

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 38
House Committee Substitute Favorable 6/21/22
PROPOSED HOUSE COMMITTEE SUBSTITUTE S38-PCS45586-STx-53

Short Title: Sports Wagering Amendments.

(Public)

Sponsors:

Referred to:

February 2, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY SPORTS WAGERING REGULATION IN NORTH CAROLINA.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** If Senate Bill 688, 2021 Regular Session, becomes law, Article 9 of
5 Chapter 18C of the General Statutes, as enacted by that act, reads as rewritten:

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~~ college sport, or youth sport. This term includes domestic,
28 international, 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.
34 d. Online and mobile payment systems that support online money
35 transfers.



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- 1 e. Credit cards and debit cards.
2 f. A prepaid access instrument.
3 g. Any other form approved by the Commission.
- 4 (4) College sports. – An athletic or sporting competition in which at least one
5 participant is a team or contestant competing on behalf of or under the
6 sponsorship of a public or private institution of postsecondary education.
- 7 (5) Covered services. – Any service creating sports wagering markets and
8 determination of sports wager outcomes that involves the operation,
9 management, or control of sports wagers authorized by this Article, including
10 the development or operation of the sports wagering platform and the
11 ~~provision~~ determination of odds and or line information, excluding
12 information. The term shall not include any of 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 the
16 determination of odds or line information.
17 d. Telecommunications, internet service ~~provider, providers,~~ and other
18 similar 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 (6m) Geofencing. – Technology approved by the Commission and utilized by an
26 interactive sports wagering operator to verify a registered player's geolocation
27 prior to the time the registered player is placing a sports wager.
- 28 (7) Gross wagering revenue. – The total of all cash or cash equivalents received
29 by an interactive sports wagering operator ~~as from~~ sports wagers as authorized
30 under this Article.
- 31 (7m) Interactive account. – A mobile account established by a registered player for
32 the purpose of placing sports wagers in accordance with this Article.
- 33 (8) Interactive sports wagering operator. – The holder of an interactive sports
34 wagering license issued by the Commission.
- 35 (9) Key person. – An officer or director of an interactive sports wagering operator
36 who is directly involved in the operation, management, or control of sports
37 wagering authorized under this Article, or who exercises substantial influence
38 or control over the interactive sports wagering operator's sports wagering
39 activities.
- 40 (10) Official league data. – Statistics, results, outcomes, and other data relating to
41 a sporting event obtained pursuant to an agreement with the relevant sports
42 governing body or an entity expressly authorized by the relevant sports
43 governing body to provide such data.
- 44 (10m) Parimutuel wager. – A betting system in which all of the bets of a particular
45 type are placed together in a pool and the sports wager is placed against other
46 bettors placing sports wagers on the same event of horse racing, dog racing,
47 or other sporting events in which the participants finish in a ranked order.
- 48 (11) Professional sports. – An athletic or sporting competition involving at least
49 two competitors who receive compensation for participating in such event.
- 50 (12) Registered player. – An individual who has established an account with an
51 interactive sports wagering operator.

- 1 (13) Service provider. – A business entity that provides covered services to an
2 interactive sports wagering operator and holds a service provider license.
- 3 (14) Sporting event. – Professional sports, and college sports, and amateur sports,
4 all of which may include electronic sports, and any other event approved by
5 the Commission.
- 6 (15) Sports facility. – Any of the following:
- 7 a. A motorsports facility that hosts ~~professional sports~~ a National
8 Association for Stock Car Auto Racing national touring race and has
9 a minimum seating capacity of 17,000 people.
- 10 b. A facility that hosts a professional golf tournament with more than
11 50,000 live spectators anticipated to attend based on similar prior
12 tournaments.
- 13 c. A facility that is the home location of a professional sports team that
14 competes in any of the following professional leagues:
- 15 1. Major League Baseball.
- 16 2. Major League Soccer.
- 17 3. National Basketball Association.
- 18 4. National Football League.
- 19 5. National Hockey League.
- 20 6. National Women's Soccer League.
- 21 (16) Sports governing body. – An organization headquartered in the United States
22 and proscribes final rules with respect to a sporting event and enforces the
23 code of conduct for participants therein. In the context of electronic sports, the
24 sports governing body shall be the video game publisher of the title used in
25 the electronic sports competition, regardless of location.
- 26 (17) Sports wagering brand. – The names, logos, and brands that an interactive
27 sports wagering operator advertises, promotes, or otherwise holds out to the
28 public displaying its sports wagering platform.
- 29 (18) Sports wagering platform. – A website, mobile application, or other
30 interactive platform accessible via the internet, mobile, wireless, or similar
31 communication technology that a registered player may use to place sports
32 wagers authorized under this Article.
- 33 (19) Sports wagering supplier. – A person that provides services, goods, software,
34 or other components necessary for the creation of sports wagering markets
35 and ~~determining~~ determination of sports wager outcomes, directly or
36 indirectly, to any ~~license holder or applicant~~ interactive sports wagering
37 operator or service provider involved in the acceptance of wager, sports
38 wagers, including any of the following: providers of data feeds and odds
39 services, internet platform providers, risk management providers, integrity
40 monitoring providers, and other providers of sports wagering supplier services
41 as determined by the Commission. A ~~The term does not include a sports~~
42 ~~governing body that provides raw statistical match data to one or more~~
43 ~~designated and licensed providers of data and odds services shall not be a~~
44 ~~sports wagering supplier services.~~
- 45 (20) Sports wager or sports wagering. – Placing of wagers via an interactive
46 account on any of the following: (i) a sporting event, (ii) a portion of a sporting
47 event, ~~or on~~ (iii) the individual performance statistics of athletes in a sporting
48 event or combination of sporting events, ~~by any system or method of~~
49 wagering, that may include in-person, over the internet through websites, or
50 mobile devices. ~~or~~ (iv) a parimutuel wager. The term also includes
51 single-game wagers, teaser wagers, parlays, over-under, moneyline, pools,

1 exchange wagering, in-game wagering, in-play wagers, proposition wagers,
2 and straight wagers.

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

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

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

16 (24) Youth sports. – An event in which the majority of participants are under the
17 age of 18 or are competing on behalf or under the sponsorship of one or more
18 public or private preschool, elementary, middle, or secondary schools. The
19 term does not include the following:

20 a. ~~professional sports~~ Professional sports.

21 b. ~~or events~~ Sporting events that occur under the sponsorship or oversight
22 of national or international athletic bodies that are not educational
23 institutions and that include participants both over and under the age
24 of 18.

25 **"§ 18C-902. Authorization of sports wagering generally.**

26 (a) Notwithstanding any provision of Article 37 of Chapter 14 of the General Statutes,
27 sports wagering as authorized by this Article shall not be considered unlawful. All sports
28 wagering authorized under this Article shall be placed via an interactive account as described in
29 G.S. 18C-912 and shall be initiated and received within this State except as provided in
30 G.S. 18C-928. The interactive sports wagering operator shall comply with the following:

31 (1) Ensure that the registered player is located within the State, and not present
32 on Indian lands within the State, when placing any sports wager, utilizing
33 geofencing.

34 (2) Monitor and block unauthorized attempts to place sports wagers.

35 (a1) This Article does not apply to interactive sports wagering conducted exclusively on
36 Indian lands by an Indian tribe operating in accordance with a Tribal-State gaming compact and
37 authorized to conduct Class III gaming pursuant to a compact with the State. For purposes of this
38 Article, sports wagering is conducted exclusively on Indian lands only if the individual who
39 places the sports wager is physically present on Indian lands when the sports wager is initiated
40 and received on equipment that is physically located consistent with federal law, and the sports
41 wager is initiated and received in conformity with the safe harbor requirements as provided in 31
42 U.S.C. § 5362(10)(c).

43 (a2) An interactive sports wagering operator licensed under G.S. 18C-904 shall not accept
44 any wager if the registered player placing the wager is physically present on Indian lands when
45 the sports wager is initiated and received. Each interactive sports wagering operator licensed
46 under G.S. 18C-904 shall use geofencing approved by the Commission to ensure compliance
47 with this Article.

48 (b) Nothing in this Article shall apply to ~~any of the following:~~

49 (1) ~~Pari-mutuel sports wagering on horse racing as authorized by G.S. 14-292.2.~~

50 (2) ~~Fantasy-fantasy or simulated games or contests in which one or more~~
51 ~~participants-fantasy contest players compete against each other and winning~~

1 outcomes reflect the relative knowledge and skill of the ~~participants-fantasy~~
2 ~~contest players~~ and are determined predominantly by accumulated statistical
3 results of the performance of ~~individuals-or-athletes~~ individuals, including
4 athletes in the case of sporting events.

5 (c) Nothing in this Article shall authorize any of the following:

6 (1) Sports wagering involving youth sports.

7 (2) Sports wagering on the occurrence of any of the following:

8 a. Injuries.

9 b. Penalties.

10 c. The outcome of disciplinary proceedings against a participant in a
11 sporting event.

12 d. The outcome of replay reviews.

13 (3) The Commission serving as an operator of a sports wagering platform.

14 (4) Sports wagering on amateur sports.

15 ...

16 "§ 18C-903. Reserved for future codification purposes.

17 "§ 18C-904. **Interactive sports wagering license.**

18 (a) It shall be unlawful for any person to offer or accept sports wagers in this State without
19 a valid interactive sports wagering license. Except as provided in G.S. 18C-928, the Commission
20 shall authorize at least 10, but not more than 12, interactive sports wagering operators to offer
21 and accept sports wagers to and from registered players on sporting events, which shall include
22 any of the following:

23 (1) Professional sports.

24 (2) College sports.

25 (3) Electronic sports.

26 ~~(4) Amateur sports.~~

27 (5) Any other event approved by the Commission.

28 (b) The Commission shall review and issue sports wagering licenses to qualified
29 applicants. The applicant shall complete and submit an application on a form prescribed by the
30 Commission and a licensing fee of ~~five hundred thousand one million~~ dollars (\$500,000).
31 (\$1,000,000). If the application is denied, the licensing fee shall be refunded, minus any expenses
32 the Commission incurs in reviewing the application.

33 ...

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

43 ...

44 (f) The Commission shall grant or deny all applications under this section. The grounds
45 for denial of an interactive sports wagering license shall be the same as in G.S. 18C-906(g). If
46 there are more qualified applicants than the number of interactive sports wagering operators
47 authorized under subsection (a) of this section, the Commission shall select the best qualified
48 ~~applicants~~ applicants, taking into consideration the following factors:

49 (1) The contents of the application submitted in accordance with this section.

50 (2) The extent to which the applicant demonstrates past experience, financial
51 viability, compliance with applicable laws and regulations in other

- 1 jurisdictions, and success with sports wagering operations in other
2 jurisdictions.
- 3 (3) The extent to which the applicant is able to meet the duties of an interactive
4 sports wagering operator.
- 5 (4) The amount of ~~adjusted-gross~~ wagering revenue and associated tax revenue
6 that an applicant is projected to generate.
- 7 (5) Any other factors the Commission deems relevant.
- 8 (g) A person holding a license to engage in sports wagering, on the basis of comparable
9 licensing requirements issued to that person by a proper authority ~~by~~ in another state or territory
10 of the United States or the District of Columbia if that jurisdiction's requirements for licensure,
11 certification, or registration are substantially equivalent to or exceed the requirements of this
12 State, and who, in the opinion of the Commission otherwise meets the requirements of this Article
13 based upon verified evidence may, upon application, be licensed as an interactive sports wagering
14 operator with or without further examination. ~~examination~~, as determined by the Commission.
15 The Commission may also accept another jurisdiction's or approved third party's testing of the
16 interactive sports wagering platform as evidence that the sports wagering platform meets any
17 requirements mandated by the Commission.
- 18 (h) The Commission shall review and issue interactive sports wagering licenses to
19 qualified applicants within 60 days of receipt of a completed application. The Commission may
20 extend the review period for an additional 30 days if the background check is outstanding. Any
21 denial shall be in writing and state the grounds therefor.
- 22 ...
- 23 (j) Each interactive sports wagering operator shall promptly report all criminal or
24 disciplinary proceedings commenced against that interactive sports wagering operator in
25 connection with its operations to the Commission. Each interactive sports wagering operator shall
26 promptly report to the Commission all changes in key persons, and all new key persons shall
27 consent to a background check.
- 28 (k) No interactive sports wagering operator license is assignable or transferable without
29 approval of the Commission.
- 30 "§ 18C-905. Reserved for future codification purposes.
- 31 "§ 18C-906. **Applications for service provider licenses.**
- 32 ...
- 33 (b) The Commission shall review and issue service provider licenses to qualified
34 applicants within 60 days of receipt of a completed application. The Commission may extend the
35 review period for an additional 30 days if the background check is outstanding. Any denial shall
36 be in writing and state the grounds therefor. The applicant shall complete and submit an
37 application on a form prescribed by the Commission and a licensing fee of ~~twenty-five~~ fifty
38 thousand dollars (\$25,000)-(\$50,000).
- 39 (c) The application shall set forth all of the following:
- 40 (1) The applicant's background in sports wagering or the covered service.
- 41 (2) All experience with sports wagering or other wagering activities in other
42 jurisdictions, including the applicant's history, reputation of integrity and
43 compliance, and a list of all active and inactive licenses, certifications, or
44 registrations and reasons for inactivity, if applicable.
- 45 (3) A written information security program, detailing information security
46 governance and the designation of a chief security officer or equivalent.
- 47 (4) Any personal information the Commission may deem necessary concerning
48 the applicant's key persons.
- 49 (5) Any other information the Commission may deem necessary.
- 50 (d) The Commission shall conduct a background investigation on the applicant and key
51 persons as deemed necessary by the Commission. The background investigation shall include a

1 credit history check, a tax record check, and a criminal history record check. The Commission
2 may, in its discretion, accept the results of such prior check and an affidavit that there has been
3 no change in criminal history since the prior check from an applicant or key person who has
4 submitted to a criminal history record check in this or any other state within the previous 12
5 months. The Commission may not award a license ~~to any if the applicant who has been convicted,~~
6 or a key person of the applicant has been ~~convicted,~~ convicted of a felony or any gambling offense
7 in any state or federal court of the United States within 10 years of application or renewal.

8 (e) An applicant and key ~~person~~ persons for licensure shall consent to a criminal history
9 record check. Refusal to consent to a criminal history record check may constitute grounds for
10 the Commission to deny licensure.

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

18 ...

19 (i) Each service provider shall promptly report all criminal or disciplinary proceedings
20 commenced against that service provider in connection with its operations to the Commission.
21 Each service provider shall promptly report all changes in key persons to the Commission, and
22 all new key persons shall consent to a background check.

23 (j) No service provider license is assignable or transferable without approval of the
24 Commission.

25 **"§ 18C-907. Sports wagering supplier license.**

26 (a) The Commission may issue a sports wagering supplier license to a sports wagering
27 supplier. ~~A person that is not licensed under this Article shall not sell, lease, distribute, offer, or~~
28 ~~otherwise provide services, goods, software, or other components necessary for the creation of~~
29 ~~betting markets and determining bet outcomes, directly or indirectly, to any license holder or~~
30 ~~applicant involved in the acceptance of bets, except that an interactive sports wagering operator~~
31 ~~shall not be required to obtain a separate sports wagering supplier license in order to act as a~~
32 ~~sports wagering supplier. A sports wagering supplier must be licensed under this section if~~
33 ~~providing sports wagering supplier services under a fixed fee or revenue sharing agreement.~~

34 (b) ~~On application by an interested person, At the request of an applicant for a sports~~
35 wagering supplier license, the Commission may issue a provisional sports wagering supplier
36 license to an applicant for a sports wagering supplier license. A provisional license issued under
37 this subsection allows the applicant for the sports wagering supplier license to conduct business
38 regarding the operation of sports wagering with a license holder or applicant before the sports
39 wagering supplier license is issued. the applicant so long as the applicant has submitted a
40 completed application in accordance with this section. A provisional license issued under this
41 subsection expires on the date provided by the Commission.

42 ...

43 (d) The applicant shall complete and submit an application on a form prescribed by the
44 Commission and a licensing fee of ~~fifteen thirty thousand dollars (\$15,000)-(\$30,000).~~ In the
45 application, the Commission shall require applicants to disclose the identity of all of the
46 following:

- 47 (1) The applicant's principal owners who directly own ~~five ten percent (5%)~~
48 (10%) or more of the applicant.
- 49 (2) Each holding, intermediary, or parent company that directly owns fifteen
50 percent (15%) or more of the applicant.

1 (3) The applicant's board appointed CEO and CFO, CFO, or the equivalent as
2 determined by the Commission.

3 (4) Any other information the Commission may deem necessary.

4 (d1) The Commission shall conduct a background investigation on the applicant and key
5 persons as deemed necessary by the Commission. The background investigation shall include a
6 credit history check, a tax record check, and a criminal history record check. The Commission
7 may, in its discretion, accept the results of such prior check and an affidavit that there has been
8 no change in criminal history since the prior check from an applicant or key person who has
9 submitted to a criminal history record check in this or any other state within the previous 12
10 months. The Commission may not award a license if the applicant or a key person of the applicant
11 has been convicted of a felony or any gambling offense in any state or federal court of the United
12 States within 10 years of application or renewal. An applicant and key persons for licensure shall
13 consent to a criminal history record check. Refusal to consent to a criminal history record check
14 may constitute grounds for the Commission to deny licensure.

15 (d2) The Commission shall review and issue licenses to qualified applicants within 60 days
16 of receipt of a completed application. The Commission may extend the review period for an
17 additional 30 days if the background check is outstanding.

18 (e) In disclosing the principal owners of the applicant, the following shall apply:

19 (1) Governmental created entities, including statutory authorized pension
20 investment boards and Canadian Crown corporations, that are direct or indirect
21 shareholders of an applicant shall be waived in the applicant's disclosure of
22 ownership and control as determined by the Commission.

23 (2) Investment funds or entities registered with the Securities and Exchange
24 Commission, ~~whether as including~~ Investment Advisors ~~or otherwise,~~ as well
25 as ~~the and~~ entities under the management of such entities registered with the
26 Securities and Exchange Commission, that are direct or indirect shareholders
27 of the applicant, shall be waived from any information disclosure requests in
28 connection to the license application in the applicant's disclosure of ownership
29 and control as determined by the Commission.

30 (f) ~~Nothing in this Article shall require a person holding a~~ A sports wagering supplier
31 license or a temporary provisional sports wagering supplier license be subject to, or required to
32 obtain, any additional license shall be sufficient to offer the sports wagering services under this
33 section. Article.

34 (g) A person holding a sports wagering supplier license or its equivalent, on the basis of
35 comparable licensing requirements issued to that person by a proper authority by another state or
36 territory of the United States or the District of Columbia if that jurisdiction's requirements for
37 licensure, certification, or registration are substantially equivalent to or exceed the requirements
38 of this State, and who, in the opinion of the Commission otherwise meets the requirements of
39 this Article based upon verified evidence may, upon application, be licensed as a service provider
40 with or without further examination, as determined by the Commission.

41 (h) No sports wagering supplier license is assignable or transferable without approval of
42 the Commission.

43 **"§ 18C-908. Renewals of licenses.**

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

45 (b) At least 60 days prior to the expiration of a license, the license holder shall submit a
46 renewal application, on a form prescribed by the Commission, including a renewal fee as follows:

47 (1) ~~of one hundred thousand~~ One million dollars (\$100,000)-(\$1,000,000) for an
48 interactive sports wagering license, license.

49 (2) ~~ten-Fifty thousand dollars (\$10,000)-(\$50,000)~~ for a service provider license,
50 license.

- 1 (3) ~~and five~~ Thirty thousand dollars ~~(\$5,000)–(\$30,000)~~ for a sports wagering
2 supplier license.
- 3 (c) The Commission may revoke or deny a license renewal for any of the following
4 reasons:
- 5 (1) The same grounds that would constitute denial of an initial application under
6 G.S. 18C-906(g).
- 7 (2) A violation of this Article.
- 8 (3) ~~With respect to interactive sports wagering operators, the Commission finds
9 good cause to believe approval of another applicant would better meet the
10 objectives of this Article in generating revenue for the State, protecting the
11 public interest, and otherwise satisfying the criteria for issuance, and no
12 additional licenses are to be available under G.S. 18C-904(a).~~
- 13 (4) Failure to pay the privilege tax imposed under Article 2E of Chapter 105 of
14 the General Statutes.
- 15 (d) With respect to interactive sports wagering operators, the Commission may deny a
16 license renewal if the Commission finds good cause to believe approval of another applicant
17 would better meet the objectives of this Article in generating revenue for the State, protecting the
18 public interest, and otherwise satisfying the criteria for issuance, and no additional licenses are
19 to be available under G.S. 18C-904(a).
- 20 **"§ 18C-909. Use of proceeds.**
- 21 (a) The Commission shall use the funds remitted to it pursuant to G.S. 105-113.128 and
22 any proceeds from license fees collected under this Article to cover expenses in administering
23 this Article. Any proceeds remaining at the end of each fiscal year after payment of expenses of
24 the Commission pursuant to this section shall be remitted to the General Fund.
- 25 (b) Expenses of the Commission shall include all items listed in G.S. 18C-163.
- 26 **"§ 18C-910. Duties of ~~interactive sports wagering operators~~ licensees.**
- 27 ...
- 28 (c) The interactive sports wagering operator shall disclose the records described in
29 ~~G.S. 18C-910(b)~~ subsection (b) of this section to the Commission upon request.
- 30 (d) If a sports governing body has notified the Commission that real-time information
31 sharing for sports wagers placed on its sporting events is necessary, interactive sports wagering
32 operators shall share with that sports governing body or its designee in real time, at the account
33 level, anonymized information regarding a ~~wagerer~~, registered player, amount and type of sports
34 wager, the time the sports wager was placed, the location of the ~~wager~~, registered player at the
35 time the sports wager was placed, and the IP address if applicable, outcome of the sports wager,
36 and records of abnormal sports wagering activity. For purposes of this subsection, real time
37 means on a commercially reasonable periodic interval, but in any event, not less than once every
38 72 hours. A sports governing body receiving any information pursuant to this subsection shall
39 use the information for the purpose of integrity monitoring only and not for any commercial
40 purpose.
- 41 (e) In advertising its sports wagering platform, the interactive sports wagering operator
42 shall ensure that its advertisements meet all of the following:
- 43 (1) It does not target persons under the age of 21.
- 44 (2) It discloses the identity of the interactive sports wagering operator.
- 45 (3) It provides information about or links to resources related to gambling
46 addiction and prevention.
- 47 (4) It is not misleading to a reasonable person.
- 48 (f) ~~Interactive sports wagering operators~~ Licensees shall conduct background checks on
49 newly hired employees. ~~The~~ Each licensed interactive sports wagering operator and service
50 provider shall also conduct a single background check on employees as of the date of licensure.

1 Background checks shall search for criminal history and any charges or convictions involving
2 corruption or manipulation of sporting events and association with organized crime.

3 (g) Interactive sports wagering operators and service providers shall employ
4 commercially reasonable methods to maintain the security of wagering data, registered player
5 and other customer data, and any other confidential information, including information provided
6 by a sports governing body, from unauthorized access and dissemination. Nothing in this
7 subsection shall preclude the use of internet or cloud-based hosting of such data and information
8 or disclosure as required by State or federal law or a court order.

9 (h) Each interactive sports wagering operator shall provide a daily summary of all sports
10 wagering activity, detailing all transactions processed through each wagering system, provided
11 in a format established by the Commission at the close of each business day.

12 "§ 18C-911. Reserved for future codification purposes.

13 "§ 18C-912. **Establishment of interactive accounts.**

14 ...

15 "§ 18C-913. Reserved for future codification purposes.

16 "§ 18C-914. **Integrity of competition and prohibited events.**

17 ...

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

24 (1) The sports governing body or its designee cannot provide a feed of official
25 league data to determine the results of a particular type of tier two sports
26 wager, in which case interactive sports wagering operators are not required to
27 use official league data for determining the results of the applicable tier two
28 sports wager until such time as such a data feed becomes available from the
29 sports governing body on commercially reasonable terms and conditions.

30 (2) An interactive sports wagering operator can demonstrate to the Commission
31 that the sports governing body or its designee will not provide a feed of official
32 league data to the interactive sports wagering operator on commercially
33 reasonable terms and conditions.

34 (3) ~~The sports governing body or its designee~~ of the sports governing body does
35 not obtain a supplier license from the Commission to provide official league
36 data to interactive sports wagering operators to determine the results of tier
37 two sports wagers, if and to the extent required by law.

38 ...

39 "§ 18C-915. Reserved for future codification purposes.

40 "§ 18C-916. **Civil penalties; suspension and revocation of licenses.**

41 ...

42 "§ 18C-917. Reserved for future codification purposes.

43 "§ 18C-918. **Criminal penalties.**

44 ...

45 "§ 18C-919. Reserved for future codification purposes.

46 ~~"§ 18C-920. Tax.~~

47 (a) ~~There shall be imposed a tax of eight percent (8%) on the adjusted gross revenue of~~
48 ~~each interactive sports wagering operator. The tax imposed pursuant to this section is due~~
49 ~~monthly to the Commission and shall be remitted on or before the twentieth day of the next~~
50 ~~succeeding calendar month. If the interactive sports wagering operator's accounting practices~~
51 ~~necessitate corrections to a previously remitted tax, the interactive sports wagering operator shall~~

1 document such corrections when the interactive sports wagering operator pays the following
2 month's taxes.

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

7 (c) ~~After reimbursement of expenses in implementing its responsibilities under this
8 Article and payments as provided in subsection (d) of this section, the Commission shall remit
9 all tax payments collected pursuant to this section and all license fees collected pursuant to this
10 Article to the Department of Revenue. The Commission shall document all expenses for which
11 deduction from the payments owed is asserted, which documentation shall be subject to audit by
12 the State.~~

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

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

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

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

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

27 ~~"§ 18C-921. Expenses of Lottery.~~

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

32 ~~"§ 18C-922. Voluntary exclusion program.~~

33 (a) ~~Any~~ The Commission shall establish a voluntary exclusion program for any
34 individual shall be able to voluntarily exclude themselves from placing sports wagers through a
35 voluntary exclusion program established by the Commission. wagers. Interactive sports wagering
36 operators shall use reasonable means to comply with the exclusion of individuals participating in
37 the voluntary exclusion program by the Commission.

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

40 (1) Verification of the individual's request to be placed in the voluntary exclusion
41 program, and for how long, up to and including that individual's lifetime.

42 (2) How information regarding which individuals are in the voluntary exclusion
43 program is to be disseminated to the interactive sports wagering operators.

44 (3) How an individual in the voluntary exclusion program may petition the
45 Commission for removal from the voluntary exclusion program.

46 (4) The means by which the interactive sports wagering operators and their agents
47 shall make all reasonable efforts to cease direct marketing efforts to
48 individuals participating in the voluntary exclusion program.

49 (5) The means by which the Commission shall make available to all interactive
50 sports wagering operators and their agents the names of the individuals

1 participating the voluntary exclusion program, which shall be at least
2 quarterly.

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

6 (d) The voluntary exclusion program shall be exempt from Chapter 132 of the General
7 Statutes and shall be treated as confidential by each interactive sports wagering operator.

8 "§ 18C-923. Reserved for future codification purposes.

9 "§ 18C-924. **Risk management.**

10 ...

11 "§ 18C-925. Reserved for future codification purposes.

12 "§ 18C-926. **Places of public accommodation.**

13 (a) ~~The owner or operator of a sports facility may establish places~~ Permanent places of
14 public accommodation for the purpose of accessing a sports wagering platform through mobile
15 devices, computer terminals, or similar access devices, the registered player's interactive account,
16 either directly or with assistance from a person. Each owner or operator of a sports facility shall
17 be limited to one place of public accommodation described under subdivision (2) of subsection
18 (b) of this section. ~~person, may be associated with each sports facility.~~

19 (b) ~~Places~~ Permanent places of public accommodation allowed ~~permitted~~ under this
20 section shall be located as follows:

21 (1) On the property ~~containing~~ of the sports facility.

22 (2) ~~On~~ No more than one place of public accommodation may be on other
23 property owned or controlled by the owner or operator of the sports facility or
24 an affiliated entity of the owner or operator of the sports facility that is located
25 within a one-half mile radius of ~~the sports facility.~~ a sports facility defined in
26 G.S. 18C-901(15)a. or G.S. 18C-901(15)c.

27 (3) No more than one place of public accommodation may be on other property
28 owned or controlled by the owner or operator of the sports facility that is
29 located within a one and one-half mile radius of a sports facility defined in
30 G.S. 18C-901(15)b.

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

35 (d) All sports wagers made at a place of public accommodation shall be placed via an
36 interactive account as described in G.S. 18C-912. Mobile devices, computer terminals, similar
37 devices, and cashiers used to operate the place of public accommodation shall have the ability to
38 accept ~~and distribute~~ cash and cash ~~equivalents.~~ equivalents and distribute cash or cash
39 equivalents; however, only a cashier may distribute something of monetary value to the registered
40 player at a place of public accommodation. All cashiers that accept or distribute cash or cash
41 equivalents shall be an employee of an interactive sports wagering operator.

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

44 (f) Notwithstanding subsections (a) through (c) of this section, no more than one place
45 of public accommodation may be temporarily established during a professional golf tournament
46 as described in G.S. 18C-901(15)b. The temporary place of public accommodation need not
47 comply with local ordinances under Chapter 160D of the General Statutes but shall not operate
48 more than five days prior to the professional golf tournament or five days after the professional
49 golf tournament.

50 "§ 18C-927. Reserved for future codification purposes.

51 "§ 18C-928. **Indian gaming; compliance with federal law.**

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

8 (b) All activities authorized by this Article shall be deemed to be conducted solely under
9 the authority of this Article and not under the federal Indian Gaming Regulatory Act, 25 U.S.C.
10 § 2701 et seq.

11 (c) ~~A~~ Without application under G.S. 18C-904, a tribal gaming enterprise shall be
12 deemed a licensed interactive sports wagering operator upon the occurrence of all of the
13 following:

- 14 (1) Submission of a completed application to the Commission.
- 15 (2) Payment to the Commission of any application and renewal fees as provided
16 in this Article.
- 17 (3) Agreement by the tribal gaming enterprise, in a form as prescribed by the
18 Commission:
 - 19 a. To adhere to the requirements of this Article and to the regulations
20 adopted by the Commission with respect to ~~interactive~~ sports
21 wagering.
 - 22 b. To submit to the Commission's enforcement of this Article and any
23 implementing of the rules, including waiver of any applicable tribal
24 sovereign immunity for the sole and limited purpose of such
25 enforcement.
 - 26 c. To collect and pay all taxes imposed by ~~this Article.~~ Article 2E of
27 Chapter 105 of the General Statutes.
 - 28 d. To not offer or conduct any interactive gambling other than the
29 interactive sports wagering authorized by this Article unless
30 specifically otherwise authorized by law.
 - 31 e. To locate any server or other information technology equipment
32 directly related to the placing of sports wagers that is used by the tribal
33 gaming enterprise and its agents to accept interactive sports wagering
34 authorized by this Article on land that is not Indian lands and which,
35 upon request, shall be accessible by the Commission, Department of
36 Revenue, and State law enforcement. The location of all other
37 technology and servers used by a tribal gaming enterprise in
38 connection with sports wagering authorized by this act shall be
39 approved by the Commission.

40"

41 **SECTION 2.(a)** If Senate Bill 688, 2021 Regular Session, becomes law, the lead-in
42 language to Section 2 of that act reads as rewritten:

43 "**SECTION 2.** ~~Article 10B~~ Article 10 of Chapter 143B of the General Statutes is amended
44 by adding a Part to read:"

45 **SECTION 2.(b)** If Senate Bill 688, 2021 Regular Session, becomes law,
46 G.S. 143B-437.112(b), as enacted by that act, reads as rewritten:

47 "**(b)** Effective July 1 of each calendar year, the funds remitted to the Fund by the Secretary
48 of Revenue from the privilege tax on sports wagering pursuant to G.S. 105-113.128 are
49 appropriated for this purpose. In addition to the amounts remitted to the Fund pursuant to
50 ~~G.S. 18C-920(d),~~ G.S. 105-113.128, the General Assembly shall determine any additional

1 amount appropriated to the Fund. Agreements entered under this section are subject to
2 appropriations."

3 **SECTION 2.(c)** If Senate Bill 688, 2021 Regular Session, becomes law,
4 G.S. 143B-437.111(4), as enacted by that act, reads as rewritten:

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

7 a. The event is ~~held either of the following:~~

8 1. Held at a sports ~~facility or is an~~ facility.

9 2. An event sponsored by the National Association for Stock Car
10 Auto Racing, the Ladies Professional Golf Association, the
11 Professional Golfers' Association of America, the PGA Tour,
12 or the United States Golf Association.

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

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

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

18 e. The site selection organization selected a site within this State as the
19 sole location for the event."

20 **SECTION 3.(a)** If Senate Bill 688, 2021 Regular Session, becomes law,
21 G.S. 18C-114(a)(8), as amended by that act, reads as rewritten:

22 "(8) To charge a fee of potential contractors, of lottery contractors, of lottery
23 retailers, and of interactive sports wagering operators licensees and potential
24 licensees under Article 9 of this Chapter to not exceed the cost of the criminal
25 record check of the potential contractors and lottery contractors."

26 **SECTION 3.(b)** If Senate Bill 688, 2021 Regular Session, becomes law,
27 G.S. 18C-120(b)(2), as amended by that act, reads as rewritten:

28 "(2) To conduct a background investigation, including a criminal history record
29 check, of applicants for employment with the Commission, ~~interactive sports~~
30 ~~wagering operators licensees under Article 9 of this Chapter, lottery~~
31 contractors, lottery retailers, and lottery potential contractors, which may
32 include a search of the State and National Repositories of Criminal Histories
33 based on the fingerprints of applicants."

34 **SECTION 3.(c)** If Senate Bill 688, 2021 Regular Session, becomes law,
35 G.S. 143B-947, as amended by that act, reads as rewritten:

36 **"§ 143B-947. Criminal record checks for the North Carolina State Lottery Commission**
37 **and its Director.**

38 The Department of Public Safety may provide to the North Carolina State Lottery
39 Commission and to its Director from the State and National Repositories of Criminal Histories
40 the criminal history of any prospective employee of the Commission, any potential contractor,
41 and any licensee or prospective interactive sports wagering operator or service provider licensee
42 under Article 9 of Chapter 18C of the General Statutes. The North Carolina State Lottery
43 Commission or its Director shall provide to the Department of Public Safety, along with the
44 request, the fingerprints of the ~~prospective employee of the Commission, or of the potential~~
45 ~~contractor, individual, a form signed by the prospective employee of the Commission, or of the~~
46 ~~potential contractor individual~~ consenting to the criminal record check and use of fingerprints
47 and other identifying information required by the State and National Repositories, and any
48 additional information required by the Department of Public Safety. The fingerprints of the
49 ~~prospective employee of the Commission, or potential contractor, or potential interactive sports~~
50 ~~wagering operator, individual~~ shall be forwarded to the State Bureau of Investigation for a search
51 of the State's criminal history record file, and the State Bureau of Investigation shall forward a

1 set of fingerprints to the Federal Bureau of Investigation for a national criminal history record
2 check. The North Carolina State Lottery Commission and its Director shall remit any fingerprint
3 information retained by the Commission to alcohol law enforcement agents appointed under
4 Article 5 of Chapter 18B of the General Statutes and shall keep all information obtained pursuant
5 to this section confidential. The Department of Public Safety shall charge a reasonable fee only
6 for conducting the checks of the criminal history records authorized by this section."

7 **SECTION 4.** If Senate Bill 688, 2021 Regular Session, becomes law, Sections 5 and
8 6 of that act read as rewritten:

9 "SECTION 5. The Commission shall establish guidance to parties regulated by the
10 provisions of Article 9 of Chapter 18C of the General Statutes, as enacted by this act. Such
11 guidance shall address the application of Article 9 of Chapter 18C of the General Statutes, as
12 enacted by this act, to electronic sports with due consideration to the key role of game publishers
13 as creators of the underlying video game. The Commission may accept and issue applications for
14 licensure in accordance with Article 9 of Chapter 18C of the General Statutes, as enacted by this
15 act, in order that licensees may begin operations on ~~January 1, 2022.~~ January 1, 2023. If more
16 than 12 completed applications are received, the Commission in its discretion shall select and
17 ~~notify, no later than December 1, 2021,~~ notify the qualified applicants it determines will best
18 serve the public interest in maximizing revenue to the State, while preserving the integrity of
19 sports wagering and ensuring accountability and preserving the public trust in licensed sports
20 wagering activities. No license issued by the Commission shall become effective prior to ~~January~~
21 ~~1, 2022, but prior to January 1, 2022,~~ notified licensees may establish structure and operations to
22 begin sports wagering on January 1, 2022. January 1, 2023.

23 "SECTION 6. Sections 1 through 4 of this act become effective ~~January 1, 2022.~~ January 1,
24 2023. Except as otherwise provided, this act is effective when it becomes law."

25 **SECTION 5.(a)** If Senate Bill 688, 2021 Regular Session, becomes law, Chapter
26 105 of the General Statutes is amended by adding a new Article to read:

27 "Article 2E.

28 "Privilege Tax on Interactive Sports Wagering Operators.

29 "**§ 105-113.125. Definitions.**

30 The definitions of G.S. 18C-901 apply to this Article.

31 "**§ 105-113.126. Privilege tax on interactive sports wagering operators.**

32 (a) Tax. – A privilege tax at the rate of fourteen percent (14%) is imposed on an
33 interactive sports wagering operator for the privilege of doing business in this State. The tax is
34 imposed on the value of the privilege conferred upon the interactive sports wagering operator by
35 the State by the granting of a license under Article 9 of Chapter 18C of the General Statutes.

36 (b) Determination of Value. – The value of the privilege conferred upon the interactive
37 sports wagering operator is the gross wagering revenue of the operator as adjusted under this
38 subsection. No income, revenue, or expenses of the interactive sports wagering operator other
39 than those specified in this subsection are used to determine the value of the privilege conferred
40 upon the operator. The value of the privilege conferred upon the interactive sports wagering
41 operator is the gross wagering revenue less the following expenses:

42 (1) All cash or cash equivalents paid out as winnings to registered players.

43 (2) The costs paid by an interactive sports wagering operator for any personal
44 property distributed to a registered player as a result of a sports wager.

45 (3) The cash value of any bonuses or promotional credits provided to registered
46 players that are then returned to an interactive sports wagering operator in the
47 form of a deposit or wager as follows:

48 a. Until January 1, 2025, without limitation.

49 b. On or after January 1, 2025, through December 31, 2025, not to exceed
50 two and one-half percent (2.5%) of gross wagering revenue.

- 1 c. On or after January 1, 2026, through December 31, 2026, not to exceed
2 two and one-quarter percent (2.25%) of gross wagering revenue.
3 d. On or after January 1, 2027, through December 31, 2027, not to exceed
4 two percent (2%) of gross wagering revenue.
5 e. On or after January 1, 2028, not allowed.

6 (4) Actual uncollectible receivables from registered players, not to exceed four
7 percent (4%) of gross wagering revenue.

8 (5) Excise tax payments on sports wagers included in gross wagering revenue
9 remitted to the federal government.

10 (c) Return. – Taxes levied by this Article are due when a return is required to be filed.
11 The return is due on a monthly basis. A monthly return is due by the twentieth day of the month
12 following the calendar month covered by the return. A return is filed on a form prescribed by the
13 Secretary.

14 (d) Records. – A person who is required to file a return under this Article must keep a
15 record of all documents used to determine information the person provides in a return. These
16 records shall be open at all times for inspection by the Secretary or an authorized representative
17 of the Secretary and shall be kept for the applicable period of statute of limitations as set forth
18 under G.S. 105-241.6 or G.S. 105-241.8.

19 (e) Refund. – An interactive sports wagering operator is allowed a refund of the tax paid
20 under this section on a sports wager that has been refunded to the registered player. The Secretary
21 shall prescribe the manner in which a taxpayer may request a refund under this subsection, which
22 may include allowing a credit for the amount refunded on a subsequent monthly return required
23 under this section.

24 **"§ 105-113.127. Bond or irrevocable letter of credit.**

25 The Secretary may require an interactive sports wagering operator to furnish a bond in an
26 amount that adequately protects the State from an interactive sports wagering operator's failure
27 to pay taxes due under this Article. A bond must be conditioned on compliance with this Article,
28 payable to the State, and in the form required by the Secretary. The amount of the bond is two
29 times the interactive sports wagering operator's expected monthly tax liability under this Article,
30 as determined by the Secretary, provided the amount of the bond may not be less than fifty
31 thousand dollars (\$50,000) and may not be more than two million dollars (\$2,000,000). The
32 Secretary should periodically review the sufficiency of bonds required of interactive sports
33 wagering operators and increase the amount of a required bond when the amount of the bond
34 furnished no longer covers the anticipated tax liability of the interactive sports wagering operator
35 and decrease the amount when the Secretary determines that a smaller bond amount will
36 adequately protect the State from loss.

37 For purposes of this section, an interactive sports wagering operator may substitute an
38 irrevocable letter of credit for the secured bond required by this section. The letter of credit must
39 be issued by a commercial bank acceptable to the Secretary and available to the State as a
40 beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon
41 compliance with this Article, and in the amounts stipulated in this section.

42 **"§ 105-113.128. Use of tax proceeds.**

43 The Secretary shall distribute the taxes collected under this Article, less the allowance to the
44 Department of Revenue and reimbursement to the Lottery Commission for administrative
45 expenses, in accordance with this section. The Secretary may retain the cost of collection by the
46 Department, not to exceed five hundred thousand dollars (\$500,000) a year, as reimbursement to
47 the Department. The Lottery Commission shall, no later than 20 days after the end of the month,
48 notify the Department of its expenses from administering the provisions of Article 9 of Chapter
49 18C of the General Statutes from the previous month. The Department shall reimburse the
50 Lottery Commission from the tax revenues collected under this Article no later than the end of

1 the month in which the Department was notified. The remainder of the net proceeds of the tax
2 collected under this Article are to be credited in the following priority:

- 3 (1) Two million dollars (\$2,000,000) annually to the Department of Health and
4 Human Services for gambling addiction education and treatment programs.
5 (2) Five hundred thousand dollars (\$500,000) annually to the North Carolina
6 Parks and Recreation Authority for grants of five thousand dollars (\$5,000)
7 per county for youth sports development. If there are not sufficient funds for
8 each county to receive a grant of five thousand dollars (\$5,000), the amount
9 of each grant shall be reduced by the same proportion so that all counties
10 receive a grant of the same amount.
11 (3) Of the remaining proceeds, as follows:
12 a. Ten percent (10%) annually to be distributed equally among the
13 institutions listed in this sub-subdivision to support collegiate athletic
14 departments. The institutions are listed as follows:
15 1. Elizabeth City State University.
16 2. Fayetteville State University.
17 3. North Carolina Agricultural & Technical State University.
18 4. North Carolina Central University.
19 5. University of North Carolina at Asheville.
20 6. University of North Carolina at Pembroke.
21 7. Winston-Salem State University.
22 b. Thirty percent (30%) to the North Carolina Major Events, Games, and
23 Attractions Fund established under G.S. 143B-437.112.
24 c. Sixty percent (60%) to the General Fund."

25 **SECTION 5.(b)** This section becomes effective January 1, 2023, and applies to gross
26 wagering revenue received on or after that date.

27 **SECTION 6.(a)** If Senate Bill 688, 2021 Regular Session, becomes law,
28 G.S. 18C-114 reads as rewritten:

29 **"§ 18C-114. Powers and duties of the Commission.**

30 (a) The Commission shall have the following powers and duties:

31 ...

32 (14) To adopt and implement any rules necessary to carry out the provisions of this
33 Chapter, resolving any conflicts in this Chapter to the best interest of the State.

34 ...

35 (c) The Commission and the Department of Revenue may agree to exchange any data
36 necessary to enforce and administer Article 9 of this Chapter and Article 2E of Chapter 105 of
37 the General Statutes, including information deemed necessary to perform an audit of a licensee
38 or taxpayer under those Articles."

39 **SECTION 6.(b)** If Senate Bill 688, 2021 Regular Session, becomes law,
40 G.S. 105-259(b)(33) reads as rewritten:

41 "(33) To provide to the North Carolina State Lottery Commission the information
42 required under ~~G.S. 18C-141~~G.S. 18C-141 or agreed upon under
43 G.S. 18C-114(c)."

44 **SECTION 6.(c)** If Senate Bill 688, 2021 Regular Session, becomes law, Article 37
45 of Chapter 14 of the General Statutes is amended by adding a new section to read:

46 **"§ 14-309.3. Sports wagering exempt.**

47 This Article shall not apply to sports wagering lawfully conducted in compliance with Article
48 9 of Chapter 18C of the General Statutes."

49 **SECTION 6.(d)** If Senate Bill 688, 2021 Regular Session, becomes law,
50 G.S. 14-309.20 reads as rewritten:

51 **"§ 14-309.20. Greyhound racing prohibited.**

1 (a) No person shall hold, conduct, or operate any greyhound races for public exhibition
2 in this State for monetary remuneration.

3 (b) No person shall transmit or receive interstate or intrastate simulcasting of greyhound
4 races for commercial purposes in this ~~State~~ State, except as authorized under Article 9 of Chapter
5 18C of the General Statutes.

6 (c) Any person who violates this section shall be guilty of a Class 1 misdemeanor."

7 **SECTION 7.** If Senate Bill 688, 2021 Regular Session, becomes law, the North
8 Carolina State Lottery Commission shall use sufficient funds from the North Carolina State
9 Lottery Fund to cover initial operating expenses of the Commission to implement Article 9 of
10 Chapter 18C of the General Statutes, as enacted by Senate Bill 688, 2021 Regular Session, and
11 this act, provided the total amount borrowed by the Commission shall not exceed fourteen million
12 dollars (\$14,000,000) without further action by the General Assembly. The Commission shall
13 repay any funds used out of the North Carolina State Lottery Fund pursuant to this section within
14 36 months after the effective date of this act.

15 **SECTION 8.** The North Carolina State Lottery Commission shall study the
16 restrictions on number of licensees as established by G.S. 18C-904, as enacted by this act, and
17 shall report its findings, with any legislative recommendations, to the Joint Legislative Oversight
18 Committee on the North Carolina State Lottery no later than October 1, 2024.

19 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes
20 law.