

## CHAPTER 89

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**PROFESSIONS AND OCCUPATIONS**

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**HOUSE BILL 96-1067**

BY REPRESENTATIVES Sullivant, Chlouber, Pffinner, and Taylor;  
also SENATORS Dennis and Tebedo.

**AN ACT**

**CONCERNING THE CONTINUATION OF THE REGULATION OF LIMITED GAMING THROUGH THE  
DIVISION OF GAMING.**

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

**SECTION 1.** 12-47.1-203, Colorado Revised Statutes, 1991 Repl. Vol., is amended to read:

**12-47.1-203. Director - qualification - powers and duties.** (1) The director shall:

(a) Be qualified by training and experience to direct the work of the division;

(b) ~~and, notwithstanding the provisions of section 24-5-101, C.R.S., the director shall~~ Be of good character and shall not have been convicted of any felony or gambling-related offense, ~~NOTWITHSTANDING THE PROVISIONS OF SECTION 24-5-101, C.R.S.;~~

(c) ~~The director shall devote his entire time and attention to the duties of his office and shall~~ Not be engaged in any other profession or occupation THAT COULD PRESENT A CONFLICT OF INTEREST TO THE DIRECTOR'S DUTIES AS DIRECTOR OF THE DIVISION; AND

(d) ~~The director, as administrative head of the division, shall~~ Direct and supervise ~~its~~ THE administrative and technical activities OF THE DIVISION.

(2) In addition to the duties imposed upon the director elsewhere in this part 2, it ~~shall be the duty of~~ the director SHALL:

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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.*

(a) ~~¶~~ Supervise and administer the operation of the division and limited gaming in accordance with the provisions of this article and the rules ~~and regulations~~ of the commission;

(b) ~~¶~~ Attend meetings of the commission or ~~to~~ appoint a designee to attend in the director's place;

(c) (I) ~~¶~~ Employ and direct such personnel as may be necessary to carry out the purposes of this article, but no person shall be employed who has been convicted of a felony or gambling-related offense, notwithstanding the provisions of section 24-5-101, C.R.S.

(II) The director, with the approval of the commission, may enter into agreements with any department, agency, or unit of state government to secure services which the director deems necessary and to provide for the payment for such services and may employ and compensate such consultants and technical assistants as may be required and as otherwise permitted by law.

(d) ~~¶~~ Confer with the commission as necessary or desirable, but not less than once each month, with regard to the operation of the division;

(e) ~~¶~~ Make available for inspection by the commission or any member of the commission, upon request, all books, records, files, and other information and documents in the director's office;

(f) ~~¶~~ Advise the commission and recommend to the commission such rules and ~~regulations and such~~ other procedures as the director deems necessary and advisable to improve the operation of the division and the conduct of limited gaming;

(g) With the concurrence of the commission or pursuant to commission requirements and procedures, ~~to~~ enter into contracts for materials, equipment, and supplies to be used in the operation of the division;

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

(i) (I) ~~¶~~ Furnish to the state treasurer and the commission a monthly report which contains a full and complete statement of the division's revenue and expenses for each month.

(II) All reports required by this paragraph (i) shall be public, and copies of all such reports shall be sent to the governor, the speaker of the house of representatives, the president of the senate, the minority leaders of both houses, and the executive director of the department of revenue.

(j) ~~¶~~ Annually prepare and submit to the commission, for its approval, a proposed

budget for the succeeding fiscal year, which budget shall set forth a complete financial plan for all proposed expenditures and anticipated revenues of the division. ~~For the fiscal year commencing July 1, 1991, the director shall prepare a proposed budget and shall submit it to the commission for approval by the commission at the earliest feasible time.~~

(k) ~~To~~ Take such action as may be determined by the commission to be necessary to protect the security and integrity of limited gaming;

(l) ~~To~~ Perform any other lawful acts which the commission may consider necessary or desirable in order to carry out the purposes and provisions of this article; AND

(m) ~~To~~ Annually prepare and submit to the commission, for its approval, a proposed budget for the ensuing fiscal year, which budget shall present a complete financial plan setting forth all proposed expenditures and anticipated revenues of the division.

**SECTION 2.** 12-47.1-206, Colorado Revised Statutes, 1991 Repl. Vol., is amended to read:

**12-47.1-206. Repeal of division - review of functions.** Unless continued by the general assembly, this part 2 is repealed, effective ~~July 1, 1996~~ JULY 1, 2001, and those powers, duties, and functions of the director specified in this part 2 are abolished. The provisions of section 24-34-104 (5) to (12), C.R.S., concerning a windup period, an analysis and evaluation, public hearings, and claims by or against an agency shall apply to the powers, duties, and functions of the director of said division.

**SECTION 3.** 12-47.1-501 (1) (b), (1) (d), and (1) (e), Colorado Revised Statutes, 1991 Repl. Vol., are amended to read:

**12-47.1-501. Licenses - types.** (1) The commission may issue five types of licenses as follows:

(b) **Operator license.** (I) An operator license is required for all persons who permit slot machines on their premises or who engage in the business of placing and operating slot machines on the premises of a retailer. Each license issued pursuant to this paragraph (b) shall expire one year from the date of its issuance but may be renewed upon the filing and approval of an application for renewal. The fee for the initial license and all renewals thereof shall be determined by the commission pursuant to rule. ~~and regulation.~~ A licensed operator shall obtain slot machines only from a licensed manufacturer or distributor.

(II) THIS PARAGRAPH (b) SHALL NOT APPLY TO PERSONS HOLDING RETAIL GAMING LICENSES ISSUED PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (1).

(d) **Support license.** A support license is required for all persons employed in the field of limited gaming and by all gaming employees. No person required to hold a support license shall be an employee of, or assist, any licensee until such person obtains a valid support license. Persons licensed as key employees need not obtain support licenses. The commission may deny a support license to any person

discharged for cause from employment by any licensed gaming establishment in this or any other country. Each license issued pursuant to this paragraph (d) shall expire ~~one year~~ TWO YEARS from the date of its issuance but may be renewed upon the filing and approval of an application for renewal. The fee for the initial license and all renewals thereof shall be determined by the commission pursuant to rule. ~~and regulation.~~

(e) **Key employee license.** Every retail gaming licensee shall have a person in charge of all limited gaming activities available at all times when limited gaming is being conducted. Such person in charge shall hold a key employee license. Each license issued pursuant to this paragraph (e) shall expire ~~one year~~ TWO YEARS from the date of its issuance but may be renewed upon the filing and approval of an application for renewal. The fee for the initial license and all renewals thereof shall be determined by the commission pursuant to rule. ~~and regulation.~~

**SECTION 4.** 12-47.1-502, Colorado Revised Statutes, 1991 Repl. Vol., is repealed as follows:

**12-47.1-502. Registration of employees.** ~~All other persons licensed to be employed where limited gaming is conducted shall be registered with the local sheriff within ten days after beginning employment.~~

**SECTION 5.** 12-47.1-519 (2), Colorado Revised Statutes, 1991 Repl. Vol., is amended to read:

**12-47.1-519. Renewal of licenses.** (2) An application for renewal of a license ~~shall~~ MAY be filed with the commission ~~no later than~~ UP TO one hundred twenty days prior to the expiration of the current license, and all license fees and taxes as required by law shall be paid to the commission on or before the date of expiration of the current license. THE COMMISSION SHALL SET THE MANNER, TIME, AND PLACE AT WHICH AN APPLICATION IS MADE.

**SECTION 6.** 12-47.1-604 (1), Colorado Revised Statutes, 1991 Repl. Vol., is amended to read:

**12-47.1-604. Returns and reports - failure to file - penalties.** (1) (a) Any person who fails to file a return or report required by this article, which return or report includes taxable transactions, ~~within fifteen days following the date the return or report is due~~ ON OR BEFORE THE DATE THE RETURN OR REPORT IS DUE AS PRESCRIBED IN SECTION 12-47.1-602 is subject to the payment of an additional amount assessed as a penalty equal to fifteen percent of the tax or ten dollars, whichever is greater; except that, for good cause shown, the executive director may reduce or eliminate such penalty.

(b) Any person subject to taxation under this article who fails to pay the tax within the time prescribed is subject to an interest charge of two percent per month or portion thereof for the period of time during which the payment is late or five dollars, whichever is greater.

(c) (I) Penalty and interest are considered the same as a tax for the purposes of collection and enforcement, including liens, distraint warrants, and criminal

violations.

(II) Any payment received for taxes, penalties, or interest is applied first to the tax, beginning with the oldest delinquency, then to interest and then to penalty.

(d) The executive director may, upon application of the taxpayer, establish a maximum interest rate of twenty-four percent upon delinquent taxes if the executive director determines that the delinquent payment was caused by a mistake of law and was not caused by an intent to evade the tax.

**SECTION 7.** 12-47.1-803 (1), Colorado Revised Statutes, 1991 Repl. Vol., is amended to read:

**12-47.1-803. Slot machines - shipping notices.** (1) (a) (I) Any slot machine manufacturer or distributor shipping or importing a slot machine into the state of Colorado shall provide to the commission at the time of shipment a copy of the shipping invoice which shall include, at a minimum, the destination, the serial number of each machine, and a description of each machine.

(II) Any person within the state of Colorado receiving a slot machine shall, upon receipt of the machine, provide to the commission upon a form available from the commission information showing at a minimum the location of each machine, its serial number, and description. Such report shall be provided regardless of whether the machine is received from a manufacturer or any other person.

(III) Any machine licensed pursuant to this section shall be licensed for a specific location, and movement of the machine from that location shall be reported to the commission ~~within twenty-four hours after such movement~~ IN ACCORDANCE WITH RULES ADOPTED BY THE COMMISSION.

(b) Any person violating any provision of this section commits a class 5 felony and shall be punished as provided in section 18-1-105, C.R.S.

(c) Any slot machine ~~which~~ THAT is not in compliance with this article is declared contraband and may be summarily seized and destroyed after notice and hearing.

(d) THE COMMISSION SHALL PROMULGATE RULES SETTING THE TIME AND MANNER FOR REPORTING THE MOVEMENT OF ANY SLOT MACHINE.

**SECTION 8.** 24-34-104 (25.6) (a), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is repealed as follows:

**24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment.** (25.6) The following agencies and functions of the specified agencies shall terminate on July 1, 1996:

(a) ~~The division of gaming, created by part 2 of article 47.1 of title 12, C.R.S.;~~

**SECTION 9.** 24-34-104, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment.** (32.1) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, SHALL TERMINATE ON JULY 1, 2003: THE FOLLOWING DIVISION IN THE DEPARTMENT OF REVENUE: THE DIVISION OF GAMING, CREATED BY PART 2 OF ARTICLE 47.1 OF TITLE 12, C.R.S.

**SECTION 10. 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: April 17, 1996