



HOUSE BILL 259: 2023 Appropriations Act, Sec. 11.18: Sports Wagering Technical Corrections

2023-2024 General Assembly

Committee:		Date:	December 14, 2023
Introduced by:		Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	Sec. 11.18 of S.L. 2023-134		

OVERVIEW: Section 11.18 of S.L. 2023-134 makes changes to S.L. 2023-42 (Sports Wagering/Horse Racing Wagering), most notably, the following:

- Requires a prospective interactive sports wagering operator applicant to have a written designation agreement with a professional sports team, a motorsports facility, a facility that hosts a professional golf tournament annually, or certain sports governing bodies to be eligible for licensure.
- Authorizes an indoor venue that does not meet the definition of "sports facility" but hosts sporting events and is designed to host 22,000 or more live spectators to be an eligible location for grant funding from the North Carolina Major Events, Games, and Attractions Fund.

This act has various effective dates. Please see the full summary for more details.

CURRENT LAW/BILL ANALYSIS: S.L. 2023-42 authorized sports wagering and horse racing wagering generally in North Carolina. Section 11.18 of S.L. 2023-134 makes the following changes to S.L. 2023-42:

Section 11.18(a) – Effective October 3, 2023.

Allows an indoor venue that does not meet the definition of "sports facility" but hosts sporting events and is designed to host 22,000 or more live spectators to be an eligible location for grant funding from the North Carolina Major Events, Games, and Attractions Fund.

Section 11.18(b) – Effective January 8, 2024.

Modifies and rearranges several definitions to Article 9 of Chapter 18C (Sports Wagering), enacted under S.L. 2023-42, in order to create a more readable statute. In doing so, the following notable changes were made:

- Exemptions from the definition of "covered services" were expanded to include sports wagering platforms, and odds or line information provided by a sports wagering supplier to an interactive sports wagering operator or service provider.
- Creates new definitions for several terms rather than defining each under the definition of "sports facility". The following definitions were created:
 - Motorsports facility – A motorsports racetrack in this State that meets either of the following criteria: (i) it annually hosts more than one NASCAR national touring race; or (ii) it hosted at least one NASCAR All Star Race occurring after January 1, 2022.

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- Professional golf tournament – A professional sports event played in this State that is governed by an American governing body of the highest level of professional golf and has more than 50,000 live spectators anticipated to attend based on similar prior sporting events.
- Professional sports team – A team in this State that competes in the highest level of any of the following professional sports: baseball, men's soccer, basketball, football, ice hockey, or women's soccer.

Section 11.18(c) – Effective January 8, 2024.

Clarifies that sports wagers can only be accepted on sporting events, which is defined as professional sports, amateur sports, and college sports, all of which can include electronic sports, and any other event approved by the North Carolina State Lottery Commission (Lottery Commission).

Section 11.18(d) and (e) – Effective January 8, 2024.

S.L. 2023-42 authorized prospective interactive sports wagering operator licensees to apply to the Lottery Commission for licensure. The Lottery Commission will select up to 12 interactive sports wagering operator licensees based on which ones best fit certain enumerated criteria. Section 11.18(d) and (e) instead require prospective applicants to have a written designation agreement with certain entities prior to applying for an interactive sports wagering operator license with the Lottery Commission. The entities a prospective applicant can contract with are as follows:

- A professional sports team.
- The owner or operator of a motorsports facility or facility that hosts a professional golf tournament annually.
- A sports governing body that does either of the following:
 - Sanctions more than one NASCAR national touring race in the State.
 - Annually sanctions more than one professional golf tournament in the State.

Each entity listed above can enter into a written designation agreement with only one interactive sports wagering operator or applicant for licensure. A place of public accommodation, which are locations associated with sports facilities where in-person sports wagering can take place, can only be operated by the interactive sports wagering operator licensee that has a written designation agreement with the entity associated with the sports facility.

Section 11.18(f) – Effective January 8, 2024.

Provides that any breach, discontinuance, or other cessation of a written agreement is grounds for denial or revocation of an interactive sports wagering operator license. This section further provides that a holder of a service provider license is deemed to hold a sports wagering supplier license for services, goods, software, or components provided in-house.

Section 11.18(g) – Effective January 8, 2024.

Clarifies that a sports wagering supplier that does not provide covered services does not need to hold an interactive sports wagering operator license or a service provider license.

Section 11.18(h) – Effective January 8, 2024.

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Provides that each interactive sports wagering operator license is valid for five years unless there is a breach, discontinuation, or cessation of their written designation agreement, in which case the license expires at that time.

Section 11.18(i) – Effective January 8, 2024.

Requires interactive sports wagering operator licensees to notify the Lottery Commission of any breach, discontinuance, or cessation of their written designation agreement, as well as any change or modification to the agreement.

Section 11.18(j) – Effective January 8, 2024.

Requires that any permanent place of public accommodation associated with a sports facility be included in the written designation agreement.

Further, provides for the following regarding temporary places of public accommodation:

- A temporary place of public accommodation can be established during a professional golf tournament if a permanent place of public accommodation has not been established at the sports facility and the interactive sports wagering operator has entered into a written designation agreement with that sports facility.
- A temporary place of public accommodation can be established during certain professional golf events if the owner or operator of the golf facility contracts with an interactive sports wagering operator. The golf facility can only contract with one operator and the operator must notify the Lottery Commission of any contract as if it were a written designation agreement.

Section 11.18(k) – Effective October 3, 2023.

S.L. 2023-42 required the Lottery Commission to accept license applications prior to January 8, 2024, in order to be ready for sports wagering and horse racing wagering when the Lottery Commission authorized wagers to be accepted, which could not be any later than 12 months after June 14, 2023.

This section provides that the Lottery Commission can determine the date in which it will begin accepting license applications. It further sets a firm date of June 15, 2024, in which the Lottery Commission must authorize sports wagering and horse racing wagering to begin in North Carolina.

EFFECTIVE DATE: Subsections (b) through (j) of this section become effective January 8, 2024, the remainder of this section became effective October 3, 2023.