COLORADO

LIMITED GAMING ACT

With
Constitutional Amendment

Revised October 2012

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COLORADO LIMITED GAMING ACT OF 1991

12-47.1-101. Short title. This article shall be known and may be cited as the "Limited Gaming Act of 1991".

12-47.1-102. Legislative declaration. (1) The general assembly hereby finds, determines, and declares it to be the public policy of this state that:

(a) The success of limited gaming is dependent upon public confidence and trust that licensed limited gaming is conducted honestly and competitively; that the rights of the creditors of licensees are protected; and that gaming is free from criminal and corruptive elements;

(b) Public confidence and trust can be maintained only by strict regulation of all persons, locations, practices, associations, and activities related to the operation of licensed gaming establishments and the manufacture or distribution of gaming devices and equipment;

(c) All establishments where limited gaming is conducted and where gambling devices are operated and all manufacturers, sellers, and distributors of certain gambling devices and equipment must therefore be licensed, controlled, and assisted to protect the public health, safety, good order, and the general welfare of the inhabitants of the state to foster the stability and success of limited gaming and to preserve the economy and policies of free competition of the state of Colorado;

(d) No applicant for a license or other affirmative commission approval has any right to a license or to the granting of the approval sought. Any license issued or other commission approval granted pursuant to the provisions of this article is a revocable privilege, and no holder acquires any vested right therein or thereunder.

(2) It is the intent of the general assembly that, to achieve the goals set forth in subsection (1) of this section, the commission should place great weight upon the policies expressed in said subsection (1) in construing the provisions of this article.

12-47.1-103. Definitions. As used in this article, unless the context otherwise requires:

(1) "Adjusted gross proceeds", except with respect to games of poker, means the total amount of all wagers made by players on limited gaming less all payments to players; and payment to players shall include all payments of cash premiums, merchandise, tokens, redeemable game credits, or any other thing of value. With respect to games of poker, "adjusted gross proceeds" means any sums wagered in a poker hand which

may be retained by the licensee as compensation which must be consistent with the minimum and maximum amounts established by the Colorado limited gaming control commission.

(2) “Applicant” means any person who has applied for a license or registration under this article or who has applied for permission to engage in any act or activity which is regulated by this article.

(3) “Bet” means an amount placed as a wager in a game of chance.

(4) “Blackjack” means a banking card game commonly known as “21” or “blackjack” played by a maximum of seven players in which each player bets against the dealer. The object is to draw cards whose value will equal or approach twenty-one without exceeding that amount and win amounts bet, payable by the dealer, if the player holds cards more valuable than the dealer’s cards.

(4.5) “Certified local government” means any local government certified by the state historic preservation officer pursuant to the provisions of 16 U.S.C. sec. 470a (c) (1).

(5) “Commission” means the Colorado limited gaming control commission.

(5.5) “Crane game” means an amusement machine that, upon insertion of a coin, bill, token, or similar object, allows the player to use one or more buttons, joysticks, or other controls to maneuver a crane or claw over a nonmonetary prize, toy, or novelty, none of which shall have a cost of more than twenty-five dollars, and then, using the crane or claw, to attempt to retrieve the prize, toy, or novelty for the player.

(5.7) "Craps" means a game played by one or more players against a casino using two dice, in which players bet upon the occurrence of specific combinations of numbers shown by the dice on each throw.

(6) “Department” means the Colorado department of revenue.

(7) “Director” means the director of the division of gaming.

(8) “Division” means the division of gaming.

(9) “Executive director” means the executive director of the department of revenue.

(10) “Gaming device” or “gaming equipment” means any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used remotely or directly in connection with gaming or any game. The term includes a system for processing information which can alter the normal criteria of random selection which affects the operation of any game, or which determines the outcome of a game. The term includes a slot machine, poker table, blackjack table, craps table, roulette table, dice, and the cards used to play poker and blackjack.

(11) “Gaming employee” means any person employed by an operator or retailer hosting gaming to work directly with the gaming portion of such

operator's or retailer's business, which person shall be twenty-one years of age or older and hold a support license. Persons deemed to be gaming employees shall include, but shall not be limited to:

(a) Dealers;

(b) Change and counting room personnel;

(c) Cashiers;

(d) Floormen;

(e) Cage personnel;

(f) Slot machine repairmen or mechanics;

(g) Persons who accept or transport gaming revenues;

(h) Security personnel;

(i) Shift or pit bosses;

(j) Floor managers;

(k) Supervisors;

(l) Slot machine and slot booth personnel;

(m) Any person involved in the handling, counting, collecting, or exchanging of money, property, checks, credit, or any representative of value, including, without limitation:

(I) Any coin, token, chip, cash premium, merchandise, redeemable game credits, or any other thing of value; or

(II) The payoff from any game, gaming, or gaming device;

(n) Craps table personnel and roulette table personnel; and

(o) Such other persons as the commission shall by rule determine.

(12) "Gaming license" means any license issued by the commission pursuant to this article which authorizes any person to engage in gaming within the cities of Central, Black Hawk, or Cripple Creek.

(13) "Immediate family" means a person's spouse and any children actually living with the person.

(14) "Key employee" means any executive, employee, or agent of a gaming licensee having the power to exercise a significant influence over decisions concerning any part of the operation of a gaming licensee.

(15) "Licensed gaming establishment" means any premises licensed pursuant to this article for the conduct of gaming.

(16) "Licensed premises" means that portion of any premises licensed for the conduct of limited gaming. Nothing pursuant to this subsection (16) shall be construed to prohibit the affected local governing authority from otherwise determining the size of any building. In no event shall the licensed premises exceed thirty-five percent of the square footage of any building and no more than fifty percent of any one floor of such building.

(17) "Licensee" means any person licensed under this article.

(18) "Licensing authority" means the Colorado limited gaming control commission.

(19) "Limited card games and slot machines", "limited gaming", or "gaming" means slot machines, craps, roulette, and the card games of poker and blackjack, which are authorized by this article and defined and regulated by the commission, each game having a maximum single bet of one hundred dollars.

(20) "Operator" means any person who places slot machines upon such person's business premises or any person who, individually or jointly, pursuant to an agreement whereby consideration is paid for the right to place slot machines on another's business premises, engages in the business of placing and operating slot machines on retail premises within the cities of Central, Black Hawk, or Cripple Creek.

(21) "Person" means an individual, partnership, business trust, government or governmental subdivision or agency, estate, association, trust, for profit corporation, nonprofit corporation, organization, or any other legal entity or a manager, agent, servant, officer, or employee thereof.

(22) (a) "Poker" means a card game played by a player or players who are dealt cards by a dealer. The object of the game is:

(I) For each player to bet the superiority of such player's hand and win the other players' bets by either making a bet no other player is willing to match or proving to hold the most valuable cards after all the betting is over; or

(II) For each player, whether by reason of the skill of the player or application of the element of chance, or both, to hold a poker hand entitled to a monetary or premium return based upon a publicly available pay schedule.

(b) In a variation of poker in which there can be more than one winning hand and the dealer's participation is necessary or desirable to improve the game for players other than the dealer, the dealer may play, but under no circumstances may the dealer place a wager in any game in which he or she is dealing. A game in which the player holding the highest -scoring hand splits his or her winning with the player holding the lowest-scoring hand does not qualify as a "variation of poker in which there can be more than one winning hand" for purposes of this paragraph (b).

(23) "Repeating gambling offender" shall have the same meaning as set forth in section 18-10-102 (9), C.R.S.

(24) "Retailer" means any licensee who maintains gaming at his place of business within the cities of Central, Black Hawk, or Cripple Creek for use and operation by the public.

(25) "Retail space" means the area where a retailer's business is principally conducted.

(25.5) "Roulette" means a game in which a ball is spun on a rotating

wheel and drops into a numbered slot on the wheel, and bets are placed on which slot the ball will come to rest in.

(26) (a) "Slot machine" means any mechanical, electrical, video, electronic, or other device, contrivance, or machine which, after insertion of a coin, token, or similar object, or upon payment of any required consideration whatsoever by a player, is available to be played or operated, and which, whether by reason of the skill of the player or application of the element of chance, or both, may deliver or entitle the player operating the machine to receive cash premiums, merchandise, tokens, or redeemable game credits, or any other thing of value other than unredeemable free games, whether the payoff is made automatically from the machines or in any other manner.

(b) "Slot machine" does not include:

(I) Vintage slot machine models which were introduced on the market prior to 1984 and are not used for gambling purposes or in connection with limited gaming;

(II) Crane games.

(27) "Slot machine distributor" means any person who imports into this state, or first receives in this state, slot machines, or who sells, leases, for a fixed or flat fee, or distributes slot machines in this state; except that "slot machine distributor" does not include operators licensed in this state.

(28) "Slot machine manufacturer" means any person who designs, assembles, fabricates, produces, constructs, or otherwise prepares a complete or component part of a slot machine, other than tables or cabinetry; except that "slot machine manufacturer" does not include licensed operators performing incidental repairs on their own slot machines or slot machines leased or distributed by them. A licensed slot machine manufacturer may sell slot machines, or components of slot machines, of its own manufacture to licensed slot machine distributors or operators. A licensed manufacturer may also import those slot machine parts or components necessary for its manufacturing operations.

(29) "Suitability" or "suitable" means, in relation to a person, the ability to be licensed by the commission and, in relation to acts or practices, lawful acts or practices.

(30) "Unsuitability or unsuitable" means, in relation to a person, the inability to be licensed by the commission because of prior acts, associations, or financial conditions, and, in relation to acts or practices, those which violate or would violate the statutes or rules or are or would be contrary to the declared legislative purposes of this article.

(31) "Within the cities of Central, Black Hawk, or Cripple Creek" means within the commercial district of any of those cities as specified in section 12-47.1-105.

12-47.1-104. Limited gaming – authorization – regulation. Limited gaming is hereby authorized and may be operated and maintained subject to the provisions of this article. All limited gaming authorized by this article shall be regulated by the Colorado limited gaming control commission.

12-47.1-105. Limited gaming – cities – commercial districts. Limited gaming shall take place only in the following existing Colorado cities: The city of Central, county of Gilpin; the city of Black Hawk, county of Gilpin; and the city of Cripple Creek, county of Teller. Limited gaming shall be further confined to the commercial districts of said cities as said districts are respectively defined in the city ordinances adopted by the city of Central on October 7, 1981; the city of Black Hawk on May 4, 1978; and the city of Cripple Creek on December 3, 1973.

12-47.1-106. Exceptions. (1) Nothing in this article shall be construed in any way to affect or interfere with the regulation of bingo and raffles by the office of the secretary of state.

(2) Nothing contained in this article shall be construed to modify, amend, or otherwise affect the validity of any provisions contained in article 10 of title 18, C.R.S.

12-47.1-201. Division of gaming – creation. There is hereby created, within the department of revenue, the division of gaming, the head of which shall be the director of the division of gaming. The director shall be appointed by, and shall be subject to removal by, the executive director of the department of revenue. The division of gaming, the Colorado limited gaming control commission created in section 12-47.1-301, and the director of the division of gaming shall exercise their respective powers and perform their respective duties and functions as specified in this article under the department of revenue as if the same were transferred to the department by a **type 2** transfer, as such transfer is defined in the "Administrative Organization Act of 1968", article 1 of title 24, C.R.S.; except that the commission shall have full and exclusive authority to promulgate rules and regulations related to limited gaming without any approval by, or delegation of authority from, the department.

12-47.1-202. Function of division. The function of the division is to license, implement, regulate, and supervise the conduct of limited gaming in this state as authorized by section 9 of article XVIII of the state constitution.

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) 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) 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) Direct and supervise the administrative and technical activities of the division.

(2) In addition to the duties imposed upon the director elsewhere in this part 2, the director shall:

(a) Supervise and administer the operation of the division and limited gaming in accordance with the provisions of this article and the rules 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 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, 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.

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

(l) 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.

(m) *(Deleted by amendment, 2008.)*

12-47.1-204. Investigator – peace officers. (1) All investigators of the division of gaming, and their supervisors, including the director and the executive director, shall have all the powers of any peace officer to:

(a) Make arrests, with or without warrant, for any violation of the provisions of this article, article 20 of title 18, C.R.S., or the rules and regulations promulgated pursuant to this article, any other laws or regulations pertaining to the conducting of limited gaming in this state, or any criminal law of this state, if, during an officer's exercise of powers or performance of duties under this section, probable cause is established that a violation of any said law or rule or regulation has occurred;

(b) Inspect, examine, investigate, hold, or impound any premises where limited gaming is conducted, any devices or equipment designed for or used in limited gaming, and any books and records in any way connected with any limited gaming activity;

(c) Require any person licensed pursuant to this article, upon demand, to permit an inspection of such person's licensed premises, gaming equipment and devices, or books or records; and to permit the testing and the seizure for testing or examination purposes of all such devices,

equipment, and books and records;

(d) Serve all warrants, notices, summonses, or other processes relating to the enforcement of laws regulating limited gaming;

(e) Serve distraint warrants issued by the department of revenue pertaining to limited gaming;

(f) Conduct investigations into the character, record, and reputation of all applicants for limited gaming licenses, all licensees, and such other persons as the commission may determine pertaining to limited gaming;

(g) Investigate violations of all the laws pertaining to limited gaming and limited gaming activities;

(h) Assist or aid any sheriff or other peace officer in the performance of his duties upon such sheriff's or peace officer's request or the request of other local officials having jurisdiction.

(2) Criminal violations of this article discovered during an authorized investigation or discovered by the commission shall be referred to the appropriate district attorney.

(3) The investigators of the division, including the director of the division, shall be considered peace officers, as described in sections 16-2.5 -101 and 16-2.5-123, C.R.S. The executive director of the department of revenue shall be considered a peace officer as described in sections 16-2.5-101 and 16-2.5-121, C.R.S.

(4) Nothing in this section shall be construed to prohibit local sheriffs, police departments, and other local law enforcement agencies from enforcing the provisions of this article, and the rules and regulations promulgated pursuant to this article, or from performing their other duties to the full extent permitted by law. All such sheriffs, police officers, district attorneys, and other local law enforcement agencies shall have all the powers set forth in subsection (1) of this section.

12-47.1-205. Division of gaming – access to records. The division of gaming, for purposes of this article, shall have full authority to procure, at the expense of the division, any records furnished to or maintained by any law enforcement agency in the United States, including state and local law enforcement agencies in Colorado and other states for the purposes of carrying out its responsibilities pursuant to this article. Upon request from the Colorado bureau of investigation, the division shall provide copies of any and all information obtained pursuant to this article.

12-47.1-206. Repeal of division – review of functions. Unless continued by the general assembly, this part 2 is repealed, effective July 1, 2013, 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.

12-47.1-301. Colorado limited gaming control commission – creation. (1) There is hereby created, within the division of gaming, the Colorado limited gaming control commission. The commission shall consist of five members, all of whom shall be citizens of the United States and residents of this state who have been residents of the state for the past five years. The members shall be appointed by the governor, with the consent and approval of the senate. No member shall have been convicted of a felony or gambling-related offense, notwithstanding the provisions of section 24-5-101, C.R.S. No more than three of the five members shall be members of the same political party and no more than one member shall be from any one congressional district. At the first meeting of each fiscal year, a chairman and vice-chairman of the commission shall be chosen from the membership by a majority of the members. Membership and operation of the commission shall additionally meet the following requirements:

(a) One member of the commission shall have had at least five years' law enforcement experience as a peace officer certified pursuant to section 24-31-305, C.R.S.; one member shall be an attorney admitted to the practice of law in Colorado for not less than five years and who has experience in regulatory law; one member shall be a certified public accountant or public accountant who has been practicing in Colorado for at least five years and who has a comprehensive knowledge of the principles and practices of corporate finance; one member shall have been engaged in business in a management-level capacity for at least five years; and one member shall be a registered elector of the state who is not employed in any profession or industry otherwise described in this paragraph (a).

(b) Initial members shall be appointed to the commission by the governor as follows: One member to serve until July 1, 1992, one member to serve until July 1, 1993, one member to serve until July 1, 1994, and two members to serve until July 1, 1995. All subsequent appointments shall be for terms of four years. No member of the commission shall be eligible to serve more than two consecutive terms.

(c) Any vacancy on the commission shall be filled for the unexpired term in the same manner as the original appointment. The member appointed to fill such vacancy shall be from the same category described in paragraph (a) of this subsection (1) as the member vacating the position.

(d) Any member of the commission may be removed by the governor at any time.

(e) The term of any member of the commission who misses more than

two consecutive regular commission meetings without good cause shall be terminated and such member's successor shall be appointed in the manner provided for appointments under this section.

(f) Commission members shall receive as compensation for their services one hundred dollars for each day spent in the conduct of commission business and shall be reimbursed for necessary travel and other reasonable expenses incurred in the performance of their official duties. The maximum annual compensation for each member of the commission, including reimbursement for necessary travel and other reasonable expenses incurred in the performance of their official duties, shall not exceed ten thousand dollars per year.

(g) Prior to confirmation by the senate, each member shall file with the secretary of state a financial disclosure statement in the form required and prescribed by the executive director. Such statement shall be renewed as of each January 1 during the member's term of office.

(h) The commission shall hold at least one meeting each month and such additional meetings as may be prescribed by rules of the commission. In addition, special meetings may be called by the chairman, any two commission members, or the director, if written notification of such meeting is delivered to each member at least seventy-two hours prior to such meeting. Notwithstanding the provisions of section 24-6-402, C.R.S., in emergency situations in which a majority of the commission certifies that exigencies of time require that the commission meet without delay, the requirements of public notice and of seventy-two hours' actual advance written notice to members may be dispensed with, and commission members as well as the public shall receive such notice as is reasonable under the circumstances.

(i) A majority of the commission shall constitute a quorum, but the concurrence of a majority of the members appointed to the commission shall be required for any final determination by the commission.

(j) The commission shall keep a complete and accurate record of all its meetings.

12-47.1-302. Commission – powers and duties. (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 12-47.1-201 as a **type 2** transfer, the commission shall nonetheless have the following powers and duties:

(a) To promulgate such rules and regulations governing the licensing, conducting, and operating of limited gaming as it deems necessary to carry out the purposes of this article. The director shall prepare and submit to the commission written recommendations concerning proposed rules and

regulations for this purpose.

(b) To conduct hearings upon complaints charging violations of this article or rules and regulations promulgated pursuant to this article, and to conduct such other hearings as may be required by rules of the commission;

(c) To enter into agreements with the Colorado bureau of investigation and state and local law enforcement agencies for the conduct of investigation, identification, or registration, or any combination thereof, of licensed operators and employees in licensed premises or in premises containing licensed premises in accordance with the provisions of this article, which conduct shall include, but not be limited to, performing background investigations and criminal records checks on an applicant applying for licensure pursuant to the provisions of this article and investigating violations of any provision of this article or of any rule or regulation promulgated by the commission pursuant to paragraph (a) of this subsection (1) discovered as a result of such investigatory process or discovered by the department of revenue or the commission in the course of conducting its business. Nothing in this section shall prevent or impair the Colorado bureau of investigation or state or local law enforcement agencies from engaging in the activities set forth in this paragraph (c) on their own initiative.

(d) To conduct a continuous study and investigation of limited gaming throughout the state for the purpose of ascertaining any defects in this article or in the rules and regulations promulgated pursuant to this article in order to discover any abuses in the administration and operation of the division or any violation of this article or any rule or regulation promulgated pursuant to this article;

(e) To formulate and recommend changes to this article or any rule or regulation promulgated pursuant to this article for the purpose of preventing abuses and violations of this article or any of the rules or regulations promulgated pursuant to this article; to guard against the use of this article and such rules and regulations as a cloak for the conducting of illegal activities; and to ensure that this article and such rules and regulations shall be in such form and be so administered as to serve the true purpose and intent of this article;

(f) To report immediately to the governor, the attorney general, the speaker of the house of representatives, the president of the senate, the minority leaders of both houses, and such other state officers as the commission deems appropriate concerning any laws which it determines require immediate amendment to prevent abuses and violations of this article or any rule or regulation promulgated pursuant to this article or to remedy undesirable conditions in connection with the administration or the

operation of the division or limited gaming;

(g) To require such special reports from the director as it considers necessary;

(h) To issue temporary or permanent licenses to those involved in the ownership, participation, or conduct of limited gaming;

(i) Upon complaint, or upon its own motion, to levy fines and to suspend or revoke, licenses which the commission has issued;

(j) To establish and collect fees and taxes upon persons, licenses, and gaming devices used in, or participating in, limited gaming;

(k) To obtain all information from licensees and other persons and agencies which the commission deems necessary or desirable in the conduct of its business;

(l) To issue subpoenas for the appearance or production of persons, records, and things in connection with applications before the commission or in connection with disciplinary or contested cases considered by the commission;

(m) To apply for injunctive or declaratory relief to enforce the provisions of this article and any rules and regulations promulgated pursuant to this article;

(n) To inspect and examine without notice all premises wherein limited gaming is conducted or devices or equipment used in limited gaming are located, manufactured, sold, or distributed, and to summarily seize, remove, and impound, without notice or hearing from such premises any equipment, devices, supplies, books, or records for the purpose of examination or inspection;

(o) To enter into contracts with any governmental entity to carry out its duties without compliance with the provisions of the "Procurement Code", articles 101 to 112 of title 24, C.R.S. Such contracts or formal agreements, or both, are to be based on preestablished commission criteria specifying minimum levels of cooperation and conditions for payment.

(p) To exercise such other incidental powers as may be necessary to ensure the safe and orderly regulation of limited gaming and the secure collection of all revenues, taxes, and license fees;

(q) To establish internal control procedures for licensees, including accounting procedures, reporting procedures, and personnel policies;

(r) To establish and collect fees for performing background checks on all applicants for licenses and on all persons with whom the commission or division may agree with or contract with for the providing of goods or services, as the commission deems appropriate;

(s) To establish and collect fees for performing, or having performed, tests on equipment and devices to be used in limited gaming;

(t) To establish a field office in Black Hawk, Central City, or Cripple

Creek, as deemed necessary by the commission;

(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 his agent, pertaining to the gross income produced by any licensed gaming establishment and to require verification of income, and all other matters affecting the enforcement of the policies of the commission or any provision of this article; 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.

(2) Rules and regulations promulgated pursuant to subsection (1) of this section shall include, but shall not be limited to, the following:

(a) The types of limited gaming activities to be conducted and the rules for those activities;

(b) The requirements, qualifications, and grounds for the issuance, revocation, suspension, and summary suspension of all types of permanent and temporary licenses required for the conduct of limited gaming;

(c) Qualifications of persons to hold limited gaming licenses;

(d) Restrictions upon the times, places, and structures where limited gaming shall be authorized;

(e) The ongoing operation of limited gaming activities;

(f) The scope and conditions for investigations and inspections into the conduct of limited gaming, the background of licensees and applicants for licenses, the premises where limited gaming is authorized, all premises where gaming devices are located, the books and records of licensees, and the sources and maintenance of limited gaming devices and equipment;

(g) Activities which constitute fraud, cheating, or illegal or criminal activities;

(h) The percentage of the adjusted gross proceeds to be paid by each licensee to the commission, in addition to license fees and taxes;

(i) The seizure without notice or hearing of gaming equipment, supplies, or books and records for the purpose of examination and inspection;

(j) The disclosure of the complete financial interests of applicants for licenses or of licensees;

(k) The issuance or denial of support licenses by the director;

(l) The granting of certain licenses with special conditions or for limited periods, or both;

(m) The establishment of procedures for determining suitability or unsuitability of persons, acts, or practices;

(n) The payment of costs incurred in the operation and administration of the division, and the costs resulting from any contract entered into for consulting or operational services;

(o) The payment of costs incurred by the Colorado bureau of investigation and any other agencies for investigations or background checks, which shall be paid by applicants for licenses or by licensees;

(p) The levying of fines for violations of this article or any rule or regulation promulgated pursuant to this article;

(q) The amount of license fees for all types of licenses issued by the commission and the division;

(r) The conditions and circumstances which constitute suitability of persons, locations, and equipment for gaming;

(s) The types and specifications of all equipment and devices used in or with limited gaming; and

(t) All other provisions necessary to accomplish the purposes of this article.

12-47.1-401. Conflict of interest. (1) Members of the commission and employees of the division are declared to be in positions of public trust. In order to ensure the confidence of the people of the state in the integrity of the division, its employees, and the commission, the following restrictions shall apply:

(a) No member of the commission, an ancestor or descendant of a member, including a natural child, child by adoption, or stepchild, or a brother or sister of the whole or half blood of a member, or an uncle, aunt, nephew, or niece of the whole blood of a member, shall have any interest of any kind in a license issued pursuant to this article or own or have any interest in property in any county where limited gaming is permitted. The provisions of this paragraph (a) shall apply to spouses of commission members in like fashion as to members.

(b) No member of the commission or employee of the division, including the director, and no member of the immediate family of a member or employee of the division, shall have any interest, direct or indirect, in any licensee, licensed premises, establishment, or business involved in or with limited gaming. Further, no such person shall own, in whole or in part, property in the cities of Central, Black Hawk, or Cripple Creek; except that employees of the division assigned to work regularly in Gilpin or Teller county may live with their families in those counties, and may own private property therein for residential purposes, with commission approval.

(c) No member of the commission or employee of the division, including the director, and no member of the immediate family of a member of the commission or employee of the division, shall receive any gift, gratuity, employment, or other thing of value from any person, corporation, association, or firm that contracts with or that offers services, supplies, materials, or equipment used by the division in the normal course of its operations, or which is licensed by the division or the commission; except that such persons may accept on an infrequent basis in the normal course of business such nonpecuniary items of insignificant value as shall be allowed by the director and as shall be specified by the commission by rule and regulation;

(d) No member of the commission or employee of the division, including the director, and no member of their immediate families, shall participate in limited gaming; and

(e) No member of the commission or employee of the division, including the director, shall have been convicted of a felony or any gambling-related offense, notwithstanding the provisions of section 24-5-101, C.R.S.

(1.5) Notwithstanding the provisions of subsection (1) of this section, the commission may, by rule, determine that an ownership interest of no more than five percent held by or through an institutional investor fund does not constitute an interest under paragraphs (a) and (b) of subsection (1) of this section.

(2) For purposes of investigating violations of this article, the provisions of paragraphs (c) and (d) of subsection (1) of this section shall not apply to an employee of the division acting in his official capacity while on duty.

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

(a) **Slot machine manufacturer or distributor.** A slot machine manufacturer or distributor license is required for all persons who import, manufacture, or distribute slot machines in this state, or who otherwise act as a slot machine manufacturer or distributor. Each license issued pursuant to this paragraph (a) shall expire 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.

(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 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. A licensed operator shall obtain slot machines only from, and shall return or slot machines only to, 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).

(c) **Retail gaming license.** A retail gaming license is required for all persons permitting or conducting limited gaming on their premises. A retail gaming license may only be granted to a retailer. Each person licensed as a retailer shall have and maintain sole and exclusive legal possession of the entire premises for which the retail license is issued. Each license issued pursuant to this paragraph (c) shall expire 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. A licensed retailer shall obtain slot machines only from, and shall return or sell slot machines only to, a licensed manufacturer or distributor. Slot machine transfers between licensed retailers directly and completely owned by the same person are allowed, if proper notification is given to the division.

(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 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.

(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 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.

12-47.1-502. Registration of employees. *(Repealed, 1996)*

12-47.1-503. Key employee – determination of status. If, in the determination of the commission, an employee of a licensee for limited gaming is a key employee and as such is subject to licensure, the commission shall serve notice of such determination upon the licensee who employed such key employee. In determining whether or not an employee is a key employee, the commission is not restricted by the title of the job performed by such employee but may consider the functions and responsibilities of such employee in making its decision. The licensee shall, within thirty days following receipt of the notice of the commission's determination, present the application for licensing of such employee to the commission or provide documentary evidence that such employee is no longer employed by the licensee. Failure of the licensee to respond as required by this section is grounds for disciplinary action. A person subject to application for licensing as a key employee may make written request to the commission to review its determination of such person's status within the gaming organization. If the commission determines that the person is not a key employee, such person shall be allowed to withdraw his application and continue in his employment. The request by an employee for review of his employment status does not stay the obligation of the licensee to present such employee's application to the commission within the thirty-day period prescribed by this section.

12-47.1-504. Licenses – revocable – nontransferable. Every license issued pursuant to this article is revocable and nontransferable. No licensee acquires any vested interest or property right in a license. The gaming licenses issued pursuant to this article are only for the particular location initially authorized. The revocable privilege for any license issued or other approval granted is conditioned upon the proper and continuing qualification of the licensee or registrant and upon the discharge of the affirmative responsibility of each such licensee or registrant to provide to the regulatory, investigatory, and law enforcement authorities any assistance and information necessary to assure that the policies and requirements of this article are achieved.

12-47.1-505. Operator, slot machine manufacturer or distributor, key employee, support licensee, or retailer – qualifications for licensure. Prior to a person's licensure as an operator, slot machine manufacturer or distributor, key employee, support licensee, or retailer, such person shall, in addition to meeting any other requirements imposed by this article, the commission, or any rule or regulation promulgated

pursuant to this article, show that he is of good moral character. Such person has the burden of proving his qualifications to the satisfaction of the commission. Such person shall submit to and pay for any background investigations as may be ordered by the commission. All such payments shall be deposited into the limited gaming fund.

12-47.1-506. Considerations for licensure. In considering whether a person is of good moral character for purposes of issuing any license pursuant to this article, or for any other purposes, the commission may, in addition to all other information, consider whether that person has been denied a gaming license by this or any other jurisdiction, city, state, or country, or whether the person has ever had a gaming license in this or any other jurisdiction, city, state, or country suspended or revoked. The commission may also consider whether a person has ever withdrawn an application for any type of gaming license anywhere and the reasons for such withdrawal.

12-47.1-507. Temporary or conditional licenses. The commission may issue temporary or conditional licenses with respect to all licenses authorized under this article.

12-47.1-508. Delegation of authority to issue certain licenses. The commission may delegate 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.

12-47.1-509. Licensed premises - retail floor plan - definitions. (1) For purposes of this section, "retail floor plan" means a physical layout of the inside of the building in which limited gaming will take place, which shall show the location of the licensed premises within the building.

(2) The retail floor plan shall be submitted to the commission with an applicant's application for a retail gaming license. Approval of the retail floor plan is subject to commission rules and those rules pertaining to the public health, safety, good order, and general welfare of the cities of Central, Black Hawk, and Cripple Creek. All gaming devices shall be located within the licensed premises of a business.

(3) A licensed retailer may change the physical location of the licensed premises with the approval of the commission, the director, or the director's designee; however, in no event shall the licensed premises as modified violate any provision of this article or consist of more than two noncontiguous areas on one floor. Failure of the commission, the director,

or the director's designee to deny an application to relocate the licensed premises in a building, within thirty days of such application, shall be deemed an approval thereof.

12-47.1-510. License – disqualification – criteria. (1) The commission shall deny a license to any applicant who is disqualified for licensure on the basis of any of the following criteria:

(a) Failure of the applicant to prove by clear and convincing evidence that the applicant is qualified in accordance with the provisions of this article;

(b) Failure of the applicant to provide information, documentation, and assurances required by this article or requested by the commission, failure of the applicant to reveal any fact material to qualification, or the supplying of information which is untrue or misleading as to a material fact pertaining to the qualification 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) Service of a sentence upon conviction of a felony in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department within ten years prior to the date of the application, notwithstanding the provisions of section 24-5-101, C.R.S.;

(II) Service of a sentence upon conviction of any misdemeanor gambling-related offense or misdemeanor theft by deception in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department within ten years prior to the date of the application, notwithstanding section 24-5-101, C.R.S.;

(III) Service of a sentence upon conviction of any misdemeanor involving fraud or misrepresentation in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department within ten years prior to the date of the application, notwithstanding the provisions of section 24-5-101, C.R.S.;

(IV) Service of a sentence upon conviction of any gambling-related felony or felony involving theft by deception in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department, notwithstanding the provisions of section 24-5-101, C.R.S.;

(V) Service of a sentence upon conviction of any felony involving

fraud or misrepresentation in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department, notwithstanding the provisions of section 24-5-101, C.R.S.;

(d) Current prosecution or pending charges in any jurisdiction against the applicant, or against any person listed in paragraph (c) of this subsection (1), for any of the offenses enumerated in paragraph (c) of this subsection (1); except that, at the request of the applicant or the person charged, the commission shall defer decision upon such application during the pendency of such charge;

(e) The identification of the applicant or any person listed in paragraph (c) of this subsection (1) as a career offender or a member of a career offender cartel or an associate of a career offender or a career offender cartel in such a manner which creates a reasonable belief that the association is of such a nature as to be inimical to the policy of this article and to gaming operations. For purposes of this section, "career offender" means any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal violations of the public policy of this state. For purposes of this section, "career offender cartel" means any group of persons who operate together as career offenders.

(f) Refusal to cooperate by the applicant or any person who is required to be qualified under this article with any legislative investigatory body or other official investigatory body of any state or of the United States when such body is engaged in the investigation of crimes relating to gaming, official corruption, or organized crime activity;

(g) 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 is or has been a professional gambler as that term is defined in article 10 of title 18, C.R.S.

12-47.1-511. Applicants and licensees – providing information. (1) All applicants for licenses issued by the commission, and all persons holding such licenses, including all persons interested, directly or indirectly, in the gaming business or license held by an applicant or licensee, shall upon request by the commission or division provide handwriting exemplars, and each such person shall allow himself or herself to be photographed in accordance with procedures established by the commission.

(2) Upon issuance of a formal request or subpoena by the commission to answer or produce information, evidence, or testimony, each applicant

and licensee shall comply with the request or subpoena. Where an applicant or licensee, or any employee or person interested, directly or indirectly, in either refuses or fails to comply with a commission request or subpoena, then that person's license or application may be suspended, revoked, or denied, based solely upon such failure or refusal.

(3) With the submission of an application for a license or an application for a finding of suitability pursuant to this article, each applicant shall submit a set of fingerprints to the commission. The commission shall forward such 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. Nothing in this subsection (3) shall preclude the commission from making further inquiries into the background of the applicant.

12-47.1-512. Application – fee – waiver of confidentiality. (1) The commission may establish investigation and application fees for the purpose of paying for the administrative costs of the commission and for paying for any background investigations of applicants and others. These fees may vary depending on the type of application, the complexity of the investigation, or the costs of the commission in reviewing the matters involved.

(2) The application form created by the commission shall include a waiver of any right of confidentiality and a provision which allows the information contained in the application to be accessible to law enforcement agents of this or any other state, the government of the United States, any foreign country, or any Indian tribe. The waiver of confidentiality shall extend to any financial or personnel record, wherever maintained.

12-47.1-513. Supplier of licensee – licensure requirements. (1) Except as otherwise provided in subsection (2) of this section, any person supplying goods, equipment, devices, or services to any licensee in return for payment of a percentage, or calculated upon a percentage, of limited gaming activity or income must obtain an operator license or must be listed on the retailer's license where such limited gaming will take place.

(2) A licensed slot machine manufacturer or distributor need not obtain an operator's license or be listed on a retailer's license for purposes of establishing and administering a fund associated with a multiple-property, linked, progressive slot machine system as defined by the commission, so long as all of the following conditions are met:

(a) The manufacturer or distributor shall deposit in the fund and shall account, subject to supervision by the commission, for those moneys derived from wagering in machines linked to the system which are due to the manufacturer or distributor pursuant to its agreement with the retail licensee.

(b) The manufacturer or distributor shall maintain a separate account for the fund associated with each progressive system.

(c) The manufacturer or distributor shall retain as compensation only a flat, predetermined fee per machine. Operating costs of the system, including payment of prizes, may be disbursed from the fund.

(d) Machines linked to the system shall be placed only in premises controlled by a licensed operator or retailer.

12-47.1-514. Application – authorization for background investigations. By signing and filing an application for a license, which is hereby made subject to the perjury laws of this state, the applicant authorizes the commission to obtain information from any source, public or private, in this or any other country, regarding the background or conduct of the applicant and, if the applicant is a partnership or corporation, any of its shareholders, officers, directors, partners, agents, or employees.

12-47.1-515. License – grounds for approval or denial. The commission may approve or deny any application for a license, in addition to all other conditions and requirements set forth in this article and the rules and regulations promulgated pursuant thereto, on the basis of whether it deems the applicant a suitable person to hold the license applied for and whether it considers the proposed location, retail floor plan, or any other conditions suitable. Refusal of an applicant to provide all information requested by the commission or to allow investigation into the applicant's background is grounds for denial of a license. Information requested from the applicant by the commission shall include the applicant's date of birth in addition to other information necessary to identify and investigate fully the record and relevant history of the applicant.

12-47.1-516. Licensed premises – safety conditions – fire and electrical. (1) (a) The building in which limited gaming will be conducted and the areas where limited gaming will occur shall meet safety standards and conditions for the protection of life and property as determined by the local fire official and the local building official. In making such determinations, the codes adopted by the director of the division of fire safety pursuant to section 24-33.5-1203.5, C.R.S., shall constitute the

minimum safety standards for limited gaming structures, except that, in connection with structures licensed for limited gaming and operating as such on or before July 1, 2011, any newly adopted building codes shall not be applied retroactively to structures that were newly constructed or remodeled to accommodate licensed limited gaming.

(b) The local building official and the local historical preservation commission shall work together to ensure that neither historical preservation of existing buildings nor the safety of life are compromised.

(2) A certificate of compliance shall be issued to an applicant for a premises license by the local fire and building officials, and approved by the division of fire safety. A copy of the local inspection report shall be filed with the state division of fire safety. Once the division has deemed that the minimum requirements for fire safety have been met, the division shall approve the certificate of compliance within five working days from receipt of the inspection report. If not acted upon within five days, the certificate of compliance shall be considered approved. Such certificate shall be current and valid and shall cover the entire building where limited gaming is conducted.

(3) *(Repealed 2011)*

(4) In advance of any structural or significant change to the building or areas where limited gaming is conducted, the plans for such a change shall be submitted by the licensee holding a premises license to the local fire official and the local building official for their review. No changes may be made to the building or areas where limited gaming is conducted until the plans are approved by the local fire official and the local building official.

(5) The state division of fire safety and the state historical society shall provide technical assistance to the local building officials, the local fire officials, the local historical preservation commissions, and the commission upon request.

(6) The commission shall act as an appeals board for any owner, fire official, building official, or the division of fire safety who feels aggrieved by fire and life safety requirements or the lack of fire and life safety standards in buildings in which limited gaming will be conducted. If the commission fails to act upon an appeal within fourteen days after its receipt by the commission, the certificate of compliance shall be considered approved.

12-47.1-517. Buildings – accessible to persons with disabilities. (1) All premises where limited gaming is conducted shall be accessible to and functional for persons with physical disabilities.

(2) An exception to the requirement of subsection (1) of this section

may be granted in cases where the local historical preservation commission determines that compliance would result in degradation of the historical significance of the building where limited gaming is conducted.

12-47.1-518. Waiver from liability – state of Colorado – disclosures or publications. All applicants, registrants, and licensees shall waive liability as to the state of Colorado and its instrumentalities and agents for any damages resulting from any disclosure or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings.

12-47.1-519. Renewal of licenses. (1) Subject to the power of the commission to deny, revoke, or suspend licenses, any license in force shall be renewed by the commission for the next succeeding license period upon proper application for renewal and payment of license fees and taxes as required by law and the regulations of the commission. The license period for a renewed license shall be the same period as the initial license period pursuant to section 12-47.1-501. In addition, the commission shall reopen licensing hearings at any time at the request of the director, Colorado bureau of investigation, or any law enforcement authority. The commission shall act upon any such application prior to the date of expiration of the current license.

(2) An application for renewal of a license may be filed with the commission 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

(3) Upon renewal of any license, the commission shall issue an appropriate renewal certificate or validating device or sticker which shall be attached to each license.

(4) Renewal of a license may be denied by the commission for any violation of this article or article 20 of title 18, C.R.S., or the rules and regulations promulgated pursuant thereto, for any reason which would or could have prevented its original issuance, or for any good cause shown.

12-47.1-520. Denial of application. (1) Any person, or anyone who has an ownership interest of five percent or more in the person:

(a) Whose application has been denied by the commission may not reapply for licensure until at least one year has elapsed from the date of denial;

(b) Who has been denied a license for a second time may not reapply until at least three years have passed since the date of the second denial.

12-47.1-521. Appeal of final action of commission. Any person aggrieved by a final action of the commission may appeal the final action to the court of appeals pursuant to section 24-4-106, C.R.S.

12-47.1-522. Executive and closed meetings. (1) The commission may hold executive or closed meetings for any of the following purposes:

(a) Considering applications for licensing when discussing background investigations or personal information;

(b) Meeting with gaming officials of other jurisdictions, the attorney general, the district attorney for either Teller or Gilpin county, or law enforcement officials in connection with possible criminal violations;

(c) Consulting with the executive director, director, employees, or agents of the commission concerning possible criminal violations or any security issues;

(d) Deliberations after hearing evidence in an informal consultation or in a contested case.

12-47.1-523. Communications – privileged and confidential. Communications among the commission, executive director, and the director relating to licensing, disciplining of licensees, or violations by licensees are privileged and confidential if made lawfully and in the course of or in furtherance of the business of the commission, except pursuant to court order after an in-camera review. The executive director, director, the commission, or any member of the commission may claim this privilege.

12-47.1-524. Summary suspension. Every license granted pursuant to this article may be summarily suspended by the commission, pending a hearing before the commission, upon such terms and conditions as the commission shall by rule and regulation mandate.

12-47.1-525. Suspension or revocation of license – grounds – penalties. (1) (a) Any license granted pursuant to this article may be revoked for any cause that would have prevented its issuance, including those causes set forth in sections 12-47.1-510 and 12-47.1-801.

(b) Any license granted pursuant to this article may be suspended or revoked for any violation by the licensee or any officer, director, agent, member, or employee of a licensee of this article, any rule promulgated by the commission, any provision of part 6 of article 35 of title 24, C.R.S., or any rule promulgated by the executive director of the department of

revenue pursuant to section 24-35-607 (3), C.R.S., or for conviction of a crime, after notice to the licensee and a hearing upon proof by a preponderance of the evidence as determined by the commission. In addition to revocation or suspension, or in lieu of revocation or suspension, the commission may impose a reprimand or a monetary penalty not to exceed the following amounts:

(I) If the licensee is a slot machine manufacturer or distributor, the amount of one hundred thousand dollars;

(II) If the licensee is an operator, the amount of twenty-five thousand dollars;

(III) If the licensee is a retailer, the amount of twenty-five thousand dollars;

(IV) If the licensee is a key employee, the amount of five thousand dollars;

(V) If the licensee holds a support license, the sum of two thousand five hundred dollars.

(2) Any monetary penalty received by the commission pursuant to this section shall be deposited in the limited gaming fund established in section 12-47.1-701.

(3) The civil penalties set forth in this section shall not be a bar to any criminal prosecution or to any civil or administrative prosecution.

12-47.1-526. Commission hearings – testimony. In any hearing held by the commission pursuant to this article, the commission may apply to the district attorney having jurisdiction to prosecute the underlying criminal matter for orders pursuant to section 13-90-118, C.R.S., to compel testimony.

12-47.1-527. Records – confidentiality – exceptions. (1) Information and records of the commission enumerated by this section are confidential and may not be disclosed except pursuant to a court order. No person may by subpoena, discovery, or statutory authority obtain such information or records. Information and records considered confidential include:

(a) Tax returns of individual licensees;

(b) Credit reports and security reports and procedures of applicants for licenses and other persons seeking or doing business with the commission;

(c) Audit work papers, worksheets, and auditing procedures used by the commission, its agents, or employees; and

(d) Investigative reports concerning violations of law or concerning the backgrounds of licensees, applicants, or other persons prepared by division investigators or investigators from other agencies working with the commission and any work papers related to such reports; except that

the commission may in its sole discretion disclose so much of said reports or work papers as it deems necessary and prudent.

(2) This section does not apply to requests for such information or records from the governor, attorney general, state auditor, any of the respective district attorneys of this state, or any federal or state law enforcement agency, or for the use of such information or records by the executive director, director, or commission for official purposes, or by employees of the division of gaming or the department of revenue in the performance of their authorized and official duties.

(3) This section may not be construed to make confidential the aggregate tax collections during any reporting period, the names and businesses of licensees, or figures showing the aggregate amount of money bet during any reporting period.

(4) (a) Any person who discloses confidential records or information in violation of the provisions of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S. Any criminal prosecution pursuant to the provisions of this section must be brought within five years from the date the violation occurred.

(b) If the person who violates this section is an officer or employee of the state, in addition to any other penalties or sanctions, such person shall be subject to dismissal if the procedures in section 24-50-125, C.R.S., are followed.

(c) If the person violating such provisions is a present employee or officer of the state who obtained the confidential records or information during such employment, then in any civil action, the subject of which includes the release of such confidential records or information, such person shall be liable for treble damages to any injured party.

(d) If the person violating such provisions is a former employee or officer of the state who obtained the confidential records or information during such employment, and if such person executed a written statement with the state agreeing to be held to the confidentiality standards expressed in this subsection (4), then in any civil action, the subject of which includes the release of such records or information after leaving state employment, the former employee or officer shall be liable for treble damages to any injured party.

12-47.1-528. Executive director and director have access to files and records. The executive director and the director shall have access both physically and electronically to all files and records kept, or required to be maintained, and may contribute to those records.

12-47.1-529. Licensees – duty to maintain records. Each licensee

shall keep a complete set of books of account, correspondence, and all other records necessary to show fully the gaming transactions of the licensee, all of which shall be open at all times during business hours for the inspection and examination of the division or its duly authorized representatives. The division may require any licensee to furnish such information as the division considers necessary for the proper administration of this article and may require an audit to be made of such books of account and records on such occasions as the division considers necessary by an auditor, selected by the commission or the director, who shall likewise have access to all such books and records of the licensee, and the licensee may be required to pay the expense thereof.

12-47.1-530. Businesses operating in compliance with section 18-10-105 (1.5), C.R.S. Nothing in this article shall be construed to affect a manufacturer who, prior to June 4, 1991, was operating a business in compliance with section 18-10-105 (1.5), C.R.S.

12-47.1-531. Payments of winnings - intercept - conditional repeal. (1) Before making a payment of cash gaming winnings for which the licensee is required to file form W-2G, or a substantially equivalent form, with the United States internal revenue service, a licensee shall comply with the requirements of part 6 of article 35 of title 24, C.R.S.

(2) *(Repealed, 2009)*

12-47.1-601. Gaming tax. (1) There is hereby imposed a gaming tax on the adjusted gross proceeds of gaming allowed by this article. The tax shall be set by rule promulgated by the commission. In no event shall the tax exceed forty percent of the adjusted gross proceeds. In setting the tax rate the commission shall consider the need to provide moneys to the cities of Central, Black Hawk, and Cripple Creek for historic restoration and preservation; the impact on the communities and any state agency including, but not limited to, infrastructure, law enforcement, environment, public health and safety, education requirements, human services, and other components due to limited gaming; the impact on licensees and the profitability of their operations; the profitability of the other "for-profit" forms of gambling in this state; the profitability of similar forms of gambling in other states; and the expenses of the commission and the division for their administration and operation. The commission shall also consider the following:

(a) The amount shall never exceed the percentage provided in paragraph (a) of subsection (5) of section 9 of article XVIII of the state constitution;

(b) The amount shall be established in conformity with the spirit and interest of this article so as to encourage business growth and investment in the gaming industry and to permit licensed operations, under normal business conditions and operation procedures, to realize a fair and just profit;

(c) The amount shall take into account unreimbursed local financial burdens associated with limited gaming-related operations;

(d) The amount shall take into account profit levels after expenses of other "for profit" gaming in Colorado and similar forms of gaming in other states;

(e) The amount shall take into account capital costs required to comply with local, state, or federal requirements; financial reserves required by the commission for payments to winners; and investments necessitated by regulatory requirements of the commission;

(f) The amount shall permit the licensed operator a reasonable profit after expenses, including:

(I) Capital costs associated with the licensed premises;

(II) Capital costs associated with limited gaming equipment;

(III) Capital costs required to comply with local or state requirements;

(IV) Extraordinary operating costs, including the provision of housing or transportation, or both, for employees;

(V) Initial costs associated with commencement of limited gaming;

(VI) Financial reserves required by the commission for payments to winners;

(VII) Investments necessitated by regulatory requirements of the commission; and

(g) If local voters in one or more cities revise any limits on gaming as provided in section 9 (7) (a) of article XVIII of the state constitution:

(I) Any commission action that increases the percentage of gaming taxes from the percentages imposed as of July 1, 2008, shall be effective only if approved by voters at a statewide election held under section 20 (4) (a) of article X of the state constitution; and

(II) Gaming tax revenues attributable to such locally approved revisions shall be collected and spent as a voter-approved revenue change without regard to any limitation contained in section 20 of article X of the state constitution or any other law.

(2) (a) The department of revenue shall collect the amount of gaming tax on adjusted gross proceeds determined pursuant to subsection (1) of this section from the licensed retailer and shall have all of the powers, rights, and duties provided in articles 20, 21, and 26 of title 39, C.R.S., to carry out such collection. The commission shall authorize reimbursement to the department of revenue of the costs associated with collection of

gaming tax on adjusted gross proceeds from licensed operators pursuant to subsection (1) of this section, upon documentation of such costs satisfactory to the commission.

(b) All moneys collected pursuant to this section shall be deposited in the limited gaming fund created by subsection (5) (a) of section 9 of article XVIII of the state constitution.

(1.5) When adopting or amending any rule affecting the applicable tax rate or any other attribute or policy relating to application of the gaming tax authorized by subsection (1) of this section, the commission shall consider the impact on recipients of limited gaming tax proceeds, including those from extended limited gaming.

12-47.1-602. Return and remittance. Not later than fifteen days following the end of each retail month, each licensed retailer shall make a return and remittance to the director on forms prescribed and furnished by the director. The director may grant an extension of not more than five days for filing a return and remittance; except that the director shall not grant more than two extensions during any one-year period. Unless an extension is granted, a penalty or interest under section 12-47.1-604 shall be paid if a return or remittance is not made on time.

12-47.1-603. Violations of taxation provisions – penalties. (1) Any person who:

(a) Makes any false or fraudulent return in attempting to defeat or evade the tax imposed by this article commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.;

(b) Fails to pay tax due under this article within thirty days after the date the tax becomes due commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.;

(c) Fails to file a return required by this article within thirty days after the date the return is due commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.;

(d) Violates either paragraph (b) or (c) two or more times in any twelve-month period commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.;

(e) Willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under or in connection with any matter arising under any title administered by the commission or a return, affidavit, claim, or other document which is fraudulent or is false as to any material fact, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document commits a class 5 felony and shall be punished as provided in

section 18-1.3-401, C.R.S.

(2) For purposes of this section, "person" includes corporate officers having control or supervision of, or responsibility for, completing tax returns or making payments pursuant to this article.

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, 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.

(2) The procedures for collection of any taxes and penalties due under this article and the authority of the department of revenue to collect such taxes and penalties shall be the same as those provided for the collection of sales taxes pursuant to articles 20, 21, and 26 of title 39, C.R.S.

12-47.1-605. Local jurisdiction. Nothing in this article shall impair or otherwise affect the power of the municipalities where limited gaming is authorized to impose a fee upon gaming devices used in limited gaming.

12-47.701. *(Repealed and ReEnacted March 25, 2011)*

12-47.1-701. Limited gaming fund. (1) There is hereby created in the office of the state treasurer the limited gaming fund. The fund shall be maintained and operated as follows:

(a) All revenues of the division shall be paid into the limited gaming fund. All expenses of the division and the commission, including the expenses of investigation and prosecution relating to limited gaming, shall be paid from the fund.

(b) (I) All moneys paid into the limited gaming fund shall be available immediately, without further appropriation, for the purposes of the fund. From the moneys in the limited gaming fund, the state treasurer is hereby authorized to pay all ongoing expenses of the commission, the department, the division, and any other state agency from whom assistance related to the administration of this article is requested by the commission, director, or executive director. Such payment shall be made upon proper presentation of a voucher prepared by the commission in accordance with other statutes governing payments of liabilities incurred on behalf of the state. Such payment shall not be conditioned on any appropriation by the general assembly. Receipt of such payment shall constitute spending authority by the division of gaming in the department of revenue.

(II) No claim for the payment of any expense of the commission, department, division, or other state agency shall be made unless it is against the limited gaming fund. No other moneys of the state shall be used or obligated to pay the expenses of the division or commission.

(III) The division shall be operated so that it shall be self-sustaining.

(c) The state treasurer shall invest the moneys in the limited gaming fund so long as said moneys are readily available to pay the expenses of the division. Investments shall be those otherwise permitted by state law, and interest or any other return on the investments shall be paid into the limited gaming fund.

(d) Pursuant to section 9 (5) (b) (II) of article XVIII of the state constitution, except for amounts required to be transferred to the extended limited gaming fund pursuant to section 12-47.1-701.5, and except for an amount equal to all expenses of the administration of this article for the preceding two-month period, at the end of each state fiscal year, the state treasurer shall distribute the balance remaining in the limited gaming fund as follows:

(I) Fifty percent shall be referred to in this section as the "state share" and shall be transferred to the state general fund or such other fund as the general assembly shall provide in subsection (2) of this section;

(II) Twenty-eight percent shall be transferred to the state historical fund created in section 9 (5) (b) (II) of article XVIII of the state constitution and distributed as specified in section 9 (5) (b) (III) of article XVIII of the state constitution and section 12-47.1-1201;

(III) Twelve percent shall be distributed to the governing bodies of Gilpin county and Teller county in proportion to the gaming revenues generated

in each county; and

(IV) The remaining ten percent shall be distributed to the governing bodies of the cities of Central, Black Hawk, and Cripple Creek in proportion to the gaming revenues generated in each respective city.

(2) (a) Except as provided in paragraph (b) of this subsection (2), at the end of the 2010-11 state fiscal year and at the end of each state fiscal year thereafter, the state treasurer shall distribute the state share as follows:

(I) The first nineteen million two hundred thousand dollars of the state share shall be transferred to the state general fund;

(II) Any amount of the state share that is greater than nineteen million two hundred thousand dollars but less than or equal to forty-eight million five hundred thousand dollars shall be transferred as follows:

(A) Fifty percent to the Colorado travel and tourism promotion fund created in section 24-49.7-106, C.R.S.;

(B) Eighteen percent to the bioscience discovery evaluation cash fund for the implementation of the bioscience discovery evaluation grant program, created in section 24-48.5-108, C.R.S.;

(C) Fifteen percent to the local government limited gaming impact fund created in section 12-47.1-1601;

(D) Seven percent to the innovative higher education research fund created in section 23-19.7-104, C.R.S.

(E) Five percent to the new jobs incentives cash fund created in section 24-46-105.7, C.R.S.;

(F) Four percent to the creative industries cash fund, created in section 24-48.5-301, C.R.S., for purposes of the council on creative industries, including the administration of the council; and

(G) One percent to the creative industries cash fund, created in section 24-48.5-301, C.R.S., for the operation of the Colorado office of film, television, and media and for the performance-based incentive for film production in Colorado as specified in section 24-48.5-311 (1), C.R.S.

(III) Any amount of the state share that is greater than forty-eight million five hundred thousand dollars shall be transferred to the state general fund.

(b) If a transfer specified in subparagraph (II) of paragraph (a) of this subsection (2) provides moneys for a purpose or program that is repealed or otherwise discontinued as of the date of the transfer, then the transfer shall not be made to that particular fund but shall instead be transferred to the state general fund.

(3) *(Repealed 2011)*

(4) (a), (b), (c), (d) *(Repealed 2011)*

(4) (e) (I) (A) and (4) (e) (I) (C) *(Repealed 2011)*

12-47.1-701.5. Revenues attributable to local revisions to gaming limits - extended limited gaming fund - identification - separate administration - distribution - definitions. (1) (a) Immediately after the limited gaming tax revenues attributable to extended limited gaming are determined, the state treasurer shall transfer such revenues, together with any associated interest, to the extended limited gaming fund, also referred to in this section as the "fund", which is hereby created in the state treasury.

(b) The commission shall annually determine the amount of gaming tax revenues generated in each city from extended limited gaming and shall report such amounts to the state treasurer.

(2) Interest earned on moneys in the fund shall remain in the fund, and moneys remaining in the fund at the end of any fiscal year shall not revert to the general fund or to any other fund. Interest earnings shall be distributed annually in accordance with paragraph (c) of subsection (3) of this section.

(3) From the fund, the state treasurer shall pay:

(a) First, that portion of the ongoing expenses of the commission and other state agencies that are related to the administration of extended limited gaming, as determined in accordance with rules of the commission. When making annual lump-sum distributions from the fund as described in subsection (5) of this section, the state treasurer may withhold an amount reasonably anticipated to be sufficient to pay such expenses until the next annual distribution.

(b) Second, annual adjustments, in connection with distributions to limited gaming fund recipients listed in section 9 (5) (b) (II) of article XVIII of the state constitution, to reflect the lesser of six percent, or the actual percentage, of annual growth in extended limited gaming tax revenues. As used in this paragraph (b), "annual adjustment" means an annual payment to limited gaming fund recipients listed in section 9 (5) (b) (II) of article XVIII of the state constitution, calculated as follows:

(I) For revenues collected in fiscal year 2009-10, the payment shall equal six percent of the first year's limited gaming revenues attributable to extended limited gaming.

(II) For each fiscal year after 2009-10, the annual payment shall be increased or decreased as follows and shall constitute the annual adjustment:

(A) For any year in which the annual growth of limited gaming revenues attributable to extended limited gaming exceeds or equals six percent, add an amount equal to six percent of said revenues;

(B) For any year in which the annual growth in limited gaming revenues attributable to extended limited gaming is between zero and six

percent, add an amount equal to the actual percentage growth of said revenues;

(C) For any year in which limited gaming tax revenues experience a decline, subtract an amount equal to the actual percentage decline of said revenues.

(III) Nothing in this paragraph (b) shall be construed to permit compounding or accumulation of the annual adjustment.

(c) Of the remaining gaming tax revenues, distributions in the following proportions:

(I) Seventy-eight percent to the state's public community colleges, junior colleges, and local district colleges to supplement existing state funding for student financial aid programs and classroom instruction programs, including workforce preparation to enhance the growth of the state economy, to prepare Colorado residents for meaningful employment, and to provide Colorado businesses with well-trained employees. Such revenue shall be distributed to colleges that were operating on and after January 1, 2008, in proportion to their respective full-time equivalent student enrollments in the previous fiscal year. For purposes of such distribution, the state treasurer shall use the most recent available figures on full-time equivalent student enrollment calculated by the Colorado commission on higher education in accordance with paragraph (c) of subsection (4) of this section.

(II) Ten percent to the governing bodies of the cities of Central, Black Hawk, and Cripple Creek to address local gaming impacts. Such revenue shall be distributed based on the proportion of extended limited gaming tax revenues that are paid by licensees operating in each city.

(III) Twelve percent to the governing bodies of Gilpin and Teller counties to address local gaming impacts. Such revenue shall be distributed based on the proportion of extended limited gaming tax revenues that are paid by licensees operating in each county.

(4) **Definitions.** As used in this section:

(a) “Colleges that were operating on and after January 1, 2008” means: Aims community college, Arapahoe community college, Colorado mountain college, Colorado Northwestern community college, the community college of Aurora, the community college of Denver, Front Range community college, Lamar community college, Morgan community college, Northeastern junior college, Otero junior college, Pikes Peak community college, Pueblo community college, Red Rocks community college, Trinidad state junior college, the two-year role and mission of Colorado Mesa university, currently referred to as western Colorado community college division of Colorado Mesa university, the two-year academic role and mission of Adams state college, and the state board for

community colleges and occupational education, for so long as each such college or board continues operating.

(b) "Extended limited gaming" means the extension of hours, games, or bet limits by a local vote in accordance with section 9 (7) (a) of article XVIII of the state constitution.

(c) (I) "Full-time equivalent student enrollment" means the number of in-state, full-time equivalent students enrolled at a college, as determined in accordance with article 7 of title 23, C.R.S., and the eligibility parameters contained in the "Policy for Reporting Full-Time Equivalent Student Enrollment" published as of January 1, 2008, by the Colorado commission on higher education, pursuant to its authority under section 23 -1-105, C.R.S. The Colorado commission on higher education shall determine the full-time equivalent student enrollment for each college no later than August 15 of each year. For purposes of calculating a college's in -state, full-time equivalent student enrollment for any fiscal year, the number of students enrolled in certificate, AA, AS, AGS, or AAS degree courses and programs, as well as the nondegree-seeking students who are included as part of the community college role and mission for purposes of application to the department of higher education and enrollments in developmental courses by any students, regardless of degree intent, reported by the college to the department of higher education in its final student FTE report for that fiscal year shall be presumed correct; except that the following students shall be excluded:

(A) Students who are admitted to a college on a competitive basis and are not enrolled in certificate, AA, AS, AGS, or AAS developmental or vocational courses;

(B) Students who are admitted pursuant to the Colorado commission on higher education's undergraduate admissions standard index for a college or within the Colorado commission on higher education's admissions window for a college and are not enrolled in certificate, AA, AS, AGS, or AAS developmental or vocational courses; and

(C) Students who are enrolled in classes that are not supported by state general fund moneys.

(II) With respect to the two-year mission at Adams state college, full-time equivalent student enrollment shall be limited to enrollment in the associate's degree programs that existed as of November 4, 2008.

(d) "Limited gaming tax revenues attributable to extended limited gaming" means all limited gaming tax revenue in excess of the amount collected during fiscal year 2008-09, adjusted as follows:

(I) For revenues collected in fiscal year 2009-2010, reduced by a three percent growth factor on the 2008-2009 base of limited gaming tax revenues, which amount shall be added to the base and shall constitute the

adjusted base; and

(II) Thereafter:

(A) Reduced by a three percent per fiscal year growth factor on the previous year's adjusted base, which growth factor shall be added to the previous fiscal year's adjusted base and shall constitute the new adjusted base; or

(B) If growth in limited gaming tax revenues is between zero and three percent in any fiscal year, the growth factor on the previous fiscal year's adjusted base shall be the actual percentage growth in limited gaming tax revenues, which shall be added to the previous fiscal year's adjusted base; or

(C) If limited gaming tax revenues decline from year to year, the previous fiscal year's adjusted base shall be reduced by the actual percentage decline in limited gaming tax revenue.

(e) "Other state moneys appropriated or otherwise allocated for similar programs or purposes" means all moneys distributed from the general fund of the state by the general assembly for higher education or for the support of any institution of higher education, including without limitation the colleges listed in paragraph (a) of this subsection (4). If the total amount of spending described in this paragraph (e) is reduced from one state fiscal year to the next, the percentage of such reduction for the colleges listed in paragraph (a) of this subsection (4) shall not exceed the percentage of reduction in total general fund operating funding, including college opportunity fund stipends and fee-for-service funds, for all institutions of higher education during the same state fiscal year.

(f) "Previous fiscal year" means, with respect to a college receiving moneys under this section, the fiscal year immediately preceding the fiscal year in which moneys are made available to the college pursuant to this section.

(5) **Method of distribution - distribution to colleges - relationship to funding from other sources.** (a) On or before September 1 of each year, the state treasurer shall distribute all moneys from the fund to the recipients identified in paragraph (c) of subsection (3) of this section in the form of lump-sum payments. Distribution to colleges listed in paragraph (a) of subsection (4) of this section shall be to the state board for community colleges and occupational education for those colleges listed in section 23-60-205, C.R.S., and to the respective governing boards of the colleges that are not so listed.

(b) Moneys distributed under this section to colleges listed in paragraph (a) of subsection (4) of this section, and any interest or income earned on a college's deposit of such moneys, shall supplement and shall not supplant any other state moneys appropriated or otherwise allocated for

similar programs or purposes. As used in this subsection (5), "state moneys" means general fund operating funding, including college opportunity fund stipends and fee-for-service funds, adjusted for inflation to the same degree as the inflation adjustment received by other institutions of higher education.

(c) Any higher education funding formula that allocates state-appropriated moneys shall not use moneys distributed under this section to supplant state moneys otherwise allocated by such formula.

(d) Moneys distributed from the fund are hereby continuously appropriated to the governing boards of the colleges listed in paragraph (a) of subsection (4) of this section. Such moneys shall be included for informational purposes in the annual general appropriation bill or in supplemental appropriation bills for the purpose of complying with any applicable constitutional and statutory limits on state fiscal year spending.

(6) **Bonding authority.** In addition to any other powers conferred by law, the governing body of each college listed in paragraph (a) of subsection (4) of this section may issue bonds refundable from revenues received pursuant to this section.

12-47.1-702. Audits and annual reports. (1) The limited gaming fund shall be audited at least annually by or under the direction of the state auditor, who shall submit a report of the audit to the legislative audit committee. The expenses of the audit shall be paid from the limited gaming fund.

(2) The commission and director shall make an annual report by March 1 of each year to the governor, the general assembly, the legislative audit committee, and the executive director which shall include a summary of the division's activities for the previous year, a statement of division revenues, expenses of the division, allocation of remaining revenues, and any recommendations for change in the statutes which the commission or director deems necessary or desirable. The report shall be public.

12-47.1-703. Enforcement. It is the duty of all sheriffs and police officers in this state to enforce the provisions of this article, or article 20 of title 18, C.R.S., and the rules and regulations promulgated by the commission, either on their own motion or upon complaint of any person, including any authorized agent of the commission. Such sheriffs and police officers may exercise any authority of inspection and examination specified in this article. The district attorneys of the respective judicial districts of this state shall prosecute all violations of this article in the same manner as provided for other crimes and misdemeanors.

12-47.1-704. Attorney general – duties. (1) The attorney general shall provide legal services for the division and the commission at the request of the executive director, director, or the commission. The attorney general shall make reasonable efforts to ensure that there is continuity in the legal services provided and that the attorneys providing legal services to the division and the commission have expertise in such field.

(2) The commission, the executive director, or the director may request the attorney general to make civil investigations and enforce civil violations of rules and regulations of the commission, on behalf of and in the name of the division, and to bring and defend civil suits and proceedings for any of the purposes necessary and proper for carrying out the functions of the division.

(3) Expenses of the attorney general incurred in the performance of the responsibilities under this section shall be paid from the limited gaming fund.

12-47.1-801. Slot machine manufacturers or distributors, operators, retailers, key employees, support licensees, persons contracting with the commission or division – criteria. (1) This section applies to the following persons:

(a) All persons licensed pursuant to this article;

(b) With respect to privately held corporations licensed pursuant to this article, the officers, directors, and stockholders of such corporations;

(c) With respect to publicly traded corporations licensed pursuant to this article, all officers, directors, and stockholders holding either five percent or greater interest or a controlling interest;

(d) With respect to partnerships licensed pursuant to this article, all general partners and all limited partners;

(e) With respect to any other organization licensed pursuant to this article, all those persons connected with the organization having a relationship to it similar to that of an officer, director, or stockholder of a corporation;

(f) All persons contracting with or supplying any goods or service to the commission or the division;

(g) All persons supplying financing or loaning money to any licensee, when such financing or loan is connected with the establishment or operation of limited gaming;

(h) All persons having a contract, lease, or other ongoing financial or business arrangement with any licensee, where such contract, lease, or arrangement relates to limited gaming operations, equipment, devices, or premises.

(2) Each of the persons described in subsection (1) of this section shall be:

(a) A person of good moral character, honesty, and integrity notwithstanding section 24-5-101, C.R.S.;

(b) A person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interests of this state or to the control of gaming or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying-on of the business or financial arrangements incidental to the conduct of gaming; and

(c) A person who has not served a sentence upon conviction of any felony, misdemeanor gambling-related offense, misdemeanor theft by deception, or misdemeanor involving fraud or misrepresentation in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department within ten years prior to the date of applying for a license pursuant to this article, notwithstanding section 24-5-101, C.R.S.;

(d) A person who has not served a sentence upon conviction of any gambling-related felony, felony involving theft by deception, or felony involving fraud or misrepresentation in a correctional facility, city or county jail, or community correctional facility or under the supervision of the state board of parole or any probation department, notwithstanding section 24-5-101, C.R.S.;

(e) A person who has not been found to have seriously or repeatedly violated this article or any rule promulgated pursuant to this article; and has not knowingly made a false statement of material facts to the commission, its legal counsel, or any employee of the division.

12-47.1-802. False statement on application - violations of rules or provisions of article as felony. Any person who knowingly makes a false statement in any application for a license or in any statement attached to the application, or who provides any false or misleading information to the commission or the division, or who fails to keep books and records to substantiate the receipts, expenses, or uses resulting from limited gaming conducted under this article as prescribed in rules promulgated by the commission, or who falsifies any books or records that relate to any transaction connected with the holding, operating, and conducting of any limited gaming activity, or who knowingly violates any of the provisions of this article or any rule adopted by the commission or any terms of any license granted under this article, commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

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 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 18-1.3-401, C.R.S.

(c) Any slot machine 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.

(2) Slot machines which because of age and condition bear no manufacturer serial number shall be assigned a serial number by a remanufacturer of slot machines. Such new serial number shall be duly recorded as required by federal regulations.

(3) The director may approve a change to the registration of a slot machine under circumstances constituting an emergency. If the director approves such an emergency change, the registration of the slot machine shall not be suspended pending the filing of a supplemental application.

12-47.1-804. Persons prohibited from interest in limited gaming. (1) None of the following persons shall have any interest, direct or indirect, in any license involved in or with limited gaming:

(a) Officers, reserve police officers, agents, or employees of any law enforcement agency of the state of Colorado with the authority to investigate or prosecute crime in Teller or Gilpin counties or of any local law enforcement agency or detention or correctional facility within Teller or Gilpin counties;

(b) District, county, or municipal court judges whose jurisdiction includes all or any portion of Teller or Gilpin counties;

(c) Elected municipal officials or county commissioners of the counties of Teller and Gilpin and of the cities of Central, Black Hawk, and

Cripple Creek;

(d) Central, Black Hawk, or Cripple Creek city manager or planning commission member.

(2) No licensee may employ any person in any capacity while that person is in the employment of the commission or is in the employment of, or has a reserve police officer position with, a law enforcement agency of the state of Colorado with the authority to investigate or prosecute crime in Teller or Gilpin counties, any local law enforcement agency or detention or correctional facility within Teller or Gilpin counties, or any other county that may later be an authorized gaming location under section 12-47.1-105.

12-47.1-805. Responsibilities of operator. Every licensed operator and retailer having slot machines on his premises shall provide audit and security measures relating to slot machines, as prescribed by this article and by rules of the commission. Every licensed operator and retailer having slot machines on his premises shall ensure that the slot machines in his establishment comply with the specifications set forth in this article and the rules and regulations promulgated pursuant to this article.

12-47.1-806. Slot machine – security and audit specifications. All slot machines and all other equipment and devices used in limited gaming allowed by this article shall have the features, security provisions, and audit specifications established in rules or regulations adopted by the commission.

12-47.1-807. Gaming equipment – not subject to exclusive agreements. It is the public policy of this state that gaming equipment authorized and approved by the commission may not be subject to any exclusive agreement entered into prior to October 1, 1991.

12-47.1-808. Restriction upon persons having financial interest in retail licenses. No person may have an ownership interest in more than three retail licenses. The interest of a licensed operator leasing or routing slot machines in return for a percentage of the income from limited gaming shall not by itself be considered an interest in a retail license under this section.

12-47.1-809. Age of participants – violation as misdemeanor. (1) (a) It is unlawful for any person under 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) Subparagraphs (I) and (II) of paragraph (a) of this subsection (1) shall not apply to a person employed by the casino in which the person is present.

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

(2) It is unlawful for any person to engage in limited gaming with, or to share proceeds from limited gaming with, any person under twenty-one years of age.

(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) Subparagraphs (I) and (II) of paragraph (a) of this subsection (3) shall not apply to a person employed by the casino in which the person is present.

(c) Nothing in paragraph (a) of this subsection (3) 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, C.R.S.

(5) Any person violating any of the provisions of this section with a person under eighteen years of age may also be proceeded against pursuant to section 18-6-701, C.R.S., for contributing to the delinquency of a minor.

12-47.1-810. Employee twenty-one years or older required on premises. A retail licensee shall have one employee who is at least twenty-one years of age on the premises during the hours limited gaming is conducted and within full view and control of any limited gaming activity conducted on the premises pursuant to the license obtained.

12-47.1-811. Persons conducting limited gaming. No person under the age of twenty-one years shall be employed as a gaming employee,

conduct, or assist in conducting, any limited gaming activity, and no such person shall manage or handle any of the proceeds from limited gaming.

12-47.1-812. Employee of licensed person – good moral character. No person licensed under this article shall employ or be assisted by any person who is not of good moral character.

12-47.1-813. Minimum payback – limit to a slot machine. The minimum theoretical payback value on a slot machine shall be at least eighty but not more than one hundred percent of the value of any credit played. However, this section shall not be construed to prohibit tournament slot machines with theoretical payback values greater than one hundred percent where such machines do not accept nor pay out coins or tokens.

12-47.1-814. Key employee – support license. (1) A licensee shall not employ any person to work in the field of limited gaming, or to handle any of the proceeds of limited gaming, unless such person holds a valid key employee or support license issued by the commission.

(2) It is unlawful for any person holding a key employee or support license to participate in limited gaming in the gaming establishment where such licensee is employed or in any other gaming establishment owned by the licensee's employer; except that such licensee may participate in limited gaming if such participation is performed as part of such licensee's employment responsibilities.

12-47.1-815. Extension of credit prohibited. No person licensed under this article may extend credit to another person for participation in limited gaming.

12-47.1-816. Maximum amount of bets. The amount of a bet made pursuant to this article shall not be more than one hundred dollars on the initial bet or subsequent bet, subject to rules promulgated by the commission.

12-47.1-817. Failure to pay winners. (1) It is unlawful for any licensee to willfully refuse to pay the winner of any limited gaming game, except as authorized by section 24-35-605 (2) (b) (II), C.R.S.

(2) Any person violating any provision of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.

12-47.1-818. Approval of rules for certain games. (1) Specific rules for blackjack, poker, craps, and roulette shall be approved by the

commission and clearly posted within plain view of such games.

(2) No licensee shall offer poker, blackjack, craps, or roulette, or any variation game thereof, without prior approval of the game by the commission.

(3) No licensee shall employ shills.

12-47.1-819. Exchange – redemption of chips – unlawful acts. It is unlawful for any person to exchange or redeem chips for anything whatsoever, except currency, negotiable personal checks, negotiable counter checks, or other chips. A licensee shall, upon the request of any person, redeem that licensee's gaming chips surrendered by that person in any amount over twenty-five dollars with a check drawn upon the licensee's account at any banking institution in this state and made payable to that person.

12-47.1-820. Persons in supervisory positions – unlawful acts. It is unlawful for any dealer, floorman, or any other employee who serves in a supervisory position, to solicit or accept any tip or gratuity from any player or patron at the premises where he is employed. A dealer may, however, accept tips or gratuities from a patron at the table at which such dealer is conducting play, subject to the provisions of this section. All such tips or gratuities shall be immediately deposited in a lockbox reserved for that purpose, accounted for, and placed in a pool for distribution based upon criteria established in advance by the licensed retailer.

12-47.1-821. Limited gaming - limited hours. *(Repealed, 2009)*

12-47.1-822. Cheating. (1) It is unlawful for any person, whether he is an owner or employee of, or a player in, an establishment, to cheat at any limited gaming activity.

(2) For purposes of this article, "cheating" means to alter the selection of criteria which determine:

(a) The result of a game; or

(b) The amount or frequency of payment in a game.

(3) Any person issued a license pursuant to this article violating any provision of this section commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S., and any other person violating any provision of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S. If the person is a repeating gambling offender the person commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-823. Fraudulent acts. (1) It is unlawful for any person:

(a) To alter or misrepresent the outcome of a game or other event on which wagers have been made after the outcome is made sure but before it is revealed to the players;

(b) To place, increase, or decrease a bet or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing, or decreasing a bet or determining the course of play contingent upon that event or outcome;

(c) To claim, collect, or take, or attempt to claim, collect, or take, money or anything of value in or from a limited gaming activity with intent to defraud and without having made a wager contingent thereon, or to claim, collect, or take an amount greater than the amount won;

(d) Knowingly to entice or induce another to go to any place where limited gaming is being conducted or operated in violation of the provisions of this article, with the intent that the other person play or participate in that limited gaming activity;

(e) To place or increase a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including past-posting and pressing bets;

(f) To reduce the amount wagered or to cancel a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including pinching bets;

(g) To manipulate, with the intent to cheat, any component of a gaming device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation affects the outcome of the game or with knowledge of any event that affects the outcome of the game;

(h) To, by any trick or slight of hand performance, or by fraud or fraudulent scheme, cards, or device, for himself or another, win or attempt to win money or property or a representative of either or reduce a losing wager or attempt to reduce a losing wager in connection with limited gaming;

(i) To conduct any limited gaming operation without a valid license;

(j) To conduct any limited gaming operation on an unlicensed premises;

(k) To permit any limited gaming game or slot machine to be conducted, operated, dealt, or carried on in any limited gaming premises by a person other than a person licensed for such premises pursuant to this article;

(l) To place any limited gaming games or slot machines into play or

display such games or slot machines without the authorization of the commission;

(m) To employ or continue to employ any person in a limited gaming operation who is not duly licensed or registered in a position whose duties require a license or registration pursuant to this article; or

(n) To, without first obtaining the requisite license or registration pursuant to this article, be employed, work, or otherwise act in a position whose duties would require licensing or registration pursuant to this article.

(2) Any person issued a license pursuant to this article violating any provision of this section commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S., and any other person violating any provision of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S. If the person is a repeating gambling offender, the person commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-824. Use of device for calculating probabilities. (1) It is unlawful for any person at a licensed gaming establishment to use, or possess with the intent to use, any device to assist:

(a) In projecting the outcome of the game;

(b) In keeping track of the cards played;

(c) In analyzing the probability of the occurrence of an event relating to the game; or

(d) In analyzing the strategy for playing or betting to be used in the game, except as permitted by the commission.

(2) Any person issued a license pursuant to this article violating any provision of this section commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S., and any other person violating any provision of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S. If the person is a repeating gambling offender, the person commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-825. Use of counterfeit or unapproved chips or tokens or unlawful coins or devices – possession of certain unlawful devices, equipment, products, or materials. (1) It is unlawful for any licensee, employee, or other person to use counterfeit chips in any limited gaming activity.

(2) It is unlawful for any person, in playing or using any limited gaming activity designed to be played with, to receive, or to be operated by chips or tokens approved by the commission or by lawful coin of the United States of America:

(a) Knowingly to use anything other than chips or tokens approved by the commission or lawful coin, legal tender of the United States of America, or to use coin not of the same denomination as the coin intended to be used in that limited gaming activity; or

(b) To use any device or means to violate the provisions of this article.

(3) It is unlawful for any person to possess any device, equipment, or material which he knows has been manufactured, distributed, sold, tampered with, or serviced in violation of the provisions of this article.

(4) It is unlawful for any person, not a duly authorized employee of a licensee acting in furtherance of his or her employment within an establishment, to have on his or her person or in his or her possession any device intended to be used to violate the provisions of this article.

(5) It is unlawful for any person, not a duly authorized employee of a licensee acting in furtherance of his or her employment within an establishment, to have on his or her person or in his or her possession while on the premises of any licensed gaming establishment any key or device known to have been designed for the purpose of and suitable for opening, entering, or affecting the operation of any limited gaming activity, drop box, or electronic or mechanical device connected thereto, or for removing money or other contents therefrom.

(6) Possession of more than one of the devices, equipment, products, or materials described in this section shall give rise to a rebuttable presumption that the possessor intended to use them for cheating.

(7) It is unlawful for any person to use or possess while on the premises any cheating or thieving device, including but not limited to, tools, drills, wires, coins, or tokens attached to strings or wires or electronic or magnetic devices, to facilitate the alignment of any winning combination or to facilitate removing from any slot machine any money or contents thereof, unless the person is a duly authorized gaming employee acting in the furtherance of his or her employment.

(8) Any person violating any provision of this section commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S.; except that, if the person is a repeating gambling offender, the person commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-826. Cheating game and devices. (1) It is unlawful for any person playing any licensed game in licensed gaming premises to:

(a) Knowingly conduct, carry on, operate, or deal or allow to be conducted, carried on, operated, or dealt any cheating or thieving game or device; or

(b) Knowingly deal, conduct, carry on, operate, or expose for play any

game or games played with cards or any mechanical device, or any combination of games or devices, which have in any manner been marked or tampered with or placed in a condition or operated in a manner the result of which tends to deceive the public or tends to alter the normal random selection of characteristics or the normal chance of the game which could determine or alter the result of the game.

(2) Any person violating any provision of this section commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S.; except that if the person is a repeating gambling offender, the person commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-827. Unlawful manufacture, sale, distribution, marking, altering, or modification of equipment and devices associated with limited gaming – unlawful instruction. (1) It is unlawful to manufacture, sell, or distribute any cards, chips, dice, game, or device which is intended to be used to violate any provision of this article.

(2) It is unlawful to mark, alter, or otherwise modify any associated equipment or limited gaming device in a manner that:

(a) Affects the result of a wager by determining win or loss; or

(b) Alters the normal criteria of random selection, which affects the operation of a game or which determines the outcome of a game.

(3) It is unlawful for any person to instruct another in cheating or in the use of any device for that purpose, with the knowledge or intent that the information or use so conveyed may be employed to violate any provision of this article.

(4) Any person issued a license pursuant to this article violating any provision of this section commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S., and any other person violating any provision of this section commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S. If the person is a repeating gambling offender, the person commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-828. Unlawful entry by excluded and ejected persons. (1) It is unlawful for any person whose name is on the list promulgated by the commission pursuant to section 12-47.1-1001 or 12-47.1-1002 to enter the licensed premises of a limited gaming licensee.

(2) It is unlawful for any person whose name is on the list promulgated by the commission pursuant to section 12-47.1-1001 or 12-47.1-1002 to have any personal pecuniary interest, direct or indirect, in any limited gaming licensee, licensed premises, establishment, or business

involved in or with limited gaming or in the shares in any corporation, association, or firm licensed pursuant to this article.

(3) Any person violating the provisions of this section commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-829. Detention and questioning of person suspected of violating article – limitations on liability – posting of notice. (1) Any licensee or an officer, employee, or agent thereof may question any person in the licensee's establishment suspected of violating any of the provisions of this article. A licensee or any officer, employee, or agent thereof is not criminally or civilly liable:

(a) On account of any such questioning; or

(b) For reporting to the division, commission, or law enforcement authorities the person suspected of the violation.

(2) Any licensee or any officer, employee, or agent thereof who has probable cause to believe that there has been a violation of this article in the licensee's establishment by any person may take that person into custody and detain him in the establishment in a reasonable manner and for a reasonable length of time. Such a taking into custody and detention does not render the licensee or the officer, employee, or agent thereof criminally or civilly liable unless it is established by clear and convincing evidence that the taking into custody or detention is unreasonable under all the circumstances.

(3) A licensee or any officer, employee, or agent thereof is not entitled to the immunity from liability provided for in subsection (2) of this section unless there is displayed in a conspicuous place in the licensee's establishment a notice in boldface type clearly legible and in substantially this form:

> **"Any gaming licensee, or any officer, employee, or agent thereof who has probable cause to believe that any person has violated any provision prohibiting cheating in limited gaming may detain that person in the establishment."**

12-47.1-830. Failure to display operator and premises licenses. (1) It is unlawful for any person to fail to permanently display in a conspicuous manner:

(a) Operator and premises licenses granted by the commission;

(b) A notice in bold face type which is clearly legible and in substantially the following form:

"IT IS UNLAWFUL FOR ANY PERSON UNDER THE AGE OF TWENTY-ONE TO ENGAGE IN LIMITED GAMING".

(2) Any person violating this section commits a class 2 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.

12-47.1-831. Authority, duties, and powers – department of revenue and department of public safety. (1) The gaming commission, the department of revenue, and the division shall regulate the gaming industry and enforce the gaming laws. Nothing in this section shall be construed to prohibit or limit the authority of local sheriffs or police officers to enforce all the provisions of this article or the rules and regulations promulgated pursuant to this article.

(2) The Colorado bureau of investigation shall have authority for the following:

(a) Conduct criminal investigations and law enforcement oversight relating to violations of the "Colorado Organized Crime Control Act" article 17 of title 18, C.R.S., as these violations are reported by law enforcement officials, the gaming commission, the governor, or as discovered by the Colorado bureau of investigation.

(b) In cooperation with local law enforcement officials and the commission, the Colorado bureau of investigation shall develop and collect information with regard to organized crime in an effort to identify criminal elements or enterprises which might infiltrate and influence limited gaming and report such information to appropriate law enforcement organizations and the limited gaming commission.

(c) Prepare reports concerning any activities in, or movements into, this state of organized crime for use by the commission or the governor in their efforts to prevent and thwart criminal elements or enterprises from infiltrating or influencing limited gaming as defined in this article.

(d) Inspect or examine, during normal business hours, premises, equipment, books, records, or other written material maintained at gaming establishments as required by this article, in the course of performing the activities of the Colorado bureau of investigation as set forth in this section.

(3) The commission shall, in cooperation with the Colorado bureau of investigation, conduct background investigations of gaming license applicants, licensees, owners or tenants of property or premises upon which gaming is permitted or conducted, and key employees of such gaming establishments as defined in this article or by commission rule or regulation.

(4) Criminal violations of this article discovered during an authorized

investigation or discovered by the limited gaming commission shall be referred to the appropriate district attorney.

(5) The director of the Colorado bureau of investigation shall employ such personnel as may be necessary to carry out the duties and responsibilities set forth in this article. The commission shall authorize payment to the Colorado bureau of investigation for the cost involved. Costs for activities relating to limited gaming shall be paid from the limited gaming fund pursuant to preestablished contracts or formal agreements, or both, including contracts or formal agreements on specific activities the department of public safety will complete for the commission and conditions for payment, the manner in which the commission and the department of public safety will review budgets and project resource needs in the future, and the level of cooperation established between the division, the Colorado bureau of investigation for conducting background investigations, and the Colorado state patrol for contracted services.

12-47.1-832. Violations of article as misdemeanors. Any person violating any of the provisions of this article, or any of the rules and regulations promulgated pursuant thereto, commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S., except as may otherwise be specifically provided in this article.

12-47.1-833. Agreements, contracts, leases – void and unenforceable. All agreements, contracts, leases, or arrangements in violation of this article, or the rules and regulations promulgated pursuant to this article, are void and unenforceable.

12-47.1-834. Buildings – accessible to persons with disabilities. (1) All premises where limited gaming is conducted shall be accessible to and functional for persons with physical disabilities.

(2) An exception to the requirement of subsection (1) of this section may be granted in cases where the local historical preservation commission determines that compliance would result in degradation of the historical significance of the building where limited gaming is conducted.

12-47.1-835. Financial interest restrictions. (1) No manufacturer or distributor of slot machines or associated equipment shall knowingly, without notification being provided to the Division within ten days:

(a) Have any interest, directly or indirectly, in any operator;

(b) Allow any of its officers, or any other person with a substantial interest in such business, to have any interest in an operator;

(c) Employ any person in any capacity or allow any person to

represent the business in any way if such person is also employed by an operator;

(d) Allow any operator or any person having a substantial interest therein, to have any interest, directly or indirectly, in such business.

(2) The word "interest" as used in this section does not preclude transactions in the ordinary course of business.

12-47.1-836. Distributorships located in the state of Colorado. *(Repealed, 2003.)*

12-47.1-837. Revocation or expiration of license – requirement of notification. A licensee whose license has been revoked or has expired shall notify such licensee's employer within twenty-four hours after such revocation or expiration.

12-47.1-838. Personal pecuniary gain or conflict of interest. (1) It is unlawful for any person to issue, suspend, revoke, or renew any license pursuant to this article for any personal pecuniary gain or any thing of value, as defined in section 18-1-901 (3) (r), C.R.S., or for any person to violate any of the provisions of section 12-47.1-401.

(2) Any person violating any of the provisions of this section commits a class 3 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-839. False or misleading information – unlawful. (1) It is unlawful for any person to provide any false or misleading information under the provisions of this article.

(2) Any person violating any of the provisions of this section commits a class 5 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

12-47.1-901. Events sponsored by charitable organizations. (1) Any person licensed as a retailer, or as both a retailer and operator, may choose to allow a charitable organization to sponsor limited gaming at that retailer's licensed premises, if the following conditions are met:

(a) The organization is a charitable organization, which for purposes of this section means any organization, not for pecuniary profit, which is operated for the relief of poverty, distress, or other condition of public concern within this state and which has been so engaged for five years prior to making application to sponsor limited gaming under this article;

(b) The licensed operator or retailer and the charitable organization agree in writing upon all the terms and conditions of the sponsorship, and a copy of the written agreement is filed with the commission at least fourteen

days prior to the day of the sponsored event;

(c) All sponsored events shall take place on licensed retail premises, and all requirements of this article shall apply to such events, unless specifically modified by this part 9; and

(d) Criminal violations of this article discovered during an authorized investigation or discovered by the commission shall be referred to the appropriate district attorney.

12-47.1-902. Terms of sponsorship. (1) All limited gaming events sponsored by charitable organizations pursuant to this part 9 shall, in addition to all the other requirements of this article, meet the following conditions:

(a) The agreement between the licensed operator or retailer and the charitable organization shall provide for the payment by the charitable organization to the retailer or operator of a flat fee or no fee; in return, the charitable organization shall receive one hundred percent of the adjusted gross proceeds, less the amount of taxes due on those proceeds as determined by the commission from gaming for each day of the sponsored event, or during all the hours of a sponsored event if less than a full day. The licensed operator or retailer shall report and pay taxes on the full amount of the adjusted gross proceeds from gaming sponsored by any charitable organization.

(b) A one-day sponsored event shall, for purposes of this part 9, begin at 8:00 a.m. on one day and end at 2:00 a.m. on the following day. For purposes of this section, no event shall be considered as less than a one-day event; except that a retailer may devote less than one full day to a charitable event.

(c) No retailer shall permit a single charitable organization to sponsor more than three days of limited gaming at that retailer's licensed premises during any calendar year; and no retailer shall permit more than thirty total days of sponsored events on its premises during any calendar year;

(d) No charitable organization shall sponsor more than three days of limited gaming during any calendar year;

(e) The charitable organization shall file notice of its intent to sponsor limited gaming at least fourteen days in advance with the commission, upon forms provided by the commission.

12-47.1-903. Notice of sponsorship. No person licensed as a retailer, operator, key employee, or support person, and no member, agent, employee, officer, or director of a charitable organization, shall represent to any person that a limited gaming activity is being sponsored by that or another charitable organization unless the sponsoring charitable

organization has filed a notice of intent with the commission pursuant to section 12-47.1-902 (1) (e).

12-47.1-1001. Persons excluded or ejected – factors considered – legislative declaration. (1) The general assembly hereby declares that the exclusion or ejection of certain persons from licensed gaming establishments is necessary to carry out the policies of this article and to maintain effectively the strict regulation of licensed gaming.

(2) The commission may by rule or regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed gaming establishment, including any person whose presence in the establishment is determined to pose a threat to the interest of the state of Colorado or to licensed gaming, or both. In making the determination for exclusion, the commission may consider any of the following:

(a) Prior conviction of a felony, a misdemeanor involving moral turpitude, or a violation of the gaming laws of any state, the United States, or any of its possessions or territories, including Indian tribes;

(b) A violation, attempt to violate, or conspiracy to violate the provisions of this article relating to the failure to disclose an interest in a gaming establishment for which the person must obtain a license or make disclosures to the commission, or intentional evasion of fees or taxes;

(c) A reputation that would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive influences;

(d) Prior exclusion or ejection under the gaming regulations of any other state, the United States, any of its possessions or territories, or an Indian tribe which regulates gaming;

(e) Career or professional offenders or associates of career or professional offenders, and such others as defined by regulation of the commission.

(3) If the name and description of any person is placed on the exclusion list, the commission shall serve notice of that action upon the person by at least one of the following means:

(a) By personal service;

(b) By certified mail to the last known address of the person; or

(c) By publication in one or more official newspapers in Teller and Gilpin Counties, Colorado. A person placed upon the exclusion list may contest that action by filing a written protest with the commission, and the protest shall be heard by the commission as a contested case.

(4) The commission may impose sanctions upon any licensee in accordance with the provisions of this article if such licensee fails to

exclude or eject from the licensed premises any person placed by the commission on the list of persons to be excluded or ejected from licensed gaming establishments, which sanctions may include, but not be limited to, suspension, revocation, limitation, modification, denial, or restriction of any license.

12-47.1-1002. Emergency listing of persons to be excluded or ejected. (1) The commission, by rule and regulation, and notwithstanding the provisions of section 12-47.1-1001, may list persons to be excluded or ejected from any licensed gaming establishment, effective October 1, 1991, if the commission finds that listing such persons on an emergency basis is necessary to avoid danger to the public safety and if the public confidence and trust would be maintained only if such persons were listed on such an emergency basis.

(2) Notwithstanding the provisions of section 24-4-103 (6), C.R.S., the listing of persons to be excluded or ejected pursuant to this section expires one year after the adoption of the list, unless the provisions of section 12-47.1-1001 are followed for permanent listing.

(3) With respect to the finding of danger to public safety, the commission shall consider whether the persons have been listed on the list of persons excluded or ejected under the laws and regulations of the states of Nevada, New Jersey, South Dakota, and any other states, the United States, its territories or possessions, or any Indian tribe regulating gaming.

(4) Any rule adopted pursuant to this section shall be followed within thirty days after such emergency listing by the procedures set forth in section 12-47.1-1001. A listing pursuant to this section must be vacated upon the conclusion of the rule-making proceeding initiated under section 12-47.1-1001 if a determination is made by the commission that a person should not have been placed on the list of persons to be excluded or ejected.

12-47.1-1101. Exemption from federal law. Pursuant to section 2 of an act of congress of the United States entitled "An Act to prohibit transportation of gambling devices in interstate and foreign commerce", approved January 2, 1951, designated 15 U.S.C. Secs. 1171 to 1177, inclusive, and in effect January 1, 1989, the state of Colorado acting by and through its elected and qualified members of its general assembly, does hereby, and in accordance with and in compliance with the provisions of section 2 of the act of congress, declare and proclaim that it is exempt from the provisions of section 2 of that act of congress of the United States, as regards gaming devices operated and used within the cities of Central, Black Hawk, and Cripple Creek, Colorado.

12-47.1-1102. Shipments of devices and machines deemed legal. All shipments of gaming devices, including slot machines, into this state, the registering, recording, and labeling of which has been duly made by the manufacturer or dealer thereof in accordance with sections 3 and 4 of an act of congress of the United States entitled "An Act to prohibit transportation of gambling devices in interstate and foreign commerce", approved January 2, 1951, designated as 15 U.S.C. Secs. 1171 to 1177, inclusive, and in effect on January 1, 1989, shall be deemed legal shipments thereof, for use only within the cities of Central, Black Hawk, and Cripple Creek, Colorado.

12-47.1-1103. Possession of slot machines. Notwithstanding any other laws of this state to the contrary, the possession of slot machines in this state by licensed manufacturers, distributors, and operators is legal if all the requirements, conditions, and provisions of this article and the rules and regulations promulgated pursuant to this article are met and complied with. However, nothing in this section shall be deemed to authorize or permit any use of slot machines for any purpose, except as specifically authorized and provided for in this article and the rules and regulations promulgated pursuant to this article.

12-47.1-1201. State historical fund – administration. (1) The state treasurer shall make annual distributions, from the state historical fund created by subsection (5) (b) (II) of section 9 of article XVIII of the state constitution, in accordance with the provisions of subsection (5) (b) (III) of said section 9. As specified in said subsection (5) (b) (III) twenty percent of the moneys in the state historical fund shall be used for the preservation and restoration of the cities of Central, Black Hawk, and Cripple Creek. The remaining eighty percent of the fund shall be administered by the state historical society. Expenditures for the fund shall be subject to the provisions of Section 12-47.1-1202. The society shall make grants from the eighty percent portion of said fund administered by the society for the following historic preservation purposes:

(a) The identification, evaluation, documentation, study, and marking of buildings, structures, objects, sites, or areas important in the history, architecture, archaeology, or culture of this state, and the official designation of such properties;

(b) The excavation, stabilization, preservation, restoration, rehabilitation, reconstruction, or acquisition of such designated properties;

(c) Education and training for governmental entities, organizations, and private citizens on how to plan for and accommodate the preservation of historic and archaeological structures, buildings, objects, sites, and

districts;

(d) Preparation, production, distribution, and presentation of educational, informational, and technical documents, guidance, and aids on historic preservation practices, standards, guidelines, techniques, economic incentives, protective mechanisms, and historic preservation planning.

(2) (a) The society shall make grants primarily to governmental entities and to nonprofit organizations; except that the society may make grants to persons in the private sector so long as the person requesting the grant makes application through a governmental entity. The selection of recipients and the amount granted to a recipient shall be determined by the society, which determination shall be based on the information provided in the applications submitted to the society.

(b) As used in this subsection (2), "governmental entity" means the state and any state agency or institution, county, city and county, incorporated city or town, school district, special improvement district, authority, and every other kind of district, instrumentality, or political subdivision of the state organized pursuant to law. "Governmental entity" shall include any county, city and county, or incorporated city or town, governed by a home rule charter.

(3) The society may expend a portion of the state historical fund administered by the society to cover such reasonable costs as may be incurred in the selection, monitoring, and administration of grants for historic preservation purposes. The society may employ such personnel in accordance with section 13 of article XII of the state constitution as may be necessary to fulfill its duties in accordance with this section.

(4) The society shall promulgate rules for the purpose of administering the state historical fund, which rules may include criteria for consideration in awarding grants from such fund and standards for preservation which are acceptable to the society and which shall be employed by grant recipients.

(5) (a) (I) The general assembly hereby finds and declares that:

(A) The state historical society, which was founded in 1879, has a unique role as the state educational institution charged with collecting, preserving, and interpreting the history of Colorado and the west. The state formally recognized the state historical society as a state agency by statute in 1915, and the general assembly has continuously made appropriations for the society since that time.

(B) The state historical fund created by subsection (5) (b) (II) of section 9 of article XVIII of the state constitution has grown significantly since its inception in 1991. In accordance with subsection (5) (b) (III) of section 9 of article XVIII of the state constitution, the general assembly hereby determines that it is appropriate to provide funding for the state

historical society through the state historical fund.

(C) The use of a portion of the state historical fund for the support needs of the state historical society is consistent with the preservation purposes of the fund and of the society.

(D) Grants from the state historical fund by the society pursuant to subsection (1) of this section serve the state and its people well in promoting preservation purposes and economic development throughout the state.

(II) Accordingly, it is the intent of the general assembly that the majority of the gaming revenues deposited in and available for distribution from the eighty percent portion of the state historical fund administered by the society shall continue to be used for such grants.

(b) Subject to annual appropriation, the society may make expenditures for reasonable costs incurred by the society in connection with fulfilling the society's mission as a state educational institution to collect, preserve, and interpret the history of Colorado and the west and carrying out other activities and programs authorized by statute or rule. Such reasonable costs may include capital construction and controlled maintenance expenditures relating to properties owned, managed, or used by the society.

(c) (I) All moneys received by the society shall be transmitted to the state treasurer, who shall credit the same to the state historical fund or other funds authorized by law. Such moneys include, but are not limited to, grants, admission fees, user charges, concessionaire fees, rentals, commissions, store sales, service fees, program fees, membership fees, publications income, exhibit fees, special event fees, donations, and gifts.

(II) Except as otherwise specified in subparagraph (III) of this paragraph (c), all interest and income derived from the deposit and investment of moneys in the state historical fund or other funds authorized by law shall remain in such fund or funds and shall not be transferred or revert to the general fund or any other fund at the end of any fiscal year; except that, for the fiscal year commencing July 1, 2008, and for each fiscal year thereafter through the fiscal year commencing July 1, 2045, the society may direct the state treasurer to transfer any unexpended and unencumbered moneys in the state historical fund from the portion not reserved for the statewide grant program for preservation pursuant to sub-subparagraph (B) of subparagraph (II) of paragraph (d) of this subsection (5) at the end of the fiscal year to the state museum cash fund created pursuant to section 24-80-214, C.R.S. The state treasurer shall be the custodian of such funds pursuant to section 24-80-209, C.R.S.

(III) (A) For the fiscal year commencing July 1, 2010, the state treasurer shall transfer four million dollars from the state historical fund,

from the portion reserved for the statewide grant program for preservation pursuant to sub-subparagraph (A) of subparagraph (II) of paragraph (d) of this subsection (5), at the beginning of the fiscal year to the capitol dome restoration fund, also referred to in this subparagraph (III) as the "fund", which is hereby created in the state treasury. Moneys in the fund are subject to appropriation by the general assembly for repairs and safety improvements to the state capitol dome and supporting structures and for no other purpose, and any unexpended and unencumbered moneys remaining in the fund as of June 30, 2011, shall not revert to the state historical fund or any other fund. The four million dollar transfer specified in this sub-subparagraph (A) shall be reduced, dollar for dollar, by moneys deposited into the capitol dome restoration trust fund as specified in section 2-3-1304.3 (6) (b), C.R.S., if any. This dollar-for-dollar reduction shall not reduce the authorized fees and expenses of any fundraising firm selected by the capital development committee for cause-related marketing for capitol dome repairs.

(B) For the fiscal years commencing July 1, 2011, and July 1, 2012, the state treasurer shall transfer up to four million dollars from the state historical fund, from the portion reserved for the statewide grant program for preservation pursuant to sub-subparagraph (A) of subparagraph (II) of paragraph (d) of this subsection (5), at the beginning of the fiscal year to the capitol dome restoration fund; except that the said four-million-dollar maximum amount shall be reduced, dollar for dollar, by the combined total of moneys deposited into the capitol dome restoration trust fund as specified in section 2-3-1304.3 (6) (b), C.R.S., if any, and grants for repairs and safety improvements to the state capitol dome and supporting structures made by the state historical society under the grants process set forth in subsection (1) of this section. This dollar-for-dollar reduction shall not reduce any authorized fees and expenses of any fundraising firm selected by the capital development committee for cause-related marketing for capitol dome repairs.

(C) For the fiscal year commencing July 1, 2013, the state treasurer shall transfer up to five million dollars from the state historical fund, from the portion reserved for the statewide grant program for preservation pursuant to sub-subparagraph (A) of subparagraph (II) of paragraph (d) of this subsection (5), at the beginning of the fiscal year to the capitol dome restoration fund; except that the said five-million-dollar maximum amount shall be reduced, dollar for dollar, by the combined total of moneys deposited into the capitol dome restoration trust fund as specified in section 2-3-1304.3 (6) (b), C.R.S., if any, and grants for repairs and safety improvements to the state capitol dome and supporting structures made by the state historical society under the grants process set forth in subsection

(1) of this section. This dollar-for-dollar reduction shall not reduce the authorized fees and expenses of any fund-raising firm selected by the capital development committee for cause-related marketing for capitol dome repairs.

(D) In the event of an emergency contingency expenditure deemed necessary by the state architect and approved by the office of state planning and budgeting and the capital development committee, supplemental appropriations out of the capitol dome restoration trust fund created in section 2-3-1304.3 (6) (b), C.R.S., and the capitol dome restoration fund created in sub-subparagraph (A) of this subparagraph (III) may be made from any unexpended and unencumbered moneys remaining in the specified funds at any time.

(E) Prior to the end of the 2014-15 state fiscal year and after a complete accounting is available of the total in-kind and monetary donations received through the fundraising program established in section 2-3-1304.3, C.R.S., an end-of-project accounting shall occur based on the final total cost of the dome restoration construction project to ensure, through the annual general appropriations act, supplemental appropriations acts, or transfers between funds, as necessary, that all of the transfers from the state historical fund specified in sub-subparagraphs (A), (B), and (C) of this subparagraph (III) are reduced, dollar for dollar, by the combined total of moneys deposited into the capitol dome restoration trust fund as specified in section 2-3-1304.3 (6) (b), C.R.S., grants for repairs and safety improvements to the state capitol dome and supporting structures made by the state historical society under the grants process set forth in subsection (1) of this section, any money received for the recycling of salvaged building materials from the state capitol dome during the construction period, and any in-kind gifts and donations, such as materials or labor, that resulted in the reduction of the total cost of the construction. The total value of any in-kind gifts and donations for purposes of the dollar-for-dollar reduction specified in this sub-subparagraph (E) shall be calculated by the department of personnel and approved by the capital development committee as specified in section 2-3-1304.3 (6) (a) (II), C.R.S.

(F) Until completion of the capitol dome restoration project as reported by the state architect pursuant to section 2-3-1304.5, C.R.S., the Colorado historical society shall submit an annual report to the capital development committee on or before December 15 of each year concerning all grants awarded from the state historical fund.

12-47.1-1202. Expenditures from the state historical fund – legislative declaration. (1) The general assembly hereby finds and

declares that when the voters approved the conduct of limited gaming in the cities of Central, Black Hawk, and Cripple Creek they believed that all moneys expended from the state historical fund would be used to restore and preserve the historic nature of those cities and other sited and municipalities throughout the state. Together with the limitations contained in section 12-47.1-1201 on the expenditure of moneys in the fund that are subject to administration by the state historical society, this section is intended to assure that expenditures from the fund by the society and by the cities of Central, Black Hawk, and Cripple Creek are used for historic restoration and preservation.

(2) The state historical society shall not expend moneys from the eighty percent portion of the state historical fund administered by the society unless they have adopted standards for distribution of grants from that portion of the fund. The standards shall allow for the appropriate use of sustainable solutions such as environmentally sensitive and energy efficient windows, window assemblies, insulating materials, and heating and cooling systems, as long as the use of such sustainable solutions does not adversely affect the appearance or integrity of a historic property. The standards shall further include requirements that assure compliance with the secretary of the interior's standards for treatment of historic properties.

(3) The governing bodies of the cities of Central, Black Hawk and Cripple Creek shall not expend moneys from their twenty percent portion of the state historical fund unless they have adopted standards for distribution of grants from that portion of the fund. At a minimum, such standards shall include the following:

(a) Requirements that assure compliance with the secretary of the interior’s standards for treatment of historic properties;

(a.5) A requirement that the city is a certified local government, as defined in section 12-47.1-103 (4.5), and that the city's historic preservation commission review and recommend grant awards to the governing body;

(b) A provision that prohibits a private individual from receiving more than one grant for the restoration or preservation of the same property within any one-year period;

(c) A provision that limits grants to property that is located within a national historic landmark district or within an area listed on the national register of historic places;

(d) A provision that limits grants for restoration or preservation to structures that have historical significance because they were originally constructed more than fifty years prior to the date of the application;

(e) *(Deleted by Amendment, 2004);*

(f) A provision that prohibits issuing a grant to a private individual

who does not own the residential property that is to be restored or preserved;

(g) *(Deleted by Amendment, 2004);*

(h) A provision that prohibits making grants for more than one year at a time;

(i) A provision that requires a member of the governing body to disclose any personal interest in a grant before voting on the application;

(j) A provision requiring the award of any grant in excess of fifty thousand dollars for any single residential property to be conditioned upon an agreement to repay the grant upon any sale or transfer of the property within five years of the date the grant is awarded. The amount to repaid shall equal the amount of the grant less an amount equal to one-sixtieth of the amount of the grant for each full month occurring between the date the grant is awarded and the date of the sale or transfer of the property.

(k) A provision allowing for the appropriate use of sustainable solutions such as environmentally sensitive and energy efficient windows, window assemblies, insulating materials, and heating and cooling systems, as long as the use of such sustainable solutions does not adversely affect the appearance or integrity of a historic property.

(4) The provision contained in paragraph (c) of subsection (3) of this section that requires that the governing bodies of the specified cities not expend moneys from the state historical fund unless they adopt standards that include a provision that limits grants to property that is located within a national historic landmark district or within an area listed on the national register of historic places is not intended to affect the status of the cities as approved sites for limited gaming under section 9 of Article XVIII of the state constitution in the event that the status as a historical landmark district or listing on the national register of historic places is not maintained.

(5) The governing body of a city that is not a certified local government pursuant to paragraph (a.5) of subsection (3) of this section and that receives moneys from the state historical fund for historic preservation purposes shall not expend such moneys but instead shall create an independent restoration and preservation commission for the purpose of expending the moneys in accordance with part 17 of this article.

12-47.1-1301. Loan from general fund – time frame for repayment – distributions from limited gaming fund. *(Repealed, 1997.)*

12-47.1-1401. Contiguous county limited gaming impact fund. *(Repealed, 1998)*

12-47.1-1402. Gaming impact task force – creation – duties. *(Repealed, 1998)*

12.47.1-1403. Repeal of part. *Part 14 is repealed, eff. July 1, 1998.*

12-47.1-1501. Municipal limited gaming impact fund. *(Repealed, 2002)*

12.47.1-1502. Repeal of part. *This part 15 is repealed, effective July 1, 2002.*

12-47.1-1601. Local government limited gaming impact fund – repeal. (1) (a) There is hereby created in the office of the state treasurer the local government limited gaming impact fund, referred to in this part 16 as the "fund", and within the fund, there is created the limited gaming impact account and the gambling addiction account. Of the moneys transferred to the fund pursuant to section 12-47.1-701 (2) (a) (II) (C), ninety-eight percent shall be allocated to the limited gaming impact account and two percent shall be allocated to the gambling addiction account. Moneys in the limited gaming impact account shall be used to provide financial assistance to designated local governments for documented gaming impacts, and moneys in the gambling addiction account shall be used to award grants for the provision of gambling addiction counseling, including prevention and education, to Colorado residents. For the purposes of this part 16, "documented gaming impacts" means the documented expenses, costs, and other impacts incurred directly as a result of limited gaming permitted in the counties of Gilpin and Teller and on Indian lands.

(b) *(Repealed, 2008)*

(c) *(Repealed, 2008)*

(2) *(Deleted by amendment, 2011)*

(3) *(Deleted by amendment, 2006)*

(4) (a) (I) After considering the recommendations of the local government limited gaming impact advisory committee created in section 12-47.1-1602, the moneys from the limited gaming impact account shall be distributed at the authority of the executive director of the department of local affairs to eligible local governmental entities upon their application for grants to finance planning, construction, and maintenance of public facilities and the provision of public services related to the documented gaming impacts. At the end of any fiscal year, all unexpended and unencumbered moneys in the limited gaming impact account shall remain

available for expenditure in any subsequent fiscal year without further appropriation by the general assembly.

(II) Notwithstanding any provision of this paragraph (a) to the contrary, on the effective date of this subparagraph (II), the executive director of the department of local affairs shall distribute the moneys from the limited gaming impact account that were transferred in the 2008-09 state fiscal year for use in the 2009-10 state fiscal year.

(a.5) (I) For the 2008-09 fiscal year and each fiscal year thereafter, the executive director of the department of human services shall use the moneys in the gambling addiction account to award grants for the purpose of providing gambling addiction counseling services to Colorado residents. The department of human services may use a portion of the moneys in the gambling addiction account, not to exceed ten percent in the 2008-09 fiscal year and five percent in each fiscal year thereafter, to cover the department's direct and indirect costs associated with administering the grant program authorized in this paragraph (a.5). Grants shall be awarded to state or local public or private entities or programs that provide gambling addiction counseling services and that have or are seeking nationally accredited gambling addiction counselors. For the 2008-09 through 2011-12 fiscal years, the executive director of the department of human services shall award ten percent of the moneys in the gambling addiction account in grants to addiction counselors who are actively pursuing national accreditation as gambling addiction counselors. In order to qualify for an accreditation grant, an addiction counselor applicant shall provide sufficient proof that he or she has completed at least half of the counseling hours required for national accreditation. The executive director of the department of human services shall adopt rules establishing the procedure for applying for a grant from the gambling addiction account, the criteria for awarding grants and prioritizing applications, and any other provision necessary for the administration of the grant applications and awards. Neither the entity, program, or gambling addiction counselor providing the gambling addiction counseling services nor the recipients of the counseling services need to be located within the jurisdiction of an eligible local governmental entity in order to receive a grant or counseling services. At the end of any fiscal year, all unexpended and unencumbered moneys in the gambling addiction account shall remain in the account and shall not revert to the general fund or any other fund or account.

(II) By January 1, 2009, and by each January 1 thereafter, the department of human services shall submit a report to the health and human services committees of the senate and house of representatives, or their successor committees, regarding the grant program. The report shall

detail the following information for the fiscal year in which the report is submitted:

(A) The amount of moneys allocated to the gambling addiction account pursuant to paragraph (a) of subsection (1) of this section;

(B) The number of grant applications received and the total amount of grant moneys requested by grant applicants;

(C) The total amount of moneys in the gambling addiction account that was awarded as grants to applicants; and

(D) The entities or programs that received grants and the amount of grant moneys each grant recipient received.

(III) This paragraph (a.5) is repealed, effective July 1, 2013. Any moneys remaining in the gambling addiction account on June 30, 2013, shall be transferred to the limited gaming impact account.

(b) For the purposes of this part 16, the term "eligible local governmental entity" means the following local governmental entities:

(I) The counties of Boulder, Clear Creek, Grand, Jefferson, El Paso, Fremont, Park, Douglas, Gilpin, Teller, La Plata, Montezuma, and Archuleta;

(II) Any municipality located within the boundaries of any county set forth in subparagraph (I) of this paragraph (b), except the city of Central, the city of Black Hawk, and the city of Cripple Creek; and

(III) Any special district providing emergency services within the boundaries of any county set forth in subparagraph (I) of this paragraph (b).

(5) Notwithstanding the provisions of subparagraph (II) of this paragraph (b), neither the city of Woodland Park nor the city of Victor shall be eligible local governmental entities prior to July 1, 2002.

(6) (a) (I) Notwithstanding any other provision of this section, moneys accruing to the fund on and after July 1, 2002, and any previously transferred unencumbered moneys in the fund on July 1, 2003, shall be transferred to the general fund. Transfers to the fund shall resume as otherwise provided in this section for any state fiscal year commencing on or after July 1, 2004.

(II) Notwithstanding any provision of this section to the contrary, on April 20, 2009, the state treasurer shall deduct nine hundred fifty thousand dollars from the fund and transfer such sum to the general fund.

(b) If the total amount of revenues collected by the department for state taxes paid pursuant to the tax amnesty program established in section 39-21-201, C.R.S., exceeds the amount of five million dollars, then an amount equal to the amount of any such excess shall be transferred from the general fund to the fund on or before September 1, 2003. In no event shall the amount transferred pursuant to this paragraph (b) exceed the amount

transferred to the general fund pursuant to paragraph (a) of this subsection (6).

(7) Notwithstanding any provision of this section to the contrary, on June 1, 2009, the state treasurer shall deduct one hundred thousand dollars from the fund and transfer such sum to the general fund.

(8) Notwithstanding any provisions of this section to the contrary, on June 30, 2010, the state treasurer shall deduct two million dollars from the fund and transfer such sum to the general fund.

12-47.1-1602. Local government limited gaming impact advisory committee - creation - duties. (1) There is hereby created within the department of local affairs a local government limited gaming impact advisory committee, referred to in this section as the "committee". The committee shall be composed of the following thirteen members:

(a) The executive director of the department of local affairs;

(b) Two members, one of whom shall be appointed by and serve at the pleasure of the executive director of the department of public safety and one who shall be appointed by and serve at the pleasure of the executive director of the department of revenue;

(c) Three members representing the counties eligible to receive moneys from the fund pursuant to section 12-47.1-1601 (4) who shall serve at the pleasure of the boards and who shall be appointed as follows:

(I) One member shall be appointed by the chairs of the boards of county commissioners from the counties impacted by gaming in the city of Cripple Creek who shall serve a term of four years, except the initial appointee who shall serve a term of two years;

(II) One member shall be appointed by the chairs of the boards of county commissioners from the counties impacted by gaming in the city of Central and the city of Black Hawk who shall serve a term of four years; and

(III) One member shall be appointed by the chairs of the boards of county commissioners from the counties impacted by tribal gaming who shall serve a term of four years.

(d) Two members representing the municipalities eligible to receive moneys from the fund pursuant to section 12-47.1-1601 (4) to be appointed by the mayors of the municipalities and who shall serve at the pleasure of the mayors for terms of four years; except that one of the initial appointees shall serve a term of two years. Not more than one member shall be selected pursuant to this paragraph (d) from each of the groups of counties described in subparagraphs (I) to (III) of paragraph (c) of this subsection (1).

(e) One member representing the special districts providing

emergency services that are eligible to receive moneys from the fund pursuant to section 12-47.1-1601 (4) to be appointed by and who shall serve at the pleasure of the director of the division in the department of public health and environment responsible for statewide emergency medical and trauma services management;

(f) One member of the Colorado house of representatives to be appointed by the speaker of the house of representatives and who shall serve at the pleasure of the speaker;

(g) One member of the Colorado senate to be appointed by the president of the senate and who shall serve at the pleasure of the president; and

(h) Two members representing the governor, to be appointed by the governor and who shall serve at the pleasure of the governor.

(1.5) The terms of the members appointed by the speaker of the house of representatives and the president of the senate and who are serving on the effective date of this subsection (1.5) shall be extended to and expire on or shall terminate on the convening date of the first regular session of the sixty-seventh general assembly. As soon as practicable after such convening date, the speaker and the president shall each appoint or reappoint one member in the same manner as provided in paragraphs (f) and (g) of subsection (1) of this section. Thereafter, the terms of the members appointed or reappointed by the speaker and the president shall expire on the convening date of the first regular session of each general assembly, and all subsequent appointments and reappointments by the speaker and the president shall be made as soon as practicable after such convening date. The person making the original appointment or reappointment shall fill any vacancy by appointment for the remainder of an unexpired term. Members appointed or reappointed by the speaker and the president shall serve at the pleasure of the appointing authority and shall continue in office until the member's successor is appointed.

(2) The executive director of the department of local affairs shall convene the first meeting of the committee. The committee shall select a chair of the committee, from among the committee members, who shall convene the committee from time to time as the committee deems necessary.

(3) The committee shall have the following duties:

(a) To establish a standardized methodology and criteria for documenting, measuring, assessing, and reporting the documented gaming impacts upon eligible local governmental entities;

(b) To review the documented gaming impacts upon eligible local governmental entities on a continuing basis;

(c) To review grant applications from eligible local governmental

entities, individually or in cooperation with other eligible local governmental entities, based upon the needs of the entities and the documented gaming impacts on the entities;

(d) To make funding recommendations on a continuing basis to be considered by the executive director in making funding decisions for grant applications submitted by eligible local governmental entities pursuant to section 12-47.1-1601 (4) (a);

(e) *(Repealed, 2006)*

12-47.1-1701. Definitions. As used in this part 17, unless the context otherwise requires:

(1) "City" means a city that is not a certified local government as defined in section 12-47.1-103 (4.5) and that receives moneys from the state historical fund for historic preservation purposes.

(2) "Commission" means an independent restoration and preservation commission created pursuant to section 12-47.1-1202 (5).

12-47.1-1702. Independent restoration and preservation commission - appointments - qualifications - new appointments - appointments without nominations. (1) Pursuant to section 12-47.1-1202 (5), the governing body of a city shall create an independent restoration and preservation commission. The governing body shall appoint seven members to the commission as follows:

(a) Two persons who are architects shall be appointed from nominees submitted by the Colorado chapter of the American institute of architects or any successor organization.

(b) Two persons who are experts in historic preservation shall be appointed from nominees submitted by the Colorado historical society.

(c) Two persons who shall each have a degree in either urban planning or landscape architecture shall be appointed from nominees submitted by the Colorado chapter of the American planning association or any successor organization.

(d) One person who is a member of the community shall be appointed directly by the governing body of the city.

(2) In making appointments to the commission, the governing body of the city shall give due consideration to maintaining a balance of interests and skills in the composition of the commission and to the individual qualifications of the candidates, including their training, experience, and knowledge in the areas of architecture, landscape architecture, the history of the community, real estate, law, and urban planning.

(3) At any time that the term of office of a member of the commission is due to expire or when a member resigns, the governing body of the city

shall request at least two nominees for each such opening from the appropriate entity listed in subsection (1) of this section; except that no such requirement shall apply to the member of the community appointed directly by the governing body. The governing body shall make the appointments from the appropriate list of nominations.

(4) If the nominations required to make appointments or to fill vacancies have not been received by the governing body of the city within forty-five days after a written request for the required list has been sent to the nominating entity, the governing body may appoint members of the commission without nominations. However, the governing body shall give consideration to the qualifications of the appointee as if such appointee were nominated by the designated nominating entity.

(5) Members of the commission shall be appointed by and shall serve at the pleasure of the governing body of the city. Each member shall continue to serve until the member's successor has been duly appointed pursuant to subsection (1) of this section and is acting, but no such period shall extend more than ninety days past the expiration of the first member's term. The governing body shall determine the length of terms and whether the terms are staggered.

12-47.1-1703. Funding - compensation. (1) Costs associated with the operation of the commission shall be paid from the city's share of preservation and restoration moneys from the state historical fund.

(2) Members of the commission shall serve without compensation. To the extent authorized by the governing body of the city, members of the commission may be reimbursed for actual and necessary expenses incurred in the discharge of their official duties, including an allowance for mileage.

12-47.1-1704. Officers - bylaws - rules. (1) The commission shall elect a chairperson and such officers as it may require.

(2) The commission shall make and adopt bylaws governing its work.

(3) The commission may adopt rules and regulations for the administration and enforcement of part 12 of this article and this part 17.

12-47.1-1705. Meetings. The commission shall act only at regularly scheduled semi-monthly meetings, which shall be held at a time determined by the governing body of the city, or at meetings of which not less than five days' notice has been given. Absent the objection of any member, the chairperson may cancel or postpone a regularly scheduled meeting of the commission.

12-47.1-1706. Quorum - action. No official business of the

commission shall be conducted unless a quorum of not less than four members is present. The concurring vote of at least four members of the commission is necessary to constitute an official act of the commission.

12-47.1-1707. Final agency action - judicial review. Any official decision of the commission shall be considered final agency action and subject to judicial review in a court of competent jurisdiction. No official decision of the commission shall be appealable to or reviewable by the governing body of the city.

GAMBLING PAYMENT INTERCEPT ACT

24-35-601 Short title.

This part 6 shall be known and may be cited as the "Gambling Payment Intercept Act".

24-35-602. Legislative declaration.

(1) The general assembly hereby finds and declares that:

(a) Parents should provide financial support to their minor children who cannot care for themselves.

(b) The state should intervene when parents fail to meet their support obligations.

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

(d) A parent's winnings from money diverted from a child's support should be applied to the parent's outstanding support obligations.

(e) Section 12-47.1-102 (1) (c), C.R.S., of the "Limited Gaming Act of 1991" recognizes that the limited gaming industry must be assisted in protecting the general welfare of the people of the state.

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

(g) A criminal offender's winnings from money diverted from restitution should be applied to the offender's outstanding criminal court obligations.

(h) An uncollected debt to the state should be deducted from a person's winnings.

24-35-603. Definitions.

As used in this part 6, unless the context otherwise requires: (1) "Licensee" means a licensee as defined in section 12-60-102 (17), C.R.S., or an operator or retail gaming licensee under section 12-47.1-501 (1) (b) or (1) (c), C.R.S.

(2) (a) "Outstanding debt" means:

(I) Unpaid child support debt or child support costs to the state pursuant to section 14-14-104, C.R.S., and arrearages of child support requested as part of an enforcement action pursuant to article 5 of title 14, C.R.S., or arrearages of child support that are the subject of enforcement services provided pursuant to section 26-13-106, C.R.S.;

(II) Restitution that a person has been ordered to pay pursuant to section 18-1.3-603 or 19-2-918, C.R.S., regardless of the date that the restitution was ordered; and

(III) Any unpaid debt due to the state that is referred pursuant to section 24-30-202.4 (2) to the state controller or the central collection services section of the division of finance and procurement, or any successor

section, in the department of personnel, and including the collection fee and any allowable fees and costs pursuant to section 24-30-202.4 (8). "Outstanding debt" does not include any debt collected by the department of personnel for a political subdivision of the state.

(b) Notwithstanding any provision of paragraph (a) of this subsection (2), an outstanding debt shall not be less than three hundred dollars.

(3) "Payment" means cash winnings from limited gaming 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.

(4) "Registry" means the registry created and maintained by or for the department of revenue pursuant to section 24-35-604.

(5) "Registry operator" means the department of revenue or the private entity that maintains the registry under the direction and control of the department.

24-35-604. Registry - creation - information. (1) The department of revenue shall create and maintain, or contract with a private entity pursuant to section 24-35-607 to create and maintain, the registry in accordance with this section.

(1.5) On and after the date that the judicial department receives notice from the department of revenue pursuant to section 24-35-605.5 (2) (b) (I), the judicial department shall certify to the registry operator the information indicated in subsection (4) of this section regarding persons with an outstanding debt as specified in section 24-35-603 (2) (a) (II).

(2) The department of human services shall certify to the registry operator the information indicated in subsection (4) of this section regarding each child support obligor with an outstanding debt as specified in section 24-35-603 (2) (a) (I).

(2.5) on and after January 1, 2012, the department of personnel shall certify to the registry operator the information indicated in subsection (4) of this section regarding each person with an outstanding debt as specified in section 24-35-603 (2) (a) (III).

(3) The registry operator shall enter in the registry the information certified to the registry operator by the judicial department, and the department of human services, and the Department Of Personnel pursuant to subsections (1.5), and (2), and (2.5) of this section.

(4) The registry shall contain the following information:

(a) The name of each person with an outstanding debt;

(b) The social security number of each person with an outstanding debt;

(c) The account or case identifier assigned to the outstanding debt by the department that certified the information to the registry operator;

(d) The name, telephone number, and address of the department that

certified the information to the registry operator regarding each person with an outstanding debt; and

(e) The amount of the outstanding debt.

(5) On and after the date that the judicial department receives notice from the department of revenue pursuant to section 24-35-605.5 (2) (b) (I), the registry operator shall add a fee of twenty-five dollars to each outstanding debt certified by a department pursuant to this section.

24-35-605. Payments - limited gaming and pari-mutuel wagering licensees - procedures.

(1) On and after July 1, 2008:

(a) A licensee shall have the means to communicate with the registry operator.

(b) Before making a payment to a winner, the licensee shall obtain the name, address, and social security number of the winner from form W-2G, or a substantially equivalent form, to be filed with the United States internal revenue service and submit the required information to the registry operator. The registry operator shall inform the licensee whether the winner is listed in the registry. The licensee shall comply with subsection (2) of this section.

(2) (a) If the registry operator replies that the winner is not listed in the registry or if the licensee is unable to receive information from the registry operator after attempting in good faith to do so, the licensee may make the payment to the winner.

(b) If the registry operator replies that the winner is listed in the registry:

(I) The reply from the registry operator to the licensee shall indicate the name, telephone number, and address of the department that certified the information to the registry and the amount of the winner's outstanding debt.

(II) The licensee shall withhold from the amount of the payment an amount equal to the amount certified pursuant to section 24-35-604. If the amount of the payment is less than or equal to the amount certified, the licensee shall withhold the entire amount of the payment. The licensee shall refer the winner to the department that reported the outstanding debt to the registry.

(III) Within twenty-four hours after withholding a payment pursuant to subparagraph (II) of this paragraph (b), the licensee shall send the amount withheld to the registry operator and report to the registry operator the full name, address, and social security number of the winner, the account or case identifier assigned by the department that reported the outstanding debt to the registry, the date and amount of the payment, and the name and location of the licensee.

(IV) The registry operator shall send to the certifying department the

moneys and information received from a licensee pursuant to subparagraph (III) of this paragraph (b). If more than one department certified a winner, the registry operator shall send the information to each certifying department and distribute the moneys among the departments as follows:

(A) The registry operator shall send to the department of human services any amount certified by the department of human services.

(B) Of any moneys remaining after the distribution, if any, to the department of human services pursuant to sub-subparagraph (A) of this subparagraph (IV), the registry operator shall send to the judicial department any amount certified by the judicial department.

(C) Of any moneys remaining after the distribution, if any, to the judicial department pursuant to sub-subparagraph (B) of this subparagraph (IV), the registry operator shall send to the department of personnel any amount certified by the department of personnel.

(V) The department of human services shall process moneys received from the registry operator pursuant to subparagraph (IV) of this paragraph (b) in accordance with section 26-13-118.7, C.R.S. The judicial department shall process moneys received from the registry operator pursuant to subparagraph (IV) of this paragraph (b) in accordance with the rules of the department.

(3) The registry operator shall deduct an amount equal to the fee added to the outstanding debt pursuant to section 24-35-604 (5) from each payment received from a licensee and forward such amount to the state treasurer for deposit in the gambling payment intercept cash fund created in section 24-35-605.5.

24-35-605.5. Gambling payment intercept cash fund - creation - gifts, grants, donations - intercepts for restitution.

(1) There is hereby created in the state treasury the gambling payment intercept cash fund, referred to in this section as the "fund". The fund shall consist of any moneys deposited in the fund pursuant to section 24-35-605 (3), any allocations made to the fund pursuant to section 24-33.5-506 (1) (c.5) (I), any other moneys appropriated to the fund by the general assembly, and any gifts, grants, or donations from private or public sources, which the department of revenue is hereby authorized to seek and accept for the purposes set forth in this section. All private and public funds received through gifts, grants, or donations shall be transmitted to the state treasurer, who shall credit the same to the fund. The state treasurer shall also credit to the fund any moneys that are allocated thereto pursuant to section 24-33.5-506 (1) (c.5) (I).

(2) (a) The moneys in the fund shall be continuously appropriated to the department of revenue for the purpose of expanding the program

established by this part 6 to include intercepts of restitution that a person has been ordered to pay pursuant to section 18-1.3-603 or 19-2-918, C.R.S., as certified by the judicial department. As soon as there are sufficient moneys in the fund, the department of revenue shall expand the program for such purpose.

(b) Once the intercept program has been expanded as described in paragraph (a) of this subsection (2):

(I) The department of revenue shall notify the judicial department and the registry operator that the judicial department may begin certifying outstanding debt pursuant to section 24-35-604 (1.5); and

(II) Moneys in the fund shall be subject to annual appropriation by the general assembly for the direct and indirect costs associated with the administration of this part 6.

(c) Any moneys in the fund not expended for the purposes set forth in paragraphs (a) and (b) of this subsection (2) may be invested by the state treasurer as provided by law. All interest and income derived from the investment and deposit of moneys in the fund shall be credited to the fund. Any unexpended and unencumbered moneys remaining in the fund at the end of a fiscal year shall remain in the fund and shall not be credited or transferred or revert to the general fund or any other fund.

24-35-606. Liability - immunity. (1) A licensee that fails to comply with the provisions of section 24-35-605 shall be subject to sanctions by its licensing authority pursuant to sections 12-47.1-525 (1) and 12-60-507 (1), C.R.S.

(2) A licensee that makes a payment to a winner in violation of section 24-35-605 shall not be liable to the person to whom the winner owes an outstanding debt.

(3) Except as provided in section 24-35-606, a licensee shall be immune from civil and criminal liability for acting in compliance with the provisions of this part 6.

24-35-607. Contracting authority - memoranda of understanding - rules. (1) The executive director of the department of revenue may enter into a contract with a private entity, in accordance with the "Procurement Code", articles 101 to 112 of this title, to create and maintain the registry.

(2) The department of revenue may enter into memoranda of understanding with the judicial department, the department of human services, and the department of personnel to implement this part 6. If the registry is operated by a private entity pursuant to this section, the registry operator may enter into memoranda of understanding with the judicial department, the department of human services, and the department of

personnel to implement this part 6.

(3) The executive director of the department of revenue shall promulgate rules in accordance with article 4 of this title to implement this part 6. The rules shall include, but need not be limited to, rules regarding:

(a) The removal from the registry of information regarding persons who satisfy their outstanding debts;

(b) The manner in which a licensee shall communicate with the registry, including the information a licensee shall submit to the registry and the procedures to be followed if the registry is inaccessible due to technical or other problems;

(c) The protection of the confidentiality of information in the registry; and

(d) The circumstances and means by which an outstanding debt may be collected from a licensee pursuant to section 24-35-605 (2) (b) (IV).

(4) The executive director of the department of revenue shall promulgate a rule in accordance with article 4 of this title allowing a licensee to retain at least thirty dollars of each payment withheld pursuant to this part 6 to cover the licensee's costs of compliance with this part 6, which amount shall be added to the debtor's outstanding debt.

24-35-608. *Conditional repeal of part. (Repealed 2009.)*

—- *Related statute* —-

26-13-118.7. Gambling winnings - interception - rules.

(1) Pursuant to section 24-35-604 (2), C.R.S., the state department shall periodically certify to the registry operator information regarding persons who owe a child support debt or child support costs to the state pursuant to section 14-14-104, C.R.S., or who owe child support arrearages requested as part of an enforcement action pursuant to article 5 of title 14, C.R.S., or who owe child support arrearages or child support costs that are the subject of enforcement services provided pursuant to section 26-13-106. The information shall include the social security number of the person owing the child support debt, arrearages, or child support costs, the amount owed, and the other information required by the registry operator pursuant to section 24-35-604 (4), C.R.S.

(2) Upon receipt from the registry operator of a payment and accompanying information pursuant to section 24-35-605 (2) (b), C.R.S., the state department 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 or from pari-mutuel wagering on horse or greyhound racing. The notice shall include information on the parent's right to object to the offset and to request an administrative review pursuant to the rules of the state board.

(3) Upon receipt of a payment from the registry operator pursuant to section 24-35-605 (2) (b), C.R.S., the state department shall deposit the payment with the family support registry created pursuant to section 26-13-114. After the final disposition of any administrative review requested pursuant to subsection (2) of this section, the state department shall disburse the payment for processing or for distribution to the individual receiving support enforcement services pursuant to section 26-13-106, as appropriate.

(4) The state department shall promulgate rules pursuant to article 4 of title 24, C.R.S., establishing procedures to implement this section.

(5) The state department shall send the name, address, and social security number of any person subject to the interception of gambling winnings provided by the registry operator to the respective delegate child support enforcement unit as defined in section 14-14-102 (2), C.R.S.

CONSTITUTIONAL AMENDMENT
ARTICLE XVIII

Section 9. Limited gaming permitted.

(1) Any provisions of section 2 of this article XVIII or any other provisions of this constitution to the contrary notwithstanding, limited gaming in the City of Central, the City of Black Hawk, and the City of Cripple Creek shall be lawful as of October 1, 1991.

(2) The administration and regulation of this section 9 shall be under an appointed limited gaming control commission, referred to in this section 9 as the commission; said commission to be created under such official or department of government of the state of Colorado as the general assembly shall provide by May 1, 1991. Such official or the director of the department of government shall appoint the commission by July 1, 1991. The commission shall promulgate all necessary rules and regulations relating to the licensing of limited gaming by October

1, 1991, in the manner authorized by statute for the promulgation of administrative rules and regulations. Such rules and regulations shall include the necessary defining of terms that are not otherwise defined.

(3) Limited gaming shall be subject to the following:

(a) Limited gaming shall take place only in the existing Colorado cities of: the City of Central, county of Gilpin, the City of Black Hawk, county of Gilpin, and the City of Cripple Creek, county of Teller. Such limited gaming shall be further confined to the commercial districts of said cities as said districts are respectively defined in the city ordinances adopted by: the City of Central on October 7, 1981, the City of Black Hawk on May 4, 1978, and the City of Cripple Creek on December 3, 1973.

(b) Limited gaming shall only be conducted in structures which conform, as determined by the respective municipal governing bodies, to the architectural styles and designs that were common to the areas prior to World War I and which conform to the requirements of applicable respective city ordinances, regardless of the age of said structures.

(c) No more than thirty-five percent of the square footage of any building and no more than fifty percent of any one floor of such building, may be used for limited gaming.

(d) Limited gaming operations shall be prohibited between the hours of 2:00 o'clock a.m. and 8:00 o'clock a.m., unless such hours are revised as provided in subsection (7) of this section.

(e) Limited gaming may occur in establishments licensed to sell alcoholic beverages.

(4) As certain terms are used in regards to limited gaming:

(a) "Adjusted gross proceeds" means the total amount of all wagers made by players on limited gaming less all payments to players; said payments to players being deemed to include all payments of cash premiums, merchandise, tokens, redeemable game credits, or any other thing of value.

(b) "Limited gaming" means the use of slot machines and the card games of blackjack and poker, each game having a maximum single bet of five dollars, unless such games or single bets are revised as provided in subsection (7) of this section.

(c) "Slot machine" means any mechanical, electrical, video, electronic, or other device, contrivance, or machine which, after insertion of a coin, token, or similar object, or upon payment of any

required consideration whatsoever by a player, is available to be played or operated, and which, whether by reason of the skill of the player or application of the element of chance, or both, may deliver or entitle the player operating the machine to receive cash premiums, merchandise, tokens, redeemable game credits, or any other thing of value other than unredeemable free games, whether the payoff is made automatically from the machines or in any other manner.

(5) (a) Up to a maximum of forty percent of the adjusted gross proceeds of limited gaming shall be paid by each licensee, in addition to any applicable license fees, for the privilege of conducting limited gaming. Subject to subsection (7) of this section, such percentage shall be established annually by the commission according to the criteria established by the general assembly in the implementing legislation to be enacted pursuant to paragraph (c) of this subsection (5). Such payments shall be made into a limited gaming fund that is hereby created in the state treasury.

(b) (I) From the moneys in the limited gaming fund, the state treasurer is hereby authorized to pay all ongoing expenses of the commission and any other state agency, related to the administration of this section 9. Such payment shall be made upon proper presentation of a voucher prepared by the commission in accordance with statutes governing payments of liabilities incurred on behalf of the state. Such payment shall not be conditioned on any appropriation by the general assembly.

(II) At the end of each state fiscal year, the state treasurer shall distribute the balance remaining in the limited gaming fund, except for an amount equal to all expenses of the administration of this section 9 for the preceding two-month period, according to the following guidelines and subject to the distribution criteria provided in subsection (7) of this section: fifty percent shall be transferred to the state general fund or such other fund as the general assembly shall provide; twenty-eight percent shall be transferred to the state historical fund, which fund is hereby created in the state treasury; twelve percent shall be distributed to the governing bodies of Gilpin county and Teller county in proportion to the gaming revenues generated in each county; the remaining ten percent shall be distributed to the governing bodies of the cities of: the City of Central, the City of Black Hawk, and the City of Cripple Creek in proportion to the gaming revenues generated in each respective city.

(III) Of the moneys in the state historical fund, from which the state treasurer shall also make annual distributions, twenty percent shall be used for the preservation and restoration of the cities of: the City of

Central, the City of Black Hawk, and the City of Cripple Creek, and such moneys shall be distributed, to the governing bodies of the respective cities, according to the proportion of the gaming revenues generated in each respective city. The remaining eighty percent in the state historical fund shall be used for the historic preservation and restoration of historical sites and municipalities throughout the state in a manner to be determined by the general assembly.

(c) and (d) Repealed.

(e) The general assembly shall enact provisions for the special licensing of qualifying nonprofit charitable organizations desiring to periodically host charitable gaming activities in licensed gaming establishments.

(f) If any provision of this section 9 is held invalid, the remainder of this section 9 shall remain unimpaired.

(6) Local vote on legality of limited gaming - election required. (a) Except as provided in paragraph (e) of this subsection (6), limited gaming shall not be lawful within any city, town, or unincorporated portion of a county which has been granted constitutional authority for limited gaming within its boundaries unless first approved by an affirmative vote of a majority of the electors of such city, town, or county voting thereon. The question shall first be submitted to the electors at a general, regular, or special election held within thirteen months after the effective date of the amendment which first adds such city, county, or town to those authorized for limited gaming pursuant to this constitution; and said election shall be conducted pursuant to applicable state or local government election laws.

(b) If approval of limited gaming is not obtained when the question is first submitted to the electors, the question may be submitted at subsequent elections held in accordance with paragraph (d) of this subsection (6); except that, once approval is obtained, limited gaming shall thereafter be lawful within the said city, town, or unincorporated portion of a county so long as the city, town, or county remains among those with constitutional authority for limited gaming within their boundaries.

(c) Nothing contained in this subsection (6) shall be construed to limit the ability of a city, town, or county to regulate the conduct of limited gaming as otherwise authorized by statute or by this constitution.

(d) (I) The question submitted to the electors at any election held pursuant to this subsection (6) shall be phrased in substantially the following form: "Shall limited gaming be lawful within ?"

(II) The failure to acquire approval of limited gaming in the unincorporated portion of a county shall not prevent lawful limited gaming within a city or town located in such county where such approval is acquired in a city or town election, and failure to acquire such approval in a city or town election shall not prevent lawful limited gaming within the unincorporated area of the county in which such city or town is located where such approval is acquired in an election in the unincorporated area of a county.

(III) If approval of limited gaming is not acquired when the question is first submitted in accordance with this subsection (6), the question may be submitted at subsequent elections so long as at least four years have elapsed since any previous election at which the question was submitted.

(e) Nothing contained in this subsection (6) shall be construed to affect the authority granted upon the initial adoption of this section at the 1990 general election, or the conduct and regulation of gaming on Indian reservations pursuant to federal law.

(f) For purposes of this subsection (6), a "city, town, or county" includes all land and buildings located within, or owned and controlled by, such city, town, or county or any political subdivision thereof. "City, town, or county" also includes the city and county of Denver.

(7) Local elections to revise limits applicable to gaming - statewide elections to increase gaming taxes. (a) Through local elections, the voters of the cities of Central, Black Hawk, and Cripple Creek are authorized to revise limits on gaming that apply to licensees operating in their city's gaming district to extend:

(I) Hours of limited gaming operation;

(II) Approved games to include roulette or craps, or both; and

(III) Single bets up to one hundred dollars.

(b) Limited gaming tax revenues attributable to the operation of this subsection (7) shall be deposited in the limited gaming fund. The commission shall annually determine the amount of such revenues generated in each city.

(c) From gaming tax revenues attributable to the operation of this subsection (7), the treasurer shall pay:

(I) Those ongoing expenses of the commission and other state agencies that are related to the administration of this subsection (7);

(II) Annual adjustments, in connection with distributions to limited gaming fund recipients listed in subsection (5)(b)(II) of this section, to reflect the lesser of six percent of, or the actual percentage of, annual

growth in gaming tax revenues attributable to this subsection (7); and

(III) Of the remaining gaming tax revenues, distributions in the following proportions:

(A) Seventy-eight percent to the state's public community colleges, junior colleges, and local district colleges to supplement existing state funding for student financial aid programs and classroom instruction programs; provided that such revenue shall be distributed to institutions that were operating on and after January 1, 2008, in proportion to their respective full-time equivalent student enrollments in the previous fiscal year;

(B) Ten percent to the governing bodies of the cities of Central, Black Hawk, and Cripple Creek to address local gaming impacts; provided that such revenue shall be distributed based on the proportion of gaming tax revenues, attributable to the operation of this subsection (7), that are paid by licensees operating in each city; and

(C) Twelve percent to the governing bodies of Gilpin and Teller Counties to address local gaming impacts; provided that such revenue shall be distributed based on the proportion of gaming tax revenues, attributable to the operation of this subsection (7), that are paid by licensees operating in each county.

(d) After July 1, 2009, the commission shall implement revisions to limits on gaming as approved by voters in the cities of Central, Black Hawk, or Cripple Creek. The general assembly is also authorized to enact, as necessary, legislation that will facilitate the operation of this subsection (7).

(e) If local voters in one or more cities revise any limits on gaming as provided in paragraph (a) of this subsection (7), any commission action pursuant to subsection (5) of this section that increases gaming taxes from the levels imposed as of July 1, 2008, shall be effective only if approved by voters at a statewide election held under section 20(4)(a) of article X of this constitution.

(f) Gaming tax revenues attributable to the operation of this subsection (7) shall be collected and spent as a voter-approved revenue change without regard to any limitation contained in section 20 of article X of this constitution or any other law.

Enacted by the people November 6, 1990.
Paragraph 6 enacted by the people November 3, 1992.
Paragraph 7 enacted by the people November 4, 2008.

Colorado Division of Gaming

The Colorado Division of Gaming, a division of the Colorado Department of Revenue, is responsible for the regulation and enforcement of limited gaming in Colorado. The Division, with offices in Golden, Central City/Black Hawk and Cripple Creek, employs a staff of 92 persons, which includes investigators, auditors, accountants, administrators and support personnel.

Among the duties of the Division of Gaming is the investigation of gaming license applicants, who must submit to a thorough background review. Division investigators scrutinize personal and financial histories of applicants, including the sources of all money applicants plan to invest in a proposed establishment. Division investigators also patrol casinos during all hours of operation to handle patron complaints and observe for possible violations of gaming laws, rules and regulations. All Division investigators have the powers of peace officers and are certified as such.

The Division is also very involved in other day-to-day activities of limited gaming. In the first 20 years of gaming in Colorado, the Division's Licensing Section processed more than 40,000 new licenses for casinos and casino employees.

The Division's Audit Section conducts revenue and compliance audits of casinos to make sure establishments are following stringent accounting and compliance procedures to support the proper reporting and payment of taxes. The Audit Section develops and updates the Internal Control Minimum Procedures that casinos are required to implement in order to facilitate an adequate control environment. The Section works closely with casino Internal Compliance Officers in reviewing proposed variances to the ICMP, reporting and resolving noncompliant issues and developing internal control testing processes. Additionally, the Audit Section is responsible for publishing the Gaming Fact Book and Abstract.

The Field Operations Unit and Technical Systems Group oversee all gaming devices and related systems in the Colorado Gaming Industry. Field Operations and Technical Systems provide oversight and regulatory interpretations to the independent testing lab, Gaming Laboratories International, for all gaming devices and systems in their respective areas of expertise. The Field Operations Unit is tasked with ensuring each of the approximately 15,000 plus electronic gaming devices offered within Colorado's limited gaming jurisdiction are approved for use and are in compliance with the state's gaming laws. The Technical Systems Group is responsible for all gaming system applications; this includes slot monitoring systems, bonusing systems, progressive systems and wide area progressive systems. The staff oversees installation and upgrades of these systems to ensure they are approved and comply with the state's gaming laws.

The Colorado Division of Gaming

Our mission –
to Insure Honesty and Integrity in the Colorado Gaming Industry

Division of Gaming Offices

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