

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
December 30, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:07 a.m. on December 30, 1991, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Assistant Attorney General, Maurie Knaizer, and from the Tax Analysis Section, Jim Huyghebaert and Joan Vecchi.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of December 16, without reading. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly announced that the formal opinion from the Attorney General's office regarding authority over the Gaming Fund was not ready for this meeting, and the Commission would continue discussion on the January 13, 1992, once they received this information.

Chairperson Kelly called for a motion to go into executive session at 9:15 a.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was recessed at 10:35 and reconvened into public session by Chairperson Kelly at 10:45 a.m.

Mr. Morris recommended approval for temporary operator/retailer licenses for the following applicants: MAIN STREET GAMING HOUSE PARTNERSHIP doing business as MAIN STREET GAMING HOUSE and BLACK HAWK PROSPECTOR INC., doing business as BLACK HAWK PROSPECTOR'S POKER PARLOR.

The Chair called for a motion to issue to the MAIN STREET GAMING HOUSE PARTNERSHIP and BLACK HAWK PROSPECTOR INC., temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective December 30, 1991, at noon and expiring at noon on June 29, 1992. Such licenses are to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on December 30, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. December 30, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.

Mr. Robison and Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Robison called for a motion to pay \$113,000 to C.B.I. for the 4.5 F.T.E. salaries and benefits. Chairperson Kelly made the motion. Mrs. Brackett and Mr. Brower seconded the motion. The motion was adopted. Mr. Robison asked that this be paid to C.B.I. before the end of the year. Mr. Morris did not see a problem with getting this done by the end of the year.

Ms. Buchanan reviewed the proposed standards, procedures and test that she had submitted to the Commissioners for their consideration regarding the C.B.I. funding.

Chairperson Kelly suggested that these standards, procedures and tests could be used for any agency requesting funds from the Gaming Fund. Ms. Buchanan said that she would expand this draft into an over-all approach.

Chairperson Kelly called for a motion to adopt a standard to be applied by the Limited Gaming Control Commission in evaluating the funding of C.B.I. from the Limited Gaming Fund. Mr. Robison made the motion to adopt Option 3: "Is the request for funding related to : 1) background investigations for limited gaming and 2) the investigation and prosecution of organized crime in Colorado which is linked to limited gaming activity in the state?" Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt this test:

Tests that will be applied by the Limited Gaming Commission in determining whether the standard will be met or activities pursued fall within the activities for which the funding was provided:

- 1) Does the investigation and/or prosecution involve an applicant or licensee as defined by the Act?
- 2) Does the investigation and/or prosecution involve an associated person as defined by the Act?
- 3) Does the investigation and/or prosecution involve an employee of an applicant or licensee?
- 4) Does the investigation and prosecution grow out of a limited gaming background investigation and do the activities being investigated have some other link to limited gaming?
- 5) Can the investigation or the prosecution be better addressed by another agency other than C.B.I. and Division of Gaming?

- 6) Such other tests as may be applied to the specific facts before the Commission.

Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to approve the following procedures for use by Mr. Tipton in negotiating with Mr. Thomas of the Department of Public Safety:

In order to avoid duplication of efforts and double-funding of the same activities, the following procedures are recommended by the Limited Gaming Control Commission for the Gaming Division and C.B.I.:

- 1) Background investigations of applicants:
  - Will be undertaken at direction of Gaming
  - Assigned C.B.I. agents will work with Gaming agents or independently, but only if approved on a prior basis by Gaming
- 2) If a criminal investigation is warranted as a result of a background investigation:
  - C.B.I. and/or Gaming will proceed at the direction of Gaming
  - Assigned C.B.I. agents will work with Gaming agents or independently, but only if approved on a prior basis by Gaming
- 3) If prosecution is warranted as a result of a criminal investigation:
  - In cooperation with C.B.I., Gaming will decide whether to retain or to turn over all cases to an appropriate law enforcement agency - D.A., DEA, DOR, IRS, (if tax)

- 4) If there develops an investigation where an application/licensee/employee is not directly involved but there exists a strong indirect or potential link to limited gaming, the Gaming Director will determine whether Gaming and/or the CBI should pursue the investigation. If appropriate in the judgment of the Gaming Director, the Director will discuss the investigation with the Gaming Commission to obtain authorization to pursue.
- 5) On a monthly basis, or as requested, Gaming and C.B.I. will report on the investigation and prosecution of all cases to the Gaming Commission.
- 6) Where C.B.I. believes that investigative resources should be allocated to a particular case, and the Director of Gaming disagrees, the C.B.I. may present a proposal to undertake such activities to the Commission.
- 7) Directors of the Department of Revenue and Public Safety will determine jointly which specific individuals will be assigned by C.B.I. to Gaming.

Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris discussed some of the towns interested in having limited gaming that were published in the 'GROGAN REPORT'.

Chairperson Kelly asked about the Fire Safety rates. Ms. Buchanan said that she was looking into what other states' fire safety staffs were charging per hour for their services, and she would bring the information for the January 13, 1992, Commission meeting. Mr. Robison suggested that the Commission approve the Fire Safety Division's request of \$37.00 per hour in order for Fire Safety to go before the Joint Budget Committee and request spending authority.

Chairperson Kelly called for a motion to provide funding to the Fire Safety Division based upon their budget request, utilizing up to \$50.00 an hour; but funding will be granted not to exceed \$37.00 an hour, until further determination from the Commission. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Page 6 of 6  
December 30, 1991

Discussion was held on the contiguous counties. The Commissioners had asked Ms. Buchanan to brief them on this statute at the January 13th meeting, before hearing from Local Affairs regarding this issue. Ms. Buchanan said she would do so.

There being no further business to come before the Commission, the meeting was adjourned at 12:15 p.m.

  
Sandie Seegmiller  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
December 16, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:11 a.m. on December 16, 1991, at 710 S. Colorado Blvd., first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included the Executive Director of the Department of Public Safety, Dave Thomas, Director of Highways, John Dempsey, Director of the Colorado Bureau of Investigation, Carl Whiteside, State Senator Sally Hopper, Don Lozow, Ron DeMarco, Austin Harvill and Tina Harvill.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to discuss with the Commission; he stated that he did not have any informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of December 2, and November 22, 1991, without reading. Mr. Robison asked Ms. Seegmiller to make sure that the Minutes of the meeting of December 2 reflect that he asked the Division of Fire Safety for support concerning how they reached their hourly rate. Ms. Seegmiller said she would make that change. Chairperson Kelly called again for a motion to adopt the Minutes of December 2, as corrected, and November 22, 1991. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Thomas introduced John Dempsey from the Colorado State Patrol. Mr. Dempsey briefed the Commissioners on the impact gambling is having on the highways. Chairperson Kelly said it would be helpful if his Division would give the Commissioners written quarterly reports on the State Patrol's operations. Mr. Dempsey said that he would give the Commissioners written quarterly reports of his Division's activities.

Mr. Whiteside presented to the Commission a detailed activity report for the period July 1 through November 31, 1991; the Commissioners had requested such a report from him at the December 2nd meeting. Mr. Robinson asked that these reports be distributed to the Division of Gaming prior to the meeting so the Division could have a chance to review them as well as the Commissioners.

Chairperson Kelly announced that the Commission had not yet received the formal opinion from the Attorney General regarding its authority over the Gaming Fund; but once they received the opinion, they would make a decision. The Commission offered to make partial payment until the decision over the funding was made. Mr. Thomas said that he would get with his fiscal manager, and someone would get in touch with the Division of Gaming.

Mr. Robison addressed a question to Mr. Thomas concerning what authority the Division of Gaming investigators did have, as it related to limited gaming and organized crime. Mr. Thomas said that he felt that the Division of Gaming had all the authority it needed to exercise its authority in the area of limited gaming. Mr. Robison asked that Ms. Beck-Ferkiss give Mr. Thomas a copy of her memorandum of December 11, 1991, which addressed this area. She said she would do so.

Senator Hopper explained her beliefs that the Act clearly stated that the authority is exclusive for the C.B.I. to do the organized crime investigations. Chairperson Kelly responded, addressing the C.B.I. funding issue, that the Commission will accept the formal Attorney General's opinion when they receive it.

The meeting was recessed by Chairperson Kelly at 10:45 a.m.

The meeting was reconvened by Chairperson Kelly at 11:00 a.m.

Chairperson Kelly announced that Mr. Morris had requested going into executive session for the purpose of discussing criminal investigations of organized crime and listening to testimony of various agents of other law enforcement operations. She called for a motion to go into executive session at 11:05 a.m. Mrs. Brackett made the motion. Mr. Robison and Mr. Brower seconded the motion. The motion was adopted.

The Commission reconvened into public session at 2:00 p.m. for the hearing on the appeal of Ron Demarco, case #GAD91000.

Representing Mr. DeMarco was Don Lozow. Representing the Division of Gaming was Sue Beck-Ferkiss. Representing the Gaming Commission as conflicts counsel was Tom Callison.

Having heard testimony from both sides the Commission made the following decision: the support license application of Mr. DeMarco was denied.

The Commission next heard from Mr. Austin Harvill on his appeal for a support license, case #GAD91001. Having considered testimony from both the Division and Mr. Harvill in this matter, the Commission overruled the denial by the Division of the applicant's license application dated November 4th, 1991. The Commission granted a temporary support license to the applicant for six months based on the following conditions:

1. The licensee will report to the Director of the Division of Gaming in writing on or before the fifteenth day of each month for the following six months concerning the status of and his compliance with, the conditions of his deferred judgment and sentence pending in the Combined Court of Park County until April 21, 1992;
2. The licensee will not be arrested for the violation of any state or federal law or regulation;
3. The licensee will continue to support the children of his household and comply fully with the terms of any child support order affecting his children;
4. The licensee will not consume beverage alcohol of any kind.

If after six months the licensee has not violated any aforementioned condition, the license issued on December 16, 1991, shall become a permanent license for the next six months and shall then be subject to renewal like any other support license issued by the Division of Gaming. At all times the license shall be subject to revocation, suspension, or other disciplinary action for failure to comply with the conditions of the license, any provisions of the Limited Gaming Act of 1991, and the rules and regulations promulgated pursuant to the Act.

Chairperson Kelly called for a motion to go into executive session at 4:00 p.m. for the purpose of reviewing and considering temporary licensure and the backgrounds of various applicants for gaming licenses. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Commissioners adjourned from executive session, and reconvened into public meeting at 4:40 p.m. Mr. Morris recommended approval for temporary operator/retailer licenses for the following applicant: CRIPPLE CREEK ASSOCIATES, doing business as TURF CLUB.

The Chair called for a motion to issue to the CRIPPLE CREEK ASSOCIATES, doing business as TURF CLUB, temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective December 17, 1991, at noon and expiring at 11:59 a.m. on June 17, 1992. Such licenses are to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on December 17, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. December 17, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.

- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion. Mrs. Brackett and Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly deferred Amelie Buchanan's proposals concerning the Colorado Bureau of Investigation until the December 30th meeting.

Mr. Morris and Ms. Beck-Ferkiss presented to the Commission the amendments to rules passed as temporary rule changes on October 30, 1991. Those rules included Rules 404, 405, 406, and 407.

Chairperson Kelly called for a motion to adopt the amendment to Rule 47.1-404. No motion was made. The amendment to Rule 47.1-404 was not adopted.

Chairperson Kelly called for a motion to adopt the amendment to Rule 47.1-405. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the amendment to Rule 47.1-406. Mr. Robison made the motion. Mrs. Brackett and Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the amendments to Rule 47.1-407.

No motion was made. The amendment to rule 47.1-407 was not adopted.

Ms. Zalesky reviewed the financial statements with the Commissioners. She also asked that they approve an additional \$107,000 for accrued annual leave and \$8,200 for accrued for sick leave. Chairperson Kelly called for a motion to approve the \$115,200 and adopt the financial statements. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Page 6 of 6  
December 16, 1991

Ms. Buchanan suggested that, when the tax data was compiled, the Department of Revenue would simultaneously send it to the Commissioners and the public each month. The Commissioners agreed that this was a good idea.

There being no further business to come before the Commission, the meeting was adjourned at 5:20 p.m.

  
Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL COMMISSION**

### **Minutes of Meeting**

**December 2, 1991**

(Revised 12/16/91)

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on December 2, 1991, at 710 S. Colorado Blvd. first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, Chat Paterson and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Deputy Chief Investigator, Jim Cain, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations included: the Executive Director of the Department of Public Safety, Dave Thomas, Director of Fire Safety, Dean Smith, Director of the Colorado Bureau of Investigation, Carl Whiteside, Investigative Supervisor, Jim Borowski, and Assistant Attorney General, John Lizza.

Mr. Thomas introduced himself and suggested that Mr. Smith, of the Division of Fire Safety, go ahead with his presentation first. Mr. Smith reviewed a hand-out he gave to the Commissioners regarding reimbursement. He said that his division had performed extensive work in each of the counties, especially with one of the requirements for a license being prior certification from Fire Safety. Mr. Smith's primary concern was to be reimbursed for the expenses involved with fire inspections, totalling \$114,541 by the end of this fiscal year.

Commissioner Robison asked that the Division of Fire Safety supply the details concerning how it arrived at the hourly rate that they were charging for their service. The Division of Fire Safety agreed to do so.

Mr. Whiteside represented the Colorado Bureau of Investigation, explaining his position that 4.5 F.T.E. should be available immediately; and the remainder should become available on January 1, 1992. His position was that, because of the necessity and the urgency raised by limited gaming, it was necessary to put all ten people in place simultaneously to do background investigations, enforce violations of the gaming statutes, and collect information on organized crime.

Mr. Robison requested that Ms. Beck-Ferkiss render her opinion concerning the statute which provides spending authority for the additional 5.5 F.T.E. that the C.B.I. requesting. Ms. Beck-Ferkiss stated that she felt that the statute gave the Commission authority over the funding of the additional 5.5 F.T.E. for C.B.I.

Mr. Lizza, the Assistant Attorney General for C.B.I., disagreed with Ms. Beck-Ferkiss, stating that the statute does indicate that the Gaming Commission shall authorize the payment for those F.T.E.

Chairperson Kelly called for a motion to request a formal opinion from the Attorney General concerning the interpretation of the statutory section and the authority of the Commission. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Whiteside introduced Jim Borowski and asked that the Commission go into executive session so that Mr. Borowski could brief them in detail on the types of investigations the C.B.I. has been doing.

Chairperson Kelly called for a motion to go into executive session at 10:40 a.m. for the purpose of hearing background information and explanation of the work of the C.B.I. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Commissioners adjourned from executive session and reconvened into public session at 2:40 p.m.

Chairperson Kelly mentioned that the Commission may possibly want to adopt a policy as to which position the Commissioners will take on legislation.

There being no further business to come before the Commissioners, the meeting was adjourned at 3:00 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
November 22, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on November 22, 1991, at 710 S. Colorado Blvd. first floor conference room. Present were Commissioners Ben Brower, Ava Brackett, Chat Paterson and Lavoy Robison. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, Licensing and Operations Manager, Phyllis Accetturo, Assistant Attorney General, Sue Beck-Ferkiss and from the Tax Analysis Section, Jim Huyghebaert and Joan Vecchi.

Mr. Morris reviewed his statistical reports and stated that there were 25 casinos currently operating. He had no other informational or organizational matters to report at that time.

Chairperson Kelly called for a motion to adopt the Minutes of October 30 without reading. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Huyghebaert gave a presentation concerning tax collections. He announced that there were 21 establishments in operation for the month of October, for an average of 27.14 days a month. Fifteen out of the 21 retail license holders fell into the 4% tax bracket, 4 of them fell into the 8% tax bracket, and 2 of them fell into the 15% tax bracket. Breaking down the revenues generated by location, Mr. Huyghebaert announced that Central City generated \$259,654.00, Black Hawk generated \$121,354.00, and Cripple Creek generated \$114,745.00.

Ms. Zalesky informed the Commission that the Division's Financial Statements, that were given to the Commissioners in their packets for this meeting, needed some adjustments. She therefore promised to make the necessary adjustments and review them at the December 16th Commission meeting.

Chairperson Kelly called for a motion to go into executive session at 10:05 a.m. for the purpose of reviewing and considering temporary licensure and the background of various applicants for gaming licenses. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Commissioners adjourned from executive session, and reconvened into public meeting at 11:25 a.m.

Mr. Morris recommended approval for temporary operator/retailer licenses for the following applicants: DILLON'S DOUBLE EAGLE, INC.; BLUE SPRUCE INVESTMENT CORP.; G.F. GAMING CORP.; AND S. KOHLENBERG, INC., a Delaware Corp.

The Chair called for a motion to issue to the DILLON'S DOUBLE EAGLE INC., doing business as DILLON'S, G.F. GAMING CORP. doing business as THE FAMOUS BONANZA, and BLUE SPRUCE INVESTMENT CORP., doing business as PETE'S PLACE, temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective November 22, 1991, at 12:00 noon and expiring at 11:59 a.m. on May 22, 1992. Such licenses were to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on November 22, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. November 22, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

The Chair called for a motion to issue to S. KOHLENBERG AND COMPANY, INC., doing business as THE TELLER HOUSE CASINO, INC., temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective November 22, 1991, at 12:00 noon and expiring at 11:59 a.m. on May 22, 1992. Such license was to be a conditional license subject to the following conditions: the new licensee shall continue paying gaming taxes, for the purposes of the graduated tax rates, as if it were the prior licensee, S. Kohlenberg and Company, a New York Corporation. The other conditions specified ordinarily in the issuance of a temporary license were waived by the Commission, as having already been satisfied. Mrs. Brackett made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced the public Gaming Commission meetings scheduled for December 2, and December 16, at this location starting at 9:00 a.m.

Chairperson Kelly called a motion to go into Executive Session at 11:55 a.m. to consider personal information concerning the tax returns of various applicants. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris presented to the Commission a staffing projection requesting 8 additional investigators, a Controller, an Accountant IA, one administrative clerk for the investigators, and 3 administrative clerks for the Denver office.

The Chairperson called for a motion to authorize the Division Director to expend funds not to exceed \$377,000 as additional costs for fiscal year 91/92. The amounts were deemed sufficient to hire 8 investigators, to be employed between Nov. 22, 1991, and March 1, 1992, as they may be needed. Also to be hired were one Controller III, one Accountant IA, one administrative clerk, and three temporary administrative clerks, and needed capital outlay (leased vehicles, computers, etc.). Mr. Robison made the motion. Mr. Paterson and Mrs. Brackett seconded the motion. The motion was adopted.

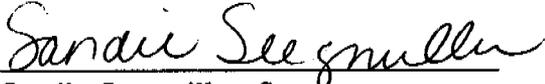
Mr. Tipton brought up the issue that the sum of \$102,000 was spent indirectly by the Department of Revenue. Additionally the sum of \$51,000 was expected to be spent for further legal services. These costs needed to be taken from the Gaming Fund.

The Chairperson called for a motion to authorize the Director of Gaming to expend up to an additional \$51,000 in fiscal year 91/92 for legal services, and to transfer the sum of \$102,000 from the gaming fund to the general fund to cover indirect costs. Mrs. Brackett made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Paterson called for a motion to authorize John Tipton to advise the Joint Budget Committee that the Division of Gaming would like to release its loan of \$946,000 for other state purposes, as the Division of Gaming did not need the loan. Chairperson Kelly made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly asked Ms. Beck-Ferkiss to give a written statement to the Commissioners before the December 2nd meeting with C.B.I., discussing the Limited Gaming Control Commission's authority over the limited gaming fund. Ms. Beck-Ferkiss said that she would do so.

There being no further business to come before the Commission, the meeting was adjourned at 3:40 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

### Minutes of Meeting

October 30, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:20 a.m. on October 30, 1991, at 710 S. Colorado Blvd. 1st floor Conference Room. Present were Commissioners Ava Brackett, Chat Paterson, and Lavoy Robison. Arriving at 10:15 a.m. due to the weather was Commissioner Ben Brower. Also attending were the Department of Revenue Executive Director John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, Licensing and Operations Manager, Phyllis Accetturo, and Assistant Attorney General, Sue Beck-Ferkiss. Persons speaking were Christine Hunsucker and Kirk Petre.

Mr. Tipton presented to the Commissioners a plaque acknowledging the Casinos that were open as of October 1, 1991, due to the Division's and the Commissioners' hard work.

Chairperson Kelly called for a motion to adopt the Minutes of October 10 and 11 without reading. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

There was a discussion concerning how well the buses to and from the limited gaming towns were working. Mr. Grantham said this was working out well, and the towns planned to have more buses commuting in the future.

Ms. Zalesky reviewed the financial statement with the Commissioners. Chairperson Kelly called for a motion to adopt the financial statements. Mrs. Brackett made the motion. Mr. Robison seconded the motion. The motion was adopted.

Ms. Beck-Ferkiss addressed the issue regarding Jay Scott Jett. She summarized the situation with respect to Mr. Jett: the Commissioners had previously summarily suspended his license due to a pending felony charge. She stated that Mr. Morris and she had met with Mr. Jett on October 29, 1991, and Mr. Jett agreed to sign a Stipulation and Agreement. She also stated that this Stipulation and Agreement would not be valid unless the Commissioners approved it. Chairperson Kelly called for a motion to approve the Stipulation and Agreement. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced that the support application has been changed to ask if the applicant has ever been convicted or has any pending charges. He said the new changes on the application would help the Division avoid the same type problem it had with Mr. Jett.

Mr. Morris reviewed rules 3, 10 and 13. He announced that these rules had been passed by the Commission last month as temporary rules. Chairperson Kelly asked if any one at the meeting wanted to address any of these rules before the Commission made any decisions on them.

Ms. Christine Hunsucker and Mr. Kirk Petre asked for clarification of rule 1309. They sought clarification whether the use of electronic credit card machines, that allowed patrons to purchase chips and tokens, were legal. Ms. Beck-Ferkiss and Mr. Morris responded that this would be prohibited by statute.

Chairperson Kelly asked if there had been any changes with rules 3, 10 and 13 since the Commission approved them as temporary. There were none. Chairperson Kelly called for a motion to approve and adopt 3, 10 and 13 as specified for permanent rules. Mrs. Brackett made the motion. Mr. Robison and Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris reviewed rules 405 and 703 with the Commission and recommended that these be adopted as temporary rules. After the Commission reviewed these rule changes, the consensus was that the addition to rule 703 was too broad.

Chairperson Kelly called for a motion to adopt the temporary amendment to rule 47.1-703. No one called for the motion.

Chairperson Kelly called for a motion to adopt the temporary amendment to rule 47.1-405. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to go into Executive Session at 11:40 a.m. for the purpose of reviewing and considering temporary licensure and the background of various applicants for gaming licenses. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Commissioners adjourned from Executive Session, and reconvened into public meeting at 1:40 p.m.

Chairperson Kelly called for a motion to grant a temporary Manufacturer/Distributor license for William T. Dewitt effective October 30, 1991, at 2:00 p.m. and expiring at 2:00 p.m. on April 29, 1992. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The Chair called for a motion to issue to Pony Express Inc., and Creekers Inc. temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective October 30, 1991, at 2:00 p.m. and expiring at 2:00 p.m. on April 29, 1992. Such licenses to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. October 1, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris reviewed rule changes on rules 404, 406, and 407. He stated that the Commission could further discuss these matters after the rules are published. The Commissioners agreed with this decision.

Mr. Morris handed out to the Commissioners a letter from Carl Whiteside, the Director of the Colorado Bureau of Investigations requesting more resources. The Commissioners asked that Mr. Morris clarify with C.B.I. the intent of the appropriations section of the Limited Gaming Act.

Mr. Robison asked that Mr. Morris send a letter of recognition to those individuals that were involved in the arrest of a Cripple Creek man posing as a CBI agent. Mr. Morris said he would do that.

Mr. Morris introduced Phyllis Accetturo. She reviewed with the Commissioners how many casinos were open and how many key/support licenses had been issued up to this date.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 2:35 p.m.

  
\_\_\_\_\_  
Sandie Seegmiller  
Secretary

**Colorado Limited Gaming Control Commission**

**Minutes of Meeting  
October 11, 1991**

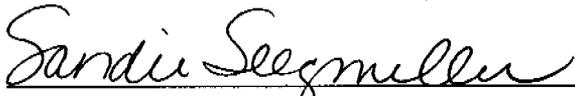
The emergency meeting was held telephonically and commenced at 2:04 p.m. at 1375 Sherman Street, Denver, Colorado, fourth floor conference room. Present via telephone were Chairperson Aurel Kelly, Commissioners Ava Brackett and Lavoy Robison. Also present were Division Director, Roger Morris, Assistant Attorney General, Sue Beck-Ferkiss, and Secretary, Sandie Seegmiller.

The matter of business before the Commission was the Order of Summary Suspension concerning Jay Scott Jett.

Mr. Morris explained to the Commissioners that the Division of Gaming recommended suspension of Mr. Jett's license until October 25, 1991. Mr. Morris noted that Mr. Jett had a felony charge pending against him at the time of the filing of his license application. Mr. Morris said that, at the October 25th meeting, Mr. Jett could be heard by the Commissioners and would be required to show cause why he should not be suspended for the pending felony charge.

Chairperson Kelly called for a motion to adopt the Order of Summary Suspension for Jay Scott Jett until October 25, 1991, where he will be required to appear to show cause why his license should not be further suspended.. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

There being no further business to come before the Commission the meeting was adjourned at 2:23 p.m.

  
\_\_\_\_\_  
Sandie Seegmiller, Secretary

COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
October 10, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:19 a.m. on October 10, 1991, at 720 S. Colorado Blvd. 4th floor Conference Room. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison as well as the Department of Revenue Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief of Investigations, Mel Grantham, Public Information Officer, Tom Kitts, Chief Auditor, Georgine Zalesky, and Assistant Attorney General, Sue Beck-Ferkiss.

Chairperson Kelly called for a motion to adopt the September 26 and 30 Minutes without reading. Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Ms. Zalesky reviewed the financial statement with the Commissioners. Chairperson Kelly called for a motion to adopt the financial statements. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to go into Executive Session at 9:44 a.m. for the purpose of reviewing and considering temporary licensure and the background of various applicants for retailer/operator licenses. Mr. Paterson made the motion. Mr. Paterson seconded the motion. The motion was adopted.

The Commissioners adjourned from Executive Session, and reconvened into public meeting at 11:58 a.m.

Mr. Morris recommended approval for temporary retailer/operator licenses for BLACK FOREST INN, and UNIVERSAL GAMING TECHNOLOGY, INC. doing business as SILVER MINE.

The Chair called for a motion to issue to the above-named applicants temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective October 10, 1991, at noon and expiring at 11:59 a.m. on April 9, 1992. Such licenses to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. October 1, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris handed out some proposed rule changes given to him by Don Mielke. Mr. Morris suggested that he respond to Mr. Mielke. The Commissioners agreed.

Chairperson Kelly announced that Karen Benker, from the State Budget office, had telephoned her at home in regard to how much money the Division of Gaming was going to designate for the impact fund. Chairperson Kelly said that her response to Ms. Benker was that this was not yet determined.

Chairperson Kelly conveyed that the Commission should think about setting up some Commission meetings in November to listen to some concrete testimony on impact.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 12:20 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
September 30, 1991

The meeting was held telephonically and commenced at 9:45 a.m. at 1375 Sherman Street, Denver, Colorado, fourth floor conference room. Present via telephone were Chairperson Aurel Kelly, Commissioners Ava Brackett, and Ben Brower. Also present were Division of Gaming Director, Roger Morris, Assistant Attorney General, Sue Beck-Ferkiss, and Secretary, Sandie Seegmiller.

The matter of business before the Commissioner was the passage of temporary regulations.

Mr. Morris suggested a motion to adopt temporary regulations 47.1-1309 and temporary amendments to regulations 47.1-316, 47.1-1002 (24), 47.1-1009, 47.1-1011, 47.1-1013, 47.1-1021, 47.1-1027, 47.1-1028, 47.1-1031, 47.1-1032, 47.1-1040, 47.1-1041, and 47.1-1048 as reviewed by the Colorado Limited Gaming Control Commission at its public meeting held on September 26, 1991, and as recommended by the Division of Gaming at that meeting. Mr. Brower made the motion. Mrs. Brackett seconded the motion. All three Commissioners voted affirmatively.

Ms. Beck-Ferkiss suggested a resolution finding that the adoption of these temporary regulations and amendments is imperative for the Commission to meet mandates set forth by the Colorado Constitution, Section 9 of Article XVIII, and by the State law to preserve the public health, safety, and welfare of the citizens of Colorado; and compliance with the Administrative Procedures Act would be contrary to the public interest. Mrs. Brackett made a motion to adopt such a resolution. Mr. Brower seconded the motion. The motion was adopted by all three Commissioners. Chairperson Kelly declared that the resolution was therefore adopted and made.

The meeting was adjourned at 9:55 a.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
September 26, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:11 a.m. on September 26, 1991, at 710 S. Colorado Blvd., Suite 110 Conference Room. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison. Arriving later were Mr. Paterson at 9:15 and Mrs. Brackett at 9:20. Also attending were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris, Chief Investigator, Mel Grantham, and Assistant Attorney General, Sue Beck-Ferkiss.

Chairperson Kelly asked Mr. Morris if he had any organizational matters to present to the Commissioners. Mr. Morris announced that the Division of Gaming had reserved rooms in Idaho Springs for the Commissioners for the night of September 30; and if any of the Commissioners wished to go, they should inform Sandie Seegmiller who would make the necessary arrangements.

Chairperson Kelly discussed the invitations that the Commissioners received to the opening ceremonies of the Teller House, from the Opera House Association. She questioned whether there would be a problem with the statute because of the Opera House Association's offer to waive the \$300.00 fee that other guests were required to pay. She asked for Ms. Beck-Ferkiss' informal oral opinion on this matter. Mr. Tipton suggested that the Gaming Commission follow what the Lottery Division's procedure regarding this type of function without it being an impropriety: that is to pay the actual cost of the dinner and transportation, and not make the donation to the charity. Ms. Beck-Ferkiss expressed no disagreements about following the Lottery's precedent.

Chairperson Kelly brought the following letters to the attention of Mr. Morris and the other Commissioners: one from attorney, Scott Robinson, representing an applicant for manufacturer/distributor; and the other from Senator Sally Hopper. She said the Commission would address these after the break.

Chairperson Kelly said, upon reading the Minutes of September 16, 1991, she had noticed that the Secretary, Sandie Seegmiller, had Mr. Tipton present at this meeting, which in fact he was not. She asked that this be changed and called for a motion to adopt the Minutes of September 16, 1991, without reading. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to go into Executive Session at 9:25 a.m. for the purpose of reviewing and considering temporary licensure and the background of various applicants for retailer/operator licenses. Mr. Robison made the motion. Mr. Paterson and Mr. Brower seconded the motion. The motion was adopted.

Upon return to public session, Mr. Morris recommended approval for temporary retailer/operator licenses for: DIAMOND LIL'S GAMBLING PARLOR INC. doing business as DIAMOND LIL'S GAMBLING PARLOR; PHENIX HOUSE; THE JOHNNY NOLON SALOON AND GAMBLING EMPORIUM; PIONEER GROUP INC. doing business as THE NARROW GAUGE GAMBLING DEPOT AND SALOON; PIONEER GROUP INC. doing business as BRONCO BILLY'S; GRUBSTAKE INN; and MOLLY'S LIMITED LIABILITY COMPANY.

The Chairperson called for a motion to issue to the above-named applicants temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications, effective September 26, at 1:00 p.m., expiring at noon on March 25, 1992. Such licenses to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. October 1, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local officials that access to the building for the handicapped has been provided as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris recommended ACES CASINO EQUIPMENT, INC. for a temporary operator license.

The Chair called for a motion to issue a temporary operators license, effective September 26 at 1:00 p.m., and expiring at noon on March 25, 1992. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris recommended CENTRAL CITY GAMING INVESTORS LTD doing business as THE GLORY HOLE SALOON AND GAMING HALL.

Chairperson Kelly announced that Commissioner Mrs. Brackett had left the meeting, and the application would be acted upon by remaining the four commissioners.

The Chairperson called for a motion to issue temporary operators and retailers licenses to the CENTRAL CITY GAMING INVESTORS LTD doing business as THE GLORY HOLE SALOON AND GAMING HALL under the conditions stated above for the other retailer/operator licensees.

Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

The meeting was recessed by Chairperson Kelly at 12:28 p.m.

The meeting was reconvened by Chairperson Kelly at 1:09 p.m.

Chairperson Kelly brought up the letters she received at her home and that the Division received for the Commissioners. She addressed a possible policy that the Commissioners might want to adopt:

When a Commissioner receives an oral communication from a member of the public concerning commission business at a time other than at a meeting of of the Commission in a Public Session or an Executive Session, the Commissioner shall request that the oral communication be reduced to writing to be delivered to the Commission for reference to the Commission.

All written communications received by a Commissioner from a member of the public concerning Commission business shall be brought to the attention of the Commission at a public meeting or in Executive Session, properly called, for any action which may be required, and the written communication shall be made part of the Commission records.

Mr. Morris suggested that the all the letters come to the Division of Gaming, care of Sandie Seegmiller, to ensure that every one gets a copy and is well informed.

Chairperson Kelly read aloud Sally Hopper's letter that was concerned with the funding for the CBI. Chairperson Kelly asked that Mr. Morris make a written report to the Commission concerning this issue.

Chairperson Kelly spoke about a letter she received from Mr. Scott Robinson, an attorney for First Choice Coin, requesting the status on this application. Mr. Morris responded that this application was a problem application, and the Division was trying to get the applications with no problems done first.

Chairperson Kelly spoke to the letter that the Commissioners received in their packets from Local Affairs asking for funding for impact studies. Chairperson Kelly felt it was to soon to consider these impacts. She felt that, when it was time to consider these matters, she would want testimony on the impacts. The Commissioners agreed.

Chairperson Kelly presented the last letter for discussion from Miralyn S. Keske. Ms. Keske was concerned with where gambling can occur in Cripple Creek and the zoning area. Mr. Morris responded that the city is acutely aware of the boundaries and that the city approves the location before it comes to the Division.

Mr. Morris asked that Sandie Seegmiller, Secretary to Commission, announce the agenda for October. Ms. Seegmiller announced that October 10, 25, and 30 were scheduled to be in the 710 S. Colorado Blvd. location.

Mr. Morris reviewed the proposed changes in rules: 47.1-1309, 47.1-316, 47.1-1002 (24), 47.1-1009, 47.1-1011, 47.1-1013, 47.1-1021, 47.1-1027, 47.1-1028, 47.1-1031, 47.1-1032, 47.1-1040, 47.1-1041, and 47.1-1048. Ms. Beck-Ferkiss recommended that the Commissioners vote by mail ballot. Chairperson Kelly called for a motion to vote by mail ballot. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 3:12 p.m.



Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
September 16, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:11 a.m. at 710 S. Colorado Blvd., Suite 110 Conference Room, Denver, Colorado. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Deputy Director, Amelie Buchanan, and Division Director, Roger Morris. Also attending were Division of Gaming Chief Investigator, Mel Grantham, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss.

Chairperson Kelly addressed the concerns of the Commissioners regarding the applications for licenses that were in on July 1st. Mr. Grantham noted that the ones that came in on July 1st, without problems will be considered by the Commission for licenses.

Mr. Morris responded to Chairperson Kelly's question regarding the Division of Gaming's budget, stating that the Division will soon produce a monthly budget expenditures for the Commissioners to review.

Chairperson Kelly and the Commissioners recognized Commissioner Lavoy Robison and Amelie Buchanan for preparing the Policy Statement that the Commissioners adopted at the time the tax rate was set, extending their gratitude to Mr. Robison and Ms. Buchanan for the quality of work and time invested in preparation of the Statement.

Chairperson Kelly called for a motion to adopt the minutes of September 11, 1991 without reading. Mr. Paterson made the motion. Mr. Brower seconded the motion.

Chairperson Kelly called for a motion to go into Executive Session for the purpose of considering background information. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted. The Commissioners went to Executive Session at 9:34 a.m.

The Commissioners adjourned from Executive Session, and reconvened into the public meeting at 11:36 a.m.

Mr. Morris recommended approval for a temporary manufacturer/distributor license for NEVADA VIDEO INC. doing business as P & M COINS. Chairperson Kelly called for a motion to approve a temporary manufacturer/distributor license for NEVADA VIDEO INC. doing business as P & M Coins effective September 16th at noon and expiring at 11:59 a.m. on March 15, 1992. Mrs. Brackett made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris recommended approval for temporary operator/retailer licenses for: GILDED GARTER LUCK INC. doing business as GILDED GARTER; GOLD VEIN LIMITED LIABILITY CO. doing business as BLACK DIAMOND; BOWL OF GOLD RESORTS INC. doing business as BONANZA STATION; BOWL OF GOLD RESORTS INC. doing business as CRIPPLE CREEK ORE HOUSE; and BOWL OF GOLD RESORTS INC. doing business as BOWL OF GOLD CASINO.

The Chairperson called for a motion to issue to the above-named applicants temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications effective September 16 at noon and expiring at 11:59 a.m. on March 15, 1992. Such licenses to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. October 1, 1991, unless the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local official that access to the building for the handicapped has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Paterson made the motion. Mrs. Brackett the motion. The motion was adopted.

Mr. Morris reported to the Commissioners that he and Mr. Tipton had met with the Ute Mountain Ute Indian Tribe and the Southern Ute Indian Tribe and announced that they were still negotiating with them.

Mr. Morris announced the Division of Gaming was planning to conduct an Internal Control Training seminar at the Denver West Marriott on September 17, starting at 9:00 a.m. until 4:00 p.m., and in the Cripple Creek Town Hall on September 18, 1991, starting at 9:00 a.m. until 4:00 p.m.

Chairperson Kelly announced that the next Commission meeting will be held at 9:00 a.m. on September 26th, at 710 S. Colorado Boulevard, Suite 110, in Denver.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 11:52 a.m.

  
\_\_\_\_\_  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting  
September 11, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:20 a.m. at 710 S. Colorado Boulevard, Suite 110 Conference Room, Denver, Colorado. Present were Commissioners Ava Brackett, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, and Division Director, Roger Morris. Also attending were Division of Gaming Chief Investigator, Mel Grantham, Public Information Officer, Tom Kitts, Assistant Attorney General, Sue Beck-Ferkiss, and Commissioner Ben Brower by conference telephone call.

Mr. Kitts announced that the Legislative Council would like to conduct a confirmation hearing with all the Commissioners. He suggested that it be held on September 16, 1991, since this was a good day for the Legislative Council. The Commissioners agreed that it would be a good day for them as well.

Mr. Morris reviewed with the Commissioners the proposed lease agreements for the Cripple Creek office space and the Black Hawk/Central City office space. He asked that the Commissioners approve the lease and authorize the Division to enter into the lease agreements.

Chairperson Kelly called for a motion to approve the leases and authorize the Division of Gaming to enter into the Cripple Creek and Central City leases. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Chairperson Kelly requested that Sandie Seegmiller, the secretary, clarify in the August 20 and September 3 Minutes, the reason why the Commissioners went into Executive Session. Ms. Seegmiller agreed to clarify this in the Minutes. With that suggestion, the Chairperson called for a motion to approve without reading and adopt the Minutes of August 19, 20 and September 3. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced to the public the additional meetings to be held on the 16th and 26th of September to be held at the same location, 710 S. Colorado Boulevard, at 9:00 a.m. to consider for adoption or approval various licenses for operators/retailers and manufacturer/distributors, and to consider emergency regulations to clarify any problems that may have come to the Division's attention.

Chairperson Kelly asked if any persons in the audience wished to address the Commissioners before they went into Executive Session. Nobody spoke up at this time.

Chairperson Kelly called for a motion to go into Executive Session to consider background information concerning license applications. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was carried.

The Commissioners went into Executive Session at 9:45 a.m. to consider license applications.

The Commissioners recessed for lunch at 11:30 a.m.

The Commissioners reconvened at 12:30 p.m. into Executive Session.

The Commissioners returned to the public meeting at 1:30 p.m. Chairperson announced that at this time they were ready for Mr. Morris's presentation on applicants.

Mr. Morris recommended for approval COLORADO SMK CORPORATION. Chairperson Kelly called for a motion to approve a temporary manufacturer/distributor license for COLORADO SKM Corporation effective immediately and until 11:59 a.m. on March 10, 1992. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris recommended for approval ROCKY MOUNTAIN GAMING EQUIPMENT LTD LIABILITY COMPANY. Chairperson called for a motion to approve a temporary operator license for ROCKY MOUNTAIN GAMING EQUIPMENT LTD LIABILITY COMPANY effective immediately and until 11:59 a.m. on March 10, 1992. Mr. Paterson made the motion. Mr. Robison and Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris recommended approval for temporary operator/retailer licenses for: GOLD MINE CASINO, INC.; S. KOHLENBERG & CO. INC.; KWIK MART INC.; SILVER SLIPPER LTD LIABILITY COMPANY; COLORADO GRANDE ENTERPRISES INC.; and ANNIE OAKLEY'S LTD LIABILITY COMPANY.

The Chairs called for a motion to issue to the applicants named by Mr. Morris temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license applications effective September 10, 1991, immediately and expiring at 11:59 a.m. on March 10, 1992. Such licenses to be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. October 1, 1991, unless and until the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local officials that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991.
- d. A certification by the appropriate local affairs that access to the building for the handicap has been approved as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

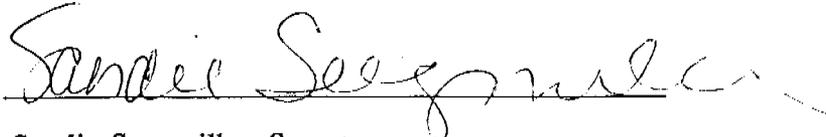
Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted to issue temporary operator/retailer licenses with the conditions previously articulated for:

GOLD MINE CASINO, INC. - All affirmative;  
S. KOHLENBERG & CO. INC. - All affirmative;  
KWIK MART INC. - All affirmative;  
SILVER SLIPPER LTD LIABILITY COMPANY - All affirmative;  
COLORADO GRANDE ENTERPRISES INC. - All affirmative, but Mrs. Brackett abstained; and  
ANNIE OAKLEY'S LTD LIABILITY COMPANY - All affirmative.

Mr. Morris announced that the Commissioners will be meeting on September 16 and 26. Mr. Tipton made it clear that the meeting on Monday the 16th would not go past 12:00 noon, stating the Commissioners will be before the Senate State Affairs Committee that afternoon.

Chairperson Kelly announced that with respect to anything that needs to be presented to the Commissioners, Mr. Morris will see to it that it appears on the agenda.

There being no further business to come before the Commissioners, the meeting was adjourned at 1:45 p.m.

  
Sandie Seegmiller, Secretary

COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting

September 3, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:20 a.m. on September 3, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners Ava Brackett, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan and the Division Director, Roger Morris. Also attending were Division of Gaming Public Information Officer, Tom Kitts, Assistant Attorney General, Sue Beck-Ferkiss, and Commissioner Ben Brower in the Executive Session by conference telephone call.

Mr. Morris discussed that the Department is negotiating with the Indian tribes in effort to come to some agreement on having some type of gambling on the Indian reservations. Mr. Tipton said that Mr. Morris and he would be going to Southern Colorado next week and would come back with a rough draft of a compact with the Indian tribes.

The Chairperson announced that the Commissioners had planned to go into Executive Session to review applications for approval.

Mr. Morris presented to the Commissioners a clause for use in issuing temporary licenses, it reads as follows:

The Chair calls for a motion to issue to the applicant temporary operator and retailer licenses, for the premises set forth in the applicant's gaming license application, effective September 3, 1991, at 12:00 Noon and expiring at 11:59 a.m. on March 2, 1992. Such licenses shall be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of the applicant prior to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on October 1, 1991, unless and until the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.

- c. A certification by the appropriate local official that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991, and approval by the state Division of Fire Safety.
- d. A certification by the appropriate local official that access to the building for the handicapped has been provided as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

The Chairperson announced that the Commissioners had reviewed the SORENSEN HOSPITALITY INC. application. The Chairperson called a motion to approve temporary licenses for SORENSEN HOSPITALITY INC. on the same conditions set forth in the clause read by Mr. Morris. Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

The meeting was recessed to go into Executive Session by Chairperson Kelly at 9:50 a.m. to review various applicants' background information and financial investigations.

An Executive Session was held with the Commissioners and Mr. Brower (on telephone conference call) to review background information and financial investigations on various operator and retailers applications.

The meeting was reconvened by Chairperson Kelly at 11:30 a.m.

Chairperson Kelly announced three applications the Commissioners, along with the Division, recommended for temporary licenses:

- 1) WILD BILLS PUB AND GAMING PARLOR, INC.,
- 2) WILD WILD WEST GAMBLING HALL AND BREWERY, INC., AND;
- 3) LONG BRANCH SALOON.

Chairperson Kelly called for a motion to approve temporary licenses for the three above mentioned applicants as follows:

The Chair calls for a motion to issue to the applicants temporary operator and retailer licenses, for the premises set forth in the applicants' gaming license applications effective September 3, 1991, at 12:00 Noon and expiring at 11:59 a.m. on March 2, 1992. Such licenses shall be conditional licenses subject to the following conditions: No limited gaming shall be conducted or permitted on the licensed premises of any applicant prior

to 8:00 a.m. on October 1, 1991; and no limited gaming shall be permitted or conducted on the licensed premises even after 8:00 a.m. on October 1, 1991, unless and until the following requirements are met. These requirements are actual receipt by the Division of Gaming of the following:

- a. Confirmation that a valid certificate of occupancy has been issued by the appropriate local authorities for the building in which limited gaming is to be conducted.
- b. A confirmation by the local historical preservation commission that the building in which limited gaming is to be conducted meets the architectural requirements of the Limited Gaming Act of 1991.
- c. A certification by the appropriate local official that the building in which limited gaming is to be conducted meets the standards for fire safety set forth in the Limited Gaming Act of 1991, and approval by the state Division of Fire Safety.
- d. A certification by the appropriate local official that access to the building for the handicapped has been provided as required in the Limited Gaming Act of 1991.
- e. Payment in advance of the amount of the state device fee for all devices to be used in limited gaming.

Mr. Robison made the motion Mr. Paterson seconded the motion. The motion was adopted.

The Commissioners had some questions regarding the division of stock ownership among the owners of OUR SERENDIPITY, INC., but the owners were not available for questioning. Mr. Morris recommended that temporary licenses be granted anyway. The Commissioners agreed since there were no other discrepancies in the applications that they could see. Chairperson Kelly called for a motion to approve temporary licenses for OUR SERENDIPITY INC. subject to the same conditions specified for Long Branch Saloon and the other retailer/operator applicants. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to approve a temporary operators license for REMINGTON GAMING INC. Said license was to be effective on September 3 at noon and expire at 11:59 a.m. on March 2, 1992. Mr. Robison and Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris announced that the Commissioners had some questions on ED & SHIRLEY'S concerning sole proprietorship. Mr. Smith, applicant, said that it was a misunderstanding between his attorney and himself, but he and his wife, Shirley Smith, intended to have a 50/50 partnership. Mr. Morris said that with permission from the Smiths, that he would correct their application to reflect the change. He recommended that temporary licenses be issued.

Chairperson Kelly called for a motion to approve temporary licenses for ED & SHIRELY'S under the conditions specified for Long Branch Saloon and the other retail/operator applicants. Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Mr. Morris announced a lease agreement that Division of Gaming and Galleria Towers Inc. would like to enter into, if given approval by the Commissioners. Chairperson Kelly asked to see the contract.

The meeting was recessed by Chairperson Kelly so that the Commissioners could review the contract at 11:45 a.m.

The meeting was reconvened by Chairperson Kelly at 12:00 p.m.

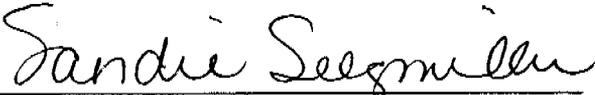
Chairperson Kelly called for motion to accept the lease between Division of Gaming and Galleria Towers Inc. as written. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to authorize the Division of Gaming to enter into the contract with the Galleria Towers Inc. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Ms. Buchanan announced that she does have the authority to sign the contract if John Tipton is unavailable.

Mr. Tipton encouraged the licensees to do business with a variety of companies.

There being no further business to come before the Commissioners, the meeting was adjourned at 12:07 p.m.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Hearing

August 20, 1991

The hearing was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on August 20, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, and the Division of Gaming Director, Roger Morris. Also attending were Division of Gaming's Public Information Officer, Tom Kitts, Division of Gaming's Chief Auditor, Georgine Zalesky, Assistant Attorney General, Sue Beck-Ferkiss. Persons speaking were: Cliff Venerable, Joe Capps, Cass Randy, Rick Hector, and Ben Silvestain.

Mr. Morris announced that the Division had scheduled this meeting for consideration of adopting permanent rules.

Mr. Morris spoke on a memo that was faxed to The Division by Steve Fox on pokers rules. Mr. Morris recommended that the Division of Gaming leave the rules as they are and speak with Mr. Fox before inserting them into the rules. Chairperson Kelly agreed to this and announced that the rules can be amended.

Mr. Capps spoke on behalf of Mr. Fox, recommending that the Division speak to Mr. Fox as he was very knowledgeable on poker, and it would be a benefit to the State.

Mr. Morris presented the rules for final adoption with help from Ms. Zalesky reviewing 9, 11, 16, and 17.

Mr. Venerable, Mr. Randy, Mr. Silvestain, and Mr. Hector all spoke on making minor modifications to Rules 4, 8, 11, and 16. They requested that the Division change some of the wording. Mr. Morris and Ms. Zalesky saw no problem with the changes.

The hearing was recessed by Chairperson Kelly 10:10 a.m.

The hearing was reconvened by Chairperson Kelly at 10:35 a.m.

Mrs. Brackett left the meeting at 11:00 a.m. to attend to prior commitments.

Mr. Morris continued discussion on the rules, noting that the changes would be made during lunch hour; and he suggested that it may also be a good time for the Commissioners to go into Executive Session to discuss the financial backgrounds on a few operator/retailer applicants.

The hearing was recessed by Chairperson Kelly at 12:15 p.m. She announced that the Commissioners would be in Executive Session to discuss the various applicants' background information and the financial investigations and would reconvene at 3:00 p.m.

The Commissioners adjourned from Executive Session and the hearing was reconvened by Chairperson Kelly at 3:00 p.m.

Mr. Morris noted that the recommended changes from the earlier meeting were made during the lunch hour, and recommended adoption of permanent rules.

Chairperson Kelly called for a motion to adopt Rule 1, GENERAL RULES AND REGULATIONS. Mr. Brower made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 2, POWERS AND DUTIES OF COMMISSION AND DIRECTOR. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 3, APPLICATIONS, INVESTIGATIONS AND LICENSURE. Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly made the motion to adopt Rule 4, RIGHTS AND DUTIES OF LICENSEES. Mr. Brower made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 5, GROUNDS AND PROCEDURES FOR DISCIPLINARY ACTIONS. Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 6, DECLARATORY ORDERS. Mr. Paterson made the motion. Mr. Robison seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 7, CONFLICTS OF INTEREST. Mr. Paterson made the motion. Mr. Robison and Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 8, RULES FOR BLACKJACK. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 9, MINIMUM PROCEDURES FOR DROP, COUNT, AND DISTRIBUTION FOR BLACKJACK. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 10, RULES FOR POKER. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 11, MINIMUM PROCEDURES FOR DROP, COUNT, AND PURCHASING CHIPS FOR POKER. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 12, GAMING DEVICES AND EQUIPMENT. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 13, PURCHASE AND REDEMPTION OF COINS, AND TOKENS. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 14, GAMING TAX. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 15, PROCUREMENT. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

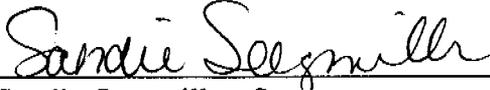
Chairperson Kelly called for a motion to adopt Rule 16, ACCOUNTING REGULATIONS. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt Rule 17, MINIMUM PROCEDURES FOR DROP AND COUNT FOR SLOT MACHINES. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris announced that concluded the adoption of the permanent rules.

Chairperson Kelly announced the scheduled Commission meetings set for August 28, September 3, 11, 16, and 26, 1991.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 4:20 p.m.

  
\_\_\_\_\_  
Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL**

Minutes of Meeting

August 19, 1991

The hearing was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:15 a.m. on August 19, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris. Also attending were Assistant Attorney General, Sue Beck-Ferkiss, Public Information Officer, Tom Kitts, and Chief Auditor, Georgine Zalesky. Persons making presentations were: Ross Grimes; Sally Hopper; James Maida; Mark Vanloucks; and Cliff Venerable.

Mr. Morris announced that the scheduled meetings on August 19 and 20 were to consider and adopt permanent rules and to consider retailers' licenses.

Chairperson Kelly called for a motion to approve and adopt the minutes of August 12, 13, and 14 without reading them. Mr. Brower made the motion. Mr. Paterson seconded the motion. The motion was adopted. Chairperson Kelly announced, for those that had not attended the August 14th meeting, that she closed testimony regarding the tax rate, unless there was some discussion the Commissioners had not yet heard regarding the tax rate.

Mr. Grimes, a business owner in Central City, spoke regarding the tax rate. He said he believed a 4%, 8%, 16% tax rate was appropriate.

Ms. Hopper stated she felt that 10% was the maximum beneficial tax rate. She suggested changing the tax rate annually as the operations produced more profits.

Mr. Robison asked Ms. Hopper to please review the figures Mr. Huyghebaert ran, with the 8% tax rate, and \$1,000 local device fee.

Chairperson Kelly asked Commissioners for deliberation on the tax issue.

Discussion among the Commissioner concerned the appropriate tax year. Mr. Robison advised the Commissioners of three options: 1) State fiscal year - July 1 to June 30; Gaming tax year - October 1 to September 30; or 3) Business calendar year - January 1 to December 30.

Chairperson Kelly asked Mr. Tipton and Ms. Buchanan how they felt about having a Gaming Tax Year. They replied that the Gaming Tax Year was feasible for the State.

Chairperson Kelly called for a motion to establish a Gaming Tax year from October 1 through September 30. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

The hearing was recessed by Chairperson Kelly at 10:40 a.m.

The hearing was reconvened by Chairperson Kelly at 10:55 a.m.

Chairperson Kelly called for a motion to adopt the tax rate. Mr. Robison asked to delay the motion until Ms. Hopper had a chance to review and comment upon the flat tax figures.

Chairperson Kelly asked the Commissioners for some discussion on setting a tax rate for the charitable organizations. Mr. Robison commented that he would like to accommodate the charity organizations.

Mr. Tipton referred to a letter from Mr. Hardings suggesting a 0% tax.

Chairperson Kelly called for a motion to adopt a 3% administrative tax rate on charitable organizations. Mr. Paterson made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Robison announced that Ms. Hopper was unavailable to make her comments to the commissioners.

Chairperson Kelly called for a motion to adopt a graduated tax upon the adjusted gross proceeds of \$0 but not over \$440,000, over \$440,000 but not over \$1,200,000, and over \$1,200,000. Mrs. Brackett made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Chairperson Kelly asked for discussion on the tax rate. Mr. Paterson made a motion to adopt a 4%, 10%, and 14% graduated tax rate with a \$150 state device fee. Mr. Robison proposed graduations of 4%, 8%, and 15%, which were shown on Exhibit C-6 given to him by the Department.

Mr. Paterson made a motion for a withdrawal of his motion to adopt the 4%, 10%, and 14% tax rate. The motion was not seconded.

Chairperson Kelly announced that the discussion on the tax rate would continue after the noon hour.

Mr. Morris spoke on the rules that were recommended for change from the August 14th hearing.

Mr. Morris introduced James Maida from Gaming Laboratories International. Mr. Maida addressed the necessity of a mechanical meter on slot machines. He also spoke about what his company specializes in.

The hearing was recessed by Chairperson Kelly at 11:55 a.m. She announced that extra time would be allotted in order for the Division to make corrections on the rules.

The hearing was reconvened by Chairperson Kelly at 2:00 p.m.

Mr. Robison addressed his fellow Commissioners regarding the 4%, 8%, and 14% graduated tax rate. He felt this would be a good graduated tax.

Chairperson Kelly called for a motion to amend the previous motion of a 4%, 10%, and 14% graduated tax rate with \$150 device fee to a 4%, 8%, and 15% graduated tax rate with a \$100 state device fee. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion to amend the previous motion was adopted.

Mr. Vanloucks discussed his views on what the 14% tax rate would do to large operations. He felt that this tax rate was too high.

Mr. Morris spoke about the definition of "square footage," stating that he felt that the measurements from the interior of the exterior walls would be used in the calculation of square footage, but felt this was a subject for the Commissioners to review.

Chairperson Kelly called for a motion to adopt the graduated tax at 4%, 8%, and 15% with a state device fee of \$100. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Ms. Zalesky reviewed the changes she recommended to Rules 16 and 17. Mr. Venerable objected to a few items in these two rules. Mr. Morris recommended that the Division meet with Mr. Venerable to review his proposed changes, for further consideration in the August 20th hearing.

Mr. Morris announced that the Division would like to review background investigations with the Commissioners and possibly approve licensees. He noted that an Executive Session would be appropriate while discussing financial backgrounds. The Commissioners agreed to go into Executive Session.

There being no further business to come before the Commissioners, the hearing was adjourned by the Chairperson at 4:45 p.m.

  
\_\_\_\_\_  
Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL COMMISSION**

Minutes of Hearing

August 14, 1991

The hearing was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on August 14, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Executive Director, John Tipton, Deputy Director Amelie Buchanan, Division of Gaming Director, Roger Morris. Also attending were Assistant Attorney General, Sue Beck-Ferkiss, and Public Information Officer, Tom Kitts. Persons making presentations were: Dave Stohl, Dave Lehey, Tom Harding, Senator Sally Hopper, Steve Grogan, Mark Vanloucks, Bob Wing, Ron Cattany, Dave Thomas, Carl Whiteside, Dr. Ray Chamberlain, Larry Kallenberger, Rich Ferdinandsen, Nelson Fugate, Mr. Stolks, Dr. Maurice Rahimi, Joel Kohn, Don Bloomfield, Jim Hartman, Vern Sorenson, Linda Woodcock, and Fred Burmont.

Mr. Morris announced the scheduled hearings for August 19, and the 20th, and that the Division planned to consider adopting permanent rules 1-17, and to consider more manufacturer/distributor licenses.

Chairperson Kelly called for a motion to adopt and approve the minutes of August 7 and 8, 1991. Mr. Brower made the motion. Mrs. Brackett seconded the motion. the motion was adopted.

The Chairperson announced that any person who wished to speak should notify the secretary, Sandie Seegmiller to be put on the agenda prior to the meeting.

Mr. Tipton announced that he had notified certain State Representatives involved with the Limited Gaming Act: Sam Williams; Ken Chlouber; and Jerry Kopel. He said he received only one response, from Mr. Kopel; and that he would read the response aloud later.

Mr. Stohl and Mr. Lehey gave a presentation on transportation and parking for the Black Hawk/Central City area. They said that the towns were cooperating on transportation and parking along with public safety. They also discussed the improvements that the town had planned for the next 3 years.

Tom Harding, volunteer spokesperson for a non-profit organization, asked that the Commissioners consider a no tax policy for the non-profit organizations.

Senator Hopper also spoke on behalf of the non-profit organizations. She refereed to page 50 of the Act, noting that the act does permit non-profit organization events.

Mr. Grogan spoke on the charitable gaming, noting that New Jersey and Nevada do not permit this in their states.

Chairperson Kelly inquired whether, if the Commission did not set a separate tax rate on charitable organizations, would rule 14 cover the taxation of adjusted gross proceeds from charitable gaming?

Mr. Morris responded that yes, Rule 14 as is would ensure that all would be taxed the same amount.

At Chairperson Kelly's request, Mr. Tipton read Mr. Kopel's response regarding his understanding of the 40 percent figure in relation to taxation of gaming revenues.

Chairperson Kelly announced that she received from the Assistant Attorney General, Ms. Beck-Ferkiss, an informal opinion regarding the graduated tax.

Chairperson Kelly asked for opinions from her fellow Commissioners on the graduated tax issue. She noted that this was not to be construed as setting a tax, but merely as a discussion. She suggested categorizing the graduated tax as follows:

Small	\$ 0 to \$440,000
Medium	\$440,001 to 1,200,000
Large	\$1,200,001 and over

All Commissioners agreed with this break-down for a graduated tax.

The Chairperson asked Assistant Attorney General, Ms. Beck-Ferkiss, if the Commissioners had the authority to make changes annually -- such as having the tax graduated one year and not the next. Ms. Beck-Ferkiss responded that they did have the authority to do so.

The hearing was recessed by Chairperson Kelly at 10:33 a.m.

The hearing was reconvened by Chairperson Kelly at 10:53 a.m.

Mr. Tipton enlightened the Commissioners on alternatives for setting a graduated tax, upon Chairperson Kelly's request.

Mr. Williams, a State Representative who supported gaming for the state of Colorado, spoke to the Commissioners asking that they set a fair and adequate tax rate.

Mr. Morris spoke to the rules that were recommended for changes from the August 7, 1991, hearing. He stated that he would like to talk about the square footage issue and would do so later in the day.

Mr. Robison asked about the common-side token that was brought to the Commissioners on August 7, 1991 by Belva Bloomer. Mr. Morris' recommendation was not to make the exception; therefore, no changes were made to the rules regarding that matter.

Mr. Wing addressed the Commissioners with a possible revision of the common-side token he felt would not violate the rules. He said in would put it in writing and submit it to Mr. Morris.

Mr. Morris announced that the Colorado Draw poker game that was brought to the Commissioners' attention by Dave Brown did not meet the requirements for poker games.

Chairperson Kelly reminded the public that on July 12, 1991, there was a policy adopted stating that the no Commissioner shall individually meet with any interested parties regarding any matters pending or currently being considered before the Commission, including applications for licenses and regulations.

The hearing was recessed by Chairperson Kelly at 12:11 p.m.

The hearing was reconvened by Chairperson Kelly at 1:37 p.m.

Mr. Tipton introduced Ron Cattany from the Department of Natural Resources. Mr. Cattany explained his concerns regarding water availability, and the demands for and supplies for water, and about the wild life deathrate because of more traffic in the area. He felt there was a need for a higher tax rate.

Dave Thomas, of the Department of Public Safety, noted that his department was already somewhat involved with gaming. He said the activity was going to increase as time went on, and the demand for state and highway patrol, and fire safety would be great.

Mr. Whiteside spoke with the Commissioners and stated that he was already directly involved with Gaming in conducting the background investigations.

Dr. Ray Chamberlain, from the Department of Transportation, spoke on his concerns about the traffic impact and the economic impact that gaming would have on the State of Colorado.

Larry Kallenberger, from the Department of Local Affairs, addressed his concerns on state funds going only into gaming, and he objected to it. He stated that gaming will need a tax rate high enough to cover all aspects of impacts.

Rich Ferdinandsen, Department of Local Affairs, spoke on the impacts that traffic will have on the canyon, stating that there are many surrounding counties outside these three towns.

Nelson Fugate, Idaho Springs, spoke on the economic salvation that the state needs from gaming.

Mr. Stolks, Boulder County, addressed his concerns on housing, highway traffic, increase in DUI's, and that there will be a need for more help in surrounding counties.

Dr. Rahimi, spoke in regards to the town of Victor, a neighboring town to Cripple Creek. He addressed his concerns with the effects that will weigh heavily on the surrounding communities.

The hearing was recessed by Chairperson Kelly at 3:17.

The hearing was reconvened by Chairperson Kelly 3:35.

Mr. Kohn, from the Health Department, spoke on air pollution, the water quality, drinking water, and solid waste, medical and health care facilities, sexually transmitted diseases, drug use, and increase in injuries due to gaming. These will be a problem if proper funding is not provided.

Mr. Bloomfield, from the Social Services Department, suggested that there would be an increase in domestic violence, the need for foster care, and the number of people out of work. When asked by the Commissioners what he felt was good tax rate, he did not have a suggestion.

Mr. Hartman, from the State Historical Society, spoke on the importance of protecting and preserving these towns.

Mr. Tipton concluded the presentation of the state agencies.

Mr. Morris announced the first manufacturer/distributor license recommended for approval: Royal Bell Ltd.

Chairperson Kelly called for a motion to approve a temporary license for Royal Bell. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris announced the Division's recommendation for a temporary license for International Gaming Technology, a manufacturer/distributor.

Chairperson Kelly called for a motion to approve International Gaming Technology for a temporary license. Mr. Brower made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced the Division's recommendation for a temporary license for International Gaming Technology - Colorado, a manufacturer/distributor.

Chairperson Kelly called for a motion to approve a temporary license for International Gaming Technology - Colorado. Mr. Robison made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Mr. Morris announced the Division's recommendation for a temporary license for Universal Distributing of Nevada.

Chairperson Kelly called for a motion to approve a temporary license for Universal Distributing of Nevada. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced the Division's recommendation for a temporary license for Sigma Game Incorporated.

Chairperson Kelly called for a motion to approve a temporary license for Sigma Game Incorporated. Mr. Brower made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced the Division's recommendation for a temporary license for Bally Gaming Incorporated.

Chairperson Kelly called for a motion to approve a temporary license for Bally Gaming Incorporated. Mr. Robison made the motion. Mr. Paterson seconded the motion. The motion was adopted.

Mr. Morris announced the Division's recommendation for a temporary license for Colorado Game Exchange, Incorporated.

Chairperson Kelly called for a motion to approve a temporary license for Colorado Game Exchange, Incorporated. Mr. Robison made the motion. Mr. Brower seconded the motion. The motion was adopted.

All temporary licenses granted are valid from August 15, 1991, at 8:00 a.m., until February 14, 1992, at 11:59 p.m.

Mr. Morris announced that the Division of Gaming may be considering more applications on the 19th of August.

Chairperson Kelly asked that the discussion on the square footage be postponed until the 19th of August. Mr. Morris agreed.

Mr. Morris announced that upon the recommendation of Assistant Attorney General, Ms. Beck-Ferkiss, the Commissioners should adopt rules by the end of the August 20th hearing.

Mr. Vermont, with Limited Gaming Inc., talked about plans for construction of more living space in Black Hawk.

Mr. Wing spoke on the finances his CPA worked up, depending on different drops.

Ms. Woodcock, Gilpin county resident, asked that the Commissioners set the tax rate low enough so the towns could make it.

Mr. Grogan spoke on the tax rate that the Department discussed at 16.5%. He felt this was too high, and he asked the Commissioners to set the tax rate fairly and reasonably. He also objected to the device fee.

Mr. Tipton announced that the Department never recommended a tax rate. The schedules that were run were at the request of Commissioner Robison.

Chairperson Kelly announced the closing of testimony for the tax rules and regulations.

The Chairperson asked Assistant Attorney General, Ms Beck-Ferkiss, if there was any prohibition against setting the tax rate on a yearly basis starting October 1 until September 30.

Ms. Beck-Ferkiss did not see a problem with this but said she would look into it further.

Mr. Tipton asked if the Commissioners if they had some figures for the Department to work up for them.

Mr. Brower asked that these figures be run: 4%, 13%, 16% with a \$200 device fee.

Mr. Paterson asked that these figures be run: 5%, 10%, 15% with a \$200 device fee tax.

Chairperson Kelly asked that these figures be run: 4%, 10%, 14% with a \$200 device fee tax.

Mr. Tipton announced he would have 3 to 5% run for small firms, 8-13% run for medium firms, and 12-16% run for large firms. The device fee will be run at \$50, \$100, \$150, and \$200.

Mr. Morris announced that he will have reports and letters, as they have been received, for the Commissioners to review.

There being no further business to come before the Commissioners, the hearing was adjourned by Chairperson Kelly at 5:55 p.m.

  
\_\_\_\_\_  
Sandie Seegmiller, Secretary

**COLORADO LIMITED GAMING CONTROL COMMISSION**

Minutes of Meeting

August 13, 1991

The meeting was held in Cripple Creek on August 13, 1991, beginning at 10:45 a.m. Present were Chairperson, Aurel Kelly and Commissioners Ben Brower, Chat Paterson, and Lavoy Robison. Also attending were Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Assistant Attorney General, Sue Beck-Ferkiss, Public Information Officer, Tom Kitts, Secretary, Sandie Seegmiller, Mayor Henry Haack, and Freda Poundstone. Giving presentations were: Dave Barber; Bob Konczack; June Fuhlrodt; and various other residents of Cripple Creek.

Mr. Barber, a planning consultant for Cripple Creek, gave a description of the town. He spoke of the history of Cripple Creek, founded in 1890. He discussed the population of 550, and aspects of public safety in Cripple Creek -- stating there were 7 police officers and 2 ambulances. He also noted that there were 184 hotel rooms of which 100 were serviceable.

The Commissioners were greeted by some of the residents at the Town Hall. They were given a walking tour of the town.

Mr. Konczack gave the Commissioners a brief summary of his casino plans and described the financial requirements for opening his casino with 95 devices.

Ms. Fuhlrodt walked through some of the businesses that were going to remain in business without gaming devices. She noted that out of the 90 businesses only 40 would have gaming.

At the Town Hall meeting, various residents addressed the Commissioners. Topics discussed included historical preservation, economic concerns, and low tax rates.

Mr. Kitts announced the meeting to be held August 14, 1991, and invited all interested parties to attend.

The Town Hall meeting ended at 2:05 p.m. on August 13, 1991.

  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting

August 12, 1991

The meeting was held in Deadwood, South Dakota on August 12, 1991, beginning at 12:15 p.m. Present were Chairperson Aurel Kelly, and Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison. Also present were the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan, Gaming Division Director, Roger Morris, Assistant Attorney General, Sue Beck-Ferkiss, and Secretary, Sandie Seegmiller. Persons making presentations to the Commission included South Dakota's Director of Gaming, Don Gromer, Investigations Supervisor, Stan Triplett, Rocky Finck, and Dan Costner.

Mr. Finck, General Manager of Gold Rush Casino, explained that his casino is in operation for 24 hours; therefore, four separate drops were necessary. He walked each of the Commissioners through the procedures. He noted that of the few casinos that have gone out of business, most did so due to bad location. He also commented on what he felt were the three most important factors to keep a business up and running well: atmosphere; marketing; and management.

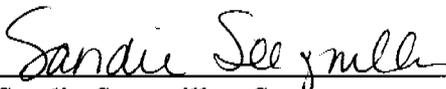
During lunch, Mr. Gromer discussed with the Commissioners Deadwood's rules and regulations. He pointed out that there were some things he would change now -- after being involved with gaming for the last 18 months. He also noted that there were 1,896 devices at this time, 150 less than last year.

Mr. Gromer discussed the importance of having good communications between the Division and the Commissioners. He did not suggest to the Commissioners a tax rate of any kind.

Mr. Costner, owner of Midnight Star, gave the Commissioners a tour of his 18,500 square foot casino, bar and fine dining area that was not yet completed. He commented that he did not feel that the 8% tax rate or the \$2,000 device fee was a problem. He said he felt the three most important factors to keep a business up and running well were: presentation; location; and good management.

The Commissioners then toured Saloon #10. This business was there and debts paid off prior to the legalization of gaming. The owner indicated that the South Dakota tax rate was fair.

The tour of Deadwood ended at 3:45 p.m. on August 12, 1991.

  
\_\_\_\_\_  
Sandie Seegmiller, Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting

August 8, 1991

The meeting was held in Central City-Black Hawk on August 8, 1991, beginning at 9:00 a.m. Present were Chairperson Aurel Kelly, and Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison. Also attending were Division of Gaming Director, Roger Morris, Public Information Officer, Tom Kitts, Assistant Attorney General, Sue Beck-Ferkiss, Secretary, Sandie Seegmiller, Black Hawk City Administrator, Mona Dawkins, Building Inspector from Black Hawk, Ken Burnett, Mayor of Central City, Bruce Schmalz, and Mayor of Black Hawk, Bill Lorenz. Persons making presentations to the Commission were: Steve Boulter, Tony Lorenz, Virginia Lewis, Richard Goozh, Steve Grogan, and Mark Vanloucks.

The Commission toured the Black Hawk area first. Ms. Dawkins pointed out the City Hall, and spoke on some of the history of the town of Black Hawk.

Mr. Boulter, a casino owner, gave a tour of his unfinished building, soon to become a casino.

Mr. Tony Lorenz, a casino owner, gave a tour of his casino that was under construction.

Ms. Lewis, a casino owner, showed the Commissioners the floor plan of her casino that was also under construction.

The Commissioners next toured Central City. The first presentation was given by Richard Goozh, the General Manager for the Teller House.

Mr. Goozh gave a tour of the Teller House and gave an overview of what his group planned to do with the building.

Mr. Grogan gave a brief summary of the impact that the construction was having on the businesses in the city.

Mr. Vanloucks gave a presentation concerning his casino. He also addressed the problem of parking space in the Central City area.

Back in Black Hawk at the Black Forest Inn for a Town Hall meeting, various residents discussed their concerns about the impact of gaming on the two cities. Mr. Morris announced that the Commissioners would not discuss the rules and regulations pertaining to limited gaming at this time. He did, however, invite all interested parties to comment on the rules at the August 14 meeting of the Commission.

The Town Hall meeting and tour of Black Hawk and Central City ended at 12:37 p.m., August 8, 1991.

**COLORADO LIMITED GAMING CONTROL COMMISSION**

Minutes of Hearing

August 7, 1991

The hearing was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:10 a.m. on August 7, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners Ava Brackett, Ben Brower, Chat Paterson, and Lavoy Robison, as well as the Department of Revenue Executive Director, John Tipton, Deputy Director, Amelie Buchanan and the Division of Gaming Director, Roger Morris. Also attending were Senator Sally Hopper, Public Information Officer, Tom Kitts, and Assistant Attorney General, Sue Beck-Ferkiss. Persons making presentations were: Debbie Landa, Mark Vanloucks, Dave Stohl, Danny Guimond, Tony DeLise, Donna Phillips, Michael Lambert, Fred Kaufman, Steven Grogan, Belva Bloomer, Dave Brown, and Mike Dunn.

Mr. Morris announced the agenda for the field trips scheduled for the Commission as follows:

- August 8 - Leaving Denver at 8:15 a.m. to visit Black Hawk and Central City;
- August 12 - Leaving Denver from Centennial Airport at 8:00 a.m. to visit Deadwood, South Dakota; and
- August 13 - Leaving Denver at 8:00 a.m. to visit Cripple Creek.

Ms. Beck-Ferkiss announced that she was done with the informal opinion on the graduated tax but did not have it with her at this time and that she would have it available for them later that day.

Chairperson Kelly called for a motion to dispense with the reading of the minutes. Mr. Brower made the motion. Mrs. Brackett seconded the motion. The motion was adopted.

Chairperson Kelly called for a motion to adopt the minutes of the hearing of July 30, 1991. Mr. Paterson made the motion. Mr. Brower seconded the motion. The motion was unanimously adopted.

Chairperson Kelly announced the hearings scheduled for August 14 and 19, 1991, in the old Supreme Court Chambers, and said that the Commissioners would like to hear from some of the legislators who sponsored gaming last spring.

Debbie Landra presented her concerns on setting the tax rate high enough to cover the costs that gambling would engender for Gilpin County.

Mr. Vanloucks, a casino owner, spoke on the financial responsibilities involved with opening his establishment. Mr. Vanloucks introduced his consultant, Ralph Purnell. Mr. Purnell went over his concerns with Rule 12, section 1206- inspection and removal of damaged cards. Mr. Morris stated that at the last hearing this rule was amended.

Mr. Paterson asked Mr. Vanloucks for the financial documents he spoke about earlier. Mr. Vanloucks responded that he would make them available to the Commissioners once he had them ready.

Mr. Stohl, with Associated Land Consultants, spoke on the setting of the device fee. Mr. Stohl introduced Danny Guimond who discussed the revenue forecasts in Central City.

The hearing was recessed by Chairperson Kelly at 10:46 a.m.

The hearing was reconvened by Chairperson Kelly at 11:10 a.m.

Mr. DeLise, from Bet Technology, stated that he would like to present two new blackjack games. Chairperson Kelly suggested that he get together with Mr. Morris and review the games. He could then bring them back to the Commissioners with Mr. Morris' recommendation.

Ms. Phillips, a resident of Gilpin County, shared her concerns regarding the impact gambling would have on the county and stressed the importance of having a high enough tax rate to cover the county's costs.

Mr. Lambert, from McKenna and Cuneo, spoke on the tax rate.

Mr. Kauffman, casino owner, expressed his views on setting a low tax rate.

Ms. Hopper responded to the question the Commissioners had concerning the origins of the tax rate ceiling of forty percent. She responded that the statute states that the Commissioners can set the tax rate up to 40%.

The hearing was recessed by Chairperson Kelly at 12:10 p.m.

The hearing was reconvened at 1:36 p.m.

Ms. Bloomer, a resident of Cripple Creek, asked that Rule 12 be amended so that Cripple Creek can have the ability to use a common-side die for the tokens. Mr. Robison asked that Ms. Bloomer get together with Mr. Morris and have him review her request and then return to the Commissioners with Mr. Morris' recommendation.

Mr. Brown, from Reno Nevada, announced that he wanted to present to the Commissioners a new game called Colorado Draw. He explained that he had set up a meeting to go over it with Mr. Morris, and he would return with Mr. Morris's recommendation.

Mr. Dunn discussed the way the slot machines meters work to monitor the amount of tokens being inserted into the slot machines.

Mr. Gerry Brown presented to the Commissioners his thoughts regarding the Gilpin County's volunteer program for the Fire Department and the ambulance drivers. He explained that the county would need more help than merely volunteers because of the increased accidents that will occur once gambling has started.

Mr. Morris presented the changes that were made to the rules that were discussed at the last Commission hearing. The rules with changes were as follows:

- Rule 2 - POWERS AND DUTIES OF COMMISSION AND DIRECTOR
- Rule 3 - APPLICATIONS, INVESTIGATIONS AND LICENSURE
- Rule 4 - RIGHTS AND DUTIES OF LICENSEES
- Rule 6 - DECLARATORY ORDERS
- Rule 7 - CONFLICTS OF INTEREST
- Rule 8 - RULES FOR BLACKJACK

The hearing was recessed by Chairperson Kelly at 3:37 p.m.

The hearing was reconvened by Chairperson Kelly at 4:00 p.m.

Mr. Morris continued his discussion of the changes to the rules. Rules changed are as follows:

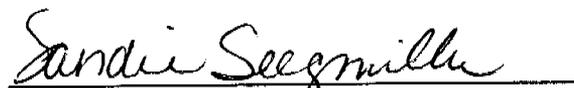
- Rule 10 - RULES FOR POKER
- Rule 9 - MINIMUM PROCEDURES FOR DROP, COUNT, AND DISTRIBUTION FOR BLACKJACK
- Rule 11 - MINIMUM PROCEDURES FOR DROP, COUNT, AND PURCHASING CHIPS FOR POKER
- Rule 17 - MINIMUM PROCEDURES FOR DROP AND COUNT FOR SLOT MACHINES

Mr. Morris asked that Rule 16, ACCOUNTING REGULATIONS, be discussed at a later date. The Commissioners agreed to Mr. Morris's request.

Mr. Morris concluded his examination of the rules. He announced the topics to be discussed on the August 14, 1991, hearing, and the possibilities of perhaps adopting some of the rules.

Mr. Robison discussed his thoughts on setting a tax rate, stating that he had not made up his mind regarding the tax.

There being no further business to come before the Commissioners, the hearing was adjourned by Chairperson Kelly at 4:40 p.m.

  
Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL COMMISSION**

Minutes of Hearing

July 30, 1991

The hearing was called to order by the Vice Chairperson of the Colorado Limited Gaming Control Commission, Ava Brackett, at 9:09 a.m. on July 30, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners, Ben Brower, and Lavoy Robison, as well as Governor Roy Romer, the Executive Director of the Department of Revenue, John Tipton, Deputy Director, Amelie Buchanan, and Division of Gaming Director, Roger Morris. Also attending were Senator Sally Hopper, Assistant Attorney General, Sue Beck-Ferkiss, Division of Gaming Public Information Officer, Tom Kitts, Division of Gaming Chief Auditor, Georgine Zalesky, Bob Wing, Steven Grogan, and Cliff Venerable. Absent and excused were Chairperson Aurel Kelly and Commissioner Chat Paterson.

Chairperson Brackett presented the agenda for the July 30, 1991, hearing of the Commission:

- Item 1 - Organizational matters of the Commission;
- Item 2 - Approval of the Minutes of the Commission Hearing of July 22, 1991; and
- Item 3 - Consideration of Proposed Permanent Rules 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17.

Mr. Morris recommended that all inquiries addressed to the Commissioners would be handled by the Division and that he would keep the Commissioners informed on those issues to which the Division responded.

Mr. Morris introduced Governor Roy Romer, who discussed the factors to be considered in arriving at a fair gaming tax rate.

The hearing was recessed by Chairperson Brackett at 9:59 a.m.

The hearing was reconvened by Chairperson Brackett at 10:15 a.m.

Mr. Morris introduced Senator Sally Hopper.

Ms. Hopper expressed her views about establishing a fair tax rate.

Chairperson Brackett called for a motion to adopt the minutes of meeting. Mr. Robison made the motion to adopt the minutes and waive the reading of the minutes. Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris announced that the transcripts of the July 17 and July 22 hearings were in the custody of the secretary Sandie Seegmiller and were available for public inspection at 150 W. 6th Avenue in Denver.

Mr. Morris announced the next Commission Hearings were to be held in the Old Supreme Court Room on August 7 and 14.

Mr. Morris announced the rules and regulations to be discussed. He introduced Georgine Zalesky to present Rules 9, 11, 16, and 17.

Ms. Zalesky presented Rule 9, MINIMUM PROCEDURES FOR DROP, COUNT, AND DISTRIBUTION FOR BLACKJACK. Comments were made by Mr. Grogan and Mr. Venerable.

Ms. Zalesky presented Rule 11, MINIMUM PROCEDURES FOR DROP , COUNT AND PURCHASING CHIPS FOR POKER.

Mr. Robison asked Ms. Zalesky when the Internal Audit manual was expected to be finished. Ms. Zalesky responded that she was aiming for the middle of August.

Mr. Morris discussed Rule 1, GENERAL RULES AND REGULATIONS; Rule 2, POWERS AND DUTIES OF COMMISSION AND DIRECTOR; Rule 3, APPLICATION, INVESTIGATIONS AND LICENSURE; Rule 4, RIGHTS AND DUTIES OF LICENSEES; Rule 5, GROUNDS AND PROCEDURES FOR DISCIPLINARY ACTIONS; Rule 6, DECLARATORY ORDERS; Rule 7, CONFLICTS OF INTEREST; Rule 8, RULES FOR BLACKJACK; and Rule 10, RULES OF POKER. Comments on these rules were made by Mr. Grogan and Mr. Venerable.

The hearing was recessed by Chairperson Brackett at 12:22 p.m.

The hearing was reconvened by Chairperson Brackett at 1:40 p.m.

Mr. Tipton announced that the Division would have some applications for the Commissioners to review by August 14, 1991.

Mr. Tipton announced that three (3) field trips for the Commissioners were scheduled. They are as follows:

August 8, 1991 - 8:00 a.m. to 12:00 p.m., Central City and Black Hawk;

August 12, 1991 - 8:00 a.m. to 5:00 p.m., Deadwood, South Dakota; and

August 13, 1991 - 8:00 a.m. to 3:00 p.m., Cripple Creek.

Mr. Morris continued with a discussion on Rule 10, RULES OF POKER; Rule 12, GAMING DEVICES AND EQUIPMENT; Rule 13, PURCHASING AND REDEMPTION OF COINS, CHIPS AND TOKENS; and Rule 15, PROCUREMENT. Comments on these rules were made by Mr. Wing, Mr. Grogan and Mr. Venerable.

Mr. Morris concluded his discussion on the rules and regulations.

There being no further business to come before the Commissioners, the hearing was adjourned by Chairperson Brackett at 2:20 p.m.



\_\_\_\_\_  
Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL COMMISSION**

Minutes of Hearing

July 22, 1991

The meeting was called to order by the Chairperson of the Colorado Limited Gaming Control Commission, Aurel Kelly, at 9:02 a.m. on July 22, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners, Ben Brower, and Lavoy Robison, as well as the Executive Director of the Department of Revenue, John Tipton, Deputy Director, Amelie Buchanan, Division of Gaming Director, Roger Morris; and from the Executive Director's office: Susan Conwell; Jim Huyghebaert; and Ken Jacobs. Also attending were Senator Sally Hopper, Assistant Attorney General, Sue Beck-Ferkiss, Division of Gaming Public Information Officer, Tom Kitts and other Division of Gaming employees. Persons making presentations to the Commission were: Pat Tabor, from McGladrey & Pullen; Jean Ackerman; Bob Wing; Rene Senn; David Barber, a City Planner and consultant for Cripple Creek; 18 representatives from the Colorado Gaming Owners' Association; and Thomas Harding, a representative from a non-profit organization.

Chairperson Kelly presented the agenda for the July 22, 1991, hearing of the Commission:

- Item 1 - Present, review, and adopt minutes of July 17, 1991, meeting;
- Item 2 - Response by Roger Morris to Steve Fox's summary;
- Item 3 - Presentations by Department of Revenue Consultants;
- Item 4 - Presentation by Colorado Gaming Owners' Association;
- Item 5 - Presentation by Garth Nicholls and Bob Wing;
- Item 6 - Presentation by Rene Senn;
- Item 7 - Presentation by David Barber;
- Item 8 - Presentation by Thomas Harding.

Chairperson Kelly called for a reading of minutes of the meeting of July 17, 1991, by the secretary, Sandie Seegmiller. Mr. Robison moved to dispense with the reading of the minutes; Mr. Brower seconded the motion. The motion was adopted unanimously.

Ms. Buchanan introduced the consultants hired by the Department of Revenue to review the impact of Limited Gaming in Colorado. She reported that the consultants would review tax rate criteria for the public sector and the private sector.

Ms. Buchanan introduced Pat Tabor, from the accounting and consulting firm of McGladrey & Pullen. He highlighted the sensitivity of different sized firms to varying tax rates, and explained how the gaming tax would affect them.

Mr. Tabor analyzed the returns that can be expected from limited gaming operations in Colorado; the data generated from research of limited gaming in other states; and the likely range of taxation that various sizes of limited gaming operations could absorb.

Mr. Robison asked whether the data presented by Mr. Tabor was on an accrual basis. Mr. Tabor responded that the gaming revenue data was on a cash basis but all other data was based on accrual.

Ms. Buchanan introduced Jim Huyghebaert and Susan Conwell from the Office of Tax Analysis.

Mr. Huyghebaert and Ms. Conwell offered analyses of the varied sensitivities of different sized firms to the tax rates.

Chairperson Kelly asked whether the Commissioners could opt to set a graduated tax rate for the different-sized gaming operations. Mr. Tipton responded that, according to the Constitution, the Commissioners apparently could set a graduated tax rate.

Ms. Buchanan introduced Ms. Ackerman, who spoke on the impact of limited gaming on the communities involved.

In response to a request from Mr. Brower for clarification about sources of revenue, Ms. Ackerman noted that her data showed only the estimated impacts of limited gaming on Cripple Creek, Central City and Black Hawk; but did it not identify sources of revenue for these impacts.

The meeting was recessed by Chairperson Kelly at 10:35 a.m.

The meeting was reconvened by Chairperson Kelly at 10:56 a.m.

In response to inquiries from several persons, Chairperson Kelly reiterated that testimony would be heard as it appeared on the agenda. Those not on the agenda were asked to place their names on the Speaker's List to be heard following those already on the agenda. Persons not heard at the July 22, meeting, would be asked to make their presentations at the next Commission meeting on July 30, 1991.

Ms. Buchanan introduced Ken Jacobs, who offered analyses of community perspectives including: expenditures; impacts on local governments; and a summary of the total gaming tax revenue necessary to meet local demands.

Ms. Buchanan summarized the presentations from the Department of Revenue consultants, highlighting the following:

- (1) The impact of the size of a firm, and the corresponding sensitivities to the tax rate;
- (2) The percentage of local needs met given various tax rates;
- (3) An analysis of revenue remaining after satisfying the expenses and reserve for the Division of Gaming and after considering loan repayment schedules.

Ms. Buchanan also emphasized that the presentations of the Department of Revenue were not intended to be a recommendation of the tax rate to the Commissioners, but merely an offering of pertinent information for consideration by the Commissioners.

Colorado Gaming Owners' Association representatives requested to be heard after the noon hour; Chairperson Kelly deferred their presentations until the afternoon session.

Mr. Wing, a prospective investor in Cripple Creek, presented pro forma figures for his enterprize, and he explained their significance.

Mr. Senn of S. Kohlenberg, Inc. spoke as an international gaming owner.

Mr. Barber addressed the Commissioners about the problems Cripple Creek will face in creating an environment conducive to limited gaming.

The meeting was recessed by Chairperson Kelly at 12:08 p.m.

The meeting was reconvened by Chairperson Kelly at 1:16 p.m.

The Colorado Gaming Owners' Association addressed the Commissioners. Their speakers were as follows:

- (1) Steven Grogan, Executive Director, who introduced the collective presentations;
- (2) Rock Sorenson, a local property owner, who offered a historical background of the law in the three Colorado limited gaming communities;
- (3) Clifton R. Venerable, an accountant representing several Deadwood organizations, spoke on the 8% tax rate in Deadwood, S.D.;
- (4) Bill Lorenz, Mayor of Black Hawk, offered the city's position on the establishment of gaming tax;

- (5) Henry Haack and Terry Wahrer, Mayor and Vice Mayor of Cripple Creek, offered the city's position on the setting of the gaming tax;
- (6) Steven Boulter offered his perspective as a property owner in Black Hawk;
- (7) Gary Royer spoke to the Commissioners, as an expert on gaming, concerning the advisability of a lower tax rate.

The meeting was recessed by Chairperson Kelly at 3:30 p.m.

The meeting was reconvened by Chairperson Kelly at 3:41 p.m.

The Colorado Gaming Owners' Association presentations continued with the following speakers:

- (1) Roseanna Harris, a slot machine manufacturer, spoke on behalf of the local industries;
- (2) Candy Hopp, a member of the Regional Planning Commission, spoke about impacts that limited gaming would have on Teller County and Cripple Creek;
- (3) Bob Konczak, a local property owner in Cripple Creek, discussed the specifics of his personal investment in limited gaming;
- (4) June Fuhlrodt, a property owner in Cripple Creek, spoke about expected revenue sources from ancillary projects;
- (5) Kelly Sunter, a property owner in Black Hawk, spoke about the steps Black Hawk has taken toward meeting the needs produced by limited gaming;
- (6) John Feinberg, clarified issues raised earlier regarding the gaming impact; and
- (7) Senator Sally Hopper expressed her views about establishing the tax rate as low as 6%.

The Colorado Gaming Owners' Association presentation was concluded by Steven Grogan.

Mr. Harding requested that there be no tax levied on charitable gaming activities involving non-profit organizations.

Ms. Ann Levingwell, commissioner from Gilpin County, addressed the Commissioners about the pressures limited gaming has placed on Gilpin County.

Charlotte Taylor, of Gilpin County Health and Human Services, addressed the Commissioners on the impact gaming would have on Gilpin County -- and the need for more help as a result of limited gaming.

Jim Kruetz addressed the Commissioners regarding the purpose of the gaming tax. He also questioned the legality of the establishment of a device fee in Cripple Creek, Black Hawk and Central City.

Chairperson Kelly called for a motion for adoption of the minutes of the meeting on July 17, 1991. Mr. Robison made the motion; Mr. Brower seconded the motion. The motion was adopted.

Mr. Morris announced that the July 30, 1991, hearing would be held at the Old Supreme Court Chambers, and the August 7, 1991, hearing would also be held at the same location. Topics for testimony would be the rules and regulations, and the gaming tax.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 5:13 p.m.

---

Sandie Seegmiller, Secretary

## **COLORADO LIMITED GAMING CONTROL COMMISSION**

**Minutes of Hearing**

**July 17, 1991**

The meeting was called to order by Aurel Kelly, Chairperson of the Colorado Limited Gaming Control Commission (CLGCC), at 9:08 a.m. on July 17, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Commissioners, Ben Brower, Chat Paterson, and Lavoy Robison, as well as Executive Director of the Colorado Department of Revenue, John Tipton, Deputy Director Amelie Buchanan, Division of Gaming Director, Roger Morris, and from the Executive Director's office, Susan Conwell, Jim Huyghebaert, Brian Kenna, and Joan Vecchi. Additionally attending were Assistant Attorney General Sue Beck-Ferkiss, Division of Gaming Chief Investigator, Mel Grantham, Public Information Officer, Tom Kitts, and other Division of Gaming employees. Absent from the meeting was Ava Brackett.

Chairperson Kelly presented the agenda for the July 17, 1991, hearing of the Colorado Limited Gaming Control Commission:

- Item 1 - Present, review and adopt July 12, 1991, Minutes of Meeting;
- Item 2 - Introduce, review and adopt the CLGCC and Division of Gaming Budget for fiscal year 91/92; and
- Item 3 - Consideration of Temporary Rules 1, 2, 3, 4, 5, 6, 7, 12, and 15.

Chairperson Kelly called for a reading of minutes by secretary Sandie Seegmiller. Mr. Robison moved to dismiss the reading of the minutes of the meeting of July 12, 1991. Mr. Brower seconded the motion. The motion was unanimously approved.

Chairperson Kelly called for a motion to adopt the minutes of the meeting. Mr. Robison made the motion; Mr. Brower seconded the motion. The motion was unanimously approved.

Mr. Kenna presented the background information regarding the standard budgetary process for the Division in the State of Colorado system.

Mr. Huyghebaert reviewed the process by which a fiscal note for a bill is presented to the Colorado General Assembly in order to estimate the impact of the bill on the State budget.

Chairperson Kelly called for clarification of the source of revenue of the Division of Gaming.

Mr. Tipton responded that revenues were drawn from taxes, fees, fines, and background investigations.

Mr. Tipton offered to clarify any confusion on the hypothetical tax rate of 8%. He explained that the rate was used merely to simplify the proposed budget.

Chairperson Kelly requested confirmation that the Commission would get to review the tax rate each year. Mr. Huyghebaert noted that the tax rate would be due for reconsideration at the onset of each fiscal year.

Ms. Conwell, reported on the particulars of necessary assumptions made in the fiscal note for Senate Bill 149.

Ms. Vecchi presented a five part policy and budget analysis which included:

1. Personal Services (other than Gaming);
2. Personal Services/Benefits for the Division of Gaming;
3. Capitol Outlay;
4. Legal services/leased space; and
5. Computer Center Charges.

Mr. Paterson joined the meeting at 9:45 a.m.

Mr. Tipton talked about the issues raised statewide on compulsive gamblers. He asked whether the Commissioners were interested in hiring and funding a study on gambling-related addictions. Chairperson Kelly asked that this be on an agenda to be discussed in a later Commission meeting.

The meeting was recessed by Chairperson Kelly at 10:20 a.m.

The meeting was reconvened by Chairperson Kelly at 10:36 a.m.

Ms. Buchanan reported on the three consulting contracts that were included in the budget 91/92. The three contracts discussed were between the following parties:

1. Division of Gaming and Coley/Forrest, Incorporated
2. Division of Gaming and The Lincoln Company
3. Division of Gaming and McGladrey & Pullen

Chairperson Kelly called for a motion to ratify the contracts. Mr. Robison made the motion; Mr. Brower seconded the motion. The motion was unanimously approved.

Mr. Morris presented a standard proposed contract between the Division of Gaming and the Attorney General's office.

Chairperson Kelly called for a motion to adopt the contract between the Division of Gaming and the Attorney General's office. Mr. Paterson made the motion; Mr. Robison seconded the motion. The motion was unanimously approved.

Mr. Morris introduced a contract with the Division of Gaming and Gaming Laboratories International, a company which tests slot machines to ensure no tampering with machines can occur.

Chairperson Kelly called for motion to adopt the contract between the Division of Gaming and Gaming Laboratories International. Mr. Robison made the motion; Mr. Brower seconded the motion. The motion was unanimously approved.

Mr. Morris introduced a contract between the Division of Gaming and NBS for the production and control of photo identification.

In order to provide the Commissioners with a summary of the contract in question, final consideration was deferred until the July 22, 1991, Gaming Commission Hearing.

Chairperson Kelly called for a motion to adopt the proposed 91/92 fiscal year budget. Mr. Robison made the motion; Mr. Brower seconded the motion. The motion was unanimously approved.

The Commissioners were given copies of the temporary rules to be reviewed for adoption.

Upon completion of Mr. Morris' presentation on Rule 1, GENERAL RULES AND REGULATIONS, Chairperson Kelly called for a motion for adoption of Rule 1, and the corresponding Resolution. Mr. Robison made the motions; Mr. Paterson seconded the motions. The motions were unanimously approved.

Upon completion of Mr. Morris' presentation on Rule 2, POWER AND DUTIES OF COMMISSION AND DIRECTOR, Chairperson Kelly called for a motion for adoption of Rule 2, as amended, and the corresponding Resolution. Mr. Robison made the motions; Mr. Paterson seconded the motions. The motions were unanimously approved.

The meeting was recessed by Chairperson Kelly at 11:59 a.m.

The meeting was reconvened by Chairperson Kelly at 1:36 p.m. Mr. Paterson left the meeting during recess to attend to prior commitments.

Upon completion of Mr. Morris' presentation on Rule 3, APPLICATIONS,

INVESTIGATIONS AND LICENSURE, Chairperson Kelly called for a motion for adoption of Rule 3, as amended, and the corresponding Resolution. Mr. Robison made the motions; Mr. Brower seconded the motions. The motions were unanimously approved.

Upon completion of Mr. Morris' presentation on Rule 7, CONFLICTS OF INTEREST, Chairperson Kelly called for a motion for adoption of Rule 7, and the corresponding Resolution. Mr. Robison made the motions; Mr. Brower seconded the motions. The motions were unanimously approved.

Upon completion of Mr. Morris' presentation on Rule 15, PROCUREMENT, Chairperson Kelly called for a motion for adoption of Rule 15, and the corresponding Resolution. Mr. Robison made the motions; Mr. Brower seconded the motions. The motions were unanimously approved.

Upon completion of Mr. Morris' presentation on Rule 12, GAMING DEVICES AND EQUIPMENT, Chairperson Kelly called for a motion for adoption of Rule 12, and the corresponding Resolution. Mr. Robison made the motions; Mr. Brower seconded the motions. The motions were unanimously approved.

Upon completion of Mr. Morris' presentation on Rule 6, DECLARATORY ORDERS, Jim Wilson, of Hayes & Wilson Co., spoke on his concerns regarding the charging of a filing fee. Chairperson Kelly asked that Ms. Beck-Ferkiss to please respond to Mr. Wilson on this matter concerning the justification.

Ms. Beck-Ferkiss referred to 12-47.1-302, Colorado Limited Gaming Act, Section (j). She stated that this section in the Limited Gaming Act does authorize the Division of Gaming to collect filing fees.

Upon completion of Mr. Morris' presentation on Rule 6, Chairperson Kelly called for a motion for adoption of Rule 6, as amended, and the corresponding Resolution. Mr. Robison made the motions; Mr. Brower seconded the motions. The motions were unanimously approved.

The meeting was recessed by Chairperson Kelly at 3:15 p.m.

The meeting was reconvened at 3:30 p.m.

Upon completion of Mr. Morris' presentation on Rule 4, RIGHTS AND DUTIES OF LICENSEES, Chairperson Kelly called for a motion for adoption of Rule 4, as amended, and the corresponding Resolution. Mr. Robison made the motions; Mr. Brower seconded the motions. The motions were unanimously approved.

Upon completion of Mr. Morris' presentation on Rule 5, GROUNDS AND PROCEDURES

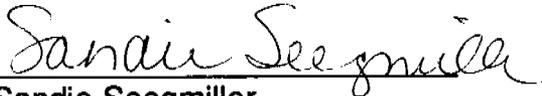
FOR DISCIPLINARY ACTIONS, Chairperson Kelly called for a motion to withdraw proposed regulation 47.1-516. Mr. Brower made the motion; Mr. Robison seconded the motion. The motion was unanimously approved.

Chairperson Kelly called for a motion for adoption of Rule 5, as amended, and the corresponding Resolution. Mr. Robison made the motions; Mr. Robison seconded the motions. The motions were unanimously approved.

Mr. Morris concluded his presentation on the Temporary Rules and Regulations.

Chairperson Kelly asked to have the reconsideration of the NBS contract placed on the agenda for the July 22, 1991, hearing. She also requested that written summaries from all parties wishing to address the gaming tax issue at the hearing on July 22 be submitted to the Commission prior to the hearing.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 4:30 p.m.

  
Sandie Seegmiller  
Secretary

## COLORADO LIMITED GAMING CONTROL COMMISSION

Minutes of Meeting

July 12, 1991

The meeting was called to order by John Tipton, Executive Director of the Colorado Department of Revenue at 9:06 a.m. on July 12, 1991, in the Old Supreme Court Chambers in the Colorado State Capitol building. Present were Deputy Director of the Department of Revenue, Amelie Buchanan, Division of Gaming Director, Roger Morris, Colorado Limited Gaming Control Commissioners, Ava Brackett, Ben Brower, Aurel Kelly, Chat Paterson, Lavoy Robison, Senator Sally Hopper, Lottery Division Representative, Bill Russell, Tax Analyst from the Executive Director's Office, Joan Vecchi, Chief of Investigations, Mel Grantham, Assistant Attorney General, Sue Beck-Ferkiss, Public Information Officer, Tom Kitts, and other Division of Gaming employees.

Senator Hopper addressed her concerns about the tax rate to be determined.

Mr. Tipton reviewed the remaining tentative Commission meetings scheduled July 17, 1991, July 22, 1991, July 30, 1991, and in the week of August 5, 1991. He reported that tentative agendas include:

- July 17 - Set budget and begin to adopt selected temporary rules;
- July 22 - Hear testimony on the gaming tax rate (Mr. Tipton requested that persons wishing to offer testimony submit to the Division of Gaming, as early as possible in the week of July 18, an executive summary including estimated time of presentation.);
- July 30 - Start rule-making hearings for permanent rules, although rules may not be adopted due to the absence of one of the Commissioners on this date; and
- Week of August 5 - Agenda has yet to be determined.

Mr. Tipton introduced the Colorado Limited Gaming Control Commissioners and stated that there were several Division of Gaming staff members present who would discuss different aspects of the Division of Gaming. He then presented a brief summary of pertinent information regarding limited gaming in Colorado:

- (1) There will be fully staffed Division of Gaming offices located in

Colorado Limited Gaming Control Commission  
Meeting, July 12, 1991  
Minutes  
Page 2 of 4

- Denver, Cripple Creek, and the Black Hawk area;
- (2) As of July 1, 1991, 37 of a total 61 Gaming License applications had been received by the Division of Gaming;
  - (3) Drafts of Rules and Regulations are available through the Division of Gaming, located at 150 W. 6th Avenue, Denver, Colorado 80204, (303) 620-4105; and
  - (4) Limited Gaming's Mission Statement, as provided in Senate Bill 149:

"To ensure that limited gaming is conducted honestly, fairly and competitively, free from all criminal and corruptive elements, and to foster the stability and success of limited gaming through licensing and regulation of persons, locations, and activities related to limited gaming".

At the request of Mr. Tipton, Roger Morris explained the many provisions concerning limited gaming provided in the Colorado State Constitution and Senate Bill 149.

Bill Russell from the Colorado Lottery Division of the Department of Revenue, spoke about gambling as an industry in the United States and how it has progressed in recent years.

The meeting was recessed at 10:20 a.m. by Mr. Tipton.

The meeting was reconvened at 10:36 by Mr. Tipton.

At Mr. Tipton's request, Joan Vecchi discussed the development of applications, planning and expenditures, and Mel Grantham spoke briefly about the Division of Gaming staff, as well as describing the purpose and location of the Division offices.

Mr. Tipton addressed the general operations of the Commission and introduced Sue Beck-Ferkiss, Assistant Attorney General, to elaborate on the Commission's duties as set forth in the statute.

Ms. Beck-Ferkiss discussed Part 3 of the Act, which establishes the duties of the Commission. She also reviewed the initial terms for each Commissioner:

Through July 1, 1992: Ava Brackett;

Colorado Limited Gaming Control Commission  
Meeting, July 12, 1991  
Minutes  
Page 3 of 4

Through July 1, 1993: Ben C. Brower;  
Through July 1, 1994: Chat Paterson; and  
Through July 1, 1994: Aurel Kelly and Lavoy Robison.

Chat Paterson asked Mr. Tipton if, by statute, limited gaming establishments had to be operational by October 1, 1991. Mr. Tipton responded that according to the Colorado State Constitution, limited gaming is to be in operation by October 1. Ms. Beck-Ferkiss added that the Rules and Regulations should definitely be available by October 1.

Mr. Tipton invited any member of the audience who wished to speak to do so.

Steve Grogan introduced himself to the Commission as a representative for business owners in Cripple Creek, Central City and Black Hawk. He spoke about the needs for economic survival of these towns and encouraged the Commissioners to visit the towns.

Dan May, Chief Deputy District Attorney in Colorado Springs, spoke on behalf of El Paso and Teller Counties and represented Cripple Creek. He stressed his interest in law enforcement, noting that he would like to make himself, Howard Black, and Allan Scott, available at the Commission's request.

The meeting was recessed by John Tipton at 11:22 a.m.

The meeting was reconvened by John Tipton at 1:08 p.m.

Mr. Tipton asked for nominations for Chairperson, and vice-Chairperson.

Ava Brackett nominated Aurel Kelly as Chairperson for the next year. All Commissioners voted in favor of Aurel Kelly sitting as Chairperson.

Ben Brower nominated Ava Brackett as vice-Chairperson. All Commissioners voted in favor of the nomination.

Mr. Tipton handed the Chair to Aurel Kelly.

Chairperson Kelly addressed the issue of who will be the spokesperson for the Commissioners. Mr. Tipton suggested that the Chairperson may delegate the responsibility to his or her fellow Commissioner who is judged most experienced

in the area of business which is of current concern. Mr. Tipton introduced a proposal (91-01), as follows:

It is the policy of the Colorado Limited Gaming Control Commission that the chairperson of the Commission shall determine who shall be the spokesperson for the Commission regarding media inquiries and other requests for information from the industry, the public and other interested parties.

Chairperson Kelly read the proposed policy. Upon motion duly made and seconded to adopt the policy, all members of the Commission voted in favor of the motion.

Mr. Tipton introduced a second proposed policy (91-02), as follows:

It is the policy of the Colorado Limited Gaming Control Commission that no Commissioner shall individually meet with any parties regarding any matters pending or currently being considered before the Commission, including applications for licenses, tax issues, and rules and regulations.

Chairperson Kelly read the proposed policy. Upon motion duly made and seconded to adopt the policy, all Commissioners voted in favor of the motion.

Mr. Tipton and Roger Morris discussed tentative agendas for the meetings scheduled on the 17th and 22nd.

Mr. Tipton reiterated his request that persons wishing to testify at the July 22, 1991, hearing on the establishment of the gaming tax submit an executive summary to the Division of Gaming no later than July 18, 1991.

There being no further business to come before the Commissioners, the meeting was adjourned by Chairperson Kelly at 1:27 p.m.

  
Sandie S. Seegmiller, Secretary