

CHAPTER 199

**PROFESSIONS AND OCCUPATIONS**

SENATE BILL 96-176

BY SENATORS Dennis, Bishop, and Wattenberg;  
also REPRESENTATIVES Entz, George, and Taylor.

**AN ACT**

CONCERNING THE ENFORCEMENT PRACTICES OF THE DIVISION OF RACING EVENTS IN THE DEPARTMENT OF REVENUE.

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

**SECTION 1.** 12-60-102, Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**12-60-102. Definitions.** As used in this article, unless the context otherwise requires:

(20.5) "PARI-MUTUEL WAGERING" MEANS A FORM OF WAGERING ON THE OUTCOME OF HORSE AND GREYHOUND RACES IN WHICH THOSE WHO WAGER PURCHASE TICKETS OF VARIOUS DENOMINATIONS ON ONE OR MORE HORSES OR GREYHOUNDS FROM ONE OR MORE POOLS AND ALL LIKE WAGERS FROM EACH RACE ARE POOLED AND THE WINNING TICKET HOLDERS ARE PAID PRIZES FROM SUCH POOL IN AMOUNTS PROPORTIONAL TO THE TOTAL RECEIPTS IN THE POOL MINUS DEDUCTIONS AUTHORIZED BY STATUTE.

**SECTION 2.** 12-60-203 (1), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-60-203. Investigators - peace officers.** (1) All investigators of the division of racing events and their supervisors, including the director and the executive director, shall for purposes of enforcement of this article be considered a peace officer, level ~~II~~ II, as defined in section 18-1-901 (3) (1) ~~(IV)~~ (III), C.R.S.

**SECTION 3.** 12-60-401, Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

**12-60-401. Director and commission members - position of trust - conflicts of interest.** (1) Appointment to the commission or to the position of director OR EMPLOYMENT IN THE DIVISION OF RACING EVENTS is declared to be a position of public trust, and therefore, in order to ensure the confidence of the people of the state in the integrity of the division and the commission, the director and members of the commission AND THE EMPLOYEES OF THE DIVISION shall be subject to this section. While serving as director or as a member of the commission OR WHILE EMPLOYED BY THE DIVISION, no person nor any member of such person's immediate family shall:

(a) Hold any pecuniary interest in any racetrack operating within the state of Colorado nor in any kennel, stable, compound, or farm that houses animals licensed or registered to race within the state of Colorado;

(b) Wager money or any other chattel of value on the result of any race or race meet or sweepstakes conducted within the state of Colorado or conducted outside the state and simulcast into the state;

(c) Hold any pecuniary interest in any out-of-state host track or derive any pecuniary benefit from the racing of any animal at such track; ~~or~~

(d) Hold more than a five percent interest in any entity doing business with a track;  
OR

(e) HAVE ANY INTEREST OF ANY KIND IN A LICENSE ISSUED PURSUANT TO THIS ARTICLE, NOR HAVE ANY INTEREST, DIRECT OR INDIRECT, INCLUDING EMPLOYMENT, IN ANY LICENSEE, LICENSED PREMISES, ESTABLISHMENT, OR BUSINESS INVOLVED IN OR WITH PARI-MUTUEL WAGERING.

(2) Failure to comply with the provisions of this section shall be grounds for removal from office.

(3) For purposes of this section, "immediate family" means a PERSON'S spouse ~~child, parent, or sibling~~ AND ANY CHILDREN ACTUALLY LIVING WITH THE PERSON.

**SECTION 4.** 12-60-503, Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**12-60-503. Rules of the commission - licensing.** (3) NO PERSON HOLDING A LICENSE UNDER THIS ARTICLE SHALL EXTEND CREDIT TO ANOTHER PERSON FOR PARTICIPATION IN PARI-MUTUEL WAGERING.

**SECTION 5.** 12-60-505 (1), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-60-505. Meet licenses.** (1) Every initial application for a license to hold race meets under this article shall be made under oath and shall be filed with the commission on or before a day fixed by the commission and shall set forth the time, the place, and the number of days such meet shall continue; the kind of racing proposed to be conducted; the full name and address of the applicant and if a corporation the names and addresses of all of its officers and directors and all of the

holders of each class of its stock and the amount of stock of each class so owned by each stockholder; the location of the racetrack and whether the same is owned or leased; the names and residences of the owners of all property leased by such applicant; a statement of the assets and liabilities of such applicant; a description of the qualifications and experience of the applicant if an individual or of its officers and directors if a corporation; a full disclosure of all holding or intermediary companies associated with the applicant, as well as their shareholders, all contracts that relate to the race meet, ~~certified~~ AUDITED balance sheets of corporate applicants, EXCLUDING NONPROFIT ASSOCIATIONS, and the terms and conditions of all contracts by which the applicant has received credit; a description of the land uses within a radius of two miles of the establishment in which such race meet is proposed to be conducted; and such incidental information as the rules of the commission may require in connection with the application.

**SECTION 6.** 12-60-507 (1) (j), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-60-507. Investigation - denial, suspension, and revocation actions against licensees - unlawful acts.** (1) The commission upon its own motion may, and upon complaint in writing of any person shall, investigate the activities of any licensee or applicant within the state or any person upon the premises of a track. In addition to its authority under any other provision of this article, the commission may issue a letter of admonition to a licensee, fine a licensee, suspend a license, deny an application for a license, or revoke a license, if such person has committed any of the following violations:

(j) BEING A PERSON, employing A PERSON, or being assisted by any person who is not of good record or good moral character;

**SECTION 7.** 12-60-507.5 (1) (c), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-60-507.5. License - mandatory disqualification - criteria.** (1) The commission shall deny a license to any applicant on the basis of any of the following criteria:

(c) Conviction of the applicant, or any of its officers or directors, or any of its general partners, or any stockholders, limited partners, or other persons having a financial or equity interest of five percent or greater in the applicant, of any of the following:

(I) Any gambling-related offense or theft by deception;

(II) Any crime involving fraud or misrepresentation COMMITTED WITHIN TEN YEARS PRIOR TO THE DATE OF THE APPLICATION, notwithstanding the provisions of section 24-5-101, C.R.S.;

**SECTION 8.** Part 7 of article 60 of title 12, Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**12-60-703.5. Limitations on pari-mutuel wagering.** (1) WAGERS ON PARI-MUTUEL HORSE OR GREYHOUND RACES CONDUCTED IN OR OUT OF THIS STATE MAY ONLY BE PLACED UPON THE PREMISES OF A RACETRACK OR AN IN-STATE SIMULCAST FACILITY LICENSED BY THE COMMISSION OR SUCH OUT-OF-STATE RACETRACK OR SIMULCAST FACILITY AS AUTHORIZED BY THE COMMISSION. NO WAGERING OR BETTING ON THE RESULTS OF ANY OF THE RACES LICENSED UNDER THIS ARTICLE SHALL BE CONDUCTED OUTSIDE A LICENSED OR APPROVED RACETRACK OR SIMULCAST FACILITY.

(2) (a) NO PERSON OR AGENT OR EMPLOYEE OF ANY PERSON SHALL PLACE, RECEIVE, OFFER, OR AGREE TO PLACE OR RECEIVE A WAGER ON A PARIMUTUEL HORSE OR GREYHOUND RACE, CONDUCTED IN OR BROADCAST IN THIS STATE, BY MESSENGER, TELEPHONE, TELEGRAPH, FACSIMILE MACHINE, OR OTHER ELECTRONIC DEVICE; EXCEPT THAT THIS SUBSECTION (2) SHALL NOT APPLY TO ASSOCIATIONS OR SIMULCAST FACILITIES LICENSED BY THE COMMISSION. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PROHIBIT GAMBLING AS PROVIDED IN SECTION 18-10-102 (2) (d), C.R.S.

(b) ANY PERSON WHO VIOLATES PARAGRAPH (a) OF THIS SUBSECTION (2) COMMITS A CLASS 2 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1-106, C.R.S.

**SECTION 9.** 12-60-704 (2), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-60-704. Creation of horse breeders' and owners' awards and supplemental purse fund - awards - advisory committee - sunset review.**

(2) Those moneys derived pursuant to section 12-60-701 (2) (b) shall be paid ~~daily~~ to the department of revenue through the division for the fund ON THE FIFTEENTH DAY OF THE CALENDAR MONTH IMMEDIATELY FOLLOWING THE MONTH IN WHICH SUCH SUM WAS RECEIVED. In addition, the proceeds derived from all unclaimed pari-mutuel tickets for each horse race meet and for each simulcast race of horses received by an in-state simulcast facility shall be paid to the department of revenue through the division for the fund after a period of one year following the end of such race meet.

**SECTION 10.** 18-1-901 (3) (I) (III) and (3) (I) (IV), Colorado Revised Statutes, 1986 Repl. Vol., as amended, are amended to read:

**18-1-901. Definitions.** (3) (I) (III) "Peace officer, level II," means an inspector of the state licensing authority under section 12-46-116, C.R.S., of the "Colorado Beer Code"; an inspector of the liquor enforcement division under section 12-47-131, C.R.S.; an authorized investigator of the state lottery division pursuant to section 24-35-205 (3) or 24-35-206 (7), C.R.S.; any authorized investigator and the director of the division of gaming and the executive director of the department of revenue pursuant to section 12-47.1-204, C.R.S.; any fire arson investigator appointed by the chief of any fire department and approved by the sheriff or the chief of police of the jurisdiction in which such fire arson investigator performs duties; any officer, guard, or supervisory employee within the department of corrections, except any investigator employed by the department of corrections; a security guard employed by the state of Colorado; a security officer as defined in section 24-7-101, C.R.S.; a district wildlife manager, special district wildlife manager, or parks and recreation officer

defined as a peace officer pursuant to section 33-1-102, C.R.S., and acting under the authority of a peace officer pursuant to sections 33-6-101 and 33-15-101, C.R.S.; AN INVESTIGATOR FOR THE DIVISION OF RACING EVENTS AND THE INVESTIGATOR'S SUPERVISORS, INCLUDING THE DIRECTOR OF THE DIVISION OF RACING EVENTS PURSUANT TO SECTION 12-60-203, C.R.S., or a railroad employee defined as a peace officer pursuant to section 40-32-104.5, C.R.S., who shall have access to Colorado bureau of investigation fugitive and stolen property records. "Peace officer, level II," has the authority to enforce all the laws of the state of Colorado while acting within the scope of his authority and in the performance of his duties, and section 18-1-106 (1.5) and section 18-3-107 shall apply to "peace officer, level II".

(IV) "Peace officer, level III," means a chief security officer for the general assembly pursuant to section 2-2-402, C.R.S., a coroner, the commissioner of agriculture or his designee acting under the "Farm Products Act" or the "Commodity Warehouse Act" pursuant to sections 12-16-114 and 12-16-210, C.R.S., under the "Animal Protection Act" pursuant to section 35-42-107 (4), C.R.S., or under the "Pet Animal Care and Facilities Act" pursuant to section 35-80-109 (6), C.R.S., a probation officer, a juvenile probation officer pursuant to section 19-2-1002, C.R.S., a brand inspector pursuant to section 35-53-128, C.R.S., an employee of a district attorney's office assigned to administer an offender diversion program, a student loan investigator, an officer or member of the Colorado national guard while acting under call of the governor in cases of emergency or civil disorder, a member of the public utilities commission, ~~an investigator for the division of racing events pursuant to section 12-60-203, C.R.S.~~, port of entry personnel acting as peace officers pursuant to section 42-8-104, C.R.S., toll road owners acting as peace officers under section 43-3-304, C.R.S., or any other person designated as a peace officer unless otherwise specified in this section as a level I, level Ia, level II, or level IIIa peace officer. "Peace officer, level III," has the authority to enforce all the laws of the state of Colorado while acting within the scope of his authority and in the performance of his duties.

**SECTION 11. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 23, 1996