

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 22-0314.01 Richard Sweetman x4333

HOUSE BILL 22-1412

HOUSE SPONSORSHIP

Garnett and Van Winkle, Amabile, Roberts

SENATE SPONSORSHIP

Cooke,

House Committees

Business Affairs & Labor
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF THE DIVISION OF GAMING IN THE**
102 **DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH,**
103 **IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE**
104 **2021 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY**
105 **AGENCIES.**

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/>.)

Sunset Process - House Business Affairs and Labor Committee. The bill implements the recommendations of the department

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.

HOUSE
Amended 2nd Reading
May 5, 2022

of regulatory agencies in its sunset review and report on the division of gaming (division) in the department of revenue. Specifically:

- **Sections 1 and 2** of the bill implement a portion of *recommendation 1* of the report by continuing the division for 11 years, until 2033;
- **Sections 1 and 3** implement a portion of *recommendation 1* by continuing the regulation of sports betting by the division for 5 years, until 2027;
- **Section 4** implements *recommendation 2* by allowing the Colorado limited gaming control commission to delegate licensing duties to the division;
- **Sections 5 and 6** implement *recommendation 3* by changing the minimum age for a casino employee from 21 years of age to 18 years of age;
- **Sections 7 and 8** implement *recommendation 4* by designating the department of revenue's hearings division to conduct hearings under the "Fantasy Contests Act";
- **Section 9** implements *recommendation 5* by repealing the requirement that internationally based internet sports betting personnel submit to a fingerprint-based criminal history record check; and
- **Sections 10 through 14** implement *recommendation 6* by subjecting payments of sports bet winnings to the "Gambling Payment Intercept Act".

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (23)(a)(VII); and **add** [REDACTED] (34)(a)(II) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (23) (a) The following agencies, functions, or both,
7 are scheduled for repeal on September 1, 2022:

8 (VII) ~~The division of gaming created in part 2 of article 30 of title~~
9 ~~44;~~

10 [REDACTED]

11 [REDACTED]

1 (34) (a) The following agencies, functions, or both, are scheduled
2 for repeal on September 1, 2033:

3 (II) THE DIVISION OF GAMING CREATED IN PART 2 OF ARTICLE 30
4 OF TITLE 44.

5 **SECTION 2.** In Colorado Revised Statutes, **amend** 44-30-206 as
6 follows:

7 **44-30-206. Repeal of division - review of functions.** ~~Unless~~
8 ~~continued by the general assembly,~~ This part 2 is repealed, effective
9 ~~September 1, 2022,~~ and those powers, duties, and functions of the director
10 ~~specified in this part 2 are abolished. The provisions of section 24-34-104~~
11 ~~(2) to (8) concerning a wind-up period, an analysis and evaluation, public~~
12 ~~hearings, and claims by or against an agency apply to the powers, duties,~~
13 ~~and functions of the director of the division~~ SEPTEMBER 1, 2033. BEFORE
14 THE REPEAL, THE DIVISION OF GAMING IS SCHEDULED FOR REVIEW IN
15 ACCORDANCE WITH SECTION 24-34-104.

16 
17 **SECTION 3.** In Colorado Revised Statutes, **amend** 44-30-507 as
18 follows:

19 **44-30-507. Delegation of licensing duties.** The commission, AT
20 ITS DISCRETION, may delegate LICENSING DUTIES DESCRIBED IN THIS PART
21 5 to the division. ~~the authority to issue permanent and temporary support~~
22 ~~and key employee licenses, but the commission shall review and approve~~
23 ~~the issuance of all other licenses issued pursuant to this article 30.~~

24 **SECTION 4.** In Colorado Revised Statutes, 44-30-103, **amend**
25 (14) introductory portion as follows:

26 **44-30-103. Definitions.** As used in this article 30, unless the
27 context otherwise requires:

1 (14) "Gaming employee" means any person employed by an
2 operator or retailer hosting gaming to work directly with the gaming
3 portion of the operator's or retailer's business, who shall be ~~twenty-one~~
4 EIGHTEEN years of age or older and hold a support license. Persons
5 deemed to be gaming employees shall include: ~~but shall not be limited to:~~

6 **SECTION 5.** In Colorado Revised Statutes, **amend** 44-30-811 as
7 follows:

8 **44-30-811. Persons conducting limited gaming.** (1) ~~No~~ A
9 person under ~~the age of twenty-one years~~ EIGHTEEN YEARS OF AGE shall
10 NOT:

- 11 (a) Be employed as a gaming employee;
- 12 (b) Conduct, or assist in conducting, any limited gaming activity;
- 13 ~~and no such person shall~~ OR
- 14 (c) Manage or handle any of the proceeds from limited gaming.

15 **SECTION 6.** In Colorado Revised Statutes, 44-30-1610, **amend**
16 (2) as follows:

17 **44-30-1610. Grounds for discipline.** (2) If it appears to the
18 director, based upon credible evidence as presented in a written
19 complaint, that a person is operating or offering to operate a fantasy
20 contest without having obtained a registration or license, the director may
21 issue an order to cease and desist the activity. The director shall set forth
22 in the order the statutes and rules alleged to have been violated, the facts
23 alleged to have constituted the violation, and the requirement that all
24 unauthorized practices immediately cease. Within ten days after service
25 of the order to cease and desist pursuant to this subsection (2), the person
26 may request a hearing on the question of whether acts or practices in
27 violation of this part 16 have occurred. The hearing shall be conducted

1 pursuant to section 24-4-105 BY THE HEARINGS DIVISION OF THE
2 DEPARTMENT IN ACCORDANCE WITH SECTION 44-30-1613.

3 **SECTION 7.** In Colorado Revised Statutes, **add** 44-30-1613 as
4 follows:

5 **44-30-1613. Hearings.** FOR THE PURPOSES OF THIS PART 16,
6 ADMINISTRATIVE HEARINGS SHALL BE CONDUCTED BY THE HEARINGS
7 DIVISION OF THE DEPARTMENT.

8 **SECTION 8.** In Colorado Revised Statutes, 44-30-1504, **amend**
9 (7)(a) as follows:

10 **44-30-1504. Disclosure of information by corporate applicants**
11 **- license required - investigation - criminal history record check -**
12 **rules - definition.** (7) (a) Each applicant for a sports betting license, with
13 or as a supplement to the application, shall submit a set of fingerprints to
14 the division; EXCEPT THAT AN APPLICANT WHOSE PRIMARY RESIDENCE IS
15 LOCATED OUTSIDE OF THE UNITED STATES IS NOT REQUIRED TO SATISFY
16 THIS REQUIREMENT UNLESS THE COMMISSION DETERMINES THAT THE
17 APPLICANT IS SO REQUIRED. The division shall forward the fingerprints to
18 the Colorado bureau of investigation for the purpose of conducting a state
19 and national fingerprint-based criminal history record check utilizing
20 records of the Colorado bureau of investigation and the federal bureau of
21 investigation. Only the actual costs of the record check shall be borne by
22 the applicant. Nothing in this subsection (7) precludes the division from
23 making further inquiries into the background of the applicant.

24 **SECTION 9.** In Colorado Revised Statutes, 26-13-118.7, **amend**
25 (2) as follows:

26 **26-13-118.7. Gambling winnings - interception - rules.**
27 (2) Upon receipt from the registry operator of a payment and

1 accompanying information pursuant to section 44-33-105 (2)(b), the state
2 department, THROUGH THE CASINO, SPORTS BETTING OPERATOR, INTERNET
3 SPORTS BETTING OPERATOR, RACETRACK, OR OFF-TRACK BETTING
4 FACILITY, shall notify the obligated parent in writing that the state intends
5 to offset the parent's child support debt, child support arrearages, or child
6 support costs against the parent's winnings from limited gaming, FROM
7 SPORTS BETTING, or from pari-mutuel wagering on horse or greyhound
8 racing. The notice shall MUST include information on CONCERNING the
9 parent's right to object to the offset and to request an administrative
10 review pursuant to the rules of the state board.

11 **SECTION 10.** In Colorado Revised Statutes, 44-30-1503, **amend**
12 (2)(a)(IV) as follows:

13 **44-30-1503. Licenses - rules.** (2) (a) A license shall be revoked
14 upon a finding that the licensee has:

15 (IV) EXCEPT AS REQUIRED BY SECTION 44-30-1516, intentionally
16 refused to pay a prize CASH WINNINGS in the licensee's possession to a
17 person entitled to receive the prize CASH WINNINGS under this part 15.

18 **SECTION 11.** In Colorado Revised Statutes, **add** 44-30-1516 as
19 follows:

20 **44-30-1516. Duties of licensees under the gambling payment**
21 **intercept act.** BEFORE MAKING A PAYMENT OF CASH WINNINGS, A
22 LICENSEE SHALL COMPLY WITH THE REQUIREMENTS OF ARTICLE 33 OF THIS
23 TITLE 44.

24 **SECTION 12.** In Colorado Revised Statutes, 44-33-102, **amend**
25 (1)(c) and (1)(f) as follows:

26 **44-33-102. Legislative declaration.** (1) The general assembly
27 hereby finds and declares that:

1 (c) Children are adversely affected when parents divert their
2 financial support to limited gaming, SPORTS BETTING, and pari-mutuel
3 wagering;

4 (f) Victims of crime and all the people of the state are adversely
5 affected when criminal offenders divert restitution to limited gaming,
6 SPORTS BETTING, and pari-mutuel wagering;

7 **SECTION 13.** In Colorado Revised Statutes, 44-33-103, **amend**
8 (1) and (3) as follows:

9 **44-33-103. Definitions.** As used in this article 33, unless the
10 context otherwise requires:

11 (1) "Licensee" means a licensee as defined in section 44-32-102
12 (14), ~~or~~ an operator or retail gaming licensee under section 44-30-501
13 (1)(b) or (1)(c), AN INTERNET SPORTS BETTING OPERATOR AS DEFINED IN
14 SECTION 44-30-1501 (5), OR A SPORTS BETTING OPERATOR AS DEFINED IN
15 SECTION 44-30-1501 (11).

16 (3) "Payment" means cash winnings from limited gaming, FROM
17 SPORTS BETTING, or from pari-mutuel wagering on horse or greyhound
18 racing payable by a licensee for which the licensee is required to file form
19 W-2G, or a substantially equivalent form, with the United States internal
20 revenue service.

21 **SECTION 14.** In Colorado Revised Statutes, 44-30-302, **amend**
22 (1) introductory portion, (1)(u), and (1)(v); and **add** (1)(w) as follows:

23 **44-30-302. Commission - powers and duties - rules.** (1) In
24 addition to any other powers and duties set forth in this part 3, and
25 notwithstanding the designation of the Colorado limited gaming control
26 commission under section 44-30-201 as a **type 2 transfer** ENTITY, the
27 commission ~~shall~~ nonetheless ~~have~~ HAS the following powers and duties:

1 (u) To demand, at any time when business is being conducted,
2 access to and inspection, examination, photocopying, and auditing of all
3 papers, books, and records of applicants and licensees, on their premises
4 or elsewhere as practicable and in the presence of the licensee or the
5 licensee's agent, pertaining to the gross income produced by any
6 establishment or activity licensed under this article 30; to require
7 verification of income and all other matters affecting the enforcement of
8 the policies of the commission or any provision of this article 30; and to
9 impound or remove all papers, books, and records of applicants and
10 licensees, without hearing, for inspection or examination; and

11 (v) To prescribe voluntary alternative methods for the making,
12 filing, signing, subscribing, verifying, transmitting, receiving, or storing
13 of returns or other documents; AND

14 (w) TO DETERMINE WHETHER PERSONS THAT ARE NOT LICENSED
15 BY THE COMMISSION TO CONDUCT SPORTS BETTING OR LIMITED GAMING
16 OPERATIONS ARE OFFERING TO ONE OR MORE MEMBERS OF THE PUBLIC, IN
17 ANY CITY, TOWN, CITY AND COUNTY, OR COUNTY:

18 (I) UNLICENSED SPORTS BETTING OPERATIONS;

19 (II) UNLICENSED INTERNET SPORTS BETTING OPERATIONS; OR

20 (III) UNLICENSED ESTABLISHMENTS THAT ALLOW THE USE OF
21 EQUIPMENT OR DEVICES THAT QUALIFY AS SLOT MACHINES OR ARE USED
22 TO PLAY ROULETTE OR CRAPS.

23 **SECTION 15.** In Colorado Revised Statutes, add 44-30-837 as
24 follows:

25 **44-30-837. Conducting gaming activities without a license.**

26 (1) A PERSON SHALL NOT OFFER SPORTS BETTING OR ONE OR MORE
27 GAMES, AUTHORIZED AS "LIMITED GAMING", TO THE PUBLIC WITHOUT

1 POSSESSING THE REQUIRED LICENSE FROM THE COMMISSION TO CONDUCT:

2 (a) SPORTS BETTING OPERATIONS;

3 (b) INTERNET SPORTS BETTING OPERATIONS; OR

4 (c) OPERATIONS USING EQUIPMENT OR DEVICES THAT QUALIFY AS
5 SLOT MACHINES OR ARE USED TO PLAY ROULETTE OR CRAPS.

6 **SECTION 16.** In Colorado Revised Statutes, 44-30-809, **amend**
7 (1), (3), and (4) as follows:

8 **44-30-809. Age of participants - penalties - applicability.**

9 (1) ~~(a)~~ It is unlawful for any person ~~under~~ WHO IS LESS THAN twenty-one
10 years of age to

11 ~~(I) Linger in the gaming area of a casino;~~

12 ~~(II) Sit on a chair or be present at a gaming table, slot machine, or~~
13 ~~other area in which gaming is conducted; or~~

14 ~~(III) participate, play, be allowed to play, place wagers, or collect~~
15 ~~winnings, whether personally or through an agent, in or from any limited~~
16 ~~gaming game or slot machines.~~

17 ~~(b) Subsections (1)(a)(I) and (1)(a)(II) of this section shall not~~
18 ~~apply to a person employed by the casino in which the person is present.~~

19 ~~(c) Nothing in subsection (1)(a) of this section shall prevent any~~
20 ~~person under twenty-one years of age from passing through a casino to~~
21 ~~nongaming areas.~~

22 (3) (a) It is unlawful for any licensee to permit any person who is
23 less than twenty-one years of age to

24 (I) Linger in the gaming area of a casino;

25 (II) Sit on a chair or be present at a gaming table, slot machine, or
26 other area in which gaming is conducted; or

27 (III) participate, play, place wagers, or collect winnings, whether

1 personally or through an agent, in or from any limited gaming game or
2 slot machine.

3 ~~(b) Subsections (3)(a)(I) and (3)(a)(II) of this section shall not~~
4 ~~apply to a person employed by the casino in which the person is present.~~

5 ~~(c) Nothing in subsection (3)(a) of this section shall prevent any~~
6 ~~person under twenty-one years of age from passing through a casino to~~
7 ~~nongaming areas.~~

8 (4) Any person violating any of the provisions of this section
9 ~~commits a class 2 misdemeanor and shall be punished as provided in~~
10 ~~section 18-1.3-501.~~ IS SUBJECT TO THE FOLLOWING CIVIL AND CRIMINAL
11 PENALTIES:

12 (a) FOR A FIRST OFFENSE, A CIVIL PENALTY OF FIVE HUNDRED
13 DOLLARS;

14 (b) FOR A SECOND OFFENSE, A CIVIL PENALTY OF ONE THOUSAND
15 DOLLARS; AND

16 (c) FOR A THIRD OR SUBSEQUENT OFFENSE, THE PERSON SHALL BE
17 CHARGED WITH A CLASS 2 MISDEMEANOR AND PUNISHED AS PROVIDED IN
18 SECTION 18-1.3-501.

19 **SECTION 17. Act subject to petition - effective date.**

20 Sections 10, 11, 12, 13, and 14 of this act take effect July 1, 2023, and the
21 remainder of this act takes effect at 12:01 a.m. on the day following the
22 expiration of the ninety-day period after final adjournment of the general
23 assembly; except that, if a referendum petition is filed pursuant to section
24 1 (3) of article V of the state constitution against this act or an item,
25 section, or part of this act within such period, then the act, item, section,
26 or part will not take effect unless approved by the people at the general
27 election to be held in November 2022 and, in such case, will take effect

- 1 on the date of the official declaration of the vote thereon by the governor;
- 2 except that sections 10, 11, 12, 13, and 14 take effect July 1, 2023.