

CHAPTER 405

REVENUE - ACTIVITIES REGULATION

HOUSE BILL 22-1412

BY REPRESENTATIVE(S) Garnett and Van Winkle, Amabile, Roberts, Snyder, Williams, Kipp;
also SENATOR(S) Cooke, Moreno.

AN ACT

CONCERNING THE CONTINUATION OF THE DIVISION OF GAMING IN THE DEPARTMENT OF REVENUE, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE 2021 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES.

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

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

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

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

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

(VII) THE DIVISION OF GAMING CREATED IN PART 2 OF ARTICLE 30 OF TITLE 44.

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

44-30-206. Repeal of division - review of functions. ~~Unless continued by the general assembly, This part 2 is repealed, effective September 1, 2022, and those powers, duties, and functions of the director specified in this part 2 are abolished. The provisions of section 24-34-104 (2) to (8) concerning a wind-up period, an analysis and evaluation, public hearings, and claims by or against an agency apply to the powers, duties, and functions of the director of the division~~ SEPTEMBER 1,

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

2033. BEFORE THE REPEAL, THE DIVISION OF GAMING IS SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

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

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

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

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

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

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

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

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

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

44-30-1610. Grounds for discipline. (2) If it appears to the director, based upon credible evidence as presented in a written complaint, that a person is operating or offering to operate a fantasy contest without having obtained a registration or license, the director may issue an order to cease and desist the activity. The director shall set forth in the order the statutes and rules alleged to have been violated, the facts alleged to have constituted the violation, and the requirement that all unauthorized practices immediately cease. Within ten days after service of the order to cease and desist pursuant to this subsection (2), the person may request a hearing on the question of whether acts or practices in violation of this part 16 have occurred. The hearing shall be conducted pursuant to section 24-4-105 BY THE HEARINGS DIVISION OF THE DEPARTMENT IN ACCORDANCE WITH SECTION 44-30-1613.

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

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

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

44-30-1504. Disclosure of information by corporate applicants - license required - investigation - criminal history record check - rules - definition.

(7) (a) Each applicant for a sports betting license, with or as a supplement to the application, shall submit a set of fingerprints to the division; EXCEPT THAT AN APPLICANT WHOSE PRIMARY RESIDENCE IS LOCATED OUTSIDE OF THE UNITED STATES IS NOT REQUIRED TO SATISFY THIS REQUIREMENT UNLESS THE COMMISSION DETERMINES THAT THE APPLICANT IS SO REQUIRED. The division shall forward the fingerprints to the Colorado bureau of investigation for the purpose of conducting a state and national fingerprint-based criminal history record check utilizing records of the Colorado bureau of investigation and the federal bureau of investigation. Only the actual costs of the record check shall be borne by the applicant. Nothing in this subsection (7) precludes the division from making further inquiries into the background of the applicant.

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

26-13-118.7. Gambling winnings - interception - rules. (2) Upon receipt from the registry operator of a payment and accompanying information pursuant to section 44-33-105 (2)(b), the state department, THROUGH THE CASINO, SPORTS BETTING OPERATOR, INTERNET SPORTS BETTING OPERATOR, RACETRACK, OR OFF-TRACK BETTING FACILITY, shall notify the obligated parent in writing that the state intends to offset the parent's child support debt, child support arrearages, or child support costs against the parent's winnings from limited gaming, FROM SPORTS BETTING, or from pari-mutuel wagering on horse or greyhound racing. The notice ~~shall~~ MUST include information ~~on~~ CONCERNING the parent's right to object to the offset and to request an administrative review pursuant to the rules of the state board.

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

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

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

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

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

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

as follows:

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

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

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

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

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

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

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

SECTION 14. In Colorado Revised Statutes, 44-30-302, **amend** (1) introductory portion, (1)(u), and (1)(v); and **add** (1)(w) 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** ENTITY, the commission ~~shall~~ nonetheless ~~have~~ HAS the following powers and duties:

(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 the licensee's agent, pertaining to the gross income produced by any establishment 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~~

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

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

(I) UNLICENSED SPORTS BETTING OPERATIONS;

(II) UNLICENSED INTERNET SPORTS BETTING OPERATIONS; OR

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

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

44-30-837. Conducting gaming activities without a license. (1) A PERSON SHALL NOT OFFER SPORTS BETTING OR ONE OR MORE GAMES, AUTHORIZED AS "LIMITED GAMING", TO THE PUBLIC WITHOUT POSSESSING THE REQUIRED LICENSE FROM THE COMMISSION TO CONDUCT:

(a) SPORTS BETTING OPERATIONS;

(b) INTERNET SPORTS BETTING OPERATIONS; OR

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

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

44-30-809. Age of participants - penalties - applicability. (1) ~~(a)~~ It is unlawful for any person ~~under~~ WHO IS LESS THAN twenty-one years of age to

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

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

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

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

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

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

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

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

~~(III) participate, play, place wagers, or collect winnings, whether personally or through an agent, in or from any limited gaming game or slot machine.~~

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

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

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

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

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

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

SECTION 17. Act subject to petition - effective date. Sections 9, 10, 11, 12, and 13 of this act take effect July 1, 2023, and the remainder of 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; 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 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor; except that sections 9, 10, 11, 12, and 13 take effect July 1, 2023.

Approved: June 7, 2022