

## **BASIS AND PURPOSE FOR RULE 4**

The purpose of Rule 4 is to specify the rights, responsibilities, and duties of licensees; specify certain duties of licensees related to permitting access to the Division of information, records, and premises controlled by the licensee; require licensees to maintain sufficient financial reserves; establish restrictions on the use of skills and proposition players; grant permission to use lammers; require that certain information be publicly posted; direct the licensee to prohibit certain conduct; and establish procedures for patron disputes, dissolution of corporations, transfers of interests and terminations of licensee employment or licensure. The statutory basis for Rule 4 is found in sections 12-47.1-201, C.R.S., 12-47.1-203, C.R.S., 12-47.1-301, C.R.S., and 12-47.1-503, C.R.S.

## **RULE 4 RIGHTS AND DUTIES OF LICENSEES**

### **47.1-404 List of personnel.**

Prior to opening for business, a retail licensee must furnish to the Director on a form, or other medium required by the Division, a list of all persons, including birth dates and social security numbers, employed by the retail licensee. Additionally, the retail licensee must by the first day of each month submit changes to its lists of employees, unless the Director, in writing, demands more frequent notification or allows less frequent notification. (amend perm 03/30/03)

### **47.1-405 Information to be furnished by licensee)**

- (1) Reports and notices to the Division required by the Colorado Limited Gaming Act, or by the rules and regulations promulgated thereunder, must be made in writing, and must be submitted to the Division's main office in ~~Lakewood~~GOLDEN, Colorado.
- (3) Each licensed retailer, ~~and licensed operator,~~ MANUFACTURER OR DISTRIBUTOR must immediately report to the Division the name, date of birth, and social security number of all persons who obtain an ownership, financial, or equity interest in the licensee of five percent or greater, or who have the ability to control the licensee, or who have the ability to exercise significant influence over the licensee, or who loan any money or other thing of value to the licensee. (47.1-405(3)perm.10/30/99)
- (4) Any person licensed by the Commission, and any associated person to a licensee, must make written notification to the Division of any criminal conviction and criminal charge pending against such person within ten days of such person's arrest, summons, or conviction. This notification requirement shall not apply to non-felony traffic violations unless they result in suspension or revocation of a driver's license, are based on allegations of driving under the influence or impairment of intoxicating liquor or drugs, or result in the person being taken into custody. Failure to make proper notification to the Division may be grounds for a disciplinary action. (47.1-405(3) temp. 10/30/91, perm. 1/30/92) (47.1-405(3) temp. 7/14/93, perm. 8/30/93) (47.1-405(4) perm. 10/30/99) (47.1-405(4) amended perm. 03/30/03)
- (5) All licensed manufacturers, distributors, operators, and retailers must report to both the local Division office and the Division's ~~Lakewood~~GOLDEN office on a form, or other medium, required by the Division, the movement of slot machines. This notification must be made by both the recipient and sender of devices on a weekly activity basis identifying any movement of devices to and from any location for that ~~W~~week. (47.1-405(4) perm. 12/30/94) (47.1-405(4) perm. 10/30/96) (47.1-405(5)perm. 10/30/99) attended perm. 03/30/03)

- (6) All licensed manufacturers, distributors, operators, and retailers must report to the Division any discovered or suspected plan, scheme, design, device or other methods of cheating that may compromise the integrity of any gaming device sold or offered for sale, offered for play, or used for any other gaming purpose within the state of Colorado by such licensee. A report shall be made as soon as possible after the discovery of such cheating plan, scheme, design, device or method, but not later than 14 calendar days if the reporting licensee is a manufacturer or distributor, and not later than 7 days, if the reporting licensee is an operator or retailer. (47.1-405(6) perm. 10/30/99)
- (a) The subject matter and reports of the investigation conducted hereunder shall be considered confidential pursuant to Section 12-47.1-527, C.R.S. as amended, except the Director may, as deemed necessary and prudent in the exercise of his discretion, take whatever steps deemed necessary to address or mitigate the cheating problem including disseminating a warning to other licensing jurisdictions or Colorado licensees about the cheating problem. (12-47.1-405(A) perm. 4/30/95)
- (7) Notice of financial interest relationships required to be made pursuant to 12-47.1-835, C.R.S. ~~4999~~, shall be made following the procedures in paragraph (1), above. (47.1-405(A) added perm. 10/30/99)

#### **47.1-412 Payment of Winners—Reserves.**

All retail licensees shall at all times have available sufficient financial reserves promptly to pay winners of, or participants in, limited gaming activities conducted or offered by that retail licensee. Payment must be made to winners and participants by cash or by check drawn upon a bank, or other financial institution in Colorado, chartered by the State of Colorado or any other state or the United States Government, within 24 hours of any bona-fide demand by a winner or participant for payment. Any check issued by a retail licensee to any winner of a limited gaming ACTIVITY must, at the time of issuance and until cashed or three months has expired (whichever is earlier), be backed by and drawn upon sufficient funds to cover the full amount of the check.

#### **47.1-418 Special rules of conduct.**

A retail licensee may establish rules of conduct for players and spectators on its licensed site. Any such rules must be posted. The Director shall have the authority to immediately terminate any or all of such rules in any retail establishment.

#### **47.1-419 Procedure upon dissolution.**

Upon dissolution of a corporation, partnership, or association, the licensee must return the license to the Commission within 10 days following the date of the dissolution.

#### **47.1-426 Foreign gaming.**

Any licensee, and any parent company or subsidiary company of the licensee, who has applied to a foreign jurisdiction for licensure or other permission to conduct gaming in such jurisdiction, or who possesses a license to conduct foreign gaming, shall notify the Division of such application. Upon request, the licensee shall make available to the Division all executed copies of all application forms and related documents filed with the foreign jurisdiction by or on behalf of the applicant or by any entity affiliated with the applicant. (amended 03/30/00)