

DEPARTMENT OF REVENUE

Division of Gaming

SPORTS BETTING REGULATIONS

1 CCR 207-2

BASIS AND PURPOSE FOR RULE 1

The purpose of Rule 1 is to provide definitions of various terms used throughout the sports betting Rules of the Colorado Limited Gaming Control Commission so that the Rules can be uniformly applied and understood. The definitions in 44-30-103, C.R.S. and 44-30-1501 C.R.S. shall also apply throughout this document. The statutory basis for Rule 1 is found in sections 44-30-102, C.R.S., 44-30-104, C.R.S., 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., and 44-30-302, C.R.S.

RULE 1 **GENERAL RULES AND REGULATIONS** *Effective 4/14/20*

1.4 **Definitions.** *Revised and renumbered 6/14/24*

- (1) "ACH" means Automated Clearing House, which is a network that connects all banking and financial institutions within the United States.
- (2) "Additional Fee" means any fee, including but not limited to monthly fees or sign-up costs, that a Sports Betting Operator or an Internet Sports Betting Operator charges to a patron that allows the patron to place, buy or sell wagers with the Sports Betting Operator or Internet Sports Betting Operator in the State of Colorado. Additional Fees are prohibited.
- (3) "Affiliate" means an individual or entity that promotes sport betting websites in exchange for a Commission or fee.
- (4) "Age and identity verification" means a method, system, or device used by a Sports Betting Operation to verify the validity of a patron's age and the patron's identity.
- (5) "Authentication process" means a method used by a Sports Betting Operation to verify the validity of software.
- (6) "Back" means to wager on a selected outcome occurring (betting that an outcome will occur) in a given market.
- (7) "Canceled wager" means a wager that has been canceled by the Sports Betting Operation due to any issue with an event that prevents its completion.
- (8) "Card" is the list of Sports Events from which a patron can make selections for a given Pool. *Effective 12/15/20*
- (9) "CHANGE OF OWNERSHIP" OR "OWNERSHIP CHANGE" MEANS THE LEGAL PROCESS IN WHICH A BUSINESS TRANSFERS CONTROL AND RIGHTS FROM ONE OWNER TO ANOTHER BY THE PROCESS OF SELLING THE ENTIRE BUSINESS, ASSIGNING OWNERSHIP TO NEW OWNERS, OR REDISTRIBUTING OWNERSHIP PERCENTAGES AMONGST EXISTING OWNERS.
- (910) "Corrective wager" means an exchange wager placed by the Internet Sports Betting Operator or Sports Betting Operator in the market offered by that Operator, under circumstances approved by the Director, in order to address the impact on that market of the cancellation or voiding of a given matched wager or given part of a matched wager.

- (191) "Entity wagering" means an entity or person, other than an individual acting in their personal name within the State of Colorado, that has funds on deposit with an Internet Sports Betting Operator or Sports Betting Operator by placing wagers, and buying and selling wagers on the Exchange. Entity wagering is prohibited. The activity of Market Makers that complies with Rule 7.13(7) does not constitute entity wagering.
- (142) "Event number" means a set of alpha and/or numeric characters that corresponds to a sports event or an event ancillary to a sports event.
- (123) "Exchange" means a system operated by the Internet Sports Betting Operator or Sports Betting Operator in which the Internet Sports Betting Operator or Sports Betting Operator accepts, matches, and/or cancels wagers to back or lay outcomes on a sporting event approved on the Colorado Division of Gaming Official Sports Betting Catalog of Events and Wagers, or Official Catalog of Fixed Odds Wagering, as permitted under Rule 5.4.
- (134) "Exchange bets" is a reporting term used to derive net sports betting proceeds, and shall be calculated as the cumulative risk taken by patrons on a market on each gaming day
- (145) "Exchange bets paid" is a reporting term used to derive net sports betting proceeds, and shall be calculated as the cumulative amount paid out to patrons on a market on each gaming day. Exchange bets paid shall not include any commission collected by the Internet Sports Betting Operator or Sports Betting Operator approved to conduct exchange wagering.
- (156) "Exchange wagers" means wagers placed in an exchange wagering system by those present in this state on the results of a sporting event approved on the Colorado Division of Gaming Official Sports Betting Catalog of Events and Wagers, or Official Catalog of Fixed Odds Wagering, as permitted under Rule 5.4.
- (167) "Exchange wagering" means the form of wagering, authorized by this section 7.13, in which patrons place wagers that can be matched by an exchange wagering system to become back or lay wagers, and which wagering is conducted by the Internet Sports Betting Operator or Sports Betting Operator approved to conduct exchange wagering.
- (178) "Exchange wagering system" means a component of the sports betting system through which exchange wagers are processed.
- (189) "Free bet" means a bet made by patrons using non-cashable vouchers, coupons, electronic credits or electronic promotions provided by Sports Betting Operations.
- (4920) "Independent Integrity Monitoring Provider" means an independent individual or entity approved by the Director or Director's designee to receive reports of unusual betting activity from a Sports Betting Operation for the purpose of assisting in identifying suspicious betting activity.
- (291) "Internet Sports Betting Operator" means a person contracted by a Master License that is licensed to operate an internet Sports Betting Operation in which customers place bets within the State of Colorado on authorized sports events through a customer's personal computer, mobile or interactive device and accepted through an online gaming system approved by the Division. An Internet Sports Betting Operator may provide only one individually branded website, which may have an accompanying mobile application that must bear the same unique brand as the website for an internet Sports Betting Operation.
- (242) "Lay" means to wager on a selected outcome not occurring (betting the outcome will not occur) in a given market.

- (23) "LIMITED OWNER" MEANS ANY PERSON THAT HOLDS PASSIVE, NON-VOTING INTERESTS IN A PRIVATELY HELD SPORTS BETTING BUSINESS OF LESS THAN TEN PERCENT (10%).
- (224) "Market Maker" means an entity or individual other than an individual acting in their personal name, who participates in revenue sharing, and provides odds and/or liquidity, to an Internet Sports Betting Operator or Sports Betting Operator that is operating an Exchange.
- (235) "Master License" means a person, that holds a retail gaming license as described in section 44-30-501 (1)(c), issued a sports betting license by the Commission pursuant to section 44-30-1505 (1)(a), that authorizes the licensee to either conduct sports betting and internet sports betting itself or contract with a Sports Betting Operator, an internet Sports Betting Operator, or both, to conduct sports betting.
- (26) "MULTI-FACTOR AUTHENTICATION" MEANS AN AUTHENTICATION METHOD THAT USES TWO OF THE FOLLOWING TO VERIFY A PATRON'S IDENTITY:
- (A) INFORMATION KNOWN ONLY TO THE PATRON, SUCH AS A PASSWORD, PATTERN, OR ANSWERS TO CHALLENGE QUESTIONS;
 - (B) AN ITEM POSSESSED BY A PATRON, SUCH AS AN ELECTRONIC TOKEN, PHYSICAL TOKEN, OR AN IDENTIFICATION CARD; OR,
 - (C) A PATRON'S BIOMETRIC DATA, SUCH AS FINGERPRINTS, FACIAL OR VOICE RECOGNITION; OR
 - (D) CODE SENT TO EMAIL OR PHONE.
- (247) "Net sports betting proceeds" means the total amount of all bets placed by players in a Sports Betting Operation or internet Sports Betting Operation, excluding free bets, less all payments to players and less all excise taxes paid pursuant to federal law. Payments to players include all payments of cash premiums, merchandise, or any other thing of value.
- (258) "Online Sports Betting Operation" means a Sports Betting Operation in which wagers on sports events are made through personal computers, or mobile or interactive devices, and accepted through an online gaming system approved by the Division.
- (29) "PATRON SESSION" MEANS THE PERIOD OF TIME THAT COMMENCES WHEN A PATRON LOGS ONTO AN INTERNET OR MOBILE GAMING SYSTEM AND CONCLUDES WHEN THAT PATRON LOGS OUT.
- (2630) "Pool" means a betting or promotional offering where patrons may make selections of outcomes on a set number of Sports Events on a Card in order to enter for a chance to win all or a portion of the Prize Pool.
- (2731) "Prize pool" means the prizing available for an individual pool.
- (2832) "Prohibited sports betting participant" means any person who is prohibited pursuant to 44-30-1502, C.R.S.; section 44-30-1506 (b)(II)—(IV), C.R.S.; or is a person under the age of 21. *Amended 1/14/2026*
- (2933) "Proposition (Prop) bet" means a bet specifically naming an individual participant, or if a team sport, a specific position on a team, thus constituting a bet upon the actions of that individual or position, regarding the occurrence or non-occurrence of a certain outcome during an event that does not directly reflect the event's final outcome. *Amended temp. 4/30/20, Amended perm. 8/14/20*
- (304) "Rake" means the fee that is deducted by a Sports Betting Operation from entry fees paid by patrons who participate in a Pool.

- (315) "Rake Adjustment" means an adjustment made by the Sports Betting Operation to account for any shortfall in connection with a Pool.
- (326) "Self-service betting device (kiosk)" means an automated device used by patrons to make wagers on sporting events; the kiosk may also be used to obtain betting information, process sports betting vouchers and betting tickets, and any other automated functions approved by the Commission. All self-service betting devices must be located in an approved designated sports betting wagering area.
- (337) "Shared Liquidity Pool" means a betting or promotional offering in Colorado and at least one other jurisdiction where patrons may make selections of outcomes on a set number of Sports Events on a Card in order to enter for a chance to win all or a portion of the Prize Pool.
- (348) "Sport Betting Operator" means a person that is licensed to operate a Sports Betting Operation in which customers place bets in person at a designated physical location. A Sports Betting Operator may take authorized sports bets within the designated sports betting wagering area during such times as the Master license that they have contracted with operates.
- (359) "Sports Betting Operation" means a licensed wagering operation in which bets are placed on sports events through any system or method of betting, including single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game betting, in-play bets, proposition bets other than those relating to collegiate sports events, or straight bets.
- (3640) "Sports betting system" means all equipment and software used in conjunction with the Sports Betting Operation, including but not limited to, the following: (1) sports betting interactive components, including all hardware, software and associated equipment that comprise the sports betting platform for the purpose of authorizing sports betting and online and mobile sports betting, (2) self-service sports betting devices, (3) ticket/voucher redemption devices, and (4) any other device, service or system that the Commission determines to be related to the Sports Betting Operation.
- (3741) "Sports betting wagering area" means an area(s), as designated by a licensee and approved by the Division, in which sports betting is conducted by a master license or Sports Betting Operator.
- (3842) "Sports event" means any individual or team sport, athletic contest, or athletic event not prohibited by the Director, including all professional electronic sports and competitive video game events that are not sponsored by high schools, and do not include high school teams, and do not include a majority of participants that are under the age of 18 years.
- (3943) "Sports governing body" means an organization that performs a regulatory or sanctioning function over the conduct of a sports event.
- (404) "Sports bet" means the business of accepting approved bets by a licensee on any sports event by any approved system or method of betting.
- (445) "Sports betting manager" means a key employee of a Master licensee or a qualified employee of a Sports Betting Operator or Internet Sports Betting Operator, responsible for the operations of sports betting and final approval of all odds established on any wager made pursuant to this chapter.
- (426) "Sports betting system" means all equipment and software used in conjunction with the operation of a Sports Betting Operation.
- (437) "Sports betting ticket" means a printed record issued or an electronic record maintained by the sports betting system that evidences a sports wager.
- (448) "Sports betting voucher" means a printed record issued by a sports betting system that may be used to fund a sports wager.

- (459) “Suspicious betting activity” means unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.
- (4650) “Unusual betting activity” means abnormal betting activity exhibited by patrons and deemed by the Sports Betting Operation as a potential indicator of suspicious activity. Abnormal betting activity may include the size of a patron’s wager or increased betting volume on a particular event or wager type.
- (4751) “Voided wager” means a wager voided by a Sports Betting Operation with supervisor approval, pursuant to the Sports Betting Operation’s internal controls for betting a specific event.

BASIS AND PURPOSE FOR RULE 3

The purpose of Rule 3 is to enable applications, investigations and licensure as related to sports betting, including to establish and provide the specific information required on license applications; to establish license fees for each type of license; to establish investigation fees for certain applicants and deposit procedures for investigation fees; to establish procedures for conducting background checks on applicants and other interested persons and assessing the costs of such background checks; to require certain information regarding the premises the applicant wishes to be licensed, and to provide a procedure for approval of modifications of such premises; and to provide for the issuance of conditional licenses. The statutory basis for Rule 3 is found in sections 44-30-201, C.R.S.; 44-30-203, C.R.S.; 44-30-302, C.R.S.; 44-30-507, C.R.S., and part 15 of article 30 of title 44, C.R.S.

RULE 3 APPLICATIONS, INVESTIGATIONS AND LICENSURE *Effective 4/14/20*

3.3 LICENSE Applications.

- (1) An applicant for any type of license must apply on forms provided by the Division. Such application forms shall be completed under penalty of perjury. The application forms may include questions concerning the following:
- (a) Personal background information;
 - (b) Licensing background;
 - (c) Organizational information;
 - (d) Financial information;
 - (e) Participation in legal or illegal activities in Colorado or other jurisdictions, including foreign countries;
 - (f) Criminal record information;
 - (g) Information concerning all pecuniary and equity interests in the applicant; and
 - (h) Other information as required.

The application forms shall be accompanied and supplemented by such documents and information as may be specified or required. Failure to supply the information requested within five days after the request has been made by the Division constitutes grounds for delaying consideration of the application.

- (2) **Renewal applications for SPORTS BETTING licenses may be submitted and renewed OR ISSUED AFTER upon the filing and approval of an application for renewal, AND AN APPROVAL BY THE COLORADO LIMITED**

GAMING CONTROL COMMISSION. Renewal applications for master licenses, sports betting operator licenses, internet sports betting operator licenses, vendor major licenses, and vendor minor licenses must be received by the Division 120 days before the expiration of the current license. Renewal applications for support employee and key employee licenses must be received by the Division 30 days before the expiration of the current license. Renewal applicants who fail to submit their completed applications when due shall not be considered to have made a timely and sufficient application for renewal, as such term is used in section 24-4-104(7), C.R.S.

(a) RENEWAL OR REISSUANCE APPLICATIONS FOR MASTER LICENSES, SPORTS BETTING OPERATOR LICENSES, INTERNET SPORTS BETTING OPERATOR LICENSES, VENDOR MAJOR LICENSES, AND VENDOR MINOR LICENSES MUST BE RECEIVED BY THE DIVISION AT LEAST 120 CALENDAR DAYS BEFORE THE EXPIRATION OF THE CURRENT LICENSE.

(b) RENEWAL APPLICATIONS FOR SUPPORT EMPLOYEE AND KEY EMPLOYEE LICENSES MUST BE RECEIVED BY THE DIVISION AT LEAST 30 CALENDAR DAYS BEFORE THE EXPIRATION OF THE CURRENT LICENSE.

(c) RENEWAL APPLICANTS WHO FAIL TO SUBMIT THEIR COMPLETED APPLICATIONS ON TIME SHALL NOT BE CONSIDERED TO HAVE MADE A TIMELY AND SUFFICIENT APPLICATION FOR RENEWAL, AS SUCH TERM IS USED IN SECTION 24-4-104(7), C.R.S.

- (3) When a key employee license or support employee license expires prior to renewal, the applicant for re-licensure shall file an original license application and shall pay the fee for an original application, and the Division shall process the application as an original license application.
- (4) Applicants, licensees, and others who submit documents to the Division or the Commission in connection with any investigation or inquiry are advised to keep a complete and detailed record of all such submissions. Once submitted, the documents become part of the Division's investigative files and work papers, and are presumed to be confidential and protected pursuant to section 44-30-1507, C.R.S. Because of the inconvenience to the Division in segregating this information from the investigative files, and in filtering confidential materials, disclosure to the person who initially submitted the record is not favored. The Commission may grant such a request only upon a showing of compelling cause.

BASIS AND PURPOSE FOR RULE 6

The purpose of Rule 6 is to specify the rights, responsibilities, and duties of licensees; specify certain duties of licensees related to permitting access to the Division of information, records, and premises controlled by the licensee, require licensees to maintain sufficient financial reserves, require that certain information be publicly posted, direct the licensee to prohibit certain conduct, and establish procedures for patron disputes, dissolution of corporations, transfers of interests and terminations of licensee employment or licensure. The statutory basis for Rule 6 is found in sections 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., 44-30-204, C.R.S., 44-30-302, C.R.S., 44-30-510, C.R.S., 44-30-528, C.R.S., 44-30-833, C.R.S. and part 15 of article 30 of title 44, C.R.S.

RULE 6 RIGHTS AND DUTIES OF LICENSEES

6.2 Discovery of violations.

Each licensee must immediately notify the Division of the discovery of a violation or of a suspected violation of article 30 of title 44, C.R.S., or the Rules and Regulations promulgated thereunder, or any other criminal violation occurring at a Sports Betting Operation.

- (1) A SPORTS BETTING OPERATION SHALL HAVE INTERNAL PROCEDURES IN PLACE TO IDENTIFY FRAUDULENT ACCOUNT ACTIVITY. THE SPORTS BETTING OPERATION SHALL NOTIFY THE DIVISION OF ANY CONFIRMED FRAUDULENT ACCOUNT ACTIVITY WITHIN THREE BUSINESS DAYS OF ITS CONFIRMATION.

6.3 Information to be furnished by licensee.

- (1) Reports and notices to the Division required by the Colorado Limited Gaming Act, or by the Rules and Regulations promulgated thereunder, must be made in writing, and must be submitted to the Division's main office in Golden, Colorado.
- (a) If any section of the Act or of the Colorado Sports Betting Regulations requires that a report or notice be made in a different manner, then the specified manner shall be used.
- (b) Delivery of notice may be made by United States mail, by personal or commercial delivery to the office, by facsimile transmission, or by electronic mail. Facsimile transmissions shall be made to the telephone number provided by the Division. Electronic mail transmissions shall be directed to the electronic mail address provided by the Division, or when available, by use of forms submitted from the Division's internet website.
- (2) NEW AND RENEWAL APPLICATIONS FOR Each Master, Sports Betting Operator, Internet Sports Betting Operator and/or Vendor Major LICENSES must INCLUDE report to the Division annually, the full name and address of every person, including lending agencies, who has HAVE a right to share in sports betting revenues, whether as an owner, assignee, landlord, or otherwise or to whom any interest or share in the profits of sports betting has been pledged or hypothecated as security for a debt or deposited as a security for the performance of an act or to secure the performance of a contract of sale.

(A) NEW AND RENEWAL LICENSE APPLICATIONS FOR VENDOR MINOR AND VENDOR MAJOR LICENSES SHALL INCLUDE A LIST OF CURRENT COMPANIES OR INDIVIDUALS THAT THE APPLICANT OR LICENSEE PROVIDES SERVICES TO IN THE COLORADO SPORTS BETTING MARKET.

(B) NEW AND RENEWAL LICENSE APPLICATIONS FOR VENDOR MINOR AND VENDOR MAJOR LICENSES SHALL INCLUDE A LIST OF ANY UNLICENSED SPORTS BETTING OPERATIONS THAT THEY PROVIDE SERVICES TO IN THE UNITED STATES AND/OR WORLDWIDE.

6.9 Payment of winners – rReserves.

- (1) All persons licensed as a Master, Sports Betting Operator, or Internet Sports Betting Operator shall at all times have available sufficient financial reserves to pay those sports bets accepted, calculated, and settled by that Sports Betting Operation. The outstanding sports wagering liability shall be the sum of the following amounts: amounts held by a Master Licensee, Sports Betting Operator Licensee, or Internet Sports Betting Operator Licensee for player accounts; aggregate amounts accepted by a Master Licensee, Sports Betting Operator Licensee, or Internet Sports Betting Operator Licensee as wagers on sports events whose outcomes have not been determined; and amounts owed but unpaid by a Master Licensee, Sports Betting Operator Licensee, or Internet Sports Betting Operator Licensee on winning wagers through the period established by a Master Licensee, Sports Betting Operator Licensee, or Internet Sports Betting Operator Licensee for honoring winning wagers. An accounting of this reserve shall be made available for inspection to the Division upon request. The method of reserve shall be submitted to and approved by the Director or the Director's designee prior to implementation. Payment must be made to winners and participants by crediting their internet betting account, cash, or by check drawn upon a bank, or other financial institution, chartered by the State of Colorado or any other state or the United States Government, or by bond approved by the Director or the Director's designee, within 24 hours of any bona fide demand by a winner or participant for payment, or within a reasonable time frame as approved if by bond. Any check issued by a Master, Sports Betting Operator, or check or account credit paid by an Internet Sports Betting Operator to any winner of a sports betting activity must, at the time of issuance and until cashed or six months has

~~expired (whichever is earlier), be backed by and drawn upon sufficient funds to cover the full amount of the check or account credit issued by a Master, Sports Betting Operator, and/or Internet Sports Betting Operator.~~

The text above with the strikethrough has been separated into sub-sections (a) through (e) below:

- (a) TA RESERVE IN THE FORM OF CASH OR CASH EQUIVALENTS SEGREGATED FROM OPERATIONAL FUNDS, AN IRREVOCABLE LETTER OF CREDIT, PAYMENT PROCESSOR RESERVES AND RECEIVABLES, OR A COMBINATION THEREOF, SHALL BE MAINTAINED IN THE AMOUNT NECESSARY TO COVER THE OUTSTANDING SPORTS BETTING LIABILITY.
- (b) THE OUTSTANDING SPORTS WAGERING LIABILITY SHALL BE THE SUM OF THE FOLLOWING AMOUNTS:
 - (i) AMOUNTS HELD BY A MASTER LICENSEE, SPORTS BETTING OPERATOR LICENSEE, OR INTERNET SPORTS BETTING OPERATOR LICENSEE FOR PLAYER ACCOUNTS;
 - (ii) AGGREGATE AMOUNTS ACCEPTED BY A MASTER LICENSEE, SPORTS BETTING OPERATOR LICENSEE, OR INTERNET SPORTS BETTING OPERATOR LICENSEE AS WAGERS ON SPORTS EVENTS WHOSE OUTCOMES HAVE NOT BEEN DETERMINED; AND
 - (iii) AMOUNTS OWED BUT UNPAID BY A MASTER LICENSEE, SPORTS BETTING OPERATOR LICENSEE, OR INTERNET SPORTS BETTING OPERATOR LICENSEE ON WINNING WAGERS THROUGH THE PERIOD ESTABLISHED BY A MASTER LICENSEE, SPORTS BETTING OPERATOR LICENSEE, OR INTERNET SPORTS BETTING OPERATOR LICENSEE FOR HONORING WINNING WAGERS.
- (c) AN ACCOUNTING OF THIS RESERVE SHALL BE MADE AVAILABLE FOR INSPECTION TO THE DIVISION UPON REQUEST. THE METHOD OF RESERVE SHALL BE SUBMITTED TO AND APPROVED BY THE DIRECTOR OR THE DIRECTOR'S DESIGNEE PRIOR TO IMPLEMENTATION.
- (d) PAYMENT MUST BE MADE TO WINNERS AND PARTICIPANTS BY CREDITING THEIR INTERNET BETTING ACCOUNT, CASH, OR BY CHECK DRAWN UPON A BANK, OR OTHER FINANCIAL INSTITUTION, CHARTERED BY THE STATE OF COLORADO OR ANY OTHER STATE OR THE UNITED STATES GOVERNMENT, OR BY BOND APPROVED BY THE DIRECTOR OR THE DIRECTOR'S DESIGNEE, WITHIN 24 HOURS OF ANY BONA-FIDE DEMAND BY A WINNER OR PARTICIPANT FOR PAYMENT, OR WITHIN A REASONABLE TIME FRAME AS APPROVED IF BY BOND.
- (e) ANY CHECK ISSUED BY A MASTER, SPORTS BETTING OPERATOR, OR CHECK OR ACCOUNT CREDIT PAID BY AN INTERNET SPORTS BETTING OPERATOR TO ANY WINNER OF A SPORTS BETTING ACTIVITY MUST, AT THE TIME OF ISSUANCE AND UNTIL CASHED OR SIX MONTHS HAS EXPIRED (WHICHEVER IS EARLIER), BE BACKED BY AND DRAWN UPON SUFFICIENT FUNDS TO COVER THE FULL AMOUNT OF THE CHECK OR ACCOUNT CREDIT ISSUED BY A MASTER, SPORTS BETTING OPERATOR, AND/OR INTERNET SPORTS BETTING OPERATOR.

6.10 House rules.

Master or Sports Betting Operator licensees and an Internet Sports Betting Operator shall adopt comprehensive house rules. Master or Sports Betting Operator licensees must post prominently and have available for inspection their house rules on the licensed premises. An Internet Sports Betting Operator must post prominently and have available on their internet site and mobile applications its house rules. ~~Initial house rules shall be approved by the Director or the Director's designee that include, at a minimum, the following:~~

SPORTS BETTING OPERATIONS MUST SUBMIT HOUSE RULE AMENDMENTS TO THE DIVISION BEFORE THEY TAKE EFFECT. SPORTS BETTING OPERATIONS ARE RESPONSIBLE FOR ENSURING THE DIVISION POSSESSES THE MOST CURRENT, VERSION OF THE RULES.

HOUSE RULE SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING INFORMATION:

- (1) Method for calculation and payment of winning wagers;
- (2) Effect of schedule changes;
- (3) Method of notifying patrons of odds or proposition changes;
- (4) Acceptance of wagers at other than posted terms;
- (5) Expiration of any winning ticket one year after the date of the event;
- (6) Lost ticket policy;
- (7) Method of contacting the Sports Betting Operator for questions and complaints;
- (8) Description of prohibited sports betting participants;
- (9) Method of funding a sports wager;
- (10) Instructions on how to redeem a winning bet by mail, if the Sports Betting Operator allows patrons to do so;
- (11) Maximum payouts; however, such limits shall only be established through limiting the amount wagered and cannot be applied to reduce a winning wager amount; and
- (12) A policy by which the Sports Betting Operator can cancel or void wagers in accordance with these rules, including defining "obvious error."
 - (a) The house rules, together with any other information the Director deems appropriate, shall be conspicuously displayed in the sports betting wagering area, posted on the Operator's internet website, and included in the terms and conditions of the sports betting account and copies shall be made readily available to patrons.
 - (b) Amendments to the house rules must be filed with the Division highlighting the amendment(s). The Director or the Director's designee may at any time request additional explanation or modification of the changes.
- (13) A clear statement that the person who accepts and settles a wager is responsible for receiving and addressing any patron disputes.

6.14 Closing of a Sports Betting Operation; Dissolution.

- (1) Closing of a Sports Betting Operation. *Effective 5/15/22*
 - (a) A Sports Betting Operation must notify the Division of any temporary or permanent closing plans at least ~~sixty (60)~~ **ONE-HUNDRED AND TWENTY (120) CALENDAR** days prior to closing the Sports Betting Operation or, ~~as soon as the Operation knows that closing is imminent, whichever period is shorter.~~
 - (B) PRIOR TO A CHANGE OF OWNERSHIP OR,**
 - (C) AS SOON AS THE SPORTS BETTING OPERATOR HAS A REASONABLE BELIEF THAT THE OPERATION MAY BE CLOSING OR CHANGING OWNERSHIP WITHING ONE-HUNDRED AND TWENTY (120) CALENDAR DAYS.**

(bD) Within thirty (30) CALENDAR days of notice to the Division, the Sports Betting Operation must provide the Division with a closing plan regarding the disposition of outstanding tickets and futures wagers.

(2) Closing of an Internet Sports Betting Operation.

(a) An Internet Sports Betting Operation must notify the Division of any TEMPORARY OR permanent cessation of operation number at least sixty (60) ONE-HUNDRED AND TWENTY (120) CALENDAR days prior to operations ceasing, or, the change of ownership, or as soon as the Operation knows that closing is imminent, whichever period is shorter.

(B) PRIOR TO THE CHANGE OF OWNERSHIP, OR,

(C) AS SOON AS THE INTERNET SPORTS BETTING OPERATION HAS A REASONABLE BELIEF THAT THE OPERATION MAY BE CLOSING OR CHANGING OWNERSHIP WITHIN ONE-HUNDRED AND TWENTY (120) CALENDAR DAYS.

(bd) Within 30 days of notice to the Division, the Internet Sports Betting Operation must provide the Division with a closing plan regarding the disposition of player accounts, funds in those accounts, and futures wagers.

(E) UPON CLOSING OF AN INTERNET SPORTS BETTING OPERATION, THE INTERNET SPORTS BETTING OPERATOR MUST MAKE DUE DILIGENT EFFORTS TO RETURN PATRON FUNDS AND NOTIFY PATRONS OF WITHDRAWAL AND/OR CHECK CASHING REQUIREMENTS AT THE PATRON'S LAST KNOWN PHYSICAL AND ELECTRONIC MAILING ADDRESSES.

(I) FOR THE PURPOSE OF THIS PROVISION, INTERNET SPORTS BETTING OPERATIONS SHALL REPORT AND DELIVER ALL FUNDS OF PATRONS THAT ARE UNCLAIMED AFTER A MINIMUM OF SIXTY (60) CALENDAR DAYS TO THE OFFICE OF THE COLORADO DEPARTMENT OF THE TREASURY AS PROVIDED IN SECTION 38-13-201, C.R.S.

(3) Upon the dissolution of a Sports Betting Operation, or an Internet Sports Betting Operation that is a corporation, partnership or association, the Operation shall surrender the license within TEN (10) BUSINESS days of RESOLUTION OF PAYMENT TO ALL PATRONS the dissolution effective date.

(4) A SPORTS BETTING OPERATION MUST MAINTAIN CURRENT LICENSURE AND MAY NOT SURRENDER ITS LICENSE UNTIL ALL PATRON ACCOUNTS AND TICKET PAYMENTS HAVE BEEN RESOLVED, OR UPON ACCEPTANCE OF THE SURRENDER BY THE DIVISION.

(A) IF A SPORTS BETTING OPERATION OR INTERNET SPORTS BETTING OPERATION CEASES TO OPERATE IN COLORADO BUT HAS NOT SURRENDERED ITS LICENSE, WITHIN THE NEXT THIRTY CALENDAR DAYS, THE OPERATION MAY PETITION THE COMMISSION TO MODIFY ITS LICENSE TO REMOVE ITS ASSOCIATION WITH THE MASTER LICENSEE.

(B) IF THE COMMISSION APPROVES THE SPORTS BETTING OPERATION OR INTERNET SPORTS BETTING OPERATION'S PETITION TO MODIFY THE OPERATION'S LICENSE TO REMOVE ITS ASSOCIATION TO ITS MASTER LICENSEE, THE OPERATION MAY NOT CONDUCT ANY GAMING IN THE STATE OF COLORADO UNLESS AND UNTIL THE OPERATION FILES AND HAS A NEW LICENSE APPLICATION APPROVED BY THE COMMISSION, WITH A NEW MASTER LICENSEE.

(C) IF A MASTER LICENSEE WAS ASSOCIATED WITH A SPORTS BETTING OPERATION OR INTERNET SPORTS BETTING OPERATION THAT SUCCESSFULLY PETITIONED THE COMMISSION TO MODIFY THE OPERATION'S LICENSE TO REMOVE ITS ASSOCIATION TO ITS MASTER LICENSEE, THE MASTER

LICENSEE MAY CONTRACT WITH A NEW SPORTS BETTING OPERATION OR INTERNET SPORTS BETTING OPERATION UPON APPROVAL FROM THE COMMISSION.

- (5) SPORTS BETTING OPERATORS ARE RESPONSIBLE FOR COMPLIANCE WITH ALL APPLICABLE LAWS AND RULES DURING OPERATIONS. THIS OBLIGATION CONTINUES AFTER WAGERING ACTIVITIES CEASE AND EXTENDS THROUGHOUT THE FINAL SETTLEMENT OF ALL OUTSTANDING WAGERS AND ACCOUNTS.

6.15 Transfers of interest, CHANGES OF OWNERSHIP, AND INSTITUTIONAL INVESTORS.

Except as provided in Colorado Limited Gaming Control Commission Rule 4.5, no person may sell, lease, purchase, convey, or acquire an interest in a Master, Sports Betting Operator, Internet Sports Betting Operator, or Vendor Major licensee, without the prior approval of the Commission. THE DIVISION DOES NOT DISTINGUISH BETWEEN PUBLICLY TRADED AND PRIVATELY HELD SPORTS BETTING LICENSEES. THE REQUIREMENTS OF CHANGE OF OWNERSHIP APPROVALS ARE THE SAME FOR PUBLICLY TRADED AND PRIVATELY HELD SPORTS BETTING LICENSEES, PURSUANT TO SECTION 44-30-1504, C.R.S.

(1) CHANGE OF OWNERSHIP:

- (A) CHANGES OF OWNERSHIP OF SPORTS BETTING LICENSEES CANNOT OCCUR WITHOUT PRIOR APPROVAL OF THE DIRECTOR OR THE COMMISSION.

- (i) MASTER LICENSE, SPORTS BETTING OPERATOR, INTERNET SPORTS BETTING OPERATOR, OR VENDOR MAJOR LICENSE CHANGES OF OWNERSHIP CANNOT OCCUR WITHOUT PRIOR APPROVAL FROM THE COMMISSION:

- (1) EACH PERSON WHO DIRECTLY HOLDS ANY VOTING OR CONTROLLING INTEREST OF TEN PERCENT OR MORE, IN THE CASE OF A SPORTS BETTING OPERATOR LICENSE OR INTERNET SPORTS BETTING OPERATOR LICENSE, OR OF ANY PERCENTAGE, IN THE CASE OF A MASTER LICENSE, OF THE SECURITIES ISSUED BY THE APPLICANT OR LICENSEE MUST BE INCLUDED IN THE CHANGE OF OWNERSHIP APPLICATION.

- (2) EACH PERSON WHO DIRECTLY HOLDS ANY NONVOTING OR PASSIVE OWNERSHIP INTEREST OF TWENTY-FIVE PERCENT OR MORE OF THE SECURITIES ISSUED BY THE APPLICANT OR LICENSEE MUST BE INCLUDED IN THE CHANGE OF OWNERSHIP APPLICATION.

- (ii) VENDOR MINOR LICENSEES MUST SUBMIT A NEW APPLICATION FOR A VENDOR MINOR LICENSE FOR ANY CHANGE OF OWNERSHIP AND THEIR APPLICATION MUST BE APPROVED BY THE COMMISSION PRIOR TO THE TRANSFER OF OWNERSHIP OF THE COMPANY.

- (B) THE LICENSEE MUST SUBMIT AN APPLICATION AND ASSOCIATED FEE FOR A CHANGE OF OWNERSHIP OR NEW LICENSE AT LEAST 180 CALENDAR DAYS PRIOR TO THE PLANNED TRANSACTION DATE.

- (C) THE DIRECTOR MAY APPROVE OWNERSHIP CHANGES IN A LICENSEE, WITHOUT COMMISSION APPROVAL, WHEN:

- (i) THE PROPOSED CHANGE ONLY REALLOCATES OWNERSHIP SHARES AMONG PERSONS WHOM THE COMMISSION HAS PREVIOUSLY APPROVED AS OWNERS; AND

- (ii) NO PERSON WILL ATTAIN A TOTAL EFFECTIVE OWNERSHIP EQUITY OF TEN PERCENT OR GREATER, WHEN SUCH PERSON PREVIOUSLY HELD LESS THAN TEN PERCENT EQUITY.

- (D) ALL OWNERSHIP CHANGES APPROVED BY THE DIRECTOR SHALL BE REPORTED TO THE COMMISSION AT THE TIME OF THE NEXT RENEWAL APPLICATION OF THE LICENSEE.

(E) A LIMITED OWNER SHALL SUBMIT A LIMITED OWNER APPLICATION AT THE TIME OF INITIAL APPLICATION AND RENEWAL APPLICATION.

(F) FOR ANY CHANGE IN OWNERSHIP OF A U.S. COMPANY REPORTING TO THE SECURITIES AND EXCHANGE COMMISSION (SEC) AS AN INSTITUTIONAL INVESTOR, A CERTIFIED COPY OF THE REQUIRED SEC DOCUMENTATION SHALL BE SUBMITTED TO THE DIVISION AT THE TIME OF RENEWAL APPLICATION.

(2) INSTITUTIONAL INVESTORS

(A) TO BE CONSIDERED AN INSTITUTIONAL INVESTOR:

(i) INSTITUTIONAL INVESTORS SEEKING CONSIDERATION BY THE DIVISION MUST PROVIDE COPIES OF THEIR FORMS AS SUBMITTED TO THE SEC. COMPANIES THAT DO NOT REPORT TO THE SEC SHOULD INSTEAD SUBMIT A REQUEST TO THE DIRECTOR OR DIRECTOR'S DESIGNEE, DETAILING THE RATIONALE FOR THEIR REQUEST TO BE CLASSIFIED AS AN INSTITUTIONAL INVESTOR.

6.17 Post-termination matters.

Upon termination of a Master, Sports Betting Operator, Internet Sports Betting Operator, or Vendor Major license for any reason, no further sports betting activity shall be conducted by said licensee or, or on the previously designated sports betting wagering area . After such termination, at a date designated by the Director, or **DIRECTOR'S DESIGNEE**, said licensee shall submit to the Division a final accounting and surrender the license.

6.19 Sports Betting Wagering Area

(1) Sports betting offered by a Master License or a Master License through a Sports Betting Operator may only be conducted in approved locations within the casino's designated and approved area. The designated area may include:

- (a) All or part of the designated approved gaming area for limited gaming; or
- (b) Other portions of the master licensee's premises as approved;

(2) The Designated area excludes areas authorized for support services pursuant to section 44-30-1505(5)(c)

(3) Any bet placed outside the designated area within a casino may only be accepted by an Internet Sports Betting Operator.

(4) ALL SPORTS BETTING AND CASINO PERSONNEL ARE PROHIBITED FROM USING OR DISPLAYING ANY PERSONAL ELECTRONIC DEVICE, INCLUDING CELL PHONES, WHILE ON DUTY WITHIN THE DESIGNATED SPORTS WAGERING COUNTER AREA. THIS PROHIBITION EXTENDS TO ANY PERSONNEL PERFORMING WORK-RELATED DUTIES AT A SPORTS BETTING KIOSK.

BASIS AND PURPOSE FOR RULE 7

The purpose of Rule 7 is to establish a Sports Betting Operations Fee to defray the cost of regulating the sports betting industry, specify the requirements regarding the certification, assessment and security of sports betting systems and kiosks, direct Sports Betting Operations to establish internal control procedures, including accounting controls, outline reporting requirements and the computation of taxes, establish geofence and sports betting account requirements, and to outline procedures for change control. The statutory basis for Rule 7 is found in sections 44-30-102, C.R.S., 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S., 44-30-302,

C.R.S., 44-30-503, C.R.S., 44-30-510, C.R.S., 44-30-528, C.R.S., 44-30-833, C.R.S., 44-30-1501, C.R.S., and part 15 of article 30 of title 44, C.R.S.

RULE 7 REQUIREMENTS OF SPORTS BETTING OPERATIONS

7.5 Internal Control Procedures.

Prior to beginning sports betting activity, a Sports Betting Operation must submit for approval internal controls for the following:

- (1) In the event of a failure of the sports betting system's ability to pay winning wagers, the Sports Betting Operation shall have internal controls detailing the method of paying winning wagers. The Sports Betting Operation shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Division;
- (2) User access controls for all sports betting personnel;
- (3) Segregation of duties;
- (4) Automated and manual risk management procedures;
- (5) Procedures for identifying and reporting fraud and suspicious conduct, including identifying unusual betting activity and reporting such activity to an Independent Integrity Monitoring Provider;
- (6) Procedures to prevent betting by prohibited sports betting participants;
- (7) Procedures for Sports Betting Operation-imposed exclusion of patrons, including the following:
 - (a) Providing a notification containing Operator-imposed exclusion status and general instructions for resolution;
 - (b) Ensuring that immediately upon executing the Operator-imposed exclusion order, no new wagers or deposits are accepted from the patron, until such time as the Operator-imposed exclusion has been revoked; and
 - (c) Ensuring that the patron is not prevented from withdrawing any or all of their account balance, provided that the Sports Betting Operation acknowledges that the funds have cleared, and that the reason(s) for exclusion would not prohibit a withdrawal.
- (8) Description of anti-money laundering compliance standards, which shall include limitations placed on anonymous betting at the sports betting kiosks;
- (9) Process for submitting or receiving approval of all types of wagers available to be offered by the system;
- (10) Description of process for accepting wagers and issuing pay outs, plus any additional controls for accepting wagers and issuing pay outs in excess of \$10,000;
- (11) Description of a process for accepting multiple wagers from one patron in a twenty-four (24) hour cycle, including a process to identify patron structuring of wagers to circumvent recording and reporting requirements;
- (12) Detail the procedure for reconciliation of assets and documents contained in a sports betting wagering area cashier's drawer, sports betting kiosks, and online sports betting, which shall include the drop and count procedures for sports betting kiosks;
- (13) Procedures for cashing winning tickets at the cage after the sports betting wagering area has closed, if applicable;
- (14) Procedures for accepting value game chips for sports wagers, if applicable;

- (15) Procedures for issuance and acceptance of promotional funds and free bets for sports betting;
- (16) Description of all integrated third-party systems;
- (17) Identifying and restricting prohibited sports betting participants;
- (18) Instituting a process to close out dormant accounts;
- (19) Detail procedures for making adjustments to a patron's account, providing a method for a patron to close out an account, and detail how a patron will be refunded after the closure of an account;
- (20) If the sports betting system allows online betting, a method for verifying geolocation systems to establish patrons' geographic locations;
- (21) Maintaining the security of identity and financial information of patrons;
- (22) Detailed problem gambling program procedures;
- (23) Secure method for implementing an online and on location responsible gaming and self-exclusion program, including what account limits may be set by patrons;
- (24) Method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), biometric login, or other approved security feature, when applicable;
- (25) Methods of patron notification including any password or security modification via electronic or regular mail, text message, or other manner approved by the Director or Director's designee. Such methods shall include at a minimum:
 - (a) ~~Proof of identity, if in person~~ VALID GOVERNMENT ISSUED PHOTO ID;
 - (b) ~~The correct response to two or more challenge questions;~~ MULTI-FACTOR AUTHENTICATION; OR
 - (c) ~~Strong authentication;~~ OR OTHER METHODS APPROVED BY THE DIVISION.
 - (d) ~~Two factor authentication~~
- (26) Procedures for receiving, investigating and responding to all patron complaints and submitting any unresolved patron complaint reports to the Division;
- (27) Detail the location of the sports betting servers, including any third party remote location servers, and what controls will be in place to ensure security of the sports betting servers;
- (28) Terms and conditions for sports betting shall be included as an appendix;
- (29) Description of the process for line setting and line moving;
- (30) If allowed, method of redeeming lost tickets;
- (31) Method by which the Sports Betting Operation will identify and cancel wagers in accordance with Rule 7.6 (12), including defining "obvious error";
- (32) A process for voiding wagers.
- (33) A process for implementing the change management process detailed in these Rules; and
- (34) Any other internal control deemed necessary by the Director or the Director's designee.

- (35) Beginning on July 1, 2023, Sport Betting Operations need procedures that ensure that all Sports Betting Operations follow the current IRS standards before making sports betting payments and perform a gaming intercept as required for all sports betting payments as outlined in the Limited Gaming Internal Control Minimum Procedures Section 1 H. Effective 10/30/22.

The Sports Betting Operation shall stamp or otherwise mark each page of the internal control procedures submitted to the Commission with the word "CONFIDENTIAL" if the material submitted is not subject to disclosure under 44-30-1507, C.R.S., and this Rule 7.

7.11 Sports Betting Accounts.

- (1) Account required.
- (a) A Sports Betting Operation shall limit each patron to one (1) active and continuously used sports betting account and username.
- (b) A Sports Betting Operation shall implement rules and publish procedures to terminate all accounts of any sports betting account patron that knowingly and intentionally establishes or seeks to establish multiple active accounts, in contravention of this Rule, whether directly or by use of another person as a proxy.

- (3) Age and identify verification.

A full identity check must be undertaken before a patron is allowed to place a wager:

- (a) Only patrons twenty-one (21) years of age and older may deposit funds or participate in betting. The Sports Betting Operation must deny the ability to deposit funds or participate in betting to any person that submits a birth date that indicates they are under the legal participation age.
- (b) Patron verification must use commercially reasonable standards in conformity with Rule 6.11 to confirm that the patron is not a prohibited sports betting participant **AND/OR IS ON THE DIVISION'S EXCLUSION LIST.**
- (c) Details of patron verification must be kept in a secure manner.
- (d) Third-party service providers may be used for age and identity verification of patrons.
- (e) The **operator SPORTS BETTING OPERATION** must have a documented policy for the handling of patrons discovered to be using an account in a fraudulent manner, including but not limited to:
- (i) THE IMMEDIATE NOTIFICATION OF A PLAYER FOLLOWING THREE (3) FAILED LOGIN ATTEMPTS. IF THE FAILED LOGIN ATTEMPTS CONSTITUTES SUSPICIOUS ACTIVITY OR IF OTHER SUSPICIOUS ACTIVITY IS DETECTED, AN ACCOUNT SHALL BE LOCKED. A MULTI-FACTOR AUTHENTICATION PROCESS MUST BE EMPLOYED FOR THE ACCOUNT TO BE UNLOCKED.**
- (ii)** The maintenance of information about any patron's activity, such that if fraudulent activity is detected, the regulatory body has all of the necessary information to take appropriate action;
- (iii)** The suspension of any patron account discovered to be providing access to fraudulent patrons; and
- (iv)** The treatment of deposits, wagers, and wins associated with a fraudulent patron's account.

- (3) Patron account controls.
- (a) Patron protection information must be readily accessible to the patron. The patron protection information must contain at a minimum:
 - (i) Information about potential risks associated with excessive participation, and where to get help related to betting responsibly;
 - (ii) The self-imposed limitations shall be available to the patron at both the time of account registration and first deposit;
 - (iii) A list of the available patron protection measures that can be invoked by the patron, such as self-imposed limits, and information on how to invoke those measures; and
 - (iv) Mechanisms in place which detect unauthorized use of their account, such as reviewing credit card statements against known deposits.
 - (b) Patrons must be provided with an easy and obvious method to impose limitations for betting parameters including, but not limited to, deposits, wagers and time-based limitations. The self-imposed limitation method must provide the following functionality:
 - (i) Upon receiving any self-imposed limitation order, the Sports Betting Operation must ensure that all specified limits are correctly implemented immediately or at the point in time that was clearly indicated to the patron;
 - (ii) The self-imposed limitations set by a patron must not override more restrictive Operator imposed limitations. The more restrictive limitations must take priority;
 - (iii) Once established by a patron and implemented by the sports betting system, it must only be possible to reduce the severity of self-imposed limitations upon 24 hours' notice, or as required by the Commission; and
 - (iv) Self-imposed limitations must not be compromised by internal status events, such as self-imposed exclusion orders and revocations.
 - (c) A master licensee is not required to treat a patron's self-imposed limitations:
 - (i) On limited gaming as applying to any sports betting activities that it conducts or that are conducted by its affiliated or contracting entities; or
 - (ii) On sports betting as applying to any limited gaming activities it conducts or its affiliated limited gaming licensees conduct.
- (4) Account requirements. In order to establish a sports betting account, a Sports Betting Operation shall:
- (a) Create an electronic patron file, which shall include at a minimum:
 - (i) The patron's legal name;
 - (ii) The patron's date of birth;
 - (iii) The patron's Social Security number, or the last four digits thereof, or an equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number;

- (iv) The patron's sports betting account number or username;
 - (v) The patron's residential address; a post office box is not acceptable;
 - (vi) The patron's electronic mail address;
 - (vii) The patron's telephone number;
 - (viii) Any other information collected from the patron used to verify his or her identity;
 - (ix) The method used to verify the patron's identity; and
 - (x) The date of verification.
- (b) Encrypt all of the following information contained in an electronic patron file:
- (i) Any portion of the patron's Social Security number or equivalent identification number for a noncitizen patron, such as a passport or taxpayer identification number;
 - (ii) The patron's passwords and PINs; and
 - (iii) The patron's personal financial information.
- (c) Verify the patron's identity in accordance with:
- (i) Reliable forms of personal identification specified in internal controls; or
 - (ii) Other methodology for remote multi-source authentication, which may include third party and governmental databases, as approved by the Director or Director's designee.
- (d) Record the document number of the government issued identification credential examined, if applicable. If a government issued identification credential is not required for registration, the electronic record that details the process used to confirm patron identity must be recorded.
- (e) Require the patron to establish a password, **MULTI-FACTOR AUTHENTICATION CREDENTIALS**, **AND**/or other access security feature as approved by the Commission and advise the patron of the ability to utilize **MULTI-FACTOR** authentication log in protection.

(5) Account funding.

A patron's sports betting account for sports betting may be funded through the use of:

- (a) A patron's credit or debit card;
- (b) A patron's deposit of cash or vouchers at a cashiering location approved by the Director or Director's designee;
- (c) A patron's reloadable prepaid card, which has been verified as being issued to the patron and is non-transferable;
- (d) Promotional credit;
- (e) Winnings;

- (f) Adjustments made by the Sports Betting Operation with documented notification to the patron;
- (g) ACH transfer, provided that the Operator has security measures and controls to prevent ACH fraud regarding failed ACH deposits;
- (h) Wire transfer; or
- (i) Any other means approved by the Commission.
- (j) Accounts may be funded outside the state of Colorado in accordance with these Rules.

(6) ACCOUNT AUTHENTICATION.

SPORTS BETTING OPERATIONS SHALL IMPLEMENT A MULTI-FACTOR AUTHENTICATION PROCESS FOR ALL PATRON ACCOUNTS. MULTI-FACTOR AUTHENTICATION SHALL BE CONDUCTED AT LEAST ONCE EVERY 14 CALENDAR DAYS FOR EACH UNIQUE DEVICE AND UPON EACH OF THE FOLLOWING:

(A) UPON A PASSWORD CHANGE;

(B) UPON THREE (3) FAILED LOGIN ATTEMPTS;

(C) UPON FIVE (5) CONSECUTIVE FAILED ACH DEPOSIT ATTEMPTS WITHIN A 10-MINUTE PERIOD; AND

(D) UPON THE DETECTION OF SUSPICIOUS ACTIVITIES.

(67) Failed ACH deposits.

A failed ACH deposit attempt shall not be considered fraudulent if the patron has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the Operator shall:

- (a) Temporarily block the patron's account for investigation of fraud after five (5) consecutive failed ACH deposit attempts within a 10-minute time period. If there is no evidence of fraud, the block may be vacated; and
- (b) **A PATRON'S ACCOUNT SHALL BE SUSPENDED** ~~Suspend the patron's account~~ after five (5) ~~additional~~ consecutive failed ACH deposit attempts within a 10-minute period **AND REQUIRE MULTI-FACTOR AUTHENTICATION TO RECOVER THE SUSPENDED ACCOUNT.**

(78) Transfer of funds prohibited. A Sports Betting Operation shall not permit a patron to transfer funds from a patron account to another patron account.

(89) Account review requirements. All adjustments to patron accounts for amounts of \$500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the Sports Betting Operator's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

(910) Account information.

- (a) Sports betting systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the prior six (6) months. In addition, an online sports betting system shall, upon request, be capable of providing a summary statement of all patron activity during the past two (2) years.

- (b) A Sports Betting Operation shall periodically re-verify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.

(101) Account closure.

A sports betting system shall provide a conspicuous and readily accessible method for a patron to close his or her account through the account management or similar page or through the sports betting system's customer support team. Any balance remaining in a patron's sports betting account closed by a patron shall be refunded pursuant to the Operator's internal controls.

(142) Patron account withdrawal.

- (a) A patron must be allowed to withdraw the funds maintained in his or her account, whether such account is open or closed.
- (b) A Sports Betting Operation must honor such patron request to withdraw funds within five (5) business days of the request, unless the conditions set forth in subsection (c) are met.
- (c) The Sports Betting Operation may decline to honor a patron request to withdraw funds only if the Sports Betting Operator believes in good faith that the patron engaged in either fraudulent conduct or other conduct that would put the Sports Betting Operator in violation of the law. In such cases, the Sports Betting Operator shall:
 - (i) Provide notice to the patron of the nature of the investigation of the account; and
 - (ii) Conduct its investigation in a reasonable and expedient fashion, providing the patron additional written notice of the status of the investigation every tenth business day starting from the day the original notice was provided to the patron.
- (d) For purposes of this provision, a request for withdrawal will be considered honored if it is processed by the Sports Betting Operator notwithstanding a delay by a payment processor, credit card issuer, or the custodian of a financial account.

(123) Dormant patron accounts. A Sports Betting Operation shall consider a patron account to be dormant if the patron has not logged into the account for at least three (3) years. A dormant account shall be closed by the Sports Betting Operation.

(134) Unclaimed funds in a dormant patron account.

- (a) Subject to the provisions of Colorado Revised Statute 38-13-201, funds of patrons that remain in a dormant patron account shall be presumed abandoned.
- (b) The Sports Betting Operation shall report and deliver all funds of patrons that are presumed abandoned to the office of the Colorado Department of the Treasury as provided in Colorado Revised Statute 38-13-201.
- (c) At least sixty (60) days prior to reporting any funds of the patron to the Colorado Department of the Treasury, the Sports Betting Operation shall provide notice to the patron's last known physical or email address and conduct due diligence to locate the patron.

BASIS AND PURPOSE FOR RULE 9

The purpose of Rule 9 is to specify the requirements of Sports Betting Operations and responsible gaming, patron responsible gaming, and to specify certain duties of licensees and patrons related to self-restriction. The statutory basis for Rule 9 is found in sections 44-30-201, C.R.S., 44-30-202, C.R.S., 44-30-203, C.R.S.,

44-30-302, C.R.S., 44-30-502, C.R.S., 44-30-510, C.R.S., 44-30-528, C.R.S., 44-30-531, C.R.S., 44-30-827, C.R.S., 44-30-833, C.R.S., 18-20-112, C.R.S., 44-30-1701, C.R.S., 44-30-1702, C.R.S., 44-30-1703, C.R.S., and part 15 of article 30 of title 44, C.R.S. (*Amended temp. 10/27/22, Amended perm. 2/14/23, Amended 1/14/2026*)

RULE 9 RESPONSIBLE GAMING AND SELF-RESTRICTION

9.5 Exclusion list – Duties and responsibilities.

(6) SPORTS BETTING OPERATIONS MAY CONTACT EXCLUDED PATRONS VIA EMAIL OR ELECTRONIC DELIVERY TO THE EXTENT NECESSARY FOR THE ISSUANCE OF I.R.S. FORM W-2G REPORTING.