SPORTS BETTING that from time to time may be published or available; and of any federal laws that may affect the operation of the division, the conduct of limited gaming OR SPORTS BETTING, or the reaction of Colorado citizens to limited gaming OR SPORTS BETTING with a view to recommending or effecting changes that would serve the purposes of this article 30;

(k) Take any action as may be determined by the commission to be necessary to protect the security and integrity of limited gaming OR SPORTS BETTING; and

SECTION 7. In Colorado Revised Statutes, 44-30-204, amend (1) introductory portion, (1)(a), (1)(b), (1)(d), (1)(e), (1)(f), and (1)(g) as follows:

44-30-204. Investigator - peace officers. (1) All investigators of the division of gaming, and their supervisors, including the director and the executive director, shall have all the powers of any peace officer to:

(a) Make arrests, with or without warrant, for any violation of the provisions of this article 30, article 20 of title 18, or the rules promulgated pursuant to this article 30, any other laws or rules pertaining to the conduct of limited gaming OR SPORTS BETTING in this state, or any criminal law of this state, if, during an officer's exercise of powers or performance of duties under this section, probable cause is established that a violation of any said law or rule has occurred;

(b) Inspect, examine, investigate, hold, or impound any premises where limited gaming OR SPORTS BETTING is conducted, any devices or
equipment designed for or used in limited gaming OR SPORTS BETTING, and any books and records in any way connected with any limited gaming OR SPORTS BETTING activity;

(d) Serve all warrants, notices, summonses, or other processes relating to the enforcement of laws regulating limited gaming OR SPORTS BETTING;

(e) Serve distraint warrants issued by the department pertaining to limited gaming OR SPORTS BETTING;

(f) Conduct investigations into the character, record, and reputation of all applicants for limited gaming OR SPORTS BETTING licenses, all licensees, and any other persons as the commission may determine pertaining to limited gaming OR SPORTS BETTING;

(g) Investigate violations of all the laws pertaining to limited gaming, SPORTS BETTING, and limited gaming activities RELATED TO BOTH;

SECTION 8. In Colorado Revised Statutes, 44-30-302, amend (1)(a), (1)(d), (1)(f), (1)(h), (1)(j), (1)(n)(I), (1)(p), (1)(s), (1)(u), (2) introductory portion, (2)(a), (2)(b), (2)(c), (2)(d), (2)(e), (2)(f), (2)(r), and (2)(s); and add (3) as follows:

44-30-302. Commission - powers and duties - rules. (1) In addition to any other powers and duties set forth in this part 3, and notwithstanding the designation of the Colorado limited gaming control commission under section 44-30-201 as a type 2 transfer, the commission shall nonetheless have the following powers and duties:

(a) To promulgate the rules governing the licensing, conducting, and operating of limited gaming AND SPORTS BETTING as it deems necessary to carry out the purposes of this article 30. The director shall
prepare and submit to the commission written recommendations
concerning proposed rules for this purpose.

    (d) To conduct a continuous study and investigation of limited
gaming AND SPORTS BETTING throughout the state for the purpose of
ascertaining any defects in this article 30 or in the rules promulgated
pursuant to this article 30 in order to discover any abuses in the
administration and operation of the division or any violation of this article
30 or any rule promulgated pursuant to this article 30;

    (f) To report immediately to the governor, the attorney general,
the speaker of the house of representatives, the president of the senate, the
minority leaders of both houses, and any other state officers as the
commission deems appropriate concerning any laws that it determines
require immediate amendment to prevent abuses and violations of this
article 30 or any rule promulgated pursuant to this article 30 or to remedy
undesirable conditions in connection with the administration or the
operation of the division, or limited gaming, OR SPORTS BETTING;

    (h) To issue temporary or permanent licenses to those involved in
the ownership, participation, or conduct of limited gaming OR SPORTS
BETTING;

    (j) To establish and collect fees and taxes upon persons, licenses,
and gaming devices used in, or participating in, limited gaming OR
SPORTS BETTING;

    (n)(I) Except as otherwise provided in subsection (1)(n)(II) of this
section, to inspect and examine without notice all premises wherein
IN
WHICH limited gaming OR SPORTS BETTING is conducted or WHERE
devices or equipment used in limited gaming THOSE ACTIVITIES are
located, manufactured, sold, or distributed, and to summarily seize,
remove, and impound, without notice or hearing, from the premises any
equipment, devices, supplies, books, or records for the purpose of
examination or inspection.

(p) To exercise any other incidental powers as may be necessary
to ensure the safe and orderly regulation of limited gaming AND SPORTS
BETTING and the secure collection of all revenues, taxes, and license fees;

(s) To establish and collect fees for performing, or having
performed, tests on equipment and devices to be used in limited gaming
OR SPORTS BETTING;

(u) To demand, at any time when business is being conducted,
access to and inspection, examination, photocopying, and auditing of all
papers, books, and records of applicants and licensees, on their premises
or elsewhere as practicable and in the presence of the licensee or his or
her THE LICENSEE'S agent, pertaining to the gross income produced by any
licensed gaming establishment and OR ACTIVITY LICENSED UNDER THIS
ARTICLE 30; to require verification of income, and all other matters
affecting the enforcement of the policies of the commission or any
provision of this article 30; and to impound or remove all papers, books,
and records of applicants and licensees, without hearing, for inspection
or examination; and

(2) Rules promulgated pursuant to subsection (1) of this section
shall MUST include, but shall not be limited to AT A MINIMUM, the
following:

(a) The types of limited gaming AND SPORTS BETTING activities to
be conducted and the rules for those activities;

(b) The requirements, qualifications, and grounds for the issuance,
revocation, suspension, and summary suspension of all types of
permanent and temporary licenses required for the conduct of limited
gaming OR SPORTS BETTING;

(c) Qualifications of persons to hold limited gaming OR SPORTS
BETTING licenses;

(d) Restrictions upon the times, places, and structures where
limited gaming shall be OR SPORTS BETTING ARE authorized;

(e) The ongoing operation of limited gaming OR SPORTS BETTING
activities, INCLUDING THE TESTING AND APPROVAL OF SOFTWARE OR
ACCOUNTING SYSTEMS USED IN CONNECTION WITH LIMITED GAMING OR
SPORTS BETTING;

(f) The scope and conditions for investigations and inspections
into the conduct of limited gaming OR SPORTS BETTING, the background
of licensees and applicants for licenses, the premises where limited
gaming is OR SPORTS BETTING ARE authorized, all premises where gaming
deVICES are located, the books and records of licensees, and the sources
and maintenance of limited gaming OR SPORTS BETTING devices and
equipment;

(r) The conditions and circumstances that constitute suitability of
persons, locations, and equipment for gaming OR SPORTS BETTING;

(s) The types and specifications of all equipment and devices used
in or with limited gaming OR SPORTS BETTING; and

(3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
2019 IN HOUSE BILL 19-____.

SECTION 9. In Colorado Revised Statutes, 44-30-701, amend

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(1)(a), (1)(b)(I), and (1)(b)(II); and add (3) as follows:

44-30-701. Limited gaming fund - created. (1) There is hereby created in the office of the state treasurer the limited gaming fund. The fund shall be maintained and operated as follows:

(a) EXCEPT AS SPECIFIED IN PART 15 OF THIS ARTICLE 30, all revenues of the division shall be paid into the limited gaming fund. EXCEPT FOR THOSE EXPENSES RELATED TO SPORTS BETTING AS SPECIFIED IN PART 15 OF THIS ARTICLE 30, all expenses of the division and the commission, including the expenses of investigation and prosecution relating to limited gaming, shall be paid from the fund.

(b) (I) All money paid into the limited gaming fund shall be available immediately, without further appropriation, for the purposes of the fund. From the money in the limited gaming fund, the state treasurer is hereby authorized to pay all ongoing expenses of the commission, the department, the division, and any other state agency from whom assistance related to the administration of this article 30 is requested by the commission, director, or executive director, EXCEPT THOSE EXPENSES RELATED TO SPORTS BETTING, AS SPECIFIED IN PART 15 OF THIS ARTICLE 30. The payment shall be made upon proper presentation of a voucher prepared by the commission in accordance with other statutes governing payments of liabilities incurred on behalf of the state. The payment shall not be conditioned on any appropriation by the general assembly. Receipt of the payment shall constitute spending authority by the division of gaming in the department.

(II) EXCEPT AS SPECIFIED IN PART 15 OF THIS ARTICLE 30:

(A) No claim for the payment of any expense of the commission, department, division, or other state agency shall be made unless it is
against the limited gaming fund; AND

(B) No other money of the state shall be used or obligated to pay
the expenses of the division or commission.

(3) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
2019 IN HOUSE BILL 19-____.

SECTION 10. In Colorado Revised Statutes, 44-30-705, amend
(3) as follows:

44-30-705. Attorney general - duties. (3) Expenses of the
attorney general incurred in the performance of the responsibilities under
this section shall be paid from the limited gaming fund; EXCEPT THAT ANY
SUCH EXPENSES RELATED TO SPORTS BETTING UNDER PART 15 OF THIS
ARTICLE 30 SHALL BE PAID FROM THE SPORTS BETTING FUND.
NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (3) TO THE
CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
2019 IN HOUSE BILL 19-____.

SECTION 11. In Colorado Revised Statutes, add part 15 to
article 30 of title 44 as follows:

PART 15
SPORTS BETTING

44-30-1501. Definitions - rules. DEFINITIONS APPLICABLE TO THIS
PART 15 ALSO APPEAR IN SECTION 44-30-103 AND ARTICLE 1 OF THIS TITLE
44. AS USED IN THIS PART 15, UNLESS THE CONTEXT OTHERWISE REQUIRES:
(1) "Casino" means a licensed gaming establishment as defined in section 44-30-103 (18).

(2) "Collegiate sports event" means a sports event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

(3) "Fantasy sports activity" means the conduct of, or participation in, a fantasy contest as defined in section 12-15.5-102 (4).

(4) "Internet sports betting operation" means a sports betting operation in which wagers on sports events are made through a computer or mobile or interactive device and accepted by an internet sports betting operator.

(5) "Internet sports betting operator" means a person licensed by the commission to operate an internet sports betting operation.

(6) "Master license" means a sports betting license, issued by the commission pursuant to section 44-30-1505 (1)(a), that authorizes the licensee to either conduct sports betting and internet sports betting itself or contract with a sports betting operator, an internet sports betting operator, or both, to conduct sports betting.

(7) "Net sports betting proceeds" means the total amount of all bets placed by players in a sports betting operation or internet sports betting operation, excluding free bets, less all payments to players and less all excise taxes paid pursuant to federal law. Payments to players include all payments of cash.
PREMIUMS, MERCHANDISE, OR ANY OTHER THING OF VALUE.

(8) "PROHIBITED SPORTS EVENT" MEANS:

(a) A HIGH SCHOOL SPORTS EVENT;

(b) A VIDEO GAME THAT IS NOT SANCTIONED BY A SPORTS GOVERNING BODY AS AN ELECTRONIC COMPETITION; AND

(c) ONLY WITH RESPECT TO PROPOSITION BETS, A COLLEGIATE SPORTS EVENT.

(9) "SPORTS BETTING LICENSE" MEANS ANY OF THE LICENSES SPECIFIED IN SECTION 44-30-1505 (1).

(10) "SPORTS BETTING OPERATION" MEANS A LICENSED WAGERING OPERATION IN WHICH BETS ARE PLACED ON SPORTS EVENTS THROUGH ANY SYSTEM OR METHOD OF WAGERING, INCLUDING SINGLE-GAME BETS, TEASER BETS, PARLAYS, OVER-UNDER, MONEYLINE, POOLS, EXCHANGE WAGERING, IN-GAME WAGERING, IN-PLAY BETS, PROPOSITION BETS OTHER THAN THOSE RELATING TO COLLEGIATE SPORTS EVENTS, OR STRAIGHT BETS.

(11) "SPORTS BETTING OPERATOR" MEANS A PERSON THAT IS LICENSED TO OPERATE A SPORTS BETTING OPERATION IN WHICH CUSTOMERS PLACE BETS IN PERSON AT A DESIGNATED PHYSICAL LOCATION.

(12) (a) "SPORTS EVENT" MEANS:

(I) ANY INDIVIDUAL OR TEAM SPORT OR ATHLETIC EVENT IN WHICH THE OUTCOME IS NOT DETERMINED SOLELY BY CHANCE, WHETHER AMATEUR OR PROFESSIONAL, INCLUDING AN OLYMPIC OR INTERNATIONAL SPORT OR ATHLETIC EVENT AND ANY COLLEGIATE SPORTS EVENT;

(II) ANY PORTION OF A SPORT OR ATHLETIC EVENT LISTED IN SUBSECTION (12)(a)(I) OF THIS SECTION, INCLUDING THE INDIVIDUAL
PERFORMANCE STATISTICS OF ATHLETES IN A SPORTS EVENT OR
COMBINATION OF SPORTS EVENTS;

(III) A SANCTIONED MOTOR SPORT, AS AUTHORIZED BY THE
COMMISSION BY RULE; AND

(IV) ANY OTHER SPORTS EVENT OR COMBINATION OF SPORTS
EVENTS AS AUTHORIZED BY THE COMMISSION BY RULE.

(b) "SPORTS EVENT" DOES NOT INCLUDE A PROHIBITED SPORTS
EVENT OR A FANTASY SPORTS ACTIVITY.

(13) "SPORTS GOVERNING BODY" MEANS AN ORGANIZATION THAT
PERFORMS A REGULATORY OR SANCTIONING FUNCTION OVER THE
CONDUCT OF A SPORTS EVENT.

44-30-1502. Conflict of interest - participants in sports or
athletic events. (1) THE FOLLOWING PERSONS SHALL NOT HAVE ANY
OWNERSHIP INTEREST IN, CONTROL OF, OR OTHERWISE BE EMPLOYED BY
A SPORTS BETTING OPERATOR, A LICENSEE, OR A FACILITY IN WHICH
SPORTS BETTING TAKES PLACE OR PLACE A WAGER ON A SPORTS EVENT
THAT IS OVERSEEN BY THAT PERSON'S SPORTS GOVERNING BODY BASED ON
PUBLICLY AVAILABLE INFORMATION:

(a) AN ATHLETE, COACH, REFEREE, EMPLOYEE, OR DIRECTOR OF:

(I) A SPORTS GOVERNING BODY THAT SANCTIONS OR GOVERNS A
SPORTS EVENT ON WHICH BETS ARE PLACED; OR

(II) ANY TEAM THAT IS A MEMBER TEAM IN A SPORTS GOVERNING
BODY DESCRIBED IN SUBSECTION (1)(a)(I) OF THIS SECTION.

(b) A SPORTS GOVERNING BODY OR ANY OF ITS MEMBER TEAMS;

(c) AN AGENT, UNION, OR UNION REPRESENTATIVE THAT
ADVOCATES FOR PLAYERS, REFEREES, OR OTHER PERSONNEL INVOLVED
WITH THE CONDUCT OF A SPORTS EVENT;
(d) A person who holds a position of authority or influence sufficient to exert influence over the participants in a sports event, including coaches, managers, and athletic trainers;

(e) A person with access to nonpublic information on any sports event overseen by that person's sports governing body, which information pertains to or could affect or influence the performance of any team, coach, or participant in the sports event; or

(f) A person identified by the sports governing body to the division or the commission for purposes of establishing actual or potential conflicts of interest.

(2) The direct or indirect legal or beneficial owner of ten percent or more of a sports governing body or any of its member teams shall not place or accept any wager on a sports event in which any member team of that sports governing body participates.

(3) The prohibitions set forth in this section do not apply to a sports governing body, a member team of a sports governing body, or a person who is a director or a direct or indirect owner of a sports governing body or member team of a sports governing body:

(a) Who holds less than ten percent direct or indirect ownership interest in a casino or sports betting operation; or

(b) Whose sports betting operation prohibits any wagering on the owner's team or players or the sports governing body's sports events.
44-30-1503. Licenses - rules. (1) (a) The commission shall issue, suspend, revoke, and renew sports betting licenses pursuant to subsection (3) of this section and rules adopted by the commission. The commission's licensing rules must include requirements relating to the financial responsibility of the licensee, the licensee's source of revenue for its sports betting operations, the character of the licensee, the trustworthy operation of the sports betting activity sought to be licensed, and other matters necessary to protect the public interest and trust in sports betting. Suspension is limited to circumstances in which the licensee's actions appear contrary to the public interest or tend to undermine public trust in the integrity of sports betting.

(b) The commission's rules must require that licenses be prominently displayed in areas visible to the public.

(2) (a) A license shall be revoked upon a finding that the licensee has:

(I) provided misleading information to the division or commission;

(II) been convicted of a felony or any gambling-related offense;

(III) become a person whose character is no longer consistent with the protection of the public interest and trust in sports betting; or

(IV) intentionally refused to pay a prize in the licensee's possession to a person entitled to receive the prize under this part 15.
(b) A LICENSE MAY BE SUSPENDED, REVOKED, OR NOT RENEWED FOR ANY OF THE FOLLOWING CAUSES:

(I) A DELINQUENCY IN REMITTING MONEY RIGHTFULLY OWED TO PLAYERS, CONTRACTORS, OR OTHERS INVOLVED IN SPORTS BETTING;

(II) FAILURE TO ENSURE THE TRUSTWORTHY OPERATION OF SPORTS BETTING; OR

(III) ANY INTENTIONAL VIOLATION OF THIS PART 15 OR ANY RULE ADOPTED PURSUANT TO THIS PART 15.

(3) PROCEDURES FOR ISSUANCE, SUSPENSION, REVOCATION, AND RENEWAL OF LICENSES MUST BE IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, AND THE COMMISSION HAS ALL THE POWERS AND IS SUBJECT TO ALL THE REQUIREMENTS OF ARTICLE 4 OF TITLE 24 IN CONDUCTING ANY HEARINGS RELATING TO GRANTING, SUSPENDING, REVOKING, OR RENEWING LICENSES.

(4) LICENSEES MAY INCLUDE INDIVIDUALS, FIRMS, ASSOCIATIONS, OR CORPORATIONS, WHETHER FOR PROFIT OR NONPROFIT, BUT THE FOLLOWING ARE INELIGIBLE FOR A LICENSE UNDER THIS PART 15:

(a) A PERSON WHO HAS BEEN CONVICTED OF A GAMBLING-RELATED OFFENSE, NOTWITHSTANDING SECTION 24-5-101;

(b) A PERSON WHO IS OR HAS BEEN A PROFESSIONAL GAMBLER OR GAMBLING PROMOTER;

(c) A PERSON WHO HAS ENGAGED IN BOOKMAKING OR ANY OTHER FORM OF ILLEGAL GAMBLING, INCLUDING ANY SPORTS BETTING OPERATION WHOSE WAGERING ACTIVITIES DID NOT RESULT IN PROSECUTION BUT THAT THE COMMISSION FINDS VIOLATED STATE OR FEDERAL LAW;

(d) A PERSON WHO IS NOT OF GOOD CHARACTER AND REPUTATION, NOTWITHSTANDING SECTION 24-5-101, IN THE COMMUNITY WHERE THE
PERSON RESIDES;

(e) A PERSON WHO HAS BEEN CONVICTED OF A CRIME INVOLVING MISREPRESENTATION, NOTWITHSTANDING SECTION 24-5-101;

(f) A FIRM OR CORPORATION IN WHICH A PERSON DESCRIBED IN SUBSECTIONS (4)(b) TO (4)(e) OF THIS SECTION HAS A PROPRIETARY, EQUITABLE, OR CREDIT INTEREST OF TEN PERCENT OR MORE;

(g) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN SUBSECTIONS (4)(b) TO (4)(e) OF THIS SECTION IS AN OFFICER, DIRECTOR, OR MANAGING AGENT, WHETHER COMPENSATED OR NOT; OR

(h) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN SUBSECTIONS (4)(b) TO (4)(e) OF THIS SECTION IS TO PARTICIPATE IN THE MANAGEMENT OR PROMOTION OF SPORTS BETTING.

(5) IN ADDITION TO THE PERSONS SPECIFIED IN SUBSECTION (4) OF THIS SECTION AS INELIGIBLE FOR A LICENSE, THE COMMISSION MAY DETERMINE THE FOLLOWING TO BE INELIGIBLE FOR A LICENSE UNDER THIS PART 15:

(a) A PERSON WHO HAS BEEN CONVICTED OF A FELONY OR A CRIME INVOLVING FRAUD, NOTWITHSTANDING SECTION 24-5-101;

(b) A FIRM OR CORPORATION IN WHICH A PERSON DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION HAS A PROPRIETARY, EQUITABLE, OR CREDIT INTEREST OF TEN PERCENT OR MORE;

(c) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION IS AN OFFICER, DIRECTOR, OR MANAGING AGENT, WHETHER COMPENSATED OR NOT; OR

(d) AN ORGANIZATION IN WHICH A PERSON DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION IS TO PARTICIPATE IN THE MANAGEMENT OR PROMOTION OF SPORTS BETTING.
(6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-____.

44-30-1504. Disclosure of information by corporate applicants

- license required - investigation - criminal history record check - rules - definition. (1) CORPORATE APPLICANTS FOR A SPORTS BETTING LICENSE AND LICENSEES SHALL DISCLOSE TO THE COMMISSION, IN A FORM AND MANNER DETERMINED BY THE COMMISSION, THE IDENTITY OF:

(a) Each board-appointed officer of the applicant or licensee;

(b) Each director of the applicant or licensee;

(c) Each person who directly holds any voting or controlling interest of ten percent or more, in the case of a sports betting operator license or internet sports betting operator license, or of any percentage, in the case of a master license, of the securities issued by the applicant or licensee;

(d) Each person who directly holds any nonvoting or passive ownership interest of twenty-five percent or more of the securities issued by the applicant or licensee;

(e) Each holding, intermediary, or subsidiary company of the applicant or licensee; and

(f) Each lender from which the applicant or licensee currently has an outstanding loan.

(2) AS TO EACH HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY OF AN APPLICANT FOR A SPORTS BETTING LICENSE OR A
LICENSEE, THE APPLICANT OR LICENSEE SHALL ESTABLISH AND MAINTAIN THE QUALIFICATIONS OF:

(a) EACH BOARD-APPOINTED OFFICER OF THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY;

(b) EACH DIRECTOR OF THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY;

(c) EACH PERSON WHO DIRECTLY HOLDS ANY VOTING OR CONTROLLING INTEREST OF TEN PERCENT OR MORE, IN THE CASE OF A SPORTS BETTING OPERATOR LICENSE OR INTERNET SPORTS BETTING OPERATOR LICENSE, OR OF ANY PERCENTAGE, IN THE CASE OF A MASTER LICENSE, OF THE SECURITIES ISSUED BY THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY;

(d) EACH PERSON WHO DIRECTLY HOLDS ANY NONVOTING OR PASSIVE OWNERSHIP INTEREST OF TWENTY-FIVE PERCENT OR MORE IN THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY; AND

(e) EACH LENDER FROM WHICH THE HOLDING, INTERMEDIARY, OR SUBSIDIARY COMPANY CURRENTLY HAS AN OUTSTANDING LOAN.

(3) THE COMMISSION OR THE DIVISION MAY WAIVE ANY OR ALL OF THE QUALIFICATION REQUIREMENTS FOR ANY PERSON LISTED IN SUBSECTION (1) OR (2) OF THIS SECTION.

(4) ALL PERSONS EMPLOYED DIRECTLY IN GAMBLING-RELATED ACTIVITIES CONDUCTED BY A LICENSEE OR APPLICANT FOR A SPORTS BETTING LICENSE, WHETHER IN A CASINO, IN A SPORTS BETTING OPERATION OR INTERNET SPORTS BETTING OPERATION, OR IN ANY OTHER CAPACITY, MUST BE LICENSED UNDER THIS PART 15. OTHER EMPLOYEES OF A LICENSEE MAY BE REQUIRED TO HOLD SUPPORT LICENSES, IF APPROPRIATE, IN ACCORDANCE WITH RULES OF THE COMMISSION PROMULGATED IN
CONSULTATION WITH THE DIVISION.

(5) A MASTER LICENSEE SHALL DESIGNATE ONE OR MORE KEY EMPLOYEES TO BE RESPONSIBLE FOR THE OPERATION OF THE SPORTS BETTING OPERATION. AT LEAST ONE SUCH KEY EMPLOYEE SHALL BE ON THE PREMISES WHENEVER SPORTS BETTING IS CONDUCTED.

(6) THE APPLICANT FOR A SPORTS BETTING LICENSE MUST SUBMIT TO AND PAY THE COSTS OF ANY INVESTIGATION INTO THE BACKGROUND OF AN APPLICANT. THE DIVISION MAY CONDUCT THE INVESTIGATION PURSUANT TO SECTION 44-30-204.


(b) FOR PURPOSES OF THIS SUBSECTION (7), "APPLICANT" MEANS AN INDIVIDUAL OR EACH OFFICER OR DIRECTOR OF A FIRM, ASSOCIATION, OR CORPORATION THAT IS APPLYING FOR A SPORTS BETTING LICENSE PURSUANT TO THIS SECTION.

(8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN 2019 IN HOUSE BILL 19-____.

44-30-1505. License classifications - number of licenses - designated sports betting operators - qualifications - rules. (1) The Commission shall issue at least the following three classifications of sports betting licenses in addition to any license classifications the Commission chooses to authorize in accordance with section 44-30-1504 (4):

(a) Master license;

(b) Sports betting operator; and

(c) Internet sports betting operator.

(2) (a) (I) The Commission may issue a master license, upon the applicant's payment of any required fees and compliance with all other requirements of this part 15, to a person that:

(A) Holds and, on or before May 1, 2020, held a retail gaming license as described in section 44-30-501 (1)(c); or

(B) Has obtained a retail gaming license through the purchase, approved by the Commission, of an ownership interest in one or more casinos that were operating on May 1, 2020. Each owner of an interest so acquired, or, in the case of multiple owners or entities, the representative entity for the owners or entities, is not eligible for more than one master license.

(II) The purchase of an existing ownership interest in a casino requiring the issuance of a new retail gaming license does not prohibit the transfer of an existing master license with the ownership interest.

(III) A master licensee is required to conduct sports
BETTING ON ITS PREMISES IN ACCORDANCE WITH THIS PART 15.

(IV) A MASTER LICENSE EXPIRES TWO YEARS AFTER THE DATE OF
ISSUANCE.

(b)(I) A SPORTS BETTING OPERATOR LICENSE OR INTERNET SPORTS
BETTING OPERATOR LICENSE ENTITLES THE LICENSEE TO CONTRACT WITH
A MASTER LICENSEE FOR THE PURPOSE OF OPERATING A SPORTS BETTING
OPERATION OR INTERNET SPORTS BETTING OPERATION, AS APPLICABLE.
Each master licensee shall contract with no more than one
sports betting operator and one internet sports betting
operator at the same time. A master licensee may contract with
the same entity to provide the services of a sports betting
operator and an internet sports betting operator.

(II) AN INTERNET SPORTS BETTING OPERATOR MAY PROVIDE ONLY
ONE INDIVIDUALLY BRANDED WEBSITE, WHICH MAY HAVE AN
ACCOMPANYING MOBILE APPLICATION THAT MUST BEAR THE SAME UNIQUE
BRAND AS THE WEBSITE FOR AN INTERNET SPORTS BETTING OPERATION.
An internet sports betting operation shall not be opened to the
public, and, except for test purposes, sports betting shall not be
conducted in the internet sports betting operation until the
internet sports betting operator receives its license and the
commission approves its contract with the master licensee in
accordance with subsection (3) of this section.

(c) A PERSON MAY HOLD BOTH A SPORTS BETTING OPERATOR
LICENSE AND AN INTERNET SPORTS BETTING OPERATOR LICENSE. THE
COMMISSION SHALL DETERMINE BY RULE THE DISTINCTIONS AND SPECIFIC
QUALIFICATIONS APPLICABLE TO THESE LICENSES, INCLUDING
QUALIFICATIONS AS TO THE TIME, PLACE, AND MANNER OF ACCEPTING
WAGERS AND OF VERIFYING THE IDENTITY OF PERSONS SEEKING TO PLACE WAGERS.

(3) A CONTRACT BETWEEN TWO OR MORE LICENSEES LISTED IN SUBSECTION (1) OF THIS SECTION MUST BE SUBMITTED IN ADVANCE TO, AND IS SUBJECT TO APPROVAL BY, THE DIVISION IN ACCORDANCE WITH RULES OF THE COMMISSION.

(4) THE FEE FOR ISSUANCE OR RENEWAL OF A LICENSE LISTED IN SUBSECTION (1) OF THIS SECTION IS AS SPECIFIED BY THE COMMISSION BY RULE IN AN AMOUNT SUFFICIENT TO RECOVER THE COMMISSION'S DIRECT AND INDIRECT COSTS OF PROCESSING THE APPLICATION AND CONDUCTING BACKGROUND INVESTIGATIONS, NOT TO EXCEED ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS.

(5) (a) A SPORTS BETTING OPERATION OTHER THAN AN INTERNET SPORTS BETTING OPERATION MUST BE OPERATED IN A DESIGNATED AREA WITHIN A CASINO, SUBJECT TO ALL REQUIREMENTS CONCERNING DESIGN, EQUIPMENT, SECURITY MEASURES, AND RELATED MATTERS ESTABLISHED BY THE COMMISSION BY RULE, AND MAY OFFER SPORTS BETTING ON ANY SPORTS EVENT AUTHORIZED UNDER RULES OF THE COMMISSION.

(b) ALL SPORTS BETTING LICENSES MUST SPECIFY THE PORTION OF THE LICENSEE'S PREMISES LOCATED WITHIN THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, OR THE CITY OF CRIPPLE CREEK WHERE SPORTS BETTING WILL TAKE PLACE. THE COMMISSION SHALL NOT REQUIRE SPORTS BETTING TO BE CONDUCTED WITHIN A CASINO'S DESIGNATED GAMING AREA AS AUTHORIZED BY THE COMMISSION BY RULE, BUT ANY SPORTS BETTING CONDUCTED OUTSIDE OF A CASINO'S DESIGNATED GAMING AREA MUST BE CONDUCTED ONLY BY A LICENSED INTERNET SPORTS BETTING OPERATOR, AND BETS MUST BE PLACED ONLY THROUGH A CUSTOMER'S
OWN COMPUTER OR MOBILE OR INTERACTIVE DEVICE.

(c) A CASINO'S SUPPORT SERVICES FOR SPORTS BETTING, INCLUDING DATA AGGREGATION, RISK MANAGEMENT, COMPUTER SERVICES, SETTING OF ODDS, AND BANKING MAY BE SITED OUTSIDE OF A CASINO'S DESIGNATED GAMING AREA.

(d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE 30, SPORTS BETTING SHALL NOT BE CONDUCTED ANYWHERE IN THE CITY OF CENTRAL, THE CITY OF BLACK HAWK, OR THE CITY OF CRIPPLE CREEK UNLESS SPORTS BETTING IS AUTHORIZED BY THE LOCAL VOTERS OF THE RESPECTIVE CITY IN A MUNICIPAL OR COORDINATED ELECTION HELD IN NOVEMBER 2019, CONCURRENTLY WITH THE STATEWIDE ELECTION DESCRIBED IN SECTION 44-30-1514.

(6) EACH LICENSEE SHALL KEEP A COMPLETE SET OF BOOKS OF ACCOUNT, CORRESPONDENCE, AND ALL OTHER RECORDS NECESSARY TO FULLY SHOW THE SPORTS BETTING TRANSACTIONS OF THE LICENSEE, ALL OF WHICH MUST BE OPEN AT ALL TIMES DURING BUSINESS HOURS FOR INSPECTION AND EXAMINATION BY THE DIVISION OR ITS DULY AUTHORIZED REPRESENTATIVES. THE DIVISION MAY REQUIRE ANY LICENSEE TO FURNISH THE INFORMATION THAT THE DIVISION CONSIDERS NECESSARY FOR THE PROPER ADMINISTRATION OF THIS PART 15 AND MAY REQUIRE AN AUDIT TO BE MADE OF THE BOOKS OF ACCOUNT AND RECORDS WHEN THE DIVISION CONSIDERS IT NECESSARY BY AN AUDITOR, SELECTED BY THE DIRECTOR, WHO SHALL LIKewise HAVE ACCESS TO ALL THE BOOKS AND RECORDS OF THE LICENSEE, AND THE LICENSEE MAY BE REQUIRED TO PAY THE EXPENSE OF THE AUDIT.

(7) A SPORTS GOVERNING BODY MAY PETITION THE COMMISSION TO RESTRICT, LIMIT, OR EXCLUDE A TYPE OF WAGER THE OUTCOME OF
WHICH IS SOLELY DETERMINED BY THE ACTIONS OF A SINGLE PLAYER.

UPON RECEIVING SUCH A PETITION, THE COMMISSION SHALL REVIEW THE
REQUEST IN GOOD FAITH, SEEK INPUT FROM THE SPORTS BETTING
OPERATORS ON THE PETITION, AND, IF THE COMMISSION DEEMS IT
APPROPRIATE, ADOPT RULES TO RESTRICT, LIMIT, OR EXCLUDE THAT TYPE
OF WAGER.

(8) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
CONTRARY, SPORTS BETTING IS NOT AUTHORIZED UNLESS THE VOTERS AT
THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE BALLOT
QUESTION SUBMITTED PURSUANT TO SECTION 44-30-1514, ENACTED IN
2019 IN HOUSE BILL 19-____.

44-30-1506. Operations - eligibility to place bets -
record-keeping - information sharing. (1) A PERSON MUST BE AT LEAST
TWENTY-ONE YEARS OF AGE TO PLACE A BET.

(2) (a) A SPORTS BETTING OPERATOR SHALL ADOPT PROCEDURES
TO PREVENT PERSONS WHO ARE PROHIBITED FROM WAGERING ON SPORTS
EVENTS FROM DOING SO.

(b) A SPORTS BETTING OPERATOR SHALL NOT ACCEPT A BET FROM
ANY PERSON WHOSE IDENTITY IS KNOWN TO THE SPORTS BETTING
OPERATOR AND:

(I) WHOSE NAME APPEARS ON THE EXCLUSION LIST MAINTAINED
BY THE MASTER LICENSEE WITH WHOM THE SPORTS BETTING OPERATOR
HAS A CONTRACTUAL RELATIONSHIP; EXCEPT THAT A PERSON MAY NOT
INVALIDATE OR RETRACT A BET ALREADY PLACED AT THE TIME THE
PERSON'S NAME IS PLACED ON THE EXCLUSION LIST;

(II) WHO IS THE SPORTS BETTING OPERATOR, A DIRECTOR, OFFICER,
OWNER, OR EMPLOYEE OF THE SPORTS BETTING OPERATOR, OR ANY
RELATIVE OF THE SPORTS BETTING OPERATOR LIVING IN THE SAME
HOUSEHOLD AS THE SPORTS BETTING OPERATOR;

(III) WHO HAS ACCESS TO NONPUBLIC, CONFIDENTIAL
INFORMATION HELD BY THE SPORTS BETTING OPERATOR; OR

(IV) WHO IS AN AGENT OR PROXY FOR ANY OTHER PERSON FOR
THE PURPOSE OF PLACING THE BET.

(3) A SPORTS BETTING OPERATOR SHALL ESTABLISH OR DISPLAY
THE ODDS AT WHICH WAGERS MAY BE PLACED ON SPORTS EVENTS.

(4) A SPORTS BETTING OPERATOR SHALL ADOPT PROCEDURES TO
OBTAIN PERSONALLY IDENTIFIABLE INFORMATION FROM ANY INDIVIDUAL
WHO PLACES ANY SINGLE BET IN AN AMOUNT OF TEN THOUSAND DOLLARS
OR MORE ON A SPORTS EVENT WHILE PHYSICALLY PRESENT IN A CASINO,
AND ALL DISCLOSURE AND REPORTING REQUIREMENTS OTHERWISE
APPLICABLE TO WAGERS UNDER THIS ARTICLE 30 APPLY TO THE CONDUCT
OF SPORTS BETTING UNDER THIS PART 15.

(5)(a) A SPORTS BETTING OPERATOR SHALL PROMPTLY REPORT TO
THE DIVISION:

(I) ANY CRIMINAL OR DISCIPLINARY PROCEEDINGS COMMENCED
AGAINST THE SPORTS BETTING OPERATOR OR ITS EMPLOYEES IN
CONNECTION WITH THE OPERATIONS OF THE SPORTS BETTING OPERATION
OR INTERNET SPORTS BETTING OPERATION;

(II) ANY ABNORMAL BETTING ACTIVITY OR DISCERNIBLE PATTERNS
THAT MAY INDICATE A CONCERN ABOUT THE INTEGRITY OF A SPORTS
EVENT OR EVENTS;

(III) ANY OTHER CONDUCT WITH THE POTENTIAL TO CORRUPT A
BETTING OUTCOME OF A SPORTS EVENT FOR PURPOSES OF FINANCIAL GAIN,
INCLUDING MATCH FIXING OR THE USE OF MATERIAL, NONPUBLIC
INFORMATION TO PLACE BETS OR FACILITATE ANOTHER PERSON'S SPORTS
BETTING ACTIVITY; AND

(IV) SUSPICIOUS OR ILLEGAL WAGERING ACTIVITIES, INCLUDING
THE USE OF FUNDS DERIVED FROM ILLEGAL ACTIVITY, WAGERS TO
CONCEAL OR LAUNDER FUNDS DERIVED FROM ILLEGAL ACTIVITY, USE OF
AGENTS TO PLACE BETS, OR USE OF FALSE IDENTIFICATION.

(b) In addition to reporting to the Division as required by
subsection (5)(a) of this section, a sports betting operator shall
maintain records of all bets placed, including personally
identifiable information of the bettor when available, amount
and type of bet, time the bet was placed, location of the bet,
including internet protocol address if applicable, the outcome
of the bet, and records of abnormal betting activity. A sports
betting operator shall maintain these records for at least
three years after the sports event occurs and shall make the
records available for inspection upon request of the Division or
as required by court order.

(c) The Division shall, given good and sufficient reason,
cooperate with a sports governing body and sports betting
operators to ensure the timely, efficient, and accurate sharing
of information for the sole purpose of ensuring the integrity of
their sport.

(d) The Division and sports betting operators shall, given
good and sufficient reason, cooperate with investigations
conducted by sports governing bodies and shall cooperate with
law enforcement agencies, including providing or facilitating
the provision of account-level betting information and any
AVAILABLE AUDIO OR VIDEO FILES RELATING TO PERSONS PLACING BETS.

(e) The Division may share any information obtained under this section with any law enforcement entity, team, sports governing body, or regulatory agency that requests information from the Division in connection with an investigation conducted by that entity, team, sports governing body, or regulatory agency. The Division may redact or aggregate information to protect the privacy of persons who are not subjects or targets of the investigation.

(6) All bets authorized under this Part 15 must be initiated, received, and otherwise made within Colorado unless otherwise determined by the Division in accordance with applicable federal and state laws. Consistent with the intent of the United States Congress as articulated in the federal "Unlawful Internet Gambling Enforcement Act of 2006", 31 U.S.C. sec. 5361-5367, the intermediate routing of electronic data relating to a lawful intrastate wager authorized under this provision does not determine the location or locations in which the wager is initiated, received, or otherwise made.

(7) Each sports betting operator may set such bet limits as it sees fit, in its sole discretion, and may make those limits specific to a form or class of sports betting, a specific sports event, or a person placing a bet, based on individual or aggregate data concerning bets to be placed or that have been placed historically by that individual or on that form or class of sports betting or on that sports event.

(8) An internet sports betting operator shall accept bets
ONLY FROM PERSONS PHYSICALLY LOCATED WITHIN THE STATE OF COLORADO. AN INTERNET SPORTS BETTING OPERATOR MAY ESTABLISH AND FUND SPORTS WAGERING ACCOUNTS ELECTRONICALLY THROUGH COMMISSION-APPROVED MOBILE APPLICATIONS AND DIGITAL PLATFORMS.

**44-30-1507. Records - confidentiality - exceptions.** (1) Except as specified in subsections (2) and (3) of this section, information and records of the commission enumerated by this section are confidential and may not be disclosed except pursuant to a court order. No person may by subpoena, discovery, or statutory authority obtain such information or records. Information and records considered confidential include:

(a) Tax returns of individual licensees;

(b) Credit reports and security reports and procedures of applicants and other persons seeking to do business or doing business with the commission;

(c) Audit work papers, worksheets, and auditing procedures used by the commission, its agents, or employees; and

(d) Investigative reports concerning violations of law or concerning the backgrounds of licensees, applicants, or other persons prepared by division investigators or investigators from other agencies working with the commission and any work papers related to the reports; except that the commission may, in its sole discretion, disclose so much of the reports or work papers as it deems necessary and prudent.

(2) Subsection (1) of this section does not apply to requests for information or records described in subsection (1) of this section from the governor, attorney general, state
AUDITOR, ANY OF THE RESPECTIVE DISTRICT ATTORNEYS OF THIS STATE, OR ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY, OR FOR THE USE OF THE INFORMATION OR RECORDS BY THE EXECUTIVE DIRECTOR, DIRECTOR, OR COMMISSION FOR OFFICIAL PURPOSES, OR BY EMPLOYEES OF THE DIVISION OR THE DEPARTMENT IN THE PERFORMANCE OF THEIR AUTHORIZED AND OFFICIAL DUTIES.

(3) THIS SECTION DOES NOT MAKE CONFIDENTIAL THE AGGREGATE TAX COLLECTIONS DURING ANY REPORTING PERIOD, THE NAMES AND BUSINESSES OF LICENSEES, OR FIGURES SHOWING THE AGGREGATE AMOUNT OF MONEY BET DURING ANY REPORTING PERIOD.

(4) (a) A PERSON WHO DISCLOSES CONFIDENTIAL RECORDS OR INFORMATION IN VIOLATION OF THIS SECTION COMMITS A CLASS 1 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501. A CRIMINAL PROSECUTION PURSUANT TO THIS SECTION MUST BE BROUGHT WITHIN FIVE YEARS AFTER THE DATE THE VIOLATION OCCURRED.

(b) IF A PERSON VIOLATING THIS SECTION IS AN OFFICER OR EMPLOYEE OF THE STATE, IN ADDITION TO ANY OTHER PENALTIES OR SANCTIONS, THE PERSON IS SUBJECT TO DISMISSAL IF THE PROCEDURES IN SECTION 24-50-125 ARE FOLLOWED.

(c) A PERSON IS LIABLE FOR TREBLE DAMAGES TO AN INJURED PARTY IN A CIVIL ACTION THE SUBJECT OF WHICH INCLUDES THE RELEASE OF CONFIDENTIAL RECORDS OR INFORMATION, IF THE PERSON VIOLATING THIS SECTION IS A CURRENT EMPLOYEE OR OFFICER OF THE STATE WHO OBTAINED THE CONFIDENTIAL RECORDS OR INFORMATION SPECIFIED IN SUBSECTION (1) OF THIS SECTION DURING HIS OR HER EMPLOYMENT.

(d) A FORMER EMPLOYEE OR OFFICER IS LIABLE FOR TREBLE
DAMAGES TO AN INJURED PARTY IN A CIVIL ACTION THE SUBJECT OF WHICH INCLUDES THE RELEASE OF RECORDS OR INFORMATION AFTER LEAVING STATE EMPLOYMENT IF THE PERSON VIOLATING THIS SECTION IS A FORMER EMPLOYEE OR OFFICER OF THE STATE WHO OBTAINED THE CONFIDENTIAL RECORDS OR INFORMATION DURING HIS OR HER EMPLOYMENT AND THE PERSON EXECUTED A WRITTEN STATEMENT WITH THE STATE AGREEING TO BE HELD TO THE CONFIDENTIALITY STANDARDS EXPRESSED IN THIS SUBSECTION (4).

**44-30-1508. Sports betting tax - rules.** (1) There is hereby imposed a tax on sports betting activity, at the rate of ten percent of net sports betting proceeds. The commission shall establish by rule the form and manner in which the tax is collected.

(2) All proceeds of the sports betting tax shall be forwarded to the state treasurer, who shall credit them to the sports betting fund created in section 44-30-1509.

**44-30-1509. Sports betting fund - creation - rules - definitions.**

(1) (a) There is hereby created, in the state treasury, the sports betting fund, referred to in this section as the "fund". The initial appropriation to the division for sports betting regulation and all subsequent revenues of the division derived from sports betting activity, including license fees, fines and penalties, and collection of the sports betting tax, shall be deposited into the fund. All expenses of the division related to sports betting regulation, including the expenses of investigation and prosecution relating to sports betting, shall be paid from the fund.
(b) All money paid into the Fund is continuously appropriated for the purposes of implementing this Part 15. Payment shall be made upon proper presentation of a voucher prepared by the Commission in accordance with other statutes governing payments of liabilities incurred on behalf of the State and shall not be conditioned on any appropriation by the General Assembly. Receipt of the payment constitutes spending authority by the Division.

(2) From the money in the sports betting fund, the State treasurer shall:

(a) First, transfer an amount to the General Fund to repay any appropriation made from the General Fund for the Commission’s and Division’s startup costs, including initial licensing and rule-making, related to sports betting.

(b) Second, pay all ongoing expenses related to administering this Part 15 incurred by the Commission, the Department, the Division, and any other State agency from whom assistance related to the administration of this Part 15 is requested by the Commission or the Director, as determined in accordance with rules of the Commission. When making distributions from the Fund as described in this subsection (2), the State Treasurer may withhold an amount reasonably anticipated to be sufficient to pay the expenses until the next annual distribution.

(c) Third, transfer an amount equal to two percent of the full fiscal year sports betting tax revenues to the State historical fund created by section 9 (5)(b)(II) of article XVIII of
THE STATE CONSTITUTION AND THE COLLEGES DESCRIBED IN SECTION 44-30-702 (4)(a), IN PROPORTION TO THE PRIOR FISCAL YEAR'S LIMITED AND EXTENDED GAMING REVENUE TO EACH AS DETERMINED UNDER SECTIONS 44-30-701 AND 44-30-702, PLUS AN ANNUAL ADJUSTMENT CALCULATED AS FOLLOWS:

(I) FOR REVENUES COLLECTED IN FISCAL YEAR 2020-21, THE PAYMENT MUST EQUAL TWO PERCENT OF THE FIRST YEAR'S REVENUES ATTRIBUTABLE TO SPORTS BETTING.

(II) FOR EACH FISCAL YEAR AFTER THE 2020-21 FISCAL YEAR, THE STATE TREASURER SHALL ADJUST THE ANNUAL PAYMENT AS FOLLOWS:

(A) FOR ANY FISCAL YEAR IN WHICH THE ANNUAL GROWTH OF REVENUES ATTRIBUTABLE TO SPORTS BETTING EQUALS OR EXCEEDS TWO PERCENT, ADD AN AMOUNT TO THE PAYMENT MADE FOR THE PRIOR FISCAL YEAR EQUAL TO TWO PERCENT OF SAID REVENUES;

(B) FOR ANY FISCAL YEAR IN WHICH THE ANNUAL GROWTH IN REVENUES ATTRIBUTABLE TO SPORTS BETTING EQUALS OR EXCEEDS ZERO BUT IS LESS THAN TWO PERCENT, ADD AN AMOUNT TO THE PAYMENT MADE FOR THE PRIOR FISCAL YEAR EQUAL TO THE ACTUAL PERCENTAGE GROWTH OF SAID REVENUES;

(C) FOR ANY FISCAL YEAR IN WHICH REVENUES ATTRIBUTABLE TO SPORTS BETTING EXPERIENCE A DECLINE, REDUCE THE PAYMENT BY AN AMOUNT EQUAL TO THE ACTUAL PERCENTAGE DECLINE OF SAID REVENUES.

(d) FOURTH, TRANSFER ONE HUNDRED THIRTY THOUSAND DOLLARS ANNUALLY TO THE OFFICE OF BEHAVIORAL HEALTH IN THE DEPARTMENT OF HUMAN SERVICES, TO BE USED AS FOLLOWS:

(I) THIRTY THOUSAND DOLLARS FOR THE OPERATION OF A CRISIS HOTLINE FOR GAMBLERS BY ROCKY MOUNTAIN CRISIS PARTNERS OR ITS
SUCCESSOR ORGANIZATION; AND

(II) ONE HUNDRED THOUSAND DOLLARS FOR PREVENTION, EDUCATION, TREATMENT, AND WORKFORCE DEVELOPMENT BY, AND INCLUDING THE PAYMENT OF SALARIES OF, COUNSELORS CERTIFIED IN THE TREATMENT OF GAMBLING DISORDERS.

(e) FIFTH, TRANSFER ALL REMAINING UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND TO THE WATER PLAN IMPLEMENTATION CASH FUND CREATED IN SECTION 37-60-123.3.

(3) NOTHING IN THIS SECTION PERMITS COMPOUNDING OR ACCUMULATION OF THE ANNUAL ADJUSTMENT.

(4) UPON REQUEST, THE STATE TREASURER SHALL REPORT TO THE DIRECTOR OR THE COMMISSION THE AMOUNT OF MONEY AVAILABLE IN THE FUND. THE DIRECTOR SHALL CERTIFY ALL ACCOUNTS AND EXPENDITURES FROM THE FUND. THE STATE TREASURER SHALL PAY UPON WARRANTS DRAWN BY THE CONTROLLER. THE CONTROLLER IS AUTHORIZED AS DIRECTED TO DRAW WARRANTS PAYABLE OUT OF THE FUND UPON VOUCHERS PROPERLY CERTIFIED.

(5) THE STATE TREASURER SHALL INVEST THE MONEY IN THE FUND SO LONG AS THE MONEY IS TIMELY AVAILABLE TO PAY THE EXPENSES OF THE DIVISION. INVESTMENTS MUST BE THOSE OTHERWISE PERMITTED BY STATE LAW, AND INTEREST OR ANY OTHER RETURN ON THE INVESTMENTS SHALL BE PAID INTO THE FUND.

(6) THE DIVISION SHALL BE OPERATED SO THAT, AFTER THE INITIAL STATE APPROPRIATION, ITS ADMINISTRATION OF THIS PART 15 IS FINANCIALLY SELF-SUSTAINING.

(7) NO CLAIM FOR THE PAYMENT OF ANY EXPENSE OF THE DIVISION RELATING TO ADMINISTERING THIS PART 15 CAN BE MADE UNLESS IT IS
AGAINST THE FUND. NO OTHER MONEY OF THE STATE SHALL BE USED OR
OBLIGATED TO PAY THE EXPENSES OF THE DIVISION OR COMMISSION
RELATED TO SPORTS BETTING.

44-30-1510. Audits. The sports betting fund shall be
audited at least once before May 1, 2022, and at least once
every five years thereafter, by or under the direction of the
state auditor, who, notwithstanding section 24-1-136 (11)(a)(I),
shall submit a report of the audit to the legislative audit
committee. The expenses of the audit shall be paid from the
sports betting fund.

44-30-1511. Unlawful acts. (1) In addition to the
prohibitions in section 44-30-801, it is unlawful for any person:
(a) To charge, in connection with the placement or
acceptance of a bet, a commission or fee greater than or less
than that fixed by the commission;
(b) To accept a bet by any person under twenty-one years
of age; or
(c) To accept a bet at any place or in any manner other
than a place or manner authorized and specified in a sports
betting license.

44-30-1512. Penalties. (1) In addition to any other penalties
that may apply, a person violating section 44-30-1511 commits a
class 2 misdemeanor and shall be punished as provided in section
18-1.3-501.

(2) A person violating the acceptance of bets restrictions
of section 44-30-1511 (1)(b) may also be prosecuted pursuant to
section 18-6-701 for contributing to the delinquency of a minor.
(3) A PERSON PURPORTING TO ISSUE, SUSPEND, REVOKE, OR RENEW LICENSES PURSUANT TO THIS PART 15 OR TO PROCURE OR INFLUENCE THE ISSUANCE, SUSPENSION, REVOCATION, OR RENEWAL OF A LICENSE FOR ANY PERSONAL PECUNIARY GAIN OR ANY THING OF VALUE, AS DEFINED IN SECTION 18-1-901 (3)(r), OR A PERSON VIOLATING SECTION 44-30-1502 COMMITS A CLASS 3 FELONY AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-401.

(4) A PERSON VIOLATING ANY PROVISION OF THIS PART 15 RELATING TO DISCLOSURE BY PROVIDING FALSE OR MISLEADING INFORMATION COMMITS A CLASS 6 FELONY AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-401.

44-30-1513. Other laws inapplicable. Any other state or local law in conflict with this Part 15 is inapplicable, but this section does not supersede or affect Part 6 of Article 21 of Title 24.

44-30-1514. Approval by electors - repeal. (1) The Secretary of State shall submit to the registered electors of the state for their approval or rejection at the statewide election held in November 2019 the following ballot issue: "Shall state taxes be increased by __________ dollars annually to fund state water projects and commitments and to pay for the regulation of sports betting through licensed casinos by authorizing a tax on sports betting of ten percent of net sports betting proceeds, and to impose the tax on persons licensed to conduct sports betting operations?".

(2) This section is repealed, effective September 1, 2020.

44-30-1515. Repeal of part. (1) This Part 15 is repealed,
EFFECTIVE MAY 1, 2020, IF THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION DO NOT APPROVE THE QUESTION DESCRIBED IN SECTION 44-30-1514 AND THE GOVERNOR ISSUES AN OFFICIAL DECLARATION OF THE VOTE THEREON.

(2) THIS SECTION IS REPEALED, EFFECTIVE MAY 1, 2020, IF THE VOTERS AT THE NOVEMBER 2019 STATEWIDE ELECTION APPROVE THE QUESTION DESCRIBED IN SECTION 44-30-1514 AND THE GOVERNOR ISSUES AN OFFICIAL DECLARATION OF THE VOTE THEREON.

SECTION 12. In Colorado Revised Statutes, 18-10-102, amend (2)(d) and (2)(f); and add (2)(g) as follows:

18-10-102. Definitions. As used in this article 10, unless the context otherwise requires:

(2) "Gambling" means risking any money, credit, deposit, or other thing of value for gain contingent in whole or in part upon lot, chance, the operation of a gambling device, or the happening or outcome of an event, including a sporting event, over which the person taking a risk has no control, but does not include:

(d) Any game, wager, or transaction which is incidental to a bona fide social relationship, is participated in by natural persons only, and in which no person is participating, directly or indirectly, in professional gambling; or

(f) Any use of or transaction involving a crane game, as defined in section 44-30-103 (9); or

(g) SPORTS BETTING CONDUCTED IN ACCORDANCE WITH PART 15 OF ARTICLE 30 OF TITLE 44 AND APPLICABLE RULES OF THE LIMITED GAMING CONTROL COMMISSION.

SECTION 13. In Colorado Revised Statutes, add 37-60-123.3 as
37-60-123.3. Water plan implementation cash fund - created.

(1) There is hereby created in the state treasury the water plan implementation cash fund, referred to in this section as the "fund". The fund consists of sports betting revenues transferred from the sports betting fund in accordance with section 44-30-1509 and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund.

(2) From the fund, the board may approve of:

(a) Grants pursuant to section 37-60-106.3 (6);

(b) Expenditures to ensure compliance with interstate water allocation compacts, equitable apportionment decrees, international treaties, and federal laws relating to interstate storage and release, apportionment, and allocation of water, including to support projects and processes that may include compensation to water users for temporary and voluntary reductions in consumptive use that are regionally equitable and avoid disproportionate, negative economic or environmental impacts to any single subbasin or region; and

(c) Expenditures that may be necessary for the administration of grants and compact expenditures listed in subsections (2)(a) and (2)(b) of this section.

SECTION 14. Act subject to petition - effective date.

(1) Except as specified in subsection (2) of this section, this act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day
period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, 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 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) (a) Sections 1 to 3, 6, 7, 12, and 13 of this act and sections 44-30-1501, 44-30-1502, and 44-30-1506 to 44-30-1514, Colorado Revised Statutes, enacted by section 11 of this act, take effect only if, at the November 2019 statewide election, a majority of voters approve the ballot question submitted pursuant to section 44-30-1514, Colorado Revised Statutes, enacted in section 11 of this act.

(b) If the voters at the November 2019 statewide election approve the ballot question described in subsection (2)(a) of this section, then sections 1 to 3, 6, 7, 12, and 13 of this act and sections 44-30-1501, 44-30-1502, and 44-30-1506 to 44-30-1514, Colorado Revised Statutes, enacted by section 11 of this act, take effect May 1, 2020.

(c) Section 13 of this act takes effect only if Senate Bill 19-212 becomes law.