BASIS AND PURPOSE FOR RULE 2

The purpose of Rule 2 is to delegate certain authority to the Director or other Division agent; provide for the review of any action taken pursuant to such authority; provide for the reference by the Director of matters delegated to the Director back to the Commission; and to establish procedures for Commission actions and hearings. Rule 2 also empowers the Commission to contract for legal counsel, and directs the Director to obtain moneys owed to a deceased patron and properly distribute such moneys. The statutory basis for Rule 2 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., 12-47.1-302, C.R.S., 12-47.1-501, C.R.S., 12-47.1-503, C.R.S., 12-47.1-508, C.R.S., and 24-4-105, C.R.S.

RULE 2 COLORADO GAMING REGULATIONS

47.1-201 Commission action.

In addition to meeting in person, the Commission may take action by a telephone conference call. If a telephone conference call is used, the Director must participate in the call and take minutes of the Commission's action. A conference telephone call is a meeting of the Commission.

47.1-202 Recessed meetings.

Any meeting of the Commission may be recessed to consider matters which were duly noticed as items on the agenda of that meeting, to such time and place as the Commission may designate. Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by statute.

47.1-203 Appointment of committees.

The Chairperson of the Commission may at the Chairperson's discretion appoint committees to study and report to the Division or the Commission any matter appropriate to the Commission's administration of the Colorado Limited Gaming Act or these rules.

47.1-204 Right of review.

The Commission may review any action taken by the Director by its own motion, by direction of the Chairperson, or by a request from a member of the Commission, the Attorney General, the Executive Director or the Governor.

47.1-205 Right of reference.

The Director with approval of the Commission may refer any matters delegated to the Director back to the Commission for its decision.

47.1-206 Delegation.

Unless the Commission determines otherwise, the Director may delegate an act required to be performed by the Director to any agent or employee of the Division.

47.1-207 Authority of Director.

(1) The Director may issue key employee and support licenses, without necessity for Commission approval, to qualified applicants upon submission to the Director of proper applications, costs, and fees. (47.1-207 temp. 1/29/92. perm. 4/30/92, amended 03/30/00)

(2) The Director may issue temporary key employee and support licenses to qualified applicants upon the same terms and conditions as temporary licenses are issued by the Commission to applicants for other types of licenses.

(3) The Director may deny key employee license applications for any reason that a support license application may be denied.

(4) The director may approve the suitability of officers and directors of a licensee, without necessity for commission approval, provided such officers or directors have less than 5% ownership equity in the licensee.

(5) The director may deny the suitability of officers and directors of a licensee or applicant for any reason that a key license application may be denied.

(6) The director may approve ownership changes in a licensee, without necessity for commission approval, when:

(a) The proposed change only reallocates ownership shares among persons whom the commission has previously approved as owners; and

(b) When no person will attain a total effective ownership equity of 5% or greater, when such person previously held less than 5% equity.

(7) All such ownership changes approved by the Director must be reported to the Commission at the time of the next renewal application of the licensee. *Rev 11/30/2012*

47.1-208 Petition for hearing in an adjudicatory proceeding.

A person aggrieved by an action of the Commission or the Director that was taken without a hearing may, within 30 days following the date of the action, petition the Commission for a hearing. The Commission may in its discretion, disallow the petition, determine that it be treated as one for a declaratory order, or it may grant a hearing to consider the matters alleged in the petition. If a hearing is granted, the Commission may direct the petitioner to provide certain information to the Division prior to the hearing or it may grant the hearing conditioned upon the fulfillment by the petitioner of other reasonable terms and conditions. The hearing must be held at a time and place convenient for the Commission and the petitioner. The hearing shall be considered an adjudicatory proceeding. The Commission shall issue all decisions in any adjudicatory proceeding in writing. Commission actions shall be deemed final in such cases upon the mailing of the decision by first class mail to the petitioner's address listed in the petition.

47.1-209 Summoning of licensee.

The Commission may summon any licensee or licensee's agents or employees to appear to testify before it or its agents with regard to the conduct of the licensee or the agents or employees of the licensee. The testimony may be under oath and may embrace any matters which the Commission or its agents consider relevant to the discharge of its official duties. Testimony so taken may be used by the Commission as evidence in any proceeding or matter then before it or which may later come before it. Failure to appear and testify fully at the time and place designated, unless excused, may constitute grounds for disciplinary action against a license held by the person summoned, that person's principal or that person's employer.

47.1-210 Enforcement powers.

In addition to their other powers and duties, the Director or an employee or agent of the Division by direction of the Director may perform the following activities:

(1) Inspect and examine, without notice, premises where gaming is conducted or gaming devices or equipment are located, sold, distributed, or stored;

(2) Without notice or hearing, examine, inspect, seize or remove from the premises and impound any gaming devices, equipment or supplies for the purposes of examination and inspection;

(3) At any time when business is being conducted, inspect, examine and photocopy, or remove and impound all papers, books, and records of applicants and licensees;

(4) Investigate the conduct of all licensees, their employees, and other persons having any involvement with a licensee or licensed establishment, to assist in the enforcement of article 47.1 of title 12, C.R.S., and to insure that there is no involvement in or with a licensee or a licensed establishment by unqualified or unsuitable persons.

47.1-211 Filing or Notice

If a filing or notice to the Commission or Director is permitted or required by these rules, the filing or notice may be delivered in person or mailed to the Division at 17301 West Colfax Ave., Suite 135, Golden, Colorado 80401. A filing or notice is complete on the date it is received by the Division. Notification to the Division shall be deemed notification to the Commission for purposes of these rules. *Rev 11/30/2012*

47.1-212 Attorney for Commission.

The Commission shall contract for legal counsel with the Colorado Attorney General.

47.1-213 Procedure for issuance, renewal, denial, revocation, suspension, limitation, and modification of license.

(Deleted effective 8/30/98)

47.1-214 Death of a gaming patron.

All coins, chips, tokens, gaming coupons, or tickets in the possession of a gaming patron who dies before such coins, chips, tokens, gaming coupons, or tickets are surrendered by such patron, shall be paid by the licensee 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, to the estate of the deceased patron unless the Licensee is directed otherwise pursuant to an appropriate judicial order. *Rev 11/30/2012*