

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

S

4

SENATE BILL 688
Finance Committee Substitute Adopted 8/4/21
Commerce and Insurance Committee Substitute Adopted 8/10/21
Fourth Edition Engrossed 8/19/21

Short Title: Sports Wagering.

(Public)

Sponsors:

Referred to:

April 8, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE AND REGULATE SPORTS WAGERING IN NORTH
3 CAROLINA.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 18C of the General Statutes is rewritten to add a new Article:

6 "Article 9.

7 "Sports Wagering.

8 **"§ 18C-901. Definitions.**

9 As used in this Article, the following definitions apply:

10 (1) Adjusted gross revenue. – Gross wagering revenue received by an interactive
11 sports wagering operator from all sports wagers authorized under this Article
12 minus all of the following with respect to that gross wagering revenue
13 received under this Article:

- 14 a. All cash or cash equivalents paid out as winnings to registered players.
15 b. The costs paid by an interactive sports wagering operator for any
16 personal property distributed to a registered player as a result of a
17 sports wager.
18 c. The cash value of any bonuses or promotional credits provided to
19 registered players that are then returned to an interactive sports
20 wagering operator in the form of a deposit or wager.
21 d. Uncollectible receivables, not to exceed four percent (4%) of gross
22 revenue, except that the Commission may increase that percentage
23 upon a showing that a higher amount is reasonable.
24 e. Excise tax payments on sports wagers remitted to the federal
25 government.

26 (2) Amateur sports. – A sporting competition that is not a professional sport,
27 collegiate sport, or youth sport. This term includes domestic, international,
28 and Olympic sporting competitions.

29 (3) Cash equivalent. – An asset convertible to cash for use in connection with
30 authorized sports wagering that includes all of the following:

- 31 a. Foreign currency and coin.
32 b. Personal checks and drafts.
33 c. Digital, crypto, and virtual currencies.



* S 6 8 8 - V - 4 *

- 1 d. Online and mobile payment systems that support online money
2 transfers.
- 3 e. Credit cards and debit cards.
- 4 f. A prepaid access instrument.
- 5 g. Any other form approved by the Commission.
- 6 (4) College sports. – An athletic or sporting competition in which at least one
7 participant is a team or contestant competing on behalf or under the
8 sponsorship of a public or private institution of postsecondary education.
- 9 (5) Covered services. – Any service that involves the operation, management, or
10 control of sports wagers authorized by this Article, including the development
11 or operation of the sports wagering platform and the provision of odds and
12 line information, excluding the following:
- 13 a. Payment processing and similar financial services.
- 14 b. Customer identity, age verification, and geolocation services.
- 15 c. Streaming or other video and data that does not include odds or line
16 information.
- 17 d. Telecommunications, internet service provider, and other similar
18 services not specifically designed for sports wagering.
- 19 e. Other goods or services not specifically designed for use in connection
20 with sports wagering.
- 21 (6) Electronic sports. – Leagues, competitive circuits, tournaments, or similar
22 competitions where individuals or teams play video games, typically for
23 spectators, either in-person or online, for the purpose of prizes, money, or
24 entertainment.
- 25 (7) Gross wagering revenue. – The total of all cash or cash equivalents received
26 by an interactive sports wagering operator as sports wagers authorized under
27 this Article.
- 28 (8) Interactive sports wagering operator. – The holder of an interactive sports
29 wagering license issued by the Commission.
- 30 (9) Key person. – An officer or director of an interactive sports wagering operator
31 who is directly involved in the operation, management, or control of sports
32 wagering authorized under this Article, or who exercises substantial influence
33 or control over the interactive sports wagering operator's sports wagering
34 activities.
- 35 (10) Official league data. – Statistics, results, outcomes, and other data relating to
36 a sporting event obtained pursuant to an agreement with the relevant sports
37 governing body or an entity expressly authorized by the relevant sports
38 governing body to provide such data.
- 39 (11) Professional sports. – An athletic or sporting competition involving at least
40 two competitors who receive compensation for participating in such event.
- 41 (12) Registered player. – An individual who has established an account with an
42 interactive sports wagering operator.
- 43 (13) Service provider. – A business entity that provides covered services to an
44 interactive sports wagering operator and holds a service provider license.
- 45 (14) Sporting event. – Professional sports, college sports, and amateur sports, all
46 of which may include electronic sports, and any other event approved by the
47 Commission.
- 48 (15) Sports facility. – Any of the following:
- 49 a. A facility that hosts professional sports and has a minimum seating
50 capacity of 17,000 people.

b. A facility that hosts a professional golf tournament with more than 50,000 live spectators anticipated to attend based on similar prior tournaments.

(16) Sports governing body. – An organization headquartered in the United States and proscribes final rules with respect to a sporting event and enforces the code of conduct for participants therein.

(17) Sports wagering brand. – The names, logos, and brands that an interactive sports wagering operator advertises, promotes, or otherwise holds out to the public displaying its sports wagering platform.

(18) Sports wagering platform. – A website, mobile application, or other interactive platform accessible via the internet, mobile, wireless, or similar communication technology that a registered player may use to place sports wagers authorized under this Article.

(19) Sports wagering supplier. – A person that provides services, goods, software, or other components necessary for the creation of wagering markets and determining wager outcomes, directly or indirectly, to any license holder or applicant involved in the acceptance of wager, including any of the following: providers of data feeds and odds services, internet platform providers, risk management providers, integrity monitoring providers, and other providers of sports wagering supplier services as determined by the Commission. A sports governing body that provides raw statistical match data to one or more designated and licensed providers of data and odds services shall not be a sports wagering supplier.

(20) Sports wager or sports wagering. – Placing of wagers on any portion of a sporting event, or on the individual performance statistics of athletes in a sporting event or combination of sporting events, by any system or method of wagering, that may include in-person, over the internet through websites, or mobile devices. The term also includes single-game wagers, teaser wagers, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play wagers, proposition wagers, and straight wagers.

(21) Tier one sports wager. – A sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

(22) Tier two sports wager. – Any sports wager that is not a tier one sports wager.

(23) Tribal gaming enterprise. – A federally recognized Indian tribe that is authorized to conduct Class III games in accordance with the federal Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq., in this State or a business entity owned or controlled by such tribe. Any federally recognized tribe, or business entity owned or controlled by the tribe, that is deemed an interactive sports wagering operator under this Article shall include authorization for any technology and sports wagering brand partners of the tribe or the business entity owned or controlled by the tribe, subject to compliance with the terms of this Article by the technology and sports wagering brand partners.

(24) Youth sports. – An event in which the majority of participants are under the age of 18 or are competing on behalf or under the sponsorship of one or more public or private preschool, elementary, middle, or secondary schools. The term does not include professional sports or events that occur under the sponsorship or oversight of national or international athletic bodies that are not educational institutions and that include participants both over and under the age of 18.

"§ 18C-902. Authorization of sports wagering generally.

- 1 (a) Notwithstanding any provision of Article 37 of Chapter 14 of the General Statutes,
2 sports wagering as authorized by this Article shall not be considered unlawful.
- 3 (b) Nothing in this Article shall apply to any of the following:
- 4 (1) Pari-mutuel sports wagering on horse racing as authorized by G.S. 14-292.2.
- 5 (2) Fantasy or simulated games or contests in which one or more participants
6 compete against each other and winning outcomes reflect the relative
7 knowledge and skill of the participants and are determined predominantly by
8 accumulated statistical results of the performance of individuals or athletes.
- 9 (c) Nothing in this Article shall authorize any of the following:
- 10 (1) Sports wagering involving youth sports.
- 11 (2) Sports wagering on the occurrence of any of the following:
- 12 a. Injuries.
- 13 b. Penalties.
- 14 c. The outcome of disciplinary proceedings against a participant in a
15 sporting event.
- 16 d. The outcome of replay reviews.
- 17 (3) The Commission serving as an operator of a sports wagering platform.
- 18 (d) Upon request and with reasonable notice, the Commission or the Department of
19 Revenue has the authority to audit any interactive sports wagering operator or its service
20 providers as related to sports wagering activities authorized under this Article.
- 21 (e) Any sports governing body on whose sporting events sports wagering is authorized
22 by this Article may enter into commercial agreements with interactive sports wagering operators
23 or other entities in which the sports governing body may share in the amount bet from sports
24 wagering on sporting events of the sports governing body. A sports governing body is not
25 required to obtain a license or any other approval from the Commission to lawfully accept such
26 amounts.
- 27 **"§ 18C-903.** Reserved for future codification purposes.
- 28 **"§ 18C-904. Interactive sports wagering license.**
- 29 (a) It shall be unlawful for any person to offer or accept sports wagers in this State without
30 a valid interactive sports wagering license. Except as provided in G.S. 18C-928, the Commission
31 shall authorize at least 10, but not more than 12, interactive sports wagering operators to offer
32 and accept sports wagers to and from registered players on sporting events, which shall include
33 any of the following:
- 34 (1) Professional sports.
- 35 (2) College sports.
- 36 (3) Electronic sports.
- 37 (4) Amateur sports.
- 38 (5) Any other event approved by the Commission.
- 39 (b) The Commission shall review and issue sports wagering licenses to qualified
40 applicants. The applicant shall complete and submit an application on a form prescribed by the
41 Commission and a licensing fee of five hundred thousand dollars (\$500,000). If the application
42 is denied, the licensing fee shall be refunded, minus any expenses the Commission incurs in
43 reviewing the application.
- 44 (c) The application shall set forth all of the following:
- 45 (1) The proposed initial business plan, including the range of contemplated types
46 and modes of sports wagering.
- 47 (2) The proposed measures to address age and identity verification and
48 geolocation requirements.
- 49 (3) The proposed internal controls that will prevent ineligible persons from
50 participating in sports wagering.

- 1 (4) A documented history of working to prevent compulsive gambling, including
2 training programs for its employees.
- 3 (5) A written information security program detailing information security
4 governance and the designation of a chief security officer or equivalent.
- 5 (6) The proposed sports wagering brand that the applicant plans to hold out to the
6 public displaying its sports wagering platform.
- 7 (7) Any personal information the Commission may deem necessary concerning
8 the applicant's key persons.
- 9 (8) Any other information the Commission may deem necessary.
- 10 (d) The Commission shall conduct a background investigation on the applicant and key
11 persons as deemed necessary by the Commission. The background investigation shall include a
12 credit history check, a tax record check, and a criminal history record check. The Commission
13 may, in its discretion, accept the results of such prior check and an affidavit that there has been
14 no change in criminal history since the prior check from an applicant or key person who has
15 submitted to a criminal history record check in this or any other state within the previous 12
16 months. The Commission may not award a license to any applicant who has been convicted, or
17 a key person of the applicant has been convicted, of a felony or any gambling offense in any state
18 or federal court of the United States within 10 years of application or renewal.
- 19 (e) An applicant and key person for licensure shall consent to a criminal history record
20 check. Refusal to consent to a criminal history record check may constitute grounds for the
21 Commission to deny licensure.
- 22 (f) The Commission shall grant or deny all applications under this section. The grounds
23 for denial of an interactive sports wagering license shall be the same as in G.S. 18C-906(g). If
24 there are more qualified applicants than the number of interactive sports wagering operators
25 authorized under subsection (a) of this section, the Commission shall select the best qualified
26 applicants taking into consideration the following factors:
- 27 (1) The contents of the application submitted in accordance with this section.
- 28 (2) The extent to which the applicant demonstrates past experience, financial
29 viability, compliance with applicable laws and regulations in other
30 jurisdictions, and success with sports wagering operations in other
31 jurisdictions.
- 32 (3) The extent to which the applicant is able to meet the duties of an interactive
33 sports wagering operator.
- 34 (4) The amount of adjusted gross revenue and associated tax revenue that an
35 applicant is projected to generate.
- 36 (5) Any other factors the Commission deems relevant.
- 37 (g) A person holding a license to engage in sports wagering, on the basis of comparable
38 licensing requirements issued to that person by a proper authority by another state or territory of
39 the United States or the District of Columbia if that jurisdiction's requirements for licensure,
40 certification, or registration are substantially equivalent to or exceed the requirements of this
41 State, and who, in the opinion of the Commission otherwise meets the requirements of this Article
42 based upon verified evidence may, upon application, be licensed as an interactive sports wagering
43 operator without further examination. The Commission may also accept another jurisdiction's or
44 approved third party's testing of the interactive sports wagering platform as evidence that the
45 sports wagering platform meets any requirements mandated by the Commission.
- 46 (h) The Commission shall review and issue interactive sports wagering licenses to
47 qualified applicants within 60 days of receipt of a completed application. Any denial shall be in
48 writing and state the grounds therefor.
- 49 (i) Notwithstanding Chapter 132 of the General Statutes or any other provision of law,
50 only the following documents under this section shall be a public record, with respect to each
51 applicant and each interactive sports wagering operator:

- 1 (1) The name, address, and sports wagering platform.
- 2 (2) The name of all key persons.
- 3 (3) The documented history of working to prevent compulsive gambling,
4 including training programs for its employees.
- 5 (4) The proposed sports wagering brand that the applicant plans to hold out to the
6 public displaying its sports wagering platform.
- 7 (5) Whether the Commission granted or denied the application.

8 (j) Each interactive sports wagering operator shall promptly report all criminal or
9 disciplinary proceedings commenced against that interactive sports wagering operator in
10 connection with its operations to the Commission.

11 "**§ 18C-905.** Reserved for future codification purposes.

12 "**§ 18C-906. Applications for service provider licenses.**

13 (a) It shall be unlawful for any person to provide covered services to any interactive
14 sports wagering operator in this State without a valid service provider license. An interactive
15 sports wagering operator who provides covered services in-house shall not be required to have a
16 service provider license in addition to the interactive sports wagering operator license.

17 (b) The Commission shall review and issue service provider licenses to qualified
18 applicants within 60 days of receipt of a completed application. Any denial shall be in writing
19 and state the grounds therefor. The applicant shall complete and submit an application on a form
20 prescribed by the Commission and a licensing fee of twenty-five thousand dollars (\$25,000).

21 (c) The application shall set forth all of the following:

- 22 (1) The background in sports wagering or the covered service.
- 23 (2) All experience with sports wagering or other wagering activities in other
24 jurisdictions, including the applicant's history, reputation of integrity and
25 compliance, and a list of all active and inactive licenses, certifications, or
26 registrations and reasons for inactivity, if applicable.
- 27 (3) A written information security program, detailing information security
28 governance and the designation of a chief security officer or equivalent.
- 29 (4) Any personal information the Commission may deem necessary concerning
30 the applicant's key persons.
- 31 (5) Any other information the Commission may deem necessary.

32 (d) The Commission shall conduct a background investigation on the applicant and key
33 persons as deemed necessary by the Commission. The background investigation shall include a
34 credit history check, a tax record check, and a criminal history record check. The Commission
35 may, in its discretion, accept the results of such prior check and an affidavit that there has been
36 no change in criminal history since the prior check from an applicant or key person who has
37 submitted to a criminal history record check in this or any other state within the previous 12
38 months. The Commission may not award a license to any applicant who has been convicted, or
39 a key person of the applicant has been convicted, of a felony or any gambling offense in any state
40 or federal court of the United States within 10 years of application or renewal.

41 (e) An applicant and key person for licensure shall consent to a criminal history record
42 check. Refusal to consent to a criminal history record check may constitute grounds for the
43 Commission to deny licensure.

44 (f) A person holding a service provider license or its equivalent, on the basis of
45 comparable licensing requirements issued to that person by a proper authority by another state or
46 territory of the United States or the District of Columbia if that jurisdiction's requirements for
47 licensure, certification, or registration are substantially equivalent to or exceed the requirements
48 of this State, and who, in the opinion of the Commission otherwise meets the requirements of
49 this Article based upon verified evidence may, upon application, be licensed as a service provider
50 without further examination.

51 (g) Grounds for denial of a license may include the following:

- 1 (1) The applicant is unable to satisfy the requirements under this Article.
2 (2) The applicant or any key persons are not of good character, honesty or
3 integrity.
4 (3) The applicant's or any key person's prior activities, criminal record, reputation,
5 or associations indicate any of the following:
6 a. A potential threat to the public interest.
7 b. Impede the regulation of sports wagering.
8 c. Promote unfair or illegal activities in the conduct of sports wagering.
9 (4) The applicant or a key person knowingly makes a false statement of material
10 fact or deliberately fails to disclose information requested by the Commission.
11 (5) The applicant or a key person knowingly fails to comply with the provisions
12 of this Article or any requirements of the Commission.
13 (6) The applicant or a key person was convicted of a felony, a crime of moral
14 turpitude, or any criminal offense involving dishonesty or breach of trust
15 within the 10 years prior to the submission date of the application.
16 (7) Any revocation, suspension, or denial of the applicant's or key person's
17 license, certification, or registration to conduct sports wagering, other forms
18 of gambling activity, or a covered service issued by any other jurisdiction.
19 (8) The applicant has defaulted on any obligation or debt owed to this State.
20 (h) Notwithstanding any other provision of law, only the following documents under this
21 section shall be a public record, with respect to each applicant and each interactive sports
22 wagering operator:
23 (1) The name, address, and sports wagering platform.
24 (2) The name of all key persons.
25 (3) Whether the Commission granted or denied the application.
26 (i) Each service provider shall promptly report all criminal or disciplinary proceedings
27 commenced against that service provider in connection with its operations to the Commission.
28 **"§ 18C-907. Sports wagering supplier license.**
29 (a) The Commission may issue a sports wagering supplier license to a sports wagering
30 supplier. A person that is not licensed under this Article shall not sell, lease, distribute, offer, or
31 otherwise provide services, goods, software, or other components necessary for the creation of
32 betting markets and determining bet outcomes, directly or indirectly, to any license holder or
33 applicant involved in the acceptance of bets, except that an interactive sports wagering operator
34 shall not be required to obtain a separate sports wagering supplier license in order to act as a
35 sports wagering supplier. A sports wagering supplier must be licensed under this section if
36 providing sports wagering supplier services under a fixed-fee or revenue-sharing agreement.
37 (b) On application by an interested person, the Commission may issue a provisional
38 sports wagering supplier license to an applicant for a sports wagering supplier license. A
39 provisional license issued under this subsection allows the applicant for the sports wagering
40 supplier license to conduct business regarding the operation of sports wagering with a license
41 holder or applicant before the sports wagering supplier license is issued. A provisional license
42 issued under this subsection expires on the date provided by the Commission.
43 (c) A person may apply to the Commission for a sports wagering supplier license as
44 provided in this Article.
45 (d) The applicant shall complete and submit an application on a form prescribed by the
46 Commission and a licensing fee of fifteen thousand dollars (\$15,000). In the application, the
47 Commission shall require applicants to disclose the identity of all of the following:
48 (1) The applicant's principal owners who directly own five percent (5%) or more
49 of the applicant.
50 (2) Each holding, intermediary, or parent company that directly owns fifteen
51 percent (15%) or more of the applicant.

1 (3) The applicant's board appointed CEO and CFO.

2 (e) Investment funds or entities registered with the Securities and Exchange Commission,
3 whether as Investment Advisors or otherwise, as well as the entities under the management of
4 such entities registered with the Securities and Exchange Commission, that are direct or indirect
5 shareholders of the applicant, shall be waived from any information disclosure requests in
6 connection to the license application as determined by the Commission.

7 (f) Nothing in this Article shall require a person holding a sports wagering supplier
8 license or a temporary sports wagering supplier license be subject to, or required to obtain, any
9 additional license to offer the sports wagering services under this section.

10 **"§ 18C-908. Renewals of licenses.**

11 (a) Any license issued pursuant to this Article shall be valid for five years.

12 (b) At least 60 days prior to the expiration of a license, the license holder shall submit a
13 renewal application, on a form prescribed by the Commission, including a renewal fee of one
14 hundred thousand dollars (\$100,000) for an interactive sports wagering license, ten thousand
15 dollars (\$10,000) for a service provider license, and five thousand dollars (\$5,000) for a sports
16 wagering supplier license.

17 (c) The Commission may deny a license renewal for any of the following reasons:

18 (1) The same grounds that would constitute denial of an initial application under
19 G.S. 18C-906(g).

20 (2) A violation of this Article.

21 (3) With respect to interactive sports wagering operators, the Commission finds
22 good cause to believe approval of another applicant would better meet the
23 objectives of this Article in generating revenue for the State, protecting the
24 public interest, and otherwise satisfying the criteria for issuance, and no
25 additional licenses are to be available under G.S. 18C-904(a).

26 **"§ 18C-909.** Reserved for future codification purposes.

27 **"§ 18C-910. Duties of interactive sports wagering operators.**

28 (a) The interactive sports wagering operator and its service providers shall make
29 commercially reasonable efforts to do all of the following:

30 (1) Prevent persons who are not registered players from placing sports wagers
31 through its sports wagering platform.

32 (2) Prevent persons who are not physically located in the State from placing a
33 wager through its sports wagering platform.

34 (3) Protect the confidential information of registered players using its sports
35 wagering platform.

36 (4) Prevent sports wagering on prohibited events set forth in this Article or as
37 otherwise determined by the Commission.

38 (5) Prevent persons from placing sports wagers as agents or proxies for others.

39 (6) Allow persons to voluntarily exclude themselves under G.S. 18C-922 from
40 placing sports wagers through its sports wagering platform as set forth in this
41 Article.

42 (7) Establish procedures to detect suspicious or illegal sports wagering activity.

43 (8) Provide for the reporting of income tax of registered players where required
44 by applicable State or federal law.

45 (9) Prevent a participant in a sporting event, including an athlete, coach, trainer,
46 official, or any employee or staff of a participant from placing a sports wager
47 on that sporting event in which the participant is participating.

48 (b) For three years after a sporting event occurs, interactive sports wagering operators
49 shall maintain records on:

50 (1) All sports wagers, including the identity of the registered player.

- 1 (2) The amount, type, time, location, and outcome of the wager, including the IP
2 address, if available.
- 3 (3) Suspicious or illegal sports wagering activity.
- 4 (c) The interactive sports wagering operator shall disclose the records described in
5 G.S. 18C-910(b) to the Commission upon request.
- 6 (d) If a sports governing body has notified the Commission that real-time information
7 sharing for sports wagers placed on its sporting events is necessary, interactive sports wagering
8 operators shall share with that sports governing body or its designee in real time, at the account
9 level, anonymized information regarding a wagerer, amount and type of wager, the time the
10 wager was placed, the location of the wager, and the IP address if applicable, outcome of the
11 wager, and records of abnormal sports wagering activity. For purposes of this subsection, real
12 time means on a commercially reasonable periodic interval, but in any event, not less than once
13 every 72 hours. A sports governing body receiving any information pursuant to this subsection
14 shall use the information for the purpose of integrity monitoring only and not for any commercial
15 purpose.
- 16 (e) In advertising its sports wagering platform, the interactive sports wagering operator
17 shall ensure that its advertisements meet all of the following:
- 18 (1) It does not target persons under the age of 21.
- 19 (2) It discloses the identity of the interactive sports wagering operator.
- 20 (3) It provides information about or links to resources related to gambling
21 addiction and prevention.
- 22 (4) It is not misleading to a reasonable person.
- 23 (f) Interactive sports wagering operators shall conduct background checks on newly
24 hired employees. The interactive sports wagering operator shall also conduct a single background
25 check on employees as of the date of licensure. Background checks shall search for criminal
26 history and any charges or convictions involving corruption or manipulation of sporting events
27 and association with organized crime.
- 28 (g) Interactive sports wagering operators shall employ commercially reasonable methods
29 to maintain the security of wagering data, registered player and other customer data, and any
30 other confidential information, including information provided by a sports governing body, from
31 unauthorized access and dissemination. Nothing in this subsection shall preclude the use of
32 internet or cloud-based hosting of such data and information or disclosure as required by State
33 or federal law or a court order.
- 34 "**§ 18C-911.** Reserved for future codification purposes.
- 35 "**§ 18C-912. Establishment of interactive accounts.**
- 36 (a) Only a registered player shall be permitted to deposit cash or cash equivalents, or to
37 place a sports wager, with an interactive sports wagering operator. The interactive sports
38 wagering operator is responsible for verifying the identity of the registered player and ensuring
39 that the registered player is at least 21 years of age.
- 40 (b) A registered player may not have more than one interactive account with each
41 interactive sports wagering operator.
- 42 (c) All of the following persons are prohibited from engaging in sports wagering:
- 43 (1) Any person under the age of 21.
- 44 (2) Any person who has requested and not revoked a voluntary exclusion
45 designation from sports wagering pursuant to G.S. 18C-922.
- 46 (3) Any person who has been adjudicated by law as prohibited from engaging in
47 sports wagering.
- 48 (4) Any member, officer, or employee of the Commission if placing a sports
49 wager in this State.

- 1 (5) Any employee or key person of an interactive sports wagering operator or
2 service provider license when placing sports wagers with that interactive
3 sports wagering operator.
- 4 (6) With respect to a sporting event, any participant in that sporting event,
5 including an athlete, coach, trainer, official, or any employee or staff of a
6 participant, when placing a sports wager on that sporting event in which that
7 participant is participating.
- 8 (7) Any employees or staff of a sports governing body or authorizing league or
9 similar sponsoring organization, but only from the sporting events with which
10 that individual or sports governing body, authorizing league or similar
11 sponsoring organization is affiliated.
- 12 (d) An interactive account shall meet all of the following requirements:
- 13 (1) Be registered in the name of the registered player, who is a natural person.
14 (2) Be established through the interactive sports wagering operator's sports
15 wagering platform.
16 (3) Be funded with cash or cash equivalents online or placed at a sports facility as
17 provided in G.S. 18C-926.
18 (4) Prohibit the transfer or sale of an account or account balance.
19 (5) Prohibit the use of any virtual private network or other technology that may
20 obscure or falsify the registered player's physical location.
21 (6) Prohibit any form of collusion, cheating, or other unlawful activity.
22 (7) Affirm that the registered player meets all eligibility requirements for
23 registration.
24 (8) Authorize the provision of notices and other required communications either
25 through a designated mobile or other interface or to an electronic mail address
26 designated by the registered player.
- 27 (e) The interactive sports wagering operator shall put in place sufficient measures to
28 verify the age and identity of the registered player needed to allow the establishment of
29 interactive accounts remotely.
- 30 (f) An interactive account held by a registered player in this State may be suspended or
31 terminated by the interactive sports wagering operator under any of the following conditions:
- 32 (1) The registered player has provided any false or misleading information in
33 connection with the opening of the account, or has engaged in collusion,
34 cheating, or other unlawful conduct.
35 (2) The registered player is barred from placing sports wagers in the State.
36 (3) The registered player is or otherwise becomes ineligible pursuant to this
37 Article.
38 (4) For any other reason at the sole discretion of the interactive sports wagering
39 operator, provided it is not in violation of federal or State law.
- 40 (g) In the event of termination of the interactive account in accordance with this section,
41 the registered player shall be provided a timely ability to access and withdraw any funds
42 remaining in the interactive account.
- 43 "§ 18C-913. Reserved for future codification purposes.
- 44 "§ 18C-914. Integrity of competition and prohibited events.
- 45 (a) A sports governing body may submit to the Commission in writing a request to
46 restrict, limit, or exclude a certain type, form, or category of sports wagering with respect to
47 sporting events of such body, if the sports governing body believes that such type, form, or
48 category of sports wagering with respect to sporting events of such body may undermine the
49 integrity or perceived integrity of such body or sporting events of such body. The Commission
50 shall request comment from sports wagering operators on all such requests. After giving due
51 consideration to all comments received, the Commission shall, upon a demonstration of good

1 cause from the requestor that such type, form, or category of sports wagering is likely to
2 undermine the integrity or perceived integrity of such body or sporting events of such body, grant
3 the request. The Commission shall respond to a request concerning a particular event before the
4 start of the event, or if it is not feasible to respond before the start of the event, no later than seven
5 days after the request is made. If the Commission determines that the requestor is more likely
6 than not to prevail in successfully demonstrating good cause for its request, the Commission may
7 provisionally grant the request of the sports governing body until the Commission makes a final
8 determination as to whether the requestor has demonstrated good cause. Absent such a
9 provisional grant by the Commission, sports wagering operators may continue to offer sports
10 wagering on sporting events that are the subject of such a request during the pendency of the
11 Commission's consideration of the applicable request.

12 (b) The Commission and interactive sports wagering operators shall cooperate with
13 investigations conducted by sports governing bodies or law enforcement agencies, including
14 using commercially reasonable efforts to provide or facilitate the provision of sports wagering
15 information. All disclosures under this section are subject to an interactive sports wagering
16 operator's obligations to comply with all federal, State, and local laws and regulations, including
17 those relating to privacy and personally identifiable information.

18 (c) Interactive sports wagering operators are not required to use official league data for
19 determining any of the following:

- 20 (1) The results of tier one sports wagers on sporting events of any organization
21 whether headquartered in the United States or elsewhere.
22 (2) The results of tier two sports wagers on sporting events of organizations that
23 are not headquartered in the United States.

24 (d) A sports governing body may notify the Commission that it desires interactive sports
25 wagering operators to use official league data to settle tier two sports wagers on sporting events
26 of such sports governing body. Such notification shall be made in the form and manner as the
27 Commission may require. The Commission shall notify each interactive sports wagering operator
28 of a sports governing body's notification within five days of the Commission's receipt of such
29 notification. If a sports governing body does not so notify the Commission, an interactive sports
30 wagering operator is not required to use official league data for determining the results of tier
31 two sports wagers on sporting events of such sports governing body.

32 (e) Within 60 days of the Commission notifying each interactive sports wagering
33 operator of such a sports governing body notification to the Commission, or such longer period
34 as may be agreed between the sports governing body and the applicable interactive sports
35 wagering operator, interactive sports wagering operators shall use only official league data to
36 determine the results of tier two sports wagers on sporting events of that sports governing body,
37 unless any of the following apply:

- 38 (1) The sports governing body or its designee cannot provide a feed of official
39 league data to determine the results of a particular type of tier two sports
40 wager, in which case interactive sports wagering operators are not required to
41 use official league data for determining the results of the applicable tier two
42 sports wager until such time as such a data feed becomes available from the
43 sports governing body on commercially reasonable terms and conditions.
44 (2) An interactive sports wagering operator can demonstrate to the Commission
45 that the sports governing body or its designee will not provide a feed of official
46 league data to the interactive sports wagering operator on commercially
47 reasonable terms and conditions.
48 (3) The sports governing body or its designee does not obtain a license from the
49 Commission to provide official league data to interactive sports wagering
50 operators to determine the results of tier two sports wagers, if and to the extent
51 required by law.

1 (f) During the pendency of the Commission's determination as to whether a sports
2 governing body or its designee will provide a feed of official league data on commercially
3 reasonable terms, an interactive sports wagering operator is not required to use official league
4 data for determining the results of tier two sports wagers. The Commission's determination shall
5 be made within 60 days of the interactive sports wagering operator notifying the Commission
6 that it desires to demonstrate that the sports governing body or its designees will not provide a
7 feed of official league data to the sports wagering operator on commercially reasonable terms.
8 The following is a non-exclusive list of factors the Commission may consider in evaluating
9 whether official league data is being offered on commercially reasonable terms and conditions
10 for purposes of this subsection and subsections (d) and (e) of this section:

- 11 (1) The extent to which interactive sports wagering operators have purchased the
12 same or similar official league data on the same or similar terms, particularly
13 in jurisdictions where such purchase was not required by law, or was required
14 by law, but only if offered on commercially reasonable terms.
- 15 (2) The nature and quantity of the official league data, including its speed,
16 accuracy, reliability, and overall quality, as compared to comparable
17 non-official data.
- 18 (3) The quality and complexity of the process used to collect and distribute the
19 official league data as compared to comparable non-official data.
- 20 (4) The availability of a sports governing body's tier two official league data to an
21 interactive sports wagering operator from more than one authorized source.
- 22 (5) Market information, including price and other terms and conditions, regarding
23 the purchase by interactive sports wagering operators of comparable data for
24 the purpose of settling sports wagers in this State and other jurisdictions.
- 25 (6) The extent to which sports governing bodies or their designees have made data
26 used to settle tier two sports wagers available to interactive sports wagering
27 operators and any terms and conditions relating to the use of that data.
- 28 (7) Any other information the Commission deems relevant.

29 (g) Interactive sports wagering operators shall, as soon as practicable, report to the
30 Commission any information relating to abnormal betting activity or patterns that may indicate
31 a concern with the integrity of a sporting event or events, or any other conduct that corrupts a
32 sports wagering outcome of a sporting event or events for purposes of financial gain, including
33 match fixing. The interactive sports wagering operator making such a report shall also
34 simultaneously report such information to the relevant sports governing body.

35 **"§ 18C-915.** Reserved for future codification purposes.

36 **"§ 18C-916. Civil penalties; suspension and revocation of licenses.**

37 If the Commission determines that the holder of a license under this Article has violated any
38 provision of this Article, the Commission, with at least 15 days' notice and a hearing, may do
39 either or both of the following:

- 40 (1) Suspend or revoke the license.
- 41 (2) Impose a monetary penalty of not more than ten thousand dollars (\$10,000)
42 for each violation.

43 **"§ 18C-917.** Reserved for future codification purposes.

44 **"§ 18C-918. Criminal penalties.**

45 (a) Any person who knowingly offers or engages in sports wagering in violation of this
46 Article shall be guilty of a Class 2 misdemeanor.

47 (b) Any person under the age of 21 who engages in sports wagering as defined under this
48 Article shall be guilty of a Class 2 misdemeanor.

49 (c) Any person who knowingly attempts to suborn, collude, or otherwise conspire to
50 influence the outcome of any competition or aspect of any competition that is the subject of sports
51 wagering pursuant to this Article shall be guilty of a Class G felony.

1 (d) Any applicant for an interactive sports wagering license or a service provider license
2 who willfully furnishes, supplies, or otherwise gives false information on the interactive sports
3 wagering license application shall be guilty of a Class I felony.

4 (e) Nothing in this Article shall be construed to allow the interactive sports wagering
5 operator or its service providers to be charged with violation of this Article absent actual notice
6 and knowledge that a registered player is under age or giving false information.

7 **"§ 18C-919.** Reserved for future codification purposes.

8 **"§ 18C-920. Tax.**

9 (a) There shall be imposed a tax of eight percent (8%) on the adjusted gross revenue of
10 each interactive sports wagering operator. The tax imposed pursuant to this section is due
11 monthly to the Commission and shall be remitted on or before the twentieth day of the next
12 succeeding calendar month. If the interactive sports wagering operator's accounting practices
13 necessitate corrections to a previously remitted tax, the interactive sports wagering operator shall
14 document such corrections when the interactive sports wagering operator pays the following
15 month's taxes.

16 (b) If the interactive sports wagering operator's adjusted gross revenue for a month is a
17 negative number, the interactive sports wagering operator may carry over the negative amount
18 to a remission required under subsection (a) of this section within 12 months and deduct such
19 amount from its tax liability for that month.

20 (c) After reimbursement of expenses in implementing its responsibilities under this
21 Article and payments as provided in subsection (d) of this section, the Commission shall remit
22 all tax payments collected pursuant to this section and all license fees collected pursuant to this
23 Article to the Department of Revenue. The Commission shall document all expenses for which
24 deduction from the payments owed is asserted, which documentation shall be subject to audit by
25 the State.

26 (d) The Commission shall remit fifty percent (50%) of the tax collected in subsection (a)
27 of this section to the North Carolina Major Events, Games, and Attractions Fund established
28 under G.S. 143B-437.112.

29 (e) Interactive sports wagering operators shall not be subjected to an excise tax, license
30 tax, permit tax, privilege tax, amusement tax, or occupation tax that is imposed upon the
31 interactive sports wagering operator by the State or any political subdivision thereof, except as
32 provided in this Article.

33 (f) The Commission shall provide all of the following to the Department of Revenue:

34 (1) A monthly report that includes a complete statement of sports wagering
35 revenues and expenses for the previous month.

36 (2) A complete statement of sports wagering revenues and expenses, along with
37 any recommendations for changes to this Article for the fiscal year, within 30
38 days of the end of that fiscal year. A copy shall also be provided to the State
39 Controller.

40 **"§ 18C-921. Expenses of Lottery.**

41 Expenses of the Commission shall include all items listed in G.S. 18C-163. The Commission
42 shall also transfer from the amounts collected under this Article one million dollars (\$1,000,000)
43 annually to the Department of Health and Human Services for gambling addiction education and
44 treatment programs in addition to the amount transferred under G.S. 18C-163(a)(3).

45 **"§ 18C-922. Voluntary exclusion program.**

46 (a) Any individual shall be able to voluntarily exclude themselves from placing sports
47 wagers through a voluntary exclusion program established by the Commission. Interactive sports
48 wagering operators shall use reasonable means to comply with exclusion of individuals
49 participating in the program by the Commission.

50 (b) The Commission shall adopt rules to establish the voluntary exclusion program,
51 which shall comply with all of the following:

- 1 (1) Verification of the individual's request to be placed in the program, and for
2 how long, up to and including that individual's lifetime.
- 3 (2) How information regarding which individuals are in the program is to be
4 disseminated to the interactive sports wagering operators.
- 5 (3) How an individual in the program may petition the Commission for removal
6 from the program.
- 7 (4) The means by which the interactive sports wagering operators and their agents
8 shall make all reasonable efforts to cease direct marketing efforts to
9 individuals participating in the program.
- 10 (5) The means by which the Commission shall make available to all interactive
11 sports wagering operators and their agents the names of the individuals
12 participating the program, which shall be at least quarterly.

13 (c) Participation in the voluntary exclusion program shall not preclude an interactive
14 sports wagering operator and its agents from seeking the payment of a debt accrued by the
15 individual prior to participating in the program.

16 "**§ 18C-923.** Reserved for future codification purposes.

17 "**§ 18C-924. Risk management.**

18 The Commission shall adopt rules permitting, but not requiring, interactive sports wagering
19 operators and their service providers to employ systems that offset loss or manage or lay off risk
20 in the operation of sports wagering pursuant to this Article, including through liquidity pools,
21 exchanges, or similar mechanisms in another approved jurisdiction in which the interactive sports
22 wagering operator, service provider, or an affiliate of either or other third party also holds a
23 license or the equivalent, provided that at all times adequate protections are maintained to ensure
24 sufficient funds are available to pay all registered players.

25 "**§ 18C-925.** Reserved for future codification purposes.

26 "**§ 18C-926. Places of public accommodation.**

27 (a) The owner or operator of a sports facility may establish places of public
28 accommodation for the purpose of accessing a sports wagering platform through mobile devices,
29 computer terminals, or similar access devices, either directly or with assistance from a person.
30 Each owner or operator of a sports facility shall be limited to one place of public accommodation
31 described under subdivision (2) of subsection (b) of this section.

32 (b) Places of public accommodation allowed under this section shall be located as
33 follows:

- 34 (1) On the property containing the sports facility.
- 35 (2) On other property owned or controlled by the owner or operator of the sports
36 facility or an affiliated entity of the owner or operator of the sports facility that
37 is located within a one-half mile radius of the sports facility.

38 (c) Nothing in this section shall be construed to exempt a place of public accommodation
39 from the provisions of any other law that may be enforceable. A place of public accommodation
40 may be either a permanent establishment or a temporary establishment associated with a specific
41 sporting event of a series of sporting events.

42 (d) All sports wagers shall be placed via an interactive account as described in
43 G.S. 18C-912. Mobile devices, computer terminals, similar devices, and cashiers used to operate
44 the place of public accommodation shall have the ability to accept and distribute cash and cash
45 equivalents.

46 (e) A public accommodation under this section may be advertised by the owner or
47 operator of the sports facility.

48 "**§ 18C-927.** Reserved for future codification purposes.

49 "**§ 18C-928. Indian gaming; compliance with federal law.**

50 (a) All sports wagering authorized under this Article shall be initiated, received, and
51 otherwise made within this State unless otherwise determined by the Commission in accordance

1 with applicable federal and State laws. Consistent with the intent of the United States Congress
2 as articulated in the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. § 5361 et
3 seq.), the intermediate routing of electronic data relating to intrastate sports wagering authorized
4 under this Article shall not determine the location or locations in which such sports wagers are
5 initiated, received, or otherwise made.

6 (b) All activities authorized by this Article shall be deemed to be conducted solely under
7 the authority of this Article and not under the federal Indian Gaming Regulatory Act, 25 U.S.C.
8 § 2701 et seq.

9 (c) A tribal gaming enterprise shall be deemed a licensed interactive sports wagering
10 operator upon the occurrence of all of the following:

11 (1) Submission of a completed application to the Commission.

12 (2) Payment to the Commission of any application and renewal fees as provided
13 in this Article.

14 (3) Agreement by the tribal gaming enterprise, in a form as prescribed by the
15 Commission:

16 a. To adhere to the requirements of this Article and to the regulations
17 adopted by the Commission with respect to interactive sports
18 wagering.

19 b. To submit to the Commission's enforcement of this Article and any
20 implementing of the rules, including waiver of any applicable tribal
21 sovereign immunity for the sole and limited purpose of such
22 enforcement.

23 c. To collect and pay all taxes imposed by this Article.

24 d. To not offer or conduct any interactive gambling other than the
25 interactive sports wagering authorized by this Article unless
26 specifically otherwise authorized by law.

27 e. To locate any server or other information technology equipment used
28 by the tribal gaming enterprise and its agents to accept interactive
29 sports wagering authorized by this Article on land that is not Indian
30 lands and which, upon request, shall be accessible by the Commission,
31 Department of Revenue, and State law enforcement.

32 (d) Any federally recognized tribe, or business entity owned or controlled by the tribe,
33 that is deemed an interactive sports wagering operator under this Article shall include
34 authorization for any technology and sports wagering brand partners of the tribe or the business
35 entity owned or controlled by the tribe, subject to compliance with the terms of this Article by
36 the technology and sports wagering brand partners. A tribal gaming enterprise deemed an
37 interactive sports wagering operator under this section shall not count towards the total number
38 of authorized interactive sports wagering operators in this State in accordance with
39 G.S. 18C-904."

40 **SECTION 2.** Article 10B of Chapter 143B of the General Statutes is amended by
41 adding a Part to read:

42 "Part 2L. North Carolina Major Events, Games, and Attractions Fund.

43 **§ 143B-437.110. Legislative findings and purpose.**

44 The General Assembly finds that:

45 (1) It is the policy of the State of North Carolina to stimulate economic activity
46 and to create new jobs for the citizens of the State by encouraging and
47 promoting the attraction of major events to the State that spur economic
48 activity by attracting out-of-state visitors to the State and thereby promoting
49 the travel and tourism industries within the State.

50 (2) The purpose of this Part is to stimulate economic activity and to create new
51 jobs within the State.

1 (3) The enactment of this Part will maintain consistency and accountability in a
2 key economic development program and will ensure that the program benefits
3 the State and its citizens.

4 (4) Nothing in this Part shall be construed to constitute a guarantee or assumption
5 by the State of any debt of any business or to authorize the taxing power or the
6 full faith and credit of the State to be pledged.

7 **"§ 143B-437.111. Definitions.**

8 The following definitions apply in this Part:

9 (1) Fund. – The North Carolina Major Events, Games, and Attractions Fund
10 established under G.S. 143B-437.112.

11 (2) Local entity. – A city, county, or local organizing committee.

12 (3) Local organizing committee. – A nonprofit corporation or its successor in
13 interest that satisfies one of the following conditions:

14 a. It has been authorized by a city, county, or more than one city or
15 county acting collectively to pursue an application and bid on the
16 applicant's behalf to a site selection organization for selection as the
17 site of a major event.

18 b. With the authorization of a city, county, or more than one city or
19 county acting collectively, it has executed an agreement with a site
20 selection organization regarding a bid to host a major event.

21 (4) Major event. – An entertainment, musical, political, sporting, or theatrical
22 event that satisfies the following conditions:

23 a. The event is held at a sports facility or is an event sponsored by the
24 Ladies Professional Golf Association, the Professional Golfers'
25 Association of America, the PGA Tour, or the United States Golf
26 Association.

27 b. The event is not held more often than annually.

28 c. The location of the event is determined by a site selection organization
29 through a competitive process.

30 d. The site selection organization considered multiple sites located
31 outside of the State for the event.

32 e. The site selection organization selected a site within this State as the
33 sole location for the event.

34 (5) Site selection organization. – The organization responsible for determining the
35 site of a major event.

36 (6) Sports facility. – As defined in G.S. 18C-901.

37 **"§ 143B-437.112. North Carolina Major Events, Games, and Attractions Fund.**

38 (a) There is established the North Carolina Major Events, Games, and Attractions Fund
39 to be administered by the Department. In order to foster job creation and investment in the
40 economy of this State, the Department may enter into multiparty agreements with site selection
41 organizations and local entities to provide grants in accordance with the provisions of this Part.
42 Before entering into an agreement, the Department must find that all of the following conditions
43 are met:

44 (1) The economic activity directly or indirectly attributable to the major event is
45 sufficient to justify the use of State funds to attract or retain the event in this
46 State.

47 (2) It is anticipated that the major event will provide positive media exposure for
48 the State, thereby supplementing the State's efforts to promote travel and
49 tourism within the State.

50 (3) The site selection organization must have considered multiple sites located
51 outside of the State for the event.

- 1 (4) The site selection organization has selected a site within this State as the sole
2 location for the event.
- 3 (5) The event is not held more often than annually.
- 4 (6) The project will benefit the people of this State by increasing opportunities
5 for employment and by strengthening this State's economy.
- 6 (7) The project is consistent with economic development goals for the State and
7 for the area where it will be located.
- 8 (8) A grant under this Part is necessary to attract or retain the major event within
9 this State.
- 10 (9) The total benefits of the major event to the State outweigh its costs and render
11 the grant appropriate for the major event.

12 (b) In addition to the amounts remitted to the Fund pursuant to G.S. 18C-920(d), the
13 General Assembly shall determine any additional amount appropriated to the Fund. Agreements
14 entered under this section are subject to appropriations.

15 **"§ 143B-437.113. Applications; reports; study.**

16 (a) Application. – A local entity shall apply to the Department for a grant on a form
17 prescribed by the Department that includes at least all of the following:

- 18 (1) The name or nature of the major event.
- 19 (2) A complete listing of all local entities associated with the application.
- 20 (3) To the extent known by the local entity, information concerning other
21 locations, including locations in other states and countries, being considered
22 for the major event and the nature of any governmental assistance available
23 to support the major event were it to be located in one of those locations.
- 24 (4) Information concerning any other State or local government assistance for
25 which the local entity is applying or that it has an expectation of receiving.
- 26 (5) Any other information necessary for the Committee to evaluate the application.

27 (b) Annual Reports. – The Department shall publish a report on the Fund on or before
28 April 30 of each year. The Department shall submit the report electronically to the House of
29 Representatives Finance Committee, the Senate Finance Committee, the House of
30 Representatives Appropriations Subcommittee on Natural and Economic Resources, the Senate
31 Appropriations Committee on Natural and Economic Resources, and the Fiscal Research
32 Division. The report shall include the following:

- 33 (1) A listing of each grant awarded during the preceding calendar year.
- 34 (2) An update on the status of major events for which grants have been awarded
35 but that have not yet occurred.
- 36 (3) For the first annual report after adoption of the guidelines developed by the
37 Department to implement this Part, a copy of the guidelines, and for
38 subsequent reports, identification of any changes to those guidelines from the
39 previous annual report.
- 40 (4) The geographic distribution of grants, by number and amount, awarded under
41 the program.
- 42 (5) A listing of all local entities making an application under this Part and an
43 explanation of whether a site selection organization located the major event
44 in this State regardless of whether a grant for the event was awarded under
45 this Part.

46 (c) Study. – The Department shall conduct a study to determine the minimum funding
47 level required to implement the Fund successfully. The Department shall report the results of this
48 study to the House of Representatives Finance Committee, the Senate Finance Committee, the
49 House of Representatives Appropriations Subcommittee on Natural and Economic Resources,
50 the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal
51 Research Division no later than April 1 of each year.

1 **"§ 143B-437.114. Program guidelines.**

2 The Department, in conjunction with the Governor's Office, shall develop guidelines related
3 to the administration of the Fund, the selection of projects to receive allocations from the Fund,
4 and the disbursement of a grant under the Fund. At least 20 days before the effective date of any
5 guidelines or nontechnical amendments to guidelines, the Department must publish the proposed
6 guidelines on the Department's website and provide notice to persons who have requested notice
7 of proposed guidelines. In addition, the Department must accept oral and written comments on
8 the proposed guidelines during the 15 business days beginning on the first day that the
9 Department has completed these notifications. For the purpose of this section, a technical
10 amendment is either of the following:

11 (1) An amendment that corrects a spelling or grammatical error.

12 (2) An amendment that makes a clarification based on public comment and could
13 have been anticipated by the public notice that immediately preceded the
14 public comment."

15 **SECTION 3.(a)** G.S. 18C-114(a)(8) reads as rewritten:

16 "(8) To charge a fee of potential ~~contractors and~~ contractors, of lottery ~~contractors~~
17 contractors, and of interactive sports wagering operators under Article 9 of
18 this Chapter to not exceed the cost of the criminal record check of the potential
19 contractors and lottery contractors."

20 **SECTION 3.(b)** G.S. 18C-120(b)(2) reads as rewritten:

21 "(2) To conduct a background investigation, including a criminal history record
22 check, of applicants for employment with the Commission, interactive sports
23 wagering operators under Article 9 of this Chapter, lottery retailers, and lottery
24 potential contractors, which may include a search of the State and National
25 Repositories of Criminal Histories based on the fingerprints of applicants."

26 **SECTION 3.(c)** G.S. 143B-947 reads as rewritten:

27 **"§ 143B-947. Criminal record checks for the North Carolina State Lottery Commission**
28 **and its Director.**

29 The Department of Public Safety may provide to the North Carolina State Lottery
30 Commission and to its Director from the State and National Repositories of Criminal Histories
31 the criminal history of any prospective employee of the ~~Commission and~~ Commission, any
32 potential ~~contractor~~ contractor, and any prospective interactive sports wagering operator or
33 service provider under Article 9 of Chapter 18C of the General Statutes. The North Carolina State
34 Lottery Commission or its Director shall provide to the Department of Public Safety, along with
35 the request, the fingerprints of the prospective employee of the Commission, or of the potential
36 contractor, a form signed by the prospective employee of the Commission, or of the potential
37 contractor consenting to the criminal record check and use of fingerprints and other identifying
38 information required by the State and National Repositories, and any additional information
39 required by the Department of Public Safety. The fingerprints of the prospective employee of the
40 Commission, or potential contractor, or potential interactive sports wagering operator, shall be
41 forwarded to the State Bureau of Investigation for a search of the State's criminal history record
42 file, and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau
43 of Investigation for a national criminal history record check. The North Carolina State Lottery
44 Commission and its Director shall remit any fingerprint information retained by the Commission
45 to alcohol law enforcement agents appointed under Article 5 of Chapter 18B of the General
46 Statutes and shall keep all information obtained pursuant to this section confidential. The
47 Department of Public Safety shall charge a reasonable fee only for conducting the checks of the
48 criminal history records authorized by this section."

49 **SECTION 4.** If any section or provision of this act is declared unconstitutional or
50 invalid by the courts, it does not affect the validity of this act as a whole or any part other than
51 the part so declared to be unconstitutional or invalid.

1 **SECTION 5.** The Commission shall establish guidance to parties regulated by the
2 provisions of Article 9 of Chapter 18C of the General Statutes, as enacted by this act. Such
3 guidance shall address the application of Article 9 of Chapter 18C of the General Statutes, as
4 enacted by this act, to electronic sports with due consideration to the key role of game publishers
5 as creators of the underlying video game. The Commission may accept and issue applications for
6 licensure in accordance with Article 9 of Chapter 18C of the General Statutes, as enacted by this
7 act, in order that licensees may begin operations on January 1, 2022. If more than 12 completed
8 applications are received, the Commission in its discretion shall select and notify, no later than
9 December 1, 2021, the qualified applicants it determines will best serve the public interest in
10 maximizing revenue to the State, while preserving the integrity of sports wagering and ensuring
11 accountability and preserving the public trust in licensed sports wagering activities. No license
12 issued by the Commission shall become effective prior to January 1, 2022, but prior to January
13 1, 2022, notified licensees may establish structure and operations to begin sports wagering on
14 January 1, 2022.

15 **SECTION 6.** Sections 1 through 4 of this act become effective January 1, 2022.
16 Except as otherwise provided, this act is effective when it becomes law.