



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: The Colorado Revised Statutes establishes the Colorado Limited Gaming Control Commission within the Department of Revenue, Division of Gaming. The commission's powers and duties are described in Section 44-30-302 of the Colorado Revised Statutes, including conducting hearings, charging violations of the Limited Gaming Act, formulating and recommending changes to the act, conducting a study of limited gaming, licensing, promulgating rules and regulations governing limited gaming, and collecting and establishing fees in connection with limited gaming.

The Division of Gaming in the Department of Revenue was created by Section 44-30-302 of the Colorado Revised Statutes. The division is tasked with licensing, regulating and supervising the conduct of limited gaming in the state.

TRIBAL GAMING

Governing Body: The Ute Mountain Ute Tribe and the Southern Ute Indian Tribe are the only two tribes in the state of Colorado authorized to conduct Class III gaming.

The tribal gaming commission is responsible for the on-site regulation, control and security of all Class III gaming in the state.

At the state level, the Colorado Limited Gaming Control Commission and the Colorado Division of Gaming monitor the Class III gaming of both tribes to ensure tribal gaming operations are being conducted in accordance with the compact.

Under the compacts, tribes may decide the size of the gaming facilities and the number of gaming devices in each facility.

The compacts grant both tribes the authority to enter into a management contract for the operation and management of a casino.

Both compacts shall be in effect in perpetuity, unless terminated by the written agreement of both parties.



Licensing

COMMERCIAL GAMING

Operator: Colorado authorizes land-based commercial casinos. They are licensed as retailers and operators. An operator is any person who places slot machines upon their premises. A retailer is any licensee who maintains gaming at his place of business. Application and initial license fees range from \$9,200 to \$15,400, with renewals every two years ranging from \$3,700 to \$7,400. The amount a licensee pays is determined by the number of persons with a five percent or more interest in the licensee.



Supplier License: In Colorado, slot machine manufacturers/distributors pay application and license fees of \$7,400 to \$14,800, which must be renewed every two years for \$3,700 to \$7,400. The amount a licensee pays is determined by the number of persons with a five percent or more interest in the licensee.

TRIBAL GAMING

State Reimbursement Fee: The tribal-state gaming compacts require tribes to reimburse the state gaming agency for expenses incurred by the state gaming agency in carrying out its responsibilities under the compact. The state must submit a detailed statement on a quarterly basis to the tribal gaming agency.

Facility License: Each gaming facility must be licensed by the tribal gaming commission. Each tribe sets its own licensing fees.

Gaming facility is defined in the compacts as “the room or rooms on Indian lands in which Class III gaming as authorized by [the] compact is conducted.”

Operator License: Gaming operators must be licensed by the tribal gaming commission. Each tribe sets its own licensing fees. Gaming operator is defined in the compacts as “a person, organization, or entity that conducts the management of gaming at a tribal gaming enterprise, including an entity entering into a management contract with the tribe, the tribe itself, or any subdivision thereof, or any person who receives income calculated as a percentage of tribal gaming revenue.”

Manufacturer/Distributor License: Manufacturers and suppliers of gaming services must be licensed. Each tribe sets its own licensing fees.



Taxation & Tribal Revenue Sharing

COMMERCIAL GAMING

Gaming Tax Rate: Unlike many other jurisdictions, the gaming regulator in Colorado, the Gaming Division of the Department of Revenue, is responsible for establishing the applicable tax rate on an annual basis. However, Amendment 50 provided that if the commission decides to raise the tax rates higher than those in place on July 1, 2008, voters state-wide would need to approve the increase. A maximum of 40% of the adjusted gross proceeds of limited gaming must be paid by each licensee.

The current tax rates, the highest allowed under Amendment 50, are listed to the right:

Tax Rate	Adjusted Gross Proceeds (AGP)
0.25 percent	\$0 - \$2 million
2 percent	\$2 million - \$5 million
9 percent	\$5 million - \$8 million
11 percent	\$8 million - \$10 million
16 percent	\$10 million - \$13 million
20 percent	Over \$13 million



Tax Allocation: Taxes in the state are distributed in the following manner:

- 28 percent to the State Historical Society;
- 12 percent to Gilpin and Teller counties;
- 10 percent to Blackhawk, Central City and Cripple Creek; and
- 50 percent to the State General Fund.

Out of the State General Fund, the following appropriations must be made:

- \$15m to the Colorado Travel and Tourism Promotion Fund;
- \$5.5m to the Advance Industries Acceleration Cash Fund;
- \$5m to the Local Government Limited Gaming Impact Fund;
- \$2.1m to the Innovative Higher Education Research Fund;
- \$2m to the Creative Industries Cash Fund; and
- \$500,000 to the Office of Film, TV, and Media Fund.

Promotional Credits: Effective January 1, 2023 and from that date through June 30, 2024, no more than 2.5 percent of the total amount of free bets can be deducted, declining to 2.4 percent on July 1, 2024, then 2 percent on July 1, 2025, prior to capping deductions at 1.75 percent on July 1, 2026.

Withholding on Gambling Winnings: Gambling winnings are considered taxable income and withheld at a flat 24 percent rate.

TRIBAL GAMING

Revenue Share: There are no revenue sharing provisions in the compacts.

Tribal Use of Revenue: As required under IGRA, tribes must use tribal gaming funds:

1. To fund tribal government operations or programs;
2. To provide for the general welfare of the tribe and its members;
3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies.

Withholding on Winnings: The state does not withhold a percentage of gambling winnings. However, federal law may require tribal casinos to issue a W-2G form to persons and may withhold winnings if certain conditions are met. For more information click [here](#).



Responsible Gaming

COMMERCIAL GAMING

Statutory Funding Requirement: Two percent of total revenues (\$100,000) derived under the Colorado Limited Gaming Act shall be transferred to the state gambling addiction account.

Self-Exclusion: There is not a statutorily mandated self-exclusion program in Colorado.

Alcohol Use: In Colorado, casinos may serve complimentary alcoholic beverages to patrons in casinos.

Advertising Restrictions: Licensees are prohibited from allowing, conducting, or participating in any false or misleading advertising concerning its limited gaming operations.

On-Premise Display Requirement: There are no statutorily required on premise display requirements.

Restrictions on Minors on the Gambling Premises: Colorado requires persons be at least 21 years old to be in gaming areas of casinos.

TRIBAL GAMING

Statutory Funding Requirement: There are no statutory funding requirements outlined in the tribal-state gaming compacts or tribal gaming ordinances.

Self-exclusion: Colorado tribal casinos do not offer self-exclusion programs.

Complimentary Alcoholic Drinks: Complimentary alcoholic drinks are not offered at tribal casinos in Colorado.

Advertising Restrictions: The Ute Mountain Ute tribal-state gaming compact and tribal gaming ordinance does not outline any advertising restrictions. Under the Southern Ute tribal-state gaming compact, operators may not participate in any false or misleading advertising.

On-Premise Display Requirement: There are no on-premise display requirements in the tribal-state gaming compacts or tribal gaming ordinances.

Prevention of Underage Gambling: Individuals must be 21 years of age to participate in Class III gaming.

Operation on Holidays: Tribal casinos in the state may operate 24 hours a day, seven days a week, including on holidays.



Other Regulations

COMMERCIAL GAMING

Testing Requirements: The Field Operations Unit and Technical Systems Group of the Division of Gaming provides oversight and regulatory interpretations to independent testing laboratories for all gaming devices and systems in the state.



AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: The Division of Gaming must be notified of all shipments of gaming equipment in the state.

Credit Offered to Patrons: Credit is not offered to patrons.

Political Contributions: There are no restrictions on political contributions from parties with gaming interests.

Smoking Bans: Colorado gaming facilities are subject to an indoor smoking ban and, as such, are not permitted to allow smoking within their properties.

Cashless Gaming & Alternative Payments: Cashless gaming is permitted within Colorado gaming facilities under Rule 30-1296. In addition, while Colorado does not outline specific regulations and/or prohibitions within their regulatory framework, patrons are permitted to deposit cryptocurrency which is then converted into cash deposits for casinos.

TRIBAL GAMING

Testing Requirements: Both compacts state that “prior to the installation of a gaming machine the tribal gaming commission must inspect and test the device for approval. If an identical gaming device is approved for use in Colorado, the tribal gaming commission may waive its inspection and testing requirement.

AML requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism.

Shipping Requirements: Under federal U.S. law, all gambling devices and all packages containing gambling devices, when shipped or transported, must be plainly and clearly labeled and marked so that the name and address of the shipper and the consignee and the contents of the package may be readily ascertained on an inspection of the package.

In addition, the compacts require any slot machine manufacturer or distributor shipping or importing a slot machine onto the reservation to provide to the tribal gaming commission at the time of shipment a copy of the shipping invoice which must include, at a minimum, the destination, the serial number of each machine, and a description of each machine.

Restrictions on Political Contributions: There are no compact restrictions on political contributions from parties with gaming interests. Under federal law, tribes are considered “persons” and are subject to regulation by the Federal Election Commission when making federal contributions.

Credit: Tribal casinos may not extend credit to patrons. The compacts require that all payment for wagers must be made by cash, check, or traveler’s check.

Smoking Bans: Tribal properties are not subject to a smoking ban.

Cashless Gaming & Alternative Payments: Cashless gaming is permitted within tribal properties within Colorado. Similarly, cryptocurrency deposits may be permitted.



Sports Betting

Authorized Operators: Legislation enacted in 2019 authorizes the state's 33 licensed casinos to obtain a master license to offer sports betting at their casinos and via an online website or mobile application.

Additionally, Colorado's Class III gaming tribes can offer sports betting.

Mobile/Online: Mobile/online sports betting is permitted. Each casino is limited to just one individually branded platform or "skin".

Taxes and Fees: The initial application fee for a master license for the right to offer sports betting is \$2,000. Licenses must be renewed every two years.

The commission is also authorized to issue "sports-betting operator" licenses and "internet sports-betting operator" licenses. A sports-betting operator license or internet sports-betting operator license entitles the licensee to contract with a master licensee for the purpose of operating a sports-betting operation or internet sports-betting operation. The fee for a "sports-betting operator" license or an "internet sports -betting operator" license is \$1,200. Licenses must be renewed every two years.

Licensees are also required to pay an annual Sports Betting Operations Fee which will be set by the commission for each fiscal year. For FY2024, the operating fees are as follows:

- Internet Sports Betting Operator Licensee OR Master Licensee conducting internet sports betting: \$78,000
- Sports Betting Operator Licensee OR Master Licensee conducting retail sports betting: \$11,700

Sports-betting revenue is taxed at a rate of 10 percent. However, operators are permitted to deduct free bets, payments to players, as well as the 0.25 percent federal excise tax on sports bets, effectively lowering the taxation rate.

However, under Rule 7.8(2)(c) of Colorado's Sports Betting Regulations:

- From January 1, 2023 to June 30, 2024, no more than 2.5 percent of the total amount of free bets can be deducted.
- From July 1, 2024 to June 30, 2025, no more than 2.4 percent of the total amount of free bets can be deducted.
- From July 1, 2025 to June 30, 2026, no more than 2 percent of the total amount of free bets can be deducted.
- From July 1, 2026, no more than 1.75 percent of the total amount of free bets can be deducted.

Amateur Restrictions: Licensees may not accept wagers on high-school sporting events or, only with respect to proposition bets, collegiate sporting events.

Official Data Mandate & Integrity Fee: Regulations do not currently mandate the use of official league data or provide an integrity fee to sports leagues.

Colorado



Tax on promotional credits: Promotional credits are taxed as net sports betting proceeds at the rate of 10 percent. However, operators are permitted to deduct a percentage of free bets as follows:

- From January 1, 2023 to June 30, 2024, no more than 2.5 percent of the total amount of free bets can be deducted.
- From July 1, 2024 to June 30, 2025, no more than 2.4 percent of the total amount of free bets can be deducted.
- From July 1, 2025 to June 30, 2026, no more than 2 percent of the total amount of free bets can be deducted.
- From July 1, 2026, no more than 1.75 percent of the total amount of free bets can be deducted.

Age Restrictions: Patrons must be 21 years old to place a sport bet within Colorado.