

CITY OF GRAND JUNCTION, COLORADO

ORDINANCE NO. XXXX

**ENACTING A MORATORIUM WITH FINDINGS, INTENT AND PURPOSE TO
EXTEND THE PROHIBITION ON THE ESTABLISHMENT OF ANY NEW OR
RELOCATION OF EXISTING GAMING ARCADES OR GAMING USES WITHIN THE
CITY OF GRAND JUNCTION; PROVIDING THAT THE MORATORIUM SHALL BE IN
EFFECT FOR A PERIOD WHICH SHALL TERMINATE AT THE EARLIEST OF THE
CITY'S ADOPTION OF FURTHER AMENDMENT(S) TO TITLE 21 AND/OR TITLE 9
OF THE GRAND JUNCTION MUNICIPAL CODE REGARDING SKILLED GAMING
AND/OR GAMING ARCADES OR THE EXPIRATION OF 365 DAYS FROM THE
EFFECTIVE DATE OF THIS ORDINANCE.**

RECITALS:

By and with Ordinance 5125 the City Council adopted a moratorium disallowing the operation of skilled gaming businesses in the City. Since the adoption of that Ordinance the Grand Junction Police Department (GJPD) has investigated numerous complaints involving a number of skilled gaming businesses that were engaged, or alleged to be engaged, in illegal activities while the business(es) contended that they were lawful. The GJPD's investigations resulted in many criminal cases being filed with multiple convictions. The criminal process resulted in multiple convictions for operation of gambling premises under state law. Even with robust enforcement under the state's gambling law, one establishment is still operating under an asserted legal theory that the operation complies with state simulated gambling law through a technicality, and/or the operation uses machines that operate under the state's sweepstakes law, C.R.S. § 6-1-802, *et seq.*

Since the adoption of Ordinance 5125 the City Attorney's Office, the Grand Junction Police Department, and the City's Community Development Department have evaluated and are further developing potential regulations concerning licensure and zoning together with exploring other avenues to address the impacts of the businesses, including coordination with the State, on the community.

The games typically offered by these businesses are video machines, similar to video slot machines, where the player may win money, cryptocurrency, or other value. Because the machine(s) used simulate gambling, the law is not yet clear if they are subject to regulation and control under Colorado law. In Grand Junction many of the businesses brought problems of increased crime, no public health oversight, and no regulation of the flow of money. Due to the complexity of the problems the businesses create and the fact that mitigation of those problems requires a multi-disciplinary approach which is not yet complete, the City Council finds that it is in the best interest of the public health, safety and welfare of Grand Junction and its people that the moratorium disallowing new skilled gaming businesses be extended as provided for herein.

The moratorium enacted by Ordinance 5125 was extended for an additional year each in Ordinance 5199 and again with Ordinance 5248. The moratorium is due to expire on March 24, 2026.

City staff and the City Attorney's Office have been diligent in researching ways to regulate or control the growth and detrimental effects these businesses create on surrounding communities. Other Colorado cities have enacted various forms of licensure, zoning or prohibitions. However, in 2025, a plaintiff filed litigation against the City and several other Colorado cities for enforcement of various forms of regulation, enforcement, and prohibition. Those cases are pending in court. It is not the intent that this moratorium run indefinitely. At this time, staff and the City Attorney believe it is in the best interest of the City to let these court cases develop to understand the legal ramifications of these regulations, zoning, and prohibition choices before the City of Grand Junction chooses the proper course. These cases are anticipated to have key decisions made by the court in 2026. Therefore, staff and the City Attorney recommend that this moratorium be extended for an additional year.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE GRAND JUNCTION THAT:

- 1) The Recitals are incorporated herein and in light of the same, and based on the record of the hearing and adoption of this Ordinance, the City Council finds that the establishment of any new or relocation of any existing *Gaming Arcade(s)* (aka skilled gaming business) that offer or provide at any location, including a business, residence or private club, that is owned, leased, or otherwise possessed, in whole or in part, by a person or by that person's partners, affiliates, subsidiaries, agents, or contractors which features (i) slot machine(s), (ii) gambling device(s), (iii) simulated gambling device(s), or (iv) any mechanical, electrical, video, electronic, or other device, contrivance or machine which after insertion or conveyance of a coin, debit card, credit card, cash, token or similar object or upon payment of any required consideration whatsoever by a player, is available to be played or operated, and which, whether by reason of the skill of the player or application of the element of chance, or both, may deliver or entitle the player operating the machine to receive monetary compensation and/or redeemable game credits, or any other thing of value. This definition expressly includes 'fish game' 'fish game table' 'fish game gambling table' however denominated that consists of a tabletop electronic display with one or more stations featuring buttons, joysticks, or other control(s) that delivers to the player cash, cash premiums, redeemable game credits or any other thing of value for successful play, whether the redeemable payout is made from the machine, another machine, or from an employee of the business) is(are) temporarily prohibited within the City of Grand Junction, Colorado as provided in this Ordinance.

This definition and prohibition expressly excludes any business location which features bona fide amusement devices that pay nothing of value, cannot be adjusted to pay anything of value, provide only unredeemable free games, or provide only tickets redeemable for nonmonetary prizes consisting of toys or novelties of nominal value; crane games; BINGO operations, coin-operated music machines; or any bona fide amusement device authorized within restaurants by C.R.S. 44-3-103(47).

- 2) In the City's experience as described in the record of the hearing and adoption of this Ordinance, *Gaming Arcade(s)*/skilled gaming establishments tend to give rise to blighting and deterioration of the areas in which they are located. Instances of blight and deterioration include increased property crimes, drug and other legal and illegal substance(s) being sold and abused at and/or near the businesses, gambling, and acts of violence.
- 3) In an effort to respond to and otherwise work against blight and deterioration that the City has found to be associated with *Gaming Arcade(s)* the City Council finds that it is necessary to preserve the public health, safety, morals, and general welfare of the residents and businesses of the City to afford additional time for the current prosecutions and/or appeals to be resolved and to allow the City staff additional time to evaluate the impact of *Gaming Arcades*, to determine and recommend to City Council whether such uses are legal and, if so, whether those uses may be appropriately sited within the City with appropriate regulation, whether by buffering, zoning and permitting, or any other lawful means as to prevent the specific erosion of the character of affected neighborhoods and the City in general, or whether such uses are or should be prohibited.
- 4) Imposition of Moratorium. A moratorium period is hereby declared on all new establishments not in existence and/or the relocation of existing establishments as of [DATE (THE EFFECTIVE DATE OF THIS ORDINANCE)], constituting *Gaming Arcade(s)* (aka skilled gaming businesses), Slot Machine(s), Gambling Device(s) and Simulated Gambling Device(s) (as the same are defined in GJMC or Colorado law) from the effective date of this Ordinance, [DATE], for the period of three hundred sixty-five (365) days to [DATE] (inclusive), or until further action of the City Council ending, modifying or extending this moratorium, whichever occurs first. Such further action shall be taken accordingly by ordinance of the City Council. No applications pertaining to sales and use tax, amendments to the official zoning map, site development, liquor license, sign permit, building permit, any development permit, or renewal or transfer of any of the aforementioned shall be accepted for review by the City for the moratorium period as defined

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herein and that any violation shall be prosecuted to the fullest extent of the law.

Introduced on first reading this 21st day of January 2026 and ordered published in pamphlet form.

Adopted on second reading this _____ day of February 2026 and ordered published in pamphlet form.

Cody Kennedy
President of the City Council

Selestina Sandoval
City Clerk

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