

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 16-1175.01 Thomas Morris x4218

**HOUSE BILL 16-1404**

**HOUSE SPONSORSHIP**

**Duran and Wist,**

**SENATE SPONSORSHIP**

**Cooke and Guzman,**

**House Committees**

Business Affairs and Labor  
Finance  
Appropriations

**Senate Committees**

Finance  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING THE REGULATION OF FANTASY CONTESTS, AND IN**  
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill defines a "fantasy contest" as a game or contest in which:

- ! The value of all prizes offered to winning participants is made known to the participants in advance of the contest; and
- ! Winning outcomes:
  - ! Reflect the relative knowledge and skill of the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
Amended 2nd Reading  
May 5, 2016

HOUSE  
3rd Reading Unamended  
April 25, 2016

HOUSE  
Amended 2nd Reading  
April 22, 2016

participants;

- ! Are determined predominantly by accumulated statistical results of the performance of athletes in fully completed sporting events; and
- ! Are not based on randomized or historical events or on the score, point spread, or any performance of any single actual sports team or combination of such teams or solely on any single performance of an individual athlete in any single actual sporting event.

University, college, high school, and youth sporting events are excluded from fantasy contests.

A person must be licensed by the newly created office of fantasy contests in the department of regulatory agencies to be able to offer to conduct a fantasy contest. Fantasy contests may be conducted by a fantasy contest operator at licensed gaming establishments, class B horse racing tracks, and at a licensed facility at which pari-mutuel wagering may occur.

A licensed fantasy contest operator must:

- ! Submit to a fingerprint-based criminal history record check in connection with initial licensure;
- ! Not use a device that replicates or qualifies as limited gaming;
- ! Contract with a third party to annually perform an independent audit to ensure compliance and submit the results of the audit to the office; and
- ! Keep daily records of its operations and maintain the records for at least 3 years.

A fantasy contest operator who violates the act is subject to a civil penalty of not more than \$1,000 for each violation.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 15.5 to  
3 title 12 as follows:

4 **ARTICLE 15.5**

5 **Fantasy Contests**

6 **12-15.5-101. Short title.** THE SHORT TITLE OF THIS ARTICLE IS  
7 THE "FANTASY CONTESTS ACT".

8 **12-15.5-102. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE

1 CONTEXT OTHERWISE REQUIRES:

2 (1) "CONFIDENTIAL INFORMATION" MEANS INFORMATION RELATED  
3 TO THE PLAY OF A FANTASY CONTEST BY FANTASY CONTEST PLAYERS  
4 OBTAINED AS A RESULT OF OR BY VIRTUE OF A PERSON'S EMPLOYMENT.

5 (2) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION OF  
6 PROFESSIONS AND OCCUPATIONS WITHIN THE DEPARTMENT OF  
7 REGULATORY AGENCIES OR HIS OR HER DESIGNEE.

8 (3) "ENTRY FEE" MEANS CASH OR CASH EQUIVALENTS THAT ARE  
9 REQUIRED TO BE PAID BY A FANTASY CONTEST PLAYER TO A FANTASY  
10 CONTEST OPERATOR IN ORDER TO PARTICIPATE IN A FANTASY CONTEST.

11 (4) "FANTASY CONTEST" MEANS A FANTASY OR SIMULATED GAME  
12 OR CONTEST IN WHICH:

13 (a) THE VALUE OF ALL PRIZES AND AWARDS OFFERED TO WINNING  
14 PARTICIPANTS IS ESTABLISHED AND MADE KNOWN TO THE PARTICIPANTS  
15 IN ADVANCE OF THE CONTEST;

16 (b) ALL WINNING OUTCOMES REFLECT THE RELATIVE KNOWLEDGE  
17 AND SKILL OF THE PARTICIPANTS AND ARE DETERMINED PREDOMINANTLY  
18 BY ACCUMULATED STATISTICAL RESULTS OF THE PERFORMANCE OF  
19 ATHLETES IN FULLY COMPLETED SPORTING EVENTS; EXCEPT THAT A  
20 SPORTING EVENT THAT HAS BEEN CALLED OR SUSPENDED DUE TO  
21 WEATHER OR ANY OTHER NATURAL OR UNFORSEEN EVENT IS CONSIDERED  
22 FULLY COMPLETED; AND

23 (c) WINNING OUTCOMES ARE NOT BASED ON RANDOMIZED OR  
24 HISTORICAL EVENTS OR ON THE SCORE, POINT SPREAD, OR ANY  
25 PERFORMANCE OF ANY SINGLE ACTUAL SPORTS TEAM OR COMBINATION OF  
26 SUCH TEAMS OR SOLELY ON ANY SINGLE PERFORMANCE OF AN INDIVIDUAL  
27 ATHLETE IN ANY SINGLE ACTUAL SPORTING EVENT.

1 (5) "FANTASY CONTEST OPERATOR" MEANS A PERSON OR ENTITY  
2 THAT OFFERS FANTASY CONTESTS WITH AN ENTRY FEE FOR A CASH PRIZE  
3 TO MEMBERS OF THE PUBLIC.

4 (6) "FANTASY CONTEST PLAYER" MEANS A PERSON WHO  
5 PARTICIPATES IN A FANTASY CONTEST WITH AN ENTRY FEE OFFERED BY A  
6 FANTASY CONTEST OPERATOR.

7 (7) "SMALL FANTASY CONTEST OPERATOR" MEANS A FANTASY  
8 CONTEST OPERATOR THAT HAS NO MORE THAN SEVEN THOUSAND FIVE  
9 HUNDRED FANTASY CONTEST PLAYERS IN COLORADO WITH ACTIVE  
10 ACCOUNTS WHO PARTICIPATE IN FANTASY CONTESTS WITH AN ENTRY FEE.

11 **12-15.5-103. Fantasy contests - director - rules.** (1) THE  
12 DIRECTOR SHALL PROMULGATE REASONABLE RULES FOR THE  
13 IDENTIFICATION, LICENSING, AND FINGERPRINTING OF APPLICANTS FOR  
14 LICENSURE.

15 (2) THE DIRECTOR MAY ADMINISTER OATHS, TAKE AFFIRMATIONS  
16 OF WITNESSES, AND ISSUE SUBPOENAS TO COMPEL THE ATTENDANCE OF  
17 WITNESSES AND THE PRODUCTION OF ALL RELEVANT PAPERS, BOOKS,  
18 RECORDS, DOCUMENTARY EVIDENCE, AND MATERIALS IN ANY HEARING,  
19 INVESTIGATION, ACCUSATION, OR OTHER MATTER COMING BEFORE THE  
20 DIRECTOR PURSUANT TO THIS ARTICLE. THE DIRECTOR MAY APPOINT AN  
21 ADMINISTRATIVE LAW JUDGE PURSUANT TO PART 10 OF ARTICLE 30 OF  
22 TITLE 24, C.R.S., TO TAKE EVIDENCE AND TO MAKE FINDINGS.

23 **12-15.5-104. Registration.** (1) ON AND AFTER JULY 1, 2017, AN  
24 ENTITY SHALL NOT OPERATE AS A SMALL FANTASY CONTEST OPERATOR  
25 UNLESS THE ENTITY IS REGISTERED WITH THE DIRECTOR. ON AND AFTER  
26 JULY 1, 2017, AN INDIVIDUAL WHO IS NOT OPERATING THROUGH AN  
27 ENTITY SHALL NOT OPERATE AS A SMALL FANTASY CONTEST OPERATOR

1 UNLESS THE INDIVIDUAL IS REGISTERED WITH THE DIRECTOR.

2 (2) A SMALL FANTASY CONTEST OPERATOR IS SUBJECT TO ALL OF  
3 THE PROVISIONS OF THIS ARTICLE; EXCEPT THAT:

4 (a) A SMALL FANTASY CONTEST OPERATOR NEED ONLY BE  
5 REGISTERED, NOT LICENSED, IN ORDER TO OFFER FANTASY CONTESTS FOR  
6 A FEE, A SMALL FANTASY CONTEST OPERATOR IS NOT SUBJECT TO THE  
7 REQUIREMENTS OF SECTION 12-15.5-106 (2) REGARDING AN ANNUAL  
8 AUDIT, AND A SMALL FANTASY OPERATOR IS SUBJECT TO SECTION  
9 12-15.5-105 (3); AND

10 (b) THE DIRECTOR SHALL:

11 (I) ESTABLISH A REGISTRATION PROCESS FOR SMALL FANTASY  
12 CONTEST OPERATORS; AND

13 (II) NOT INITIATE AN INVESTIGATION OF A POTENTIAL VIOLATION  
14 OF THIS ARTICLE BY A SMALL FANTASY CONTEST OPERATOR EXCEPT UPON  
15 THE FILING OF A COMPLAINT WITH THE DIRECTOR THAT THE DIRECTOR  
16 REASONABLY BELIEVES WARRANTS INVESTIGATION.

17 **12-15.5-105. Licensing.** (1) ON AND AFTER JULY 1, 2017, AN  
18 ENTITY SHALL NOT OPERATE AS A FANTASY CONTEST OPERATOR UNLESS  
19 THE ENTITY IS LICENSED BY THE DIRECTOR. ON AND AFTER JULY 1, 2017,  
20 AN INDIVIDUAL WHO IS NOT OPERATING THROUGH AN ENTITY SHALL NOT  
21 OPERATE AS A FANTASY CONTEST OPERATOR UNLESS THE INDIVIDUAL IS  
22 LICENSED AS A FANTASY CONTEST OPERATOR BY THE DIRECTOR. AN  
23 APPLICANT FOR LICENSURE MUST PAY LICENSE, RENEWAL, AND  
24 REINSTATEMENT FEES ESTABLISHED BY THE DIRECTOR CONSISTENT WITH  
25 SECTION 24-34-105, C.R.S., AND OTHER AUTHORITIES. THE FEES MUST BE  
26 SUFFICIENT TO COVER THE DIVISION'S DIRECT AND INDIRECT COSTS IN  
27 ADMINISTERING THIS ARTICLE. A LICENSEE MUST RENEW THE LICENSE IN

1 ACCORDANCE WITH A SCHEDULE ESTABLISHED BY THE DIRECTOR  
2 PURSUANT TO SECTION 24-34-102 (8), C.R.S. IF A LICENSEE FAILS TO  
3 RENEW THE LICENSE PURSUANT TO THE SCHEDULE ESTABLISHED BY THE  
4 DIRECTOR, THE LICENSE EXPIRES AND THE ENTITY SHALL NOT PRACTICE  
5 UNDER THIS ARTICLE UNTIL THE REINSTATEMENT FEES ARE PAID AND THE  
6 DIRECTOR REINSTATES THE LICENSE. A PERSON THAT CONTINUES TO  
7 PRACTICE ONCE A LICENSE HAS EXPIRED IS SUBJECT TO THE PENALTIES  
8 PROVIDED IN THIS ARTICLE AND SECTION 24-34-102 (8), C.R.S.

9 (2) APPLICATIONS FOR LICENSURE AS A FANTASY CONTEST  
10 OPERATOR MUST:

11 (a) BE VERIFIED BY THE OATH OR AFFIRMATION OF SUCH PERSON  
12 OR PERSONS AS THE DIRECTOR MAY PRESCRIBE;

13 (b) BE MADE TO THE DIRECTOR ON FORMS PREPARED AND  
14 FURNISHED BY THE DIRECTOR; AND

15 (c) SET FORTH SUCH INFORMATION AS THE DIRECTOR MAY REQUIRE  
16 TO ENABLE THE DIRECTOR TO DETERMINE WHETHER AN APPLICANT MEETS  
17 THE REQUIREMENTS FOR LICENSURE UNDER THIS ARTICLE. THE  
18 INFORMATION MUST INCLUDE:

19 (I) THE NAME AND ADDRESS OF THE APPLICANT; ■

20 (II) IF A PARTNERSHIP, THE NAMES AND ADDRESSES OF ALL OF THE  
21 PARTNERS, AND IF A CORPORATION, ASSOCIATION, OR OTHER  
22 ORGANIZATION, THE NAMES AND ADDRESSES OF THE PRESIDENT, VICE  
23 PRESIDENT, SECRETARY, AND MANAGING OFFICER, TOGETHER WITH ALL  
24 OTHER INFORMATION DEEMED NECESSARY BY THE DIRECTOR; AND

25 (III) A DESIGNATION OF THE RESPONSIBLE PARTY WHO IS THE  
26 AGENT FOR THE LICENSEE FOR ALL COMMUNICATIONS WITH THE DIRECTOR.

27 (3) (a) AN APPLICANT MAY NOT BE ELIGIBLE FOR LICENSURE OR

1 REGISTRATION AS A FANTASY CONTEST OPERATOR OR LICENSURE  
2 RENEWAL IF THE APPLICANT OR ANY OF ITS OFFICERS, DIRECTORS, OR  
3 GENERAL PARTNERS HAS BEEN CONVICTED OF OR HAS ENTERED A PLEA OF  
4 NOLO CONTENDERE OR GUILTY TO A FELONY.

5 (b) THE DIRECTOR IS GOVERNED BY SECTION 24-5-101, C.R.S., IN  
6 CONSIDERING THE CONVICTION OR PLEA OF NOLO CONTENDERE TO A  
7 FELONY FOR ANY INDIVIDUAL SUBJECT TO A CRIMINAL HISTORY RECORD  
8 CHECK PURSUANT TO SUBSECTION (4) OF THIS SECTION.

9 (4) WITH THE SUBMISSION OF AN APPLICATION FOR A LICENSE  
10 GRANTED PURSUANT TO THIS SECTION, EACH APPLICANT AND ITS OFFICERS,  
11 DIRECTORS, AND GENERAL PARTNERS SHALL SUBMIT A COMPLETE SET OF  
12 HIS OR HER FINGERPRINTS TO [REDACTED] THE COLORADO BUREAU OF  
13 INVESTIGATION FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED  
14 CRIMINAL HISTORY RECORD CHECKS. THE COLORADO BUREAU OF  
15 INVESTIGATION SHALL FORWARD THE FINGERPRINTS TO THE FEDERAL  
16 BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING  
17 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE DIRECTOR  
18 MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY RECORD CHECK FOR A  
19 PERSON WHO HAS TWICE SUBMITTED TO A FINGERPRINT-BASED CRIMINAL  
20 HISTORY RECORD CHECK AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE.  
21 A PERSON WHO HAS PREVIOUSLY SUBMITTED FINGERPRINTS FOR STATE OR  
22 LOCAL LICENSING PURPOSES MAY REQUEST THE USE OF THE FINGERPRINTS  
23 ON FILE. THE DIRECTOR SHALL USE THE INFORMATION RESULTING FROM  
24 THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO  
25 INVESTIGATE AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO  
26 HOLD A LICENSE PURSUANT TO THIS SECTION. THE DIRECTOR MAY VERIFY  
27 THE INFORMATION AN APPLICANT IS REQUIRED TO SUBMIT. THE APPLICANT

1 SHALL PAY THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED  
2 CRIMINAL HISTORY RECORD CHECK TO THE COLORADO BUREAU OF  
3 INVESTIGATION.

4 (5) A FANTASY CONTEST OPERATOR SHALL NOT CONDUCT,  
5 OPERATE, OR OFFER A FANTASY CONTEST THAT:

6 (a) UTILIZES:

7 (I) VIDEO OR MECHANICAL REELS OR SYMBOLS OR ANY OTHER  
8 DEPICTIONS OF SLOT MACHINES, POKER, BLACKJACK, CRAPS, OR ROULETTE;  
9 OR

10 (II) ANY DEVICE THAT QUALIFIES AS OR REPLICATES GAMES THAT  
11 CONSTITUTE LIMITED GAMING UNDER SECTION 9 OF ARTICLE XVIII OF THE  
12 COLORADO CONSTITUTION; OR

13 (b) INCLUDES A UNIVERSITY, COLLEGE, HIGH SCHOOL, OR YOUTH  
14 SPORTING EVENT.

15 **12-15.5-106. Consumer protections.** (1) A FANTASY CONTEST  
16 OPERATOR, INCLUDING A SMALL FANTASY CONTEST OPERATOR, SHALL  
17 IMPLEMENT COMMERCIALY REASONABLE PROCEDURES FOR FANTASY  
18 CONTESTS WITH AN ENTRY FEE, WHICH PROCEDURES ARE DESIGNED TO:

19 (a) PREVENT EMPLOYEES OF THE FANTASY CONTEST OPERATOR,  
20 INCLUDING A SMALL FANTASY CONTEST OPERATOR, AND RELATIVES  
21 LIVING IN THE SAME HOUSEHOLD AS SUCH EMPLOYEES, FROM COMPETING  
22 IN ANY FANTASY CONTESTS OFFERED BY ANY FANTASY CONTEST  
23 OPERATOR IN WHICH THE OPERATOR OFFERS A CASH PRIZE;

24 (b) PREVENT SHARING OF CONFIDENTIAL INFORMATION THAT  
25 COULD AFFECT SUCH FANTASY CONTEST PLAY WITH THIRD PARTIES UNTIL  
26 THE INFORMATION IS MADE PUBLICLY AVAILABLE;

27



1 (c) VERIFY THAT A FANTASY CONTEST PLAYER IN SUCH A FANTASY  
2 CONTEST IS EIGHTEEN YEARS OF AGE OR OLDER;

3 (d) ENSURE THAT INDIVIDUALS WHO PARTICIPATE OR OFFICIATE IN  
4 A GAME OR CONTEST THAT IS THE SUBJECT OF SUCH A FANTASY CONTEST  
5 WILL BE RESTRICTED FROM ENTERING SUCH A FANTASY CONTEST THAT IS  
6 DETERMINED, IN WHOLE OR IN PART, ON THE ACCUMULATED STATISTICAL  
7 RESULTS OF A TEAM OF INDIVIDUALS IN THE GAME OR CONTEST IN WHICH  
8 THEY ARE A PLAYER OR OFFICIAL;

9 (e) ALLOW INDIVIDUALS TO RESTRICT THEMSELVES FROM  
10 ENTERING SUCH A FANTASY CONTEST UPON REQUEST AND PROVIDE  
11 REASONABLE STEPS TO PREVENT THE PERSON FROM ENTERING SUCH  
12 FANTASY CONTESTS OFFERED BY THE FANTASY CONTEST OPERATOR,  
13 INCLUDING A SMALL FANTASY CONTEST OPERATOR;

14 (f) DISCLOSE THE NUMBER OF ENTRIES THAT A FANTASY CONTEST  
15 PLAYER MAY SUBMIT TO EACH SUCH FANTASY CONTEST, PROVIDE  
16 REASONABLE STEPS TO PREVENT PLAYERS FROM SUBMITTING MORE THAN  
17 THE ALLOWABLE NUMBER, AND, IN ANY CONTEST INVOLVING AT LEAST  
18 ONE HUNDRED ONE ENTRIES, NOT ALLOW A PLAYER TO SUBMIT MORE THAN  
19 THE LESSER OF THREE PERCENT OF ALL ENTRIES OR ONE HUNDRED FIFTY  
20 ENTRIES;

21 (g) SEGREGATE FANTASY CONTEST PLAYER FUNDS FROM  
22 OPERATIONAL FUNDS AND MAINTAIN A RESERVE IN THE FORM OF CASH,  
23 CASH EQUIVALENTS, AN IRREVOCABLE LETTER OF CREDIT, A BOND, OR A  
24 COMBINATION THEREOF, IN THE AMOUNT OF THE DEPOSITS MADE TO THE  
25 ACCOUNTS OF FANTASY CONTEST PLAYERS FOR THE BENEFIT AND  
26 PROTECTION OF THE FUNDS HELD IN SUCH ACCOUNTS;

27 (h) DISTINGUISH HIGHLY EXPERIENCED PLAYERS AND BEGINNER

1 PLAYERS AND ENSURE THAT HIGHLY EXPERIENCED PLAYERS ARE  
2 CONSPICUOUSLY IDENTIFIED AS SUCH TO ALL PLAYERS;

3 (i) PROHIBIT THE USE OF SCRIPTS IN FANTASY CONTESTS THAT GIVE  
4 A PLAYER AN UNFAIR ADVANTAGE OVER OTHER PLAYERS AND MAKE ALL  
5 AUTHORIZED SCRIPTS READILY AVAILABLE TO ALL FANTASY CONTEST  
6 PLAYERS;

7 (j) CLEARLY AND CONSPICUOUSLY DISCLOSE ALL RULES THAT  
8 GOVERN ITS CONTESTS, INCLUDING THE MATERIAL TERMS OF EACH  
9 PROMOTIONAL OFFER AT THE TIME THE OFFER IS ADVERTISED; AND

10 (k) USE TECHNOLOGICALLY REASONABLE MEASURES TO LIMIT  
11 EACH FANTASY CONTEST PLAYER TO ONE ACTIVE ACCOUNT WITH THAT  
12 OPERATOR.

13 (2) A FANTASY CONTEST OPERATOR OFFERING FANTASY CONTESTS  
14 IN THIS STATE SHALL:

15 (a) CONTRACT WITH A THIRD PARTY TO ANNUALLY PERFORM AN  
16 INDEPENDENT AUDIT, CONSISTENT WITH THE STANDARDS ESTABLISHED BY  
17 THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD, TO ENSURE  
18 COMPLIANCE WITH THIS ARTICLE; AND

19 (b) SUBMIT THE RESULTS OF THE AUDIT TO THE DIRECTOR.

20 **12-15.5-107. Duty to maintain records.** EACH FANTASY CONTEST  
21 OPERATOR SHALL KEEP DAILY RECORDS OF ITS OPERATIONS AND SHALL  
22 MAINTAIN THE RECORDS FOR AT LEAST THREE YEARS. THE RECORDS MUST  
23 SUFFICIENTLY DETAIL ALL FINANCIAL TRANSACTIONS TO DETERMINE  
24 COMPLIANCE WITH THE REQUIREMENTS OF THIS ARTICLE AND MUST BE  
25 AVAILABLE FOR AUDIT AND INSPECTION BY THE DIRECTOR DURING THE  
26 FANTASY CONTEST OPERATOR'S REGULAR BUSINESS HOURS.

27 **12-15.5-108. Authorization to conduct fantasy contests.**

1 (1) FANTASY CONTESTS ARE AUTHORIZED AND MAY BE CONDUCTED BY  
2 A FANTASY CONTEST OPERATOR AT A LICENSED GAMING ESTABLISHMENT,  
3 AS THAT TERM IS DEFINED IN SECTION 12-47.1-103 (15). A GAMING  
4 RETAILER, AS THAT TERM IS DEFINED IN SECTION 12-47.1-103 (24), MAY  
5 CONDUCT FANTASY CONTESTS IF THE GAMING RETAILER IS LICENSED AS A  
6 FANTASY CONTEST OPERATOR.

7 (2) FANTASY CONTESTS ARE AUTHORIZED AND MAY BE  
8 CONDUCTED BY A FANTASY CONTEST OPERATOR AT A LICENSED FACILITY  
9 AT WHICH PARI-MUTUEL WAGERING, AS THAT TERM IS DEFINED IN SECTION  
10 12-60-102 (20.5), MAY OCCUR. AN OPERATOR OF A CLASS B TRACK, AS  
11 THAT TERM IS DEFINED IN SECTION 12-60-102 (4), MAY CONDUCT FANTASY  
12 CONTESTS IF THE OPERATOR IS LICENSED AS A FANTASY CONTEST  
13 OPERATOR.

14 (3) A FANTASY CONTEST CONDUCTED IN COMPLIANCE WITH THIS  
15 ARTICLE DOES NOT VIOLATE ARTICLE 10 OR 10.5 OF TITLE 18, C.R.S.

16 **12-15.5-109. Grounds for discipline.** (1) THE DIRECTOR MAY  
17 DENY, SUSPEND, OR REVOKE A LICENSE OR REGISTRATION OR PLACE ON  
18 PROBATION OR ISSUE A LETTER OF ADMONITION TO A LICENSEE OR  
19 REGISTRANT IF THE FANTASY CONTEST OPERATOR, INCLUDING A SMALL  
20 FANTASY CONTEST OPERATOR:

21 (a) VIOLATES ANY ORDER OF THE DIRECTOR OR ANY PROVISION OF  
22 THIS ARTICLE OR THE RULES ESTABLISHED UNDER THIS ARTICLE;

23 (b) FAILS TO MEET THE REQUIREMENTS FOR LICENSURE UNDER  
24 THIS ARTICLE; OR

25 (c) USES FRAUD, MISREPRESENTATION, OR DECEIT IN APPLYING FOR  
26 OR ATTEMPTING TO APPLY FOR LICENSURE OR REGISTRATION OR  
27 OTHERWISE IN OPERATING OR OFFERING TO OPERATE A FANTASY CONTEST.

1 (2) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE  
2 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT, THAT A PERSON IS  
3 OPERATING OR OFFERING TO OPERATE A FANTASY CONTEST WITHOUT  
4 HAVING OBTAINED A REGISTRATION OR LICENSE, THE DIRECTOR MAY ISSUE  
5 AN ORDER TO CEASE AND DESIST THE ACTIVITY. THE DIRECTOR SHALL SET  
6 FORTH IN THE ORDER THE STATUTES AND RULES ALLEGED TO HAVE BEEN  
7 VIOLATED, THE FACTS ALLEGED TO HAVE CONSTITUTED THE VIOLATION,  
8 AND THE REQUIREMENT THAT ALL UNAUTHORIZED PRACTICES  
9 IMMEDIATELY CEASE. WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO  
10 CEASE AND DESIST PURSUANT TO THIS SUBSECTION (2), THE PERSON MAY  
11 REQUEST A HEARING ON THE QUESTION OF WHETHER ACTS OR PRACTICES  
12 IN VIOLATION OF THIS ARTICLE HAVE OCCURRED. THE HEARING SHALL BE  
13 CONDUCTED PURSUANT TO SECTION 24-4-105, C.R.S.

14 **12-15.5-110. Civil fines.** IN ADDITION TO ANY OTHER REMEDY  
15 PROVIDED BY LAW, A FANTASY CONTEST OPERATOR, OR AN EMPLOYEE OR  
16 AGENT THEREOF, WHO VIOLATES THIS ARTICLE IS SUBJECT TO A CIVIL FINE  
17 OF NOT MORE THAN ONE THOUSAND DOLLARS FOR EACH SUCH VIOLATION,  
18 WHICH THE STATE TREASURER SHALL CREDIT TO THE GENERAL FUND. THE  
19 DIRECTOR MAY FILE A CIVIL ACTION TO COLLECT THE FINE.

20 **12-15.5-111. Applicability.** THIS ARTICLE APPLIES TO CONDUCT  
21 OCCURRING ON OR AFTER JULY 1, 2017.

22 **12-15.5-112. Repeal.** THIS ARTICLE IS REPEALED, EFFECTIVE  
23 SEPTEMBER 1, 2020. BEFORE ITS REPEAL, THIS ARTICLE IS SCHEDULED FOR  
24 REVIEW IN ACCORDANCE WITH SECTION 24-34-104, C.R.S.

25 **SECTION 2.** In Colorado Revised Statutes, 24-34-104, **add**  
26 **(51.5) (j) as follows:**

27 **24-34-104. General assembly review of regulatory agencies**

1 and functions for termination, continuation, or reestablishment.

2 (51.5) The following agencies, functions, or both terminate on September  
3 1, 2020:

4 (j) THE REGULATION OF FANTASY CONTEST OPERATORS BY THE  
5 DEPARTMENT PURSUANT TO SECTIONS 12-15.5-103 TO 12-15.5-107,  
6 12-15.5-109, AND 12-15.5-110, C.R.S.

7 **SECTION 3. Appropriation.** (1) For the 2016-17 state fiscal  
8 year, \$77,546 is appropriated to the department of regulatory agencies.  
9 This appropriation is from the division of professions and occupations  
10 cash fund created in section 24-34-105 (2) (b) (I), C.R.S. To implement  
11 this act, the department may use this appropriation as follows:

12 (a) \$62,392 for use by the division of professions and occupations  
13 for personal services, which amount is based on an assumption that the  
14 division will require an additional 0.9 FTE and temporary staff;

15 (b) \$5,653 for use by the division professions and occupations for  
16 operating expenses; and

17 (c) \$9,501 for the purchase of legal services.

18 (2) For the 2016-17 state fiscal year, \$9,501 is appropriated to the  
19 department of law. This appropriation is from reappropriated funds  
20 received from the department of regulatory agencies under paragraph (c)  
21 of subsection (1) of this section. To implement this act, the department of  
22 law may use this appropriation to provide legal services for the  
23 department of regulatory agencies.

24 (3) For the 2016-17 state fiscal year, \$527 is appropriated to the  
25 department of public safety for use by the Colorado bureau of  
26 investigation. This appropriation is from the Colorado bureau of  
27 investigation identification unit fund created in section 24-33.5-426,

1 C.R.S. To implement this act, the bureau may use this appropriation for  
2 operating expenses related to identification.

3 **SECTION 4. Act subject to petition - effective date -**  
4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
5 the expiration of the ninety-day period after final adjournment of the  
6 general assembly (August 10, 2016, if adjournment sine die is on May 11,  
7 2016); except that, if a referendum petition is filed pursuant to section 1  
8 (3) of article V of the state constitution against this act or an item, section,  
9 or part of this act within such period, then the act, item, section, or part  
10 will not take effect unless approved by the people at the general election  
11 to be held in November 2016 and, in such case, will take effect on the  
12 date of the official declaration of the vote thereon by the governor.

13 (2) This act applies to conduct occurring on or after July 1, 2017.