

COLORADO DIVISION OF GAMING

APPLICATION FOR APPROVAL OF TABLE GAME

INFORMATION AND INSTRUCTIONS

Quick Summary

*The proposed game must be either blackjack, poker, roulette or craps.
The betting structure may not allow a wager to exceed \$100
The application fee is \$2,250 per game (non-refundable)
Field trial will be required
Games and game rules must be approved by regulation by the Commission
Estimated time for review and final approval is six months*

As restricted by the state Constitution, blackjack, poker, roulette and craps are the only table games which may be offered in Colorado casinos. The Colorado Limited Gaming Act of 1991, as amended, defines what these games are, and any approved variation game **must** meet the definition of one of these games:

"Blackjack" means a banking card game commonly known as 21 or blackjack played by a maximum of seven players in which each player bets against the dealer. The object is to draw cards whose value will equal or approach twenty-one without exceeding that amount and win amounts bet, payable by the dealer, if the player holds cards more valuable than the dealer's cards. (§12-47.1-103 (4), C.R.S.)

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

- (I) For each player to bet the superiority of such player's hand and win the other players' bets by either making a bet no other player is willing to match or proving to hold the most valuable cards after all the betting is over; or
- (II) (a) For each player, whether by reason of the skill of the player or application of the element of chance, or both, to hold a poker hand entitled to a monetary or premium return based upon a publicly available pay schedule.
- (b) In a variation of poker in which there can be more than one winning hand and the dealer's participation is necessary or desirable to improve the game for players other than the dealer, the dealer may play, but under no circumstances may the dealer place a wager in any game in which he or she is dealing. A game in which the player holding the highest-scoring hand splits his or her winnings with the player holding the lowest-scoring hand does not qualify as a "variation of poker in which there can be more than one winning hand" for purposes of this paragraph (b). (§12-47.1-103 (22), C.R.S.)

"Roulette" means a game in which a ball is spun on a rotating wheel and drops into a numbered slot on the wheel, and bets are placed on which slot the ball will come to rest in.

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

Additionally, the Constitution and the Limited Gaming Act restrict the amount of each wager to \$100:

Maximum amount of bets. The amount of a bet made pursuant to this article shall not be more than \$100 on the initial bet or subsequent bet, subject to rules promulgated by the Commission. (§12-47.1-816, C.R.S.)

The application, review, and approval process will be governed by the following Regulations, promulgated by the Colorado Limited Gaming Control Commission:

47.1-325 Approval and field trial of variation games of poker, blackjack, craps, roulette, blackjack-poker combination games and table games with electronic betting terminals.
Amended 3/16/2012

Request for approval of new variation games of poker, blackjack, craps, roulette, blackjack-poker combination games and table games with electronic betting terminals (EBTs) shall be made on such forms and proceed in such manner as the Director shall prescribe. *Amended 3/16/2012*

- (1) The application must be in writing and must include, in addition to such other information as the Director may require:
 - (a) The name of the game to be used in Colorado, and any other name by which the game is known, marketed, or approved in any other gaming jurisdiction. The name to be used in Colorado must be different than the name of any other game currently approved by the Commission.
 - (b) Identification information of all persons:
 - (i) Who developed the game;
 - (ii) Who hold intellectual property rights or other legal rights to the game;
 - (iii) Who have, or who will have, the right or privilege to market the game in Colorado; and
 - (iv) Who have had, who have, or will have, the rights to share in the profits, proceeds, royalties, commissions, or other profits generated by the sale, lease, placement, or distribution of the game in any gaming jurisdiction.
 - (c) An authorization and release executed by the applicant and by all persons identified in paragraph (b) above, permitting an investigation into the background of such persons.
 - (d) A description of the game, including the rules of play, dealing procedure, the proposed schedule of payouts, a full size paper table layout if requested by the Division, and a statistical evaluation of the game. (amended perm. 04/30/04)
 - (e) A copy of an agreement between the applicant and retail licensee to conduct a field trial upon approval. Such agreement must be signed by the applicant and an authorized agent of the retail licensee. (added perm. 04/30/04)
- (2) The Director may approve temporary rules of play and a temporary formula for calculation of adjusted gross proceeds received from the game, and may authorize the proposed game to be field tested by at least one retail licensee. (amended perm. 04/30/04)
- (3) The test period for new variation games shall not exceed 180 days, from the date offered for public play, during which time the Director or designee may amend the rules of play and may make minor modifications to the trial game. The Director may order termination of the test period at any time prior to the end of 180 days if, in the Director's or designee's discretion, the Director or designee determines: *Amended 11/30/2012*

- (a) That the game cannot be lawfully played in the State of Colorado;
 - (b) That further testing will not be of benefit to the Division or the Commission;
 - (c) That either the developer or distributor of the proposed game, or the retail licensee, has not complied with the terms and conditions of the order authorizing the test; or
 - (d) For any other cause.
- (3.5) EBTs, when utilized with approved games, are deemed in a field trial status for 90 days from the date offered for public play. Unless the Director or designee terminates the field trial of such equipment for cause, authorization and approval for use of EBTs shall become effective at the conclusion of field trial. The Division shall determine field trial testing criteria specific to various EBTs or equipment. Where applicable, Colorado Gaming Regulations 47.1-1202 and 47.1-1203 shall apply to EBTs. *Eff/ 3/16/2012, Amended 11/30/2012*
- (4) Retail licensees offering a proposed game during a test period shall be responsible for calculation of adjusted gross proceeds from the game, and shall include such adjusted gross proceeds in their calculation of gaming tax liability.
- (5) (a) At the conclusion or termination of the test period, the Director may:
- (i) Deny the proposed game, or may recommend to the Commission that the proposed game not be approved;
 - (ii) Require or allow the applicant to change, modify, or withdraw the application for approval of the proposed game;
 - (iii) Require further field testing of the proposed game under similar or different conditions, including, but not limited to: retail location, season of play, surveillance, auditing, or any other condition; or
 - (iv) Recommend to the Commission that the new game be approved, and if so, shall propose regulations which authorize and describe play of the game.
- (b) In the event the applicant disagrees with any determination of the Director pursuant to this paragraph (5), the applicant may petition for review before the Commission pursuant to Rule 47.1-208.
- (6) While a new variation game is in field trial testing, the Division's table games committee shall make a preliminary determination as to the legality of the game, no later than 90 days from when the game is offered for public play. If in the Division's determination the game is lawful, the Division will notice and post rules for a rule making hearing. Any licensee, who agreed to field trial the game, may retain and play the game throughout the rule making hearing and final approval process, not to exceed 180 days. When rules are approved by the Commission and become effective, only then shall the game become available to all retail licensees to pursue acquisition of rights to offer the game. *Eff. 3/16/2012, Amended 11/30/2012*
- (7) (a) Persons requesting approval of new games shall be required to pay the costs of inspection, examination, and evaluation of the games and for drafting regulations and internal control minimum procedures governing play and control of such games. The fee shall be in an amount specified in Rule 47.1-305.5. Such fee shall be paid, in advance, before the Division begins its formal review process.
- (b) If the Director determines that it is necessary to conduct a background investigation to determine the suitability of the applicant or of any of the persons named in paragraph (1)(b), the applicant shall be required to pay the costs of such investigation and shall make an additional deposit in the amount required by Rule 47.1-305.

- (c) If, at the time of acceptance of the application, the Director elects not to require a background investigation of the applicant or of any of the persons named in paragraph (1)(b), the Director may at any later date require that such an investigation be conducted. The Director may require a periodic re-investigation, but no more often than once each year, except for good cause shown.
- (8) If the proposed game is in the public domain, the Director may waive the requirements of paragraphs (1) and (7) above, either in whole or in part. (47.1-325 perm. 10/30/97, amended perm. 4/30/04)

47.1-305.5 Table Game Review Fees

- (1) Persons seeking approval of variation games of poker, blackjack, craps, roulette, blackjack-poker combination games and table games with electronic betting terminals, shall pay a fee of \$2,250.00 for costs of inspection, examination, and evaluation of the game and for drafting regulations and internal control minimum procedures governing play and control of such game. *Amended 3/16/2012*
- (2) The Director may authorize a brief review of each application for approval of a variation game of poker, blackjack, craps, roulette, blackjack-poker combination games and table games with electronic betting terminals to be conducted, at no cost to the applicant, to determine whether or not it is likely that the proposed game could lawfully be played in this state. After such determination has been made, the applicant shall be advised of the finding, which shall not be binding on the Director or the Commission. The applicant shall then be required to submit the required fee to the Division before the Division conducts any further review of the application. *Amended 11/30/2012*
- (3) If the Director determines that it is necessary to conduct an investigation into the background and suitability of a person seeking approval of a variation game of poker, blackjack, craps, roulette, blackjack-poker combination games and table games with electronic betting terminals, such person shall be required to pay the fees specified by Rule 47.1-305. None of these games shall be approved until payment for the full amount of any negative deposit balance has been received from the person seeking approval of the variation game. (47.1-305.5 perm 10/30/97) *Amended 11/30/2012*

47.1-305 Investigation fees.

- (1) All applicants for licenses and persons seeking approval of variation games of blackjack, poker, craps, roulette, blackjack-poker combination games and table games with electronic betting terminals, except support licenses, shall pay the costs of investigations into their backgrounds, suitability, and qualifications for licensure. *Eff 04/01/2007 Amended 11/30/2012*
 - (a) The cost of such investigations shall be at the rate of \$65.00 per hour for each hour spent by investigators of the Division, the Colorado Bureau of Investigation, or the Department of Revenue investigating the applicants until the conclusion of the investigation. *Eff 7/1/2011*
 - (b) All such applicants shall also pay the Division for the following actual costs incurred in conducting the background investigations: transportation; lodging; meals, and other expenses associated with traveling; significant office expense; document reproduction costs, preparation time; time necessary for administration of the investigation (including additional staffing on a temporary basis); and other similar expenses incurred until the conclusion of the investigation. *Eff 04/01/2007 Amended 11/30/2012*
 - (c) An investigation concludes upon the issuance by the Commission of an initial order concerning the issuance or denial of the license, upon the issuance by either the Commission or the Division of an order approving the withdrawal of the application, or upon the issuance by the Division of an order of denial of the license which is not appealed to the Commission. *Eff 04/01/2007*

- (2) Before any such investigations are conducted, each applicant shall pay a deposit by check made out to the Colorado Division of Gaming to the gaming fund as follows: *Eff 04/01/2007*
- (a) For each Type 1 original applicant, the deposit shall be \$5,000.00. For purposes of the deposit requirement, a Type 1 Applicant consists of either a single person, or an organization where the total number of all officers, directors, general partners, and 5% or more stockholders or equity owners totals 6 or less. In addition, all the aforementioned persons must reside in Colorado. *Eff 04/01/2007*
 - (b) For each Type 2 original applicant, the deposit shall be \$10,000.00. Type 2 Applicants consist of all applicants other than Type 1 Applicants. *Eff 04/01/2007*
 - (c) For each person who applies for a key employee license, and who is not an officer, director, general partner or 5% equity owner of an applicant, the deposit shall be \$1,000.00. *Eff 04/01/2007*
 - (d) For each officer, director, general partner or 5% equity owner of an applicant who applies for suitability separate from the original application or a change of ownership application, the deposit shall be \$1,000.00. *Eff 04/01/2007*
 - (e) For each change of ownership application involving more than an aggregate 5% effective ownership change, the deposit shall be \$2,500.00. (47.1-305 amended perm. 10/30/99)
Eff 04/01/2007
- (3) As expenses are incurred, the Division shall draw upon the respective deposits in the gaming fund. Upon request, a statement of costs, draws upon deposit, and deposit balance shall be sent to the applicant making the request. *Eff 04/01/2007*
- (4) When a deposit balance approaches zero dollars, or is forecasted to reach zero dollars due to anticipated or known expenses which will be incurred in the future, the Division may request a further deposit of an amount sufficient to cover the anticipated expenses and which will prevent the account balance from becoming negative. Until receipt of such further deposit, investigation of the application may cease. *Eff 04/01/2007*
- (5) Where an applicant disputes any investigative charges, or the necessity for further deposits, the applicant may request relief from the Commission, by declaratory order or other appropriate motion, regarding the matters in dispute. *Eff 04/01/2007*
- (6) No license shall be issued until payment for the full amount of any negative deposit balance has been received from the applicant. *Eff 04/01/2007*
- (7) Within ninety days of the conclusion of the investigation, any deposit balance shall be returned to the applicant. A statement of costs, draws upon deposit, and deposit balance shall accompany the return of the deposit balance to the Applicant. *Eff 04/01/2007*