

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 347  
Committee Substitute Favorable 3/22/23  
PROPOSED COMMITTEE SUBSTITUTE H347-PCS30216-STx-7

Short Title: Sports Wagering.

(Public)

Sponsors:

Referred to:

March 14, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE AND REGULATE SPORTS WAGERING ON PROFESSIONAL,  
3 COLLEGE, AND AMATEUR SPORTS IN NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 18C of the General Statutes is amended by adding a new  
6 Article to read:

7 "Article 9.

8 "Sports Wagering.

9 "**§ 18C-901. Definitions.**

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

- 11 (1) Amateur sports. – A sporting competition that is not a professional sport,  
12 college sport, or youth sport. This term includes domestic, international, and  
13 Olympic sporting competitions.
- 14 (2) Cash equivalent. – An asset convertible to cash for use in connection with  
15 authorized sports wagering that includes all of the following:  
16 a. Foreign currency and coin.  
17 b. Personal check and draft.  
18 c. Digital, crypto, and virtual currency.  
19 d. Online and mobile payment systems that support online money  
20 transfers.  
21 e. Credit card and debit card.  
22 f. Prepaid access instrument.  
23 g. Any other form approved by the Commission.
- 24 (3) College sports. – An athletic or sporting competition in which at least one  
25 participant is a team or contestant competing on behalf of or under the  
26 sponsorship of a public or private institution of postsecondary education. This  
27 term shall not include a public or private institution of postsecondary  
28 education sponsorship of professional sports.
- 29 (4) Covered services. – Any service creating sports wagering markets and  
30 determination of sports wager outcomes that involves the operation,  
31 management, or control of sports wagers authorized by this Article, including  
32 the development or operation of the sports wagering platform and the  
33 determination of odds or line information. The term shall not include any of  
34 the following:  
35 a. Payment processing and similar financial services.



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- 1                    b. Customer identity, age verification, and geolocation services.  
2                    c. Streaming or other video and data that does not include the  
3                    determination of odds or line information.  
4                    d. Telecommunications, internet service providers, and other similar  
5                    services not specifically designed for sports wagering.  
6                    e. Other goods or services not specifically designed for use in connection  
7                    with sports wagering.  
8                    (5) Electronic sports. – Leagues, competitive circuits, tournaments, or similar  
9                    competitions where individuals or teams play video games, typically for  
10                    spectators, either in person or online, for prizes, money, or entertainment.  
11                    (6) Geofencing. – Technology approved by the Commission and utilized by an  
12                    interactive sports wagering operator to verify a registered player's geolocation  
13                    prior to the time the registered player is placing a sports wager.  
14                    (7) Gross wagering revenue. – The total of all of the following received by an  
15                    interactive sports wagering operator from sports wagers as authorized under  
16                    this Article:  
17                    a. Cash or cash equivalents, whether collected or not.  
18                    b. Cash value of any bonuses or promotional bets.  
19                    (8) Interactive account. – A mobile account established by a registered player for  
20                    the purpose of placing sports wagers in accordance with this Article.  
21                    (9) Interactive sports wagering operator. – The holder of an interactive sports  
22                    wagering license issued by the Commission.  
23                    (10) Key person. – An officer or director of a licensee or applicant for licensure  
24                    who is directly involved in the operation, management, or control of sports  
25                    wagering authorized under this Article, or who exercises substantial influence  
26                    or control over the sports wagering activities.  
27                    (11) Official league data. – Statistics, results, outcomes, and other data relating to  
28                    a sporting event obtained pursuant to an agreement with the relevant sports  
29                    governing body or an entity expressly authorized by the relevant sports  
30                    governing body to provide such data.  
31                    (12) Parimutuel wager. – A betting system in which all the bets of a particular type  
32                    are placed together in a pool and the sports wager is placed against other sports  
33                    wagers on the same sporting event in which the participants finish in a ranked  
34                    order.  
35                    (13) Professional sports. – An athletic or sporting competition involving at least  
36                    two competitors who receive compensation for participating in such event.  
37                    (14) Registered player. – An individual who has established an interactive account  
38                    with an interactive sports wagering operator.  
39                    (15) Service provider. – A business entity that provides covered services to an  
40                    interactive sports wagering operator and holds a service provider license.  
41                    (16) Sporting event. – Professional sports, amateur sports, and college sports, all  
42                    of which may include electronic sports, and any other event approved by the  
43                    Commission.  
44                    (17) Sports facility. – Any of the following:  
45                    a. A motorsports facility that hosts a National Association for Stock Car  
46                    Auto Racing national touring race and has a minimum seating capacity  
47                    of 17,000 people.  
48                    b. A facility that hosts a professional golf tournament with more than  
49                    50,000 live spectators anticipated to attend based on similar prior  
50                    tournaments.

- 1           c.     A facility that is the home location of a professional sports team that  
2                 competes in any of the following professional leagues:  
3                 1.     Major League Baseball.  
4                 2.     Major League Soccer.  
5                 3.     National Basketball Association.  
6                 4.     National Football League.  
7                 5.     National Hockey League.  
8                 6.     National Women's Soccer League.

9           (18) Sports governing body. – An organization headquartered in the United States  
10                 that prescribes final rules with respect to a sporting event and enforces the  
11                 code of conduct for participants therein. In the context of electronic sports, the  
12                 sports governing body shall be the video game publisher of the title used in  
13                 the electronic sports competition, regardless of location.

14           (19) Sports wager or sports wagering. – Placing of wagers via an interactive  
15                 account on any of the following: (i) a sporting event, (ii) a portion of a sporting  
16                 event, or (iii) the individual performance statistics of athletes in a sporting  
17                 event or combination of sporting events. The term also includes single-game  
18                 wagers, teaser wagers, parlays, over-under, moneyline, pools, exchange  
19                 wagering, in-game wagering, in-play wagers, proposition wagers, straight  
20                 wagers, and any other wager approved by the Commission.

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

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

28           (22) Sports wagering supplier. – A person that provides services, goods, software,  
29                 or other components necessary for the creation of sports wagering markets  
30                 and determination of sports wager outcomes, directly or indirectly, to any  
31                 interactive sports wagering operator or service provider involved in the  
32                 acceptance of sports wagers, including any of the following: providers of data  
33                 feeds and odds services, internet platform providers, risk management  
34                 providers, integrity monitoring providers, and other providers of sports  
35                 wagering supplier services as determined by the Commission. The term does  
36                 not include a sports governing body that provides raw statistical match data to  
37                 one or more designated and licensed providers of data and odds services.

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

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

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

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

5           a. Professional sports.

6           b. Sporting events that occur under the sponsorship or oversight of  
7 national or international athletic bodies that are not educational  
8 institutions and that include participants both over and under the age  
9 of 18.

10 **"§ 18C-902. Authorization of sports wagering generally.**

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

16           (1) Ensure that the registered player is located within the State, and not present  
17 on Indian lands within the State, when placing any sports wager, by utilizing  
18 geofencing.

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

20           (b) This Article does not apply to interactive sports wagering conducted exclusively on  
21 Indian lands by an Indian tribe operating in accordance with a Tribal-State gaming compact and  
22 authorized to conduct Class III gaming pursuant to a compact with the State. For purposes of this  
23 Article, sports wagering is conducted exclusively on Indian lands only if the individual who  
24 places the sports wager is physically present on Indian lands when the sports wager is initiated  
25 and received by an Indian tribe operating on the same Indian lands in accordance with a  
26 Tribal-State gaming compact and in conformity with the safe harbor requirements as provided in  
27 31 U.S.C. § 5362(10)(c).

28           (c) An interactive sports wagering operator licensed under G.S. 18C-904 shall not, by  
29 virtue of such licensure, be authorized to accept any sports wager if the registered player placing  
30 the sports wager is physically present on Indian lands when the sports wager is initiated and  
31 received. An interactive sports wagering operator licensed under G.S. 18C-904 shall be  
32 authorized to accept a sports wager only if the registered player placing the sports wager is  
33 physically present in this State when the sports wager is initiated and received. Each interactive  
34 sports wagering operator licensed under G.S. 18C-904 shall use geofencing approved by the  
35 Commission to ensure compliance with this Article.

36           (d) Nothing in this Article shall authorize any of the following:

37           (1) Sports wagering involving youth sports.

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

39           a. Injuries.

40           b. Penalties.

41           c. The outcome of disciplinary proceedings against a participant in a  
42 sporting event.

43           d. The outcome of replay reviews.

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

45           (4) The placing of a parimutuel wager.

46           (e) Nothing in this Article shall apply to fantasy or simulated games or contests in which  
47 one or more fantasy contest players compete and winning outcomes reflect the relative  
48 knowledge and skill of the fantasy contest players and are determined predominantly by  
49 accumulated statistical results of the performance of individuals, including athletes in the case of  
50 sporting events.

1       (f) Upon request and with reasonable notice, the Commission or the Department of  
2 Revenue has the authority to audit any interactive sports wagering operator or its service  
3 providers as related to sports wagering activities.

4       (g) Any sports governing body on whose sporting events sports wagering is authorized  
5 by this Article may enter into commercial agreements with interactive sports wagering operators  
6 or other entities in which the sports governing body may share in the amount bet from sports  
7 wagering on sporting events of the sports governing body. A sports governing body is not  
8 required to obtain a license or any other approval from the Commission to lawfully accept such  
9 amounts.

10       (h) Nothing in this Chapter shall authorize the Commission to establish, require, or  
11 enforce a maximum or minimum payout or hold percentage upon any interactive sports wagering  
12 operator.

13 "§ 18C-903. Reserved for future codification purposes.

14 "§ 18C-904. Interactive sports wagering license.

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

20           (1) Professional sports.

21           (2) College sports.

22           (3) Electronic sports.

23           (4) Amateur sports.

24           (5) Any other event approved by the Commission in accordance with this Article.

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

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

31           (1) The proposed initial business plan, including the range of contemplated types  
32 and modes of sports wagering.

33           (2) The proposed measures to address age and identity verification and  
34 geolocation requirements.

35           (3) The proposed internal controls that will prevent ineligible persons from  
36 participating in sports wagering.

37           (4) A documented history of working to prevent compulsive gambling, including  
38 training programs for its employees.

39           (5) A written information security program detailing information security  
40 governance and the designation of a chief security officer or equivalent.

41           (6) The proposed sports wagering brand that the applicant plans to hold out to the  
42 public displaying its sports wagering platform.

43           (7) Any personal information the Commission may deem necessary concerning  
44 the applicant's key persons.

45           (8) Any other information the Commission may deem necessary.

46       (d) The Commission shall conduct a background investigation on the applicant and key  
47 persons as deemed necessary by the Commission. The background investigation shall include a  
48 credit history check, a tax record check, and a criminal history record check. In the event an  
49 applicant and its key persons have had a completed criminal history record check in the 12  
50 months prior to the application, the Commission may, in its discretion, accept the results of that  
51 prior criminal history record check upon submission of an affidavit that there has been no change

1 in criminal history since the prior criminal history record check in this or any other state. The  
2 Commission may not award a license if an applicant or a key person of the applicant has been  
3 convicted of a felony or any gambling offense in any state or federal court of the United States  
4 within 10 years of application or renewal.

5 (e) An applicant for licensure and any key person deemed necessary by the Commission  
6 shall consent to a criminal history record check and shall submit all necessary fingerprints.  
7 Refusal to consent to a criminal history record check may constitute grounds for the Commission  
8 to deny licensure.

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

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

15 (2) The extent to which the applicant demonstrates past experience, financial  
16 viability, compliance with applicable laws and regulations in other  
17 jurisdictions, and success with sports wagering operations in other  
18 jurisdictions.

19 (3) The extent to which the applicant is able to meet the duties of an interactive  
20 sports wagering operator.

21 (4) The amount of gross wagering revenue and associated tax revenue that an  
22 applicant is projected to generate.

23 (5) Any other factors the Commission deems relevant.

24 (g) A person holding a license to conduct sports wagering, on the basis of comparable  
25 licensing requirements issued to that person by a proper authority in another state or territory of  
26 the United States or the District of Columbia if that jurisdiction's requirements for licensure,  
27 certification, or registration are substantially equivalent to or exceed the requirements of this  
28 State, and who, in the opinion of the Commission otherwise meets the requirements of this Article  
29 based upon verified evidence may, upon application, be licensed as an interactive sports wagering  
30 operator with or without further examination, as determined by the Commission. The  
31 Commission may also accept another jurisdiction's or approved third party's testing of the  
32 interactive sports wagering platform as evidence that the sports wagering platform meets any  
33 requirements mandated by the Commission.

34 (h) The Commission shall review and issue interactive sports wagering licenses to  
35 qualified applicants within 60 days of receipt of a completed application. The Commission may  
36 extend the review period for an additional 30 days if the background investigation is outstanding.  
37 Any denial shall be in writing and state the grounds therefor.

38 (i) Notwithstanding Chapter 132 of the General Statutes or any other provision of law,  
39 only the following documents under this section shall be a public record, with respect to each  
40 applicant and each interactive sports wagering operator:

41 (1) The name, address, and sports wagering platform.

42 (2) The names of all key persons.

43 (3) The documented history of working to prevent compulsive gambling,  
44 including training programs for its employees.

45 (4) The proposed sports wagering brand that the applicant plans to hold out to the  
46 public displaying its sports wagering platform.

47 (5) The granting or denial of the application.

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

1 promptly report to the Commission all changes in key persons, and all new key persons shall  
2 consent to a background investigation.

3 (k) No interactive sports wagering operator license is assignable or transferable without  
4 approval of the Commission.

5 (l) Interactive sports wagering operators shall assure the financial integrity of sports  
6 wagering operations by the maintenance of a reserve of not less than five hundred thousand  
7 dollars (\$500,000) or the amount required to cover the outstanding liabilities for sports wagers  
8 accepted by the interactive sports wagering operator, whichever is greater. The reserve may take  
9 the form of a bond, an irrevocable letter of credit, payment processor reserves and receivables,  
10 cash or cash equivalents segregated from operational funds, guaranty letter, a combination  
11 thereof, or any other means as approved by the Commission. Such reserve shall be adequate to  
12 pay winning sports wagers when due. An interactive sports wagering operator is presumed to  
13 have met this requirement if the operator maintains, on a daily basis, a minimum reserve in an  
14 amount which is at least equal to the average daily minimum reserve, calculated on a monthly  
15 basis, for the corresponding month in the previous year. For purposes of this subsection,  
16 "outstanding liabilities for sports wagers accepted by an interactive sports wagering operator"  
17 shall mean the amounts accepted by the interactive sports wagering operator on sports wagers  
18 whose outcomes have not been determined and amounts owed but unpaid on winning sports  
19 wagers.

20 "**§ 18C-905.** Reserved for future codification purposes.

21 "**§ 18C-906. Applications for service provider licenses.**

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

26 (b) The Commission shall review and issue service provider licenses to qualified  
27 applicants within 60 days of receipt of a completed application. The Commission may extend the  
28 review period for an additional 30 days if the background investigation is outstanding. Any denial  
29 shall be in writing and state the grounds therefor. The applicant shall submit the completed  
30 application, on a form prescribed by the Commission, and the licensing fee of fifty thousand  
31 dollars (\$50,000).

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

33 (1) The applicant's background in sports wagering or the covered service.

34 (2) All experience with sports wagering or other wagering activities in other  
35 jurisdictions, including the applicant's history, reputation of integrity and  
36 compliance, and a list of all active and inactive licenses, certifications, or  
37 registrations and reasons for inactivity, if applicable.

38 (3) A written information security program, detailing information security  
39 governance and the designation of a chief security officer or equivalent.

40 (4) Any personal information the Commission may deem necessary concerning  
41 the applicant's key persons.

42 (5) Any other information the Commission may deem necessary.

43 (d) The Commission shall conduct a background investigation on the applicant and key  
44 persons as deemed necessary by the Commission. The background investigation shall include a  
45 credit history check, a tax record check, and a criminal history record check. In the event an  
46 applicant and its key persons have had a completed criminal history record check in the 12  
47 months prior to the application, the Commission may, in its discretion, accept the results of that  
48 prior criminal history record check upon submission of an affidavit that there has been no change  
49 in criminal history since the prior criminal history record check in this or any other state. The  
50 Commission may not award a license if the applicant or a key person of the applicant has been

1 convicted of a felony or any gambling offense in any state or federal court of the United States  
2 within 10 years of application or renewal.

3 (e) An applicant for licensure and any key person deemed necessary by the Commission  
4 shall consent to a criminal history record check and shall submit all necessary fingerprints.  
5 Refusal to consent to a criminal history record check may constitute grounds for the Commission  
6 to deny licensure.

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

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

15 (1) The applicant is unable to satisfy the requirements under this Article.

16 (2) The applicant or any key persons are not of good character, honesty or  
17 integrity.

18 (3) The applicant's or any key person's prior activities, criminal record, reputation,  
19 or associations indicate any of the following:

20 a. A potential threat to the public interest.

21 b. The potential to impede the regulation of sports wagering.

22 c. The potential of promoting unfair or illegal activities in the conduct of  
23 sports wagering.

24 (4) The applicant or a key person knowingly makes a false statement of material  
25 fact or deliberately fails to disclose information requested by the Commission.

26 (5) The applicant or a key person knowingly fails to comply with the provisions  
27 of this Article or any requirements of the Commission.

28 (6) The applicant or a key person was convicted of a felony, a crime of moral  
29 turpitude, or any criminal offense involving dishonesty or breach of trust  
30 within the 10 years prior to the submission date of the application.

31 (7) Any revocation, suspension, or denial of the applicant's or key person's  
32 license, certification, or registration to conduct sports wagering, other forms  
33 of gambling activity, or a covered service issued by any other jurisdiction.

34 (8) The applicant has defaulted on any obligation or debt owed to this State.

35 (h) Notwithstanding any other provision of law, only the following documents under this  
36 section shall be a public record, with respect to each applicant and each service provider:

37 (1) The name, address, and sports wagering platform.

38 (2) The name of all key persons.

39 (3) The granting or denial of the application.

40 (i) Each service provider shall promptly report all criminal or disciplinary proceedings  
41 commenced against that service provider in connection with its operations to the Commission.  
42 Each service provider shall promptly report all changes in key persons to the Commission, and  
43 all new key persons shall consent to a background investigation.

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

46 **"§ 18C-907. Sports wagering supplier license.**

47 (a) The Commission may issue a sports wagering supplier license to a sports wagering  
48 supplier. An interactive sports wagering operator who provides covered services in-house shall  
49 not be required to have a sports wagering supplier license in addition to the interactive sports  
50 wagering operator license.



1       **(b)** At the request of an applicant for a sports wagering supplier license, the Commission  
2 may issue a provisional sports wagering supplier license to the applicant so long as the applicant  
3 has submitted a completed application in accordance with this section. A provisional license  
4 issued under this subsection expires on the date provided by the Commission.

5       **(c)** A person may apply to the Commission for a sports wagering supplier license as  
6 provided in this Article.

7       **(d)** The applicant shall complete and submit an application on a form prescribed by the  
8 Commission and a licensing fee of thirty thousand dollars (\$30,000). In the application, the  
9 Commission shall require applicants to disclose the identity of each of the following:

10           **(1)** The applicant's principal owners who directly own ten percent (10%) or more  
11 of the applicant.

12           **(2)** Each holding, intermediary, or parent company that directly owns fifteen  
13 percent (15%) or more of the applicant.

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

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

17       **(e)** The Commission shall conduct a background investigation on the applicant, key  
18 persons of the applicant, and current employees of the applicant, as deemed necessary by the  
19 Commission. The background investigation shall include a credit history check, a tax record  
20 check, and a criminal history record check. In the event an applicant and its key persons have  
21 had a completed criminal history record check in the 12 months prior to the application, the  
22 Commission may, in its discretion, accept the results of that prior criminal history record check  
23 upon submission of an affidavit that there has been no change in criminal history since the prior  
24 criminal history record check in this or any other state. The Commission may not award a license  
25 if the applicant or a key person of the applicant has been convicted of a felony or any gambling  
26 offense in any state or federal court of the United States within 10 years of application or renewal.

27       **(f)** An applicant for licensure and any key person deemed necessary by the Commission  
28 shall consent to a criminal history record check and shall submit all necessary fingerprints.  
29 Refusal to consent to a criminal history record check may constitute grounds for the Commission  
30 to deny licensure.

31       **(g)** The Commission shall review and issue licenses to qualified applicants within 60 days  
32 of receipt of a completed application. The Commission may extend the review period for an  
33 additional 30 days if the background investigation is outstanding.

34       **(h)** In disclosing the principal owners of the applicant, the following shall apply:

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

39           **(2)** Investment funds or entities registered with the Securities and Exchange  
40 Commission, including Investment Advisors and entities under the  
41 management of the Securities and Exchange Commission, that are direct or  
42 indirect shareholders of the applicant shall be waived in the applicant's  
43 disclosure of ownership and control as determined by the Commission.

44       **(i)** A sports wagering supplier license or a provisional sports wagering supplier license  
45 shall be sufficient to offer the sports wagering services under this Article.

46       **(j)** A person holding a sports wagering supplier license or its equivalent, on the basis of  
47 comparable licensing requirements issued to that person by a proper authority by another state or  
48 territory of the United States or the District of Columbia if that jurisdiction's requirements for  
49 licensure, certification, or registration are substantially equivalent to or exceed the requirements  
50 of this State, and who, in the opinion of the Commission otherwise meets the requirements of

1 this Article based upon verified evidence may, upon application, be licensed as a sports wagering  
2 supplier with or without further examination, as determined by the Commission.

3 (k) Each interactive sports wagering operator shall promptly report all criminal or  
4 disciplinary proceedings commenced against that interactive sports wagering operator in  
5 connection with its operations to the Commission. Each interactive sports wagering operator shall  
6 promptly report to the Commission all changes in key persons, and all new key persons shall  
7 consent to a background investigation.

8 (l) Notwithstanding any other provision of law, only the following documents under this  
9 section shall be a public record, with respect to each applicant and each sports wagering supplier:

10 (1) The name, address, and sports wagering platform.

11 (2) The name of all key persons.

12 (3) The granting or denial of the application.

13 (m) No sports wagering supplier license is assignable or transferable without approval of  
14 the Commission.

15 **"§ 18C-908. Renewals of licenses.**

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

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

19 (1) One million dollars (\$1,000,000) for an interactive sports wagering license.

20 (2) Fifty thousand dollars (\$50,000) for a service provider license.

21 (3) Thirty thousand dollars (\$30,000) for a sports wagering supplier license.

22 (c) The Commission may revoke or deny a license renewal for any of the following  
23 reasons:

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

26 (2) A violation of this Article.

27 (3) Failure to pay the privilege tax imposed under Article 2E of Chapter 105 of  
28 the General Statutes.

29 (d) With respect to interactive sports wagering operators, the Commission may deny a  
30 license renewal if the Commission finds good cause to believe approval of another applicant  
31 would better meet the objectives of this Article in generating revenue for the State, protecting the  
32 public interest, and otherwise satisfying the criteria for issuance, and no additional licenses are  
33 to be available under G.S. 18C-904(a).

34 **"§ 18C-909. Use of proceeds.**

35 (a) The Commission shall use the funds remitted to it pursuant to G.S. 105-113.128 and  
36 any proceeds from license fees collected under this Article to cover expenses in administering  
37 this Article. Any proceeds remaining at the end of each fiscal year after payment of expenses of  
38 the Commission pursuant to this section shall be remitted to the General Fund.

39 (b) Expenses of the Commission shall include all items listed in G.S. 18C-163.

40 **"§ 18C-910. Duties of licensees.**

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

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

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

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

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

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

- 1           (6) Allow persons to voluntarily exclude themselves under G.S. 18C-922 from  
2 placing sports wagers through its sports wagering platform as set forth in this  
3 Article.
- 4           (7) Establish procedures to detect suspicious or illegal sports wagering activity.
- 5           (8) Provide for the reporting of income tax of registered players where required  
6 by applicable State or federal law.
- 7           (9) Prevent a participant in a sporting event, including an athlete, coach, trainer,  
8 official, or any employee or staff of a participant from placing a sports wager  
9 on that sporting event in which the participant is participating.
- 10          (10) Verify the location of the sports wagerer at the time the sports wager is  
11 initiated and received for compliance with G.S. 18C-902(c).
- 12          (b) For three years after a sporting event occurs, interactive sports wagering operators  
13 shall maintain records on all of the following:
- 14               (1) Each sports wager, including the identity of the registered player.
- 15               (2) The amount, type, time, location, and outcome of the sports wager, including  
16 the IP address, if available.
- 17               (3) Suspicious or illegal sports wagering activity.
- 18          (c) The interactive sports wagering operator shall disclose the records described in  
19 subsection (b) of this section to the Commission upon request.
- 20          (d) If a sports governing body has notified the Commission that real-time information  
21 sharing for sports wagers placed on its sporting events is necessary, interactive sports wagering  
22 operators shall share with that sports governing body or its designee in real time, at the account  
23 level, anonymized information regarding a registered player, amount and type of sports wager,  
24 the time the sports wager was placed, the location of the registered player at the time the sports  
25 wager was placed, the IP address if applicable, the outcome of the sports wager, and records of  
26 abnormal sports wagering activity. For purposes of this subsection, real time means on a  
27 commercially reasonable periodic interval, but in any event, not less than once every 72 hours.  
28 A sports governing body receiving any information pursuant to this subsection shall use the  
29 information for the purpose of integrity monitoring only and not for any commercial purpose.
- 30          (e) In advertising its sports wagering platform, the interactive sports wagering operator  
31 shall ensure that its advertisements meet all of the following requirements:
- 32               (1) It does not target persons under the age of 21.
- 33               (2) It discloses the identity of the interactive sports wagering operator.
- 34               (3) It provides information about or links to resources related to gambling  
35 addiction and prevention.
- 36               (4) It is not misleading to a reasonable person.
- 37          (f) Background investigations shall search for criminal history and any charges or  
38 convictions involving corruption or manipulation of sporting events and association with  
39 organized crime.
- 40          (g) Interactive sports wagering operators and service providers shall employ  
41 commercially reasonable methods to maintain the security of wagering data, registered player  
42 and other customer data, and any other confidential information, including information provided  
43 by a sports governing body, from unauthorized access and dissemination. All servers necessary  
44 to the placement or resolution of a sports wager, other than back-up servers, shall be physically  
45 located in this State. Consistent with federal law, nothing in this section shall preclude the use of  
46 internet or cloud-based hosting, or the use of back-up servers located outside of this State.
- 47          (h) Each interactive sports wagering operator shall provide a daily summary of all sports  
48 wagering activity, detailing all transactions processed through each wagering system, provided  
49 in a format established by the Commission, at the close of each business day.

50 **"§ 18C-911.** Reserved for future codification purposes.

51 **"§ 18C-912. Establishment of interactive accounts.**

1       (a) Only a registered player shall be permitted to deposit cash or cash equivalents, or to  
2 place a sports wager, with an interactive sports wagering operator. The interactive sports  
3 wagering operator is responsible for verifying the identity of the registered player and ensuring  
4 that the registered player is at least 21 years of age.

5       (b) A registered player may not have more than one interactive account with each  
6 interactive sports wagering operator.

7       (c) All of the following persons are prohibited from engaging in sports wagering:

8           (1) Any person under the age of 21.

9           (2) Any person who has requested and not revoked a voluntary exclusion  
10 designation from sports wagering pursuant to G.S. 18C-922.

11           (3) Any person who has been adjudicated by law as prohibited from engaging in  
12 sports wagering.

13           (4) Any member or employee of the Commission if placing a sports wager in this  
14 State.

15           (5) Any employee or key person of an interactive sports wagering operator or  
16 service provider license when placing sports wagers with that interactive  
17 sports wagering operator.

18           (6) With respect to a sporting event, any participant in that sporting event,  
19 including an athlete, coach, trainer, official, or any employee or staff of a  
20 participant, when placing a sports wager on that sporting event in which that  
21 participant is participating.

22           (7) Any employee or staff of a sports governing body, but only from the sporting  
23 events with which that individual or sports governing body is affiliated.

24       (d) An interactive account shall meet all of the following requirements:

25           (1) Be registered in the name of the registered player, who is a natural person.

26           (2) Be established through the interactive sports wagering operator's sports  
27 wagering platform.

28           (3) Be funded with cash or cash equivalents online or placed at a sports facility as  
29 provided in G.S. 18C-926.

30           (4) Prohibit the transfer or sale of an account or account balance.

31           (5) Prohibit the use of any virtual private network or other technology that may  
32 obscure or falsify the registered player's physical location.

33           (6) Prohibit any form of collusion, cheating, or other unlawful activity.

34           (7) Affirm that the registered player meets all eligibility requirements for  
35 registration.

36           (8) Authorize the provision of notices and other required communications either  
37 through a designated mobile or other interface or to an electronic mail address  
38 designated by the registered player.

39       (e) The interactive sports wagering operator shall put in place sufficient measures to  
40 verify the age and identity of the registered player needed to allow the establishment of  
41 interactive accounts remotely.

42       (f) An interactive account held by a registered player in this State may be suspended or  
43 terminated by the interactive sports wagering operator under any of the following conditions:

44           (1) The registered player has provided any false or misleading information in  
45 connection with the opening of the account, or has engaged in collusion,  
46 cheating, or other unlawful conduct.

47           (2) The registered player is barred from placing sports wagers in the State.

48           (3) The registered player is or otherwise becomes ineligible pursuant to this  
49 Article.

50           (4) For any other reason at the sole discretion of the interactive sports wagering  
51 operator, provided it is not in violation of federal or State law.

1       (g) In the event of termination of the interactive account in accordance with this section,  
2 the registered player shall be provided timely ability to access and withdraw any funds remaining  
3 in the interactive account.

4 "§ 18C-913. Reserved for future codification purposes.

5 "§ 18C-914. Integrity of competition and prohibited events.

6       (a) A sports governing body may submit to the Commission in writing a request to  
7 restrict, limit, or exclude a certain type, form, or category of sports wagering with respect to  
8 sporting events of such body, if the sports governing body believes that such type, form, or  
9 category of sports wagering with respect to sporting events of such body may undermine the  
10 integrity or perceived integrity of such body or sporting events of such body. The Commission  
11 shall request comment from interactive sports wagering operators on all such requests. After  
12 giving due consideration to all comments received, the Commission shall, upon a demonstration  
13 of good cause from the requestor that such type, form, or category of sports wagering is likely to  
14 undermine the integrity or perceived integrity of such body or sporting events of such body, grant  
15 the request. The Commission shall respond to a request concerning a particular event before the  
16 start of the event, or if it is not feasible to respond before the start of the event, no later than seven  
17 days after the request is made. If the Commission determines that the requestor is more likely  
18 than not to prevail in successfully demonstrating good cause for its request, the Commission may  
19 provisionally grant the request of the sports governing body until the Commission makes a final  
20 determination as to whether the requestor has demonstrated good cause. Absent such a  
21 provisional grant by the Commission, sports wagering operators may continue to offer sports  
22 wagering on sporting events that are the subject of such a request during the pendency of the  
23 Commission's consideration of the applicable request.

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

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

- 32       (1) The results of tier one sports wagers on sporting events of any organization  
33 whether headquartered in the United States or elsewhere.  
34       (2) The results of tier two sports wagers on sporting events of organizations that  
35 are not headquartered in the United States.

36       (d) A sports governing body may notify the Commission that it desires interactive sports  
37 wagering operators to use official league data to settle tier two sports wagers on sporting events  
38 of such sports governing body. Notification shall be made in the form and manner as the  
39 Commission may require. The Commission shall notify each interactive sports wagering operator  
40 of a sports governing body's notification within five days of the Commission's receipt of the  
41 notification. If a sports governing body does not so notify the Commission, an interactive sports  
42 wagering operator is not required to use official league data for determining the results of tier  
43 two sports wagers on sporting events of that sports governing body.

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

- 50       (1) The sports governing body or its designee cannot provide a feed of official  
51 league data to determine the results of a particular type of tier two sports

1 wager, in which case interactive sports wagering operators are not required to  
2 use official league data for determining the results of the applicable tier two  
3 sports wager until such time as such a data feed becomes available from the  
4 sports governing body on commercially reasonable terms and conditions.

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

9 (3) The designee of the sports governing body does not obtain a sports wagering  
10 supplier license from the Commission to provide official league data to  
11 interactive sports wagering operators to determine the results of tier two sports  
12 wagers, if and to the extent required by law.

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

23 (1) The extent to which interactive sports wagering operators have purchased the  
24 same or similar official league data on the same or similar terms, particularly  
25 in jurisdictions where such purchase was not required by law, or was required  
26 by law, but only if offered on commercially reasonable terms.

27 (2) The nature and quantity of the official league data, including its speed,  
28 accuracy, reliability, and overall quality, as compared to comparable  
29 non-official data.

30 (3) The quality and complexity of the process used to collect and distribute the  
31 official league data as compared to comparable non-official data.

32 (4) The availability of a sports governing body's tier two official league data to an  
33 interactive sports wagering operator from more than one authorized source.

34 (5) Market information, including price and other terms and conditions, regarding  
35 the purchase by interactive sports wagering operators of comparable data for  
36 the purpose of settling sports wagers in this State and other jurisdictions.

37 (6) The extent to which sports governing bodies or their designees have made data  
38 used to settle tier two sports wagers available to interactive sports wagering  
39 operators and any terms and conditions relating to the use of that data.

40 (7) Any other information the Commission deems relevant.

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

47 "§ 18C-915. Reserved for future codification purposes.

48 "§ 18C-916. Civil penalties; suspension and revocation of licenses.

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

1           (1)    Suspend or revoke the license.

2           (2)    Impose a monetary penalty of not more than ten thousand dollars (\$10,000)  
3           for each violation.

4   "**§ 18C-917.** Reserved for future codification purposes.

5   "**§ 18C-918. Criminal penalties.**

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

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

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

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

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

20   "**§ 18C-919.** Reserved for future codification purposes.

21   "**§ 18C-920.** Reserved for future codification purposes.

22   "**§ 18C-921.** Reserved for future codification purposes.

23   "**§ 18C-922. Voluntary exclusion program.**

24      (a)    The Commission shall establish a voluntary exclusion program for any individual to  
25   voluntarily exclude themselves from placing sports wagers. Interactive sports wagering operators  
26   shall use reasonable means to comply with the exclusion of individuals participating in the  
27   voluntary exclusion program by the Commission.

28      (b)    The Commission shall adopt rules to establish the voluntary exclusion program,  
29   which shall provide for all of the following:

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

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

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

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

39          (5)    The means by which the Commission shall make available to all interactive  
40          sports wagering operators and their agents the names of the individuals  
41          participating in the voluntary exclusion program, which shall be at least  
42          quarterly.

43      (c)    Participation in the voluntary exclusion program shall not preclude an interactive  
44   sports wagering operator and its agents from seeking the payment of a debt accrued by the  
45   individual while not participating in the voluntary exclusion program.

46      (d)    The voluntary exclusion program shall be exempt from Chapter 132 of the General  
47   Statutes and shall be treated as confidential by each interactive sports wagering operator. An  
48   interactive sports wagering operator conducting sports wagering in another state may share the  
49   information provided under this section with its agents and affiliates in other states for excluding  
50   individuals participating in the voluntary exclusion program.

51   "**§ 18C-923.** Reserved for future codification purposes.

1 **"§ 18C-924. Risk management.**

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

9 **"§ 18C-925.** Reserved for future codification purposes.

10 **"§ 18C-926. Places of public accommodation.**

11 (a) Permanent places of public accommodation for the purpose of accessing the  
12 registered player's interactive account, either directly or with assistance from a person, may be  
13 associated with each sports facility.

14 (b) Permanent places of public accommodation permitted under this section shall be  
15 located as follows:

16 (1) On the property of the sports facility.

17 (2) No more than one place of public accommodation may be on other property  
18 owned or controlled by the owner or operator of the sports facility or an  
19 affiliated entity of the owner or operator of the sports facility that is located  
20 within a one-half mile radius of a sports facility as defined in  
21 G.S. 18C-901(17)a. or G.S. 18C-901(17)c.

22 (3) No more than one place of public accommodation may be on other property  
23 owned or controlled by the owner or operator of the sports facility that is  
24 located within a one and one-half mile radius of a sports facility as defined in  
25 G.S. 18C-901(17)b.

26 (c) Nothing in this section shall be construed to exempt a place of public accommodation  
27 from the provisions of any other law that may be enforceable.

28 (d) All sports wagers made at a place of public accommodation shall be placed via an  
29 interactive account as described in G.S. 18C-912. Mobile devices, computer terminals, similar  
30 devices, and cashiers used to operate the place of public accommodation shall have the ability to  
31 accept cash and cash equivalents and to distribute cash equivalents; only a cashier may distribute  
32 cash or something of monetary value to the registered player at a place of public accommodation.  
33 All cashiers that accept or distribute cash or cash equivalents shall be employees of an interactive  
34 sports wagering operator.

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

37 (f) Notwithstanding subsections (a) through (c) of this section, no more than one place  
38 of public accommodation may be temporarily established during a professional golf tournament  
39 at a sports facility as defined in G.S. 18C-901(17)b. The temporary place of public  
40 accommodation need not comply with local ordinances under Chapter 160D of the General  
41 Statutes but shall not operate more than five days prior to the professional golf tournament or  
42 five days after the professional golf tournament.

43 (g) Notwithstanding any other provision of this section, no sports facility shall be open  
44 to registered players for placing sports wagers during the eight hours before or during any college  
45 sports events at the sports facility or adjacent to the sports facility.

46 **"§ 18C-927.** Reserved for future codification purposes.

47 **"§ 18C-928. Compliance with federal law; Indian gaming.**

48 (a) Consistent with the intent of the United States Congress as articulated in the Unlawful  
49 Internet Gambling Enforcement Act of 2006 (31 U.S.C. § 5361 et seq.), the intermediate routing  
50 of electronic data relating to intrastate sports wagering authorized under this Article shall not  
51 determine the location or locations in which such sports wagers are initiated and received.



1       **(b)** All activities authorized by this Article shall be deemed to be conducted solely under  
2 the authority of this Article and not under the federal Indian Gaming Regulatory Act, 25 U.S.C.  
3 § 2701 et seq.

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

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

7           **(2)** Agreement by the tribal gaming enterprise, in a form as prescribed by the  
8 Commission, to all of the following:

9           **a.** Adherence to the requirements of this Article and to the regulations  
10 adopted by the Commission with respect to sports wagering.

11           **b.** Submission to the Commission's enforcement of this Article and any  
12 implementation of the rules, including waiver of any applicable tribal  
13 sovereign immunity for the sole and limited purpose of such  
14 enforcement.

15           **c.** Collection and payment of all taxes imposed under Article 2E of  
16 Chapter 105 of the General Statutes.

17           **d.** Not offering or conducting any interactive gambling other than the  
18 interactive sports wagering authorized by this Article unless  
19 specifically otherwise authorized by law.

20           **e.** Location of any server or other information technology equipment  
21 directly related to the placing of sports wagers that is used by the tribal  
22 gaming enterprise and its agents to accept interactive sports wagering  
23 authorized by this Article on land that is not Indian lands. Upon  
24 request, make accessible any server or other information technology  
25 equipment directly related to the placing of sports wagers by the  
26 Commission, the Department of Revenue, and State law enforcement.  
27 The location of all other technology and servers used by a tribal  
28 gaming enterprise in connection with sports wagering authorized by  
29 this act shall be approved by the Commission.

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

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

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

40       **§ 143B-437.110. Legislative findings and purpose.**

41       The General Assembly finds that:

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

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

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

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

4 **"§ 143B-437.111. Definitions.**

5 The following definitions apply in this Part:

- 6           (1) Fund. – The North Carolina Major Events, Games, and Attractions Fund  
7           established under G.S. 143B-437.112.  
8           (2) Local entity. – A city, county, or local organizing committee.  
9           (3) Local organizing committee. – A nonprofit corporation or its successor in  
10          interest that satisfies one of the following conditions:  
11          a. It has been authorized by a city, county, or more than one city or  
12          county acting collectively to pursue an application and bid on the  
13          applicant's behalf to a site selection organization for selection as the  
14          site of a major event.  
15          b. With the authorization of a city, county, or more than one city or  
16          county acting collectively, it has executed an agreement with a site  
17          selection organization regarding a bid to host a major event.  
18          (4) Major event. – An entertainment, musical, political, sporting, or theatrical  
19          event that satisfies the following conditions:  
20          a. The event is either of the following:  
21                1. Held at a sports facility.  
22                2. Sponsored by the National Association for Stock Car Racing,  
23                the Ladies Professional Golf Association, the Professional  
24                Golfers' Association of America, the PGA Tour, or the United  
25                States Golf Association.  
26          b. The event is not held more often than annually.  
27          c. The location of the event is determined by a site selection organization  
28          through a competitive process.  
29          d. The site selection organization considered multiple sites located  
30          outside of the State for the event.  
31          e. The site selection organization selected a site within this State as the  
32          sole location for the event.  
33          (5) Site selection organization. – The organization responsible for determining  
34          the site of a major event.  
35          (6) Sports facility. – As defined in G.S. 18C-901.

36 **"§ 143B-437.112. North Carolina Major Events, Games, and Attractions Fund.**

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

- 43               (1) The economic activity directly or indirectly attributable to the major event is  
44               sufficient to justify the use of State funds to attract or retain the event in this  
45               State.  
46               (2) It is anticipated that the major event will provide positive media exposure for  
47               the State, thereby supplementing the State's efforts to promote travel and  
48               tourism within the State.  
49               (3) The site selection organization must have considered multiple sites located  
50               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 for  
5           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)    Effective July 1 of each calendar year, the funds remitted to the Fund by the Secretary  
13          of Revenue from the privilege tax on sports wagering pursuant to G.S. 105-113.128 are  
14          appropriated for this purpose. In addition to the amounts remitted to the Fund pursuant to  
15          G.S. 105-113.128, the General Assembly shall determine any additional amount appropriated to  
16          the Fund. Agreements entered under this section are subject to appropriations.

17          **"§ 143B-437.113. Applications; reports; study.**

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

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

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

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

50          (c)    Study. – The Department shall conduct a study to determine the minimum funding  
51          level required to implement the Fund successfully. The Department shall report the results of this

1 study to the House of Representatives Finance Committee, the Senate Finance Committee, the  
 2 House of Representatives Appropriations Subcommittee on Natural and Economic Resources,  
 3 the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal  
 4 Research Division no later than April 1 of each year.

5 **"§ 143B-437.114. Program guidelines.**

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

- 15 (1) An amendment that corrects a spelling or grammatical error.
- 16 (2) An amendment that makes a clarification based on public comment and could  
 17 have been anticipated by the public notice that immediately preceded the  
 18 public comment."

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

20 **"§ 18C-114. Powers and duties of the Commission.**

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

- 22 ...
- 23 (8) To charge a fee of potential ~~contractors and~~ contractors, of lottery ~~contractors~~  
 24 ~~to~~ contractors, of lottery retailers, and of licensees and potential licensees and  
 25 their key persons not to exceed the cost of the criminal history record ~~check~~  
 26 ~~of the potential contractors and lottery contractors check.~~
- 27 ...
- 28 (14) To adopt and implement any rules necessary to carry out the provisions of this  
 29 Chapter, resolving any conflicts in this Chapter to the best interest of the State.

30 ...  
 31 (c) The Commission and the Department of Revenue may agree to exchange any data  
 32 necessary to enforce and administer Article 9 of this Chapter and Article 2E of Chapter 105 of  
 33 the General Statutes, including information deemed necessary to perform an audit of a licensee  
 34 or taxpayer under those Articles."

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

- 36 "(2) To conduct a background investigation, including a criminal history record  
 37 check, of applicants for employment with the Commission, licensees and their  
 38 key persons, lottery contractors, lottery retailers, and lottery potential  
 39 contractors, which may include a search of the State and National Repositories  
 40 of Criminal Histories based on the fingerprints of applicants."

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

42 **"§ 143B-947. Criminal record checks for the North Carolina State Lottery Commission**  
 43 **and its Director.**

44 The Department of Public Safety may provide to the North Carolina State Lottery  
 45 Commission and to its Director from the State and National Repositories of Criminal Histories  
 46 the criminal history of any prospective employee of the ~~Commission and~~ Commission, any  
 47 potential ~~contractor~~ contractor, and any licensee or prospective licensee under Chapter 18C of  
 48 the General Statutes and their key persons. The North Carolina State Lottery Commission or its  
 49 Director shall provide to the Department of Public Safety, along with the request, the fingerprints  
 50 of the ~~prospective employee of the Commission, or of the potential contractor,~~ individual, a form  
 51 signed by the ~~prospective employee of the Commission, or of the potential contractor~~ individual

1 consenting to the criminal record check and use of fingerprints and other identifying information  
2 required by the State and National Repositories, and any additional information required by the  
3 Department of Public Safety. The fingerprints of the ~~prospective employee of the Commission,~~  
4 ~~or potential contractor,~~ individual shall be forwarded to the State Bureau of Investigation for a  
5 search of the State's criminal history record file, and the State Bureau of Investigation shall  
6 forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history  
7 record check. The North Carolina State Lottery Commission and its Director shall remit any  
8 fingerprint information retained by the Commission to alcohol law enforcement agents appointed  
9 under Article 5 of Chapter 18B of the General Statutes and shall keep all information obtained  
10 pursuant to this section confidential. The Department of Public Safety shall charge a reasonable  
11 fee only for conducting the checks of the criminal history records authorized by this section."

12 **SECTION 3.(d)** G.S. 105-259(b)(33) reads as rewritten:

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

16 **SECTION 3.(e)** Article 37 of Chapter 14 of the General Statutes is amended by  
17 adding a new section to read:

18 **"§ 14-309.3. Sports wagering exempt.**

19 This Article shall not apply to sports wagering lawfully conducted in compliance with Article  
20 9 of Chapter 18C of the General Statutes."

21 **SECTION 3.(f)** G.S. 16-1 reads as rewritten:

22 **"§ 16-1. Gaming and betting contracts void.**

23 (a) All wagers, bets or stakes made to depend upon any race, or upon any gaming by lot  
24 or chance, or upon any lot, chance, casualty or unknown or contingent event whatever, shall be  
25 unlawful; and all contracts, judgments, conveyances and assurances for and on account of any  
26 money or property, or thing in action, so wagered, bet or staked, or to repay, or to secure any  
27 money, or property, or thing in action, lent or advanced for the purpose of such wagering, betting,  
28 or staking as aforesaid, shall be void.

29 (b) This section shall not apply to any sports wager, as defined in G.S. 18C-901, placed  
30 in accordance with Article 9 of Chapter 18C of the General Statutes."

31 **SECTION 4.** Chapter 105 of the General Statutes is amended by adding a new  
32 Article to read:

33 "Article 2E.

34 "Privilege Tax on Interactive Sports Wagering Operators.

35 **"§ 105-113.125. Definitions.**

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

37 **"§ 105-113.126. Privilege tax on interactive sports wagering operators.**

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

42 (b) Determination of Value. – The value of the privilege conferred upon the interactive  
43 sports wagering operator is the gross wagering revenue of the operator as adjusted under this  
44 subsection. No income, revenue, or expenses of the interactive sports wagering operator other  
45 than those specified in this subsection are used to determine the value of the privilege conferred  
46 upon the operator. The value of the privilege conferred upon the interactive sports wagering  
47 operator is the gross wagering revenue less the following expenses:

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

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

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

4           a. Until January 8, 2025, without limitation.

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

7           c. On or after January 1, 2026, through December 31, 2026, not to exceed  
8 two percent (2%) of gross wagering revenue.

9           d. On or after January 1, 2027, not allowed.

10          (4) Actual uncollectible receivables from registered players, not to exceed two  
11 percent (2%) of gross wagering revenue minus all cash or cash equivalents  
12 paid out as winnings to registered players.

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

15          (c) Carryforward. – If the amount of gross wagering revenue as adjusted by subsection  
16 (b) of this section is a negative number for any month, the interactive sports wagering operator  
17 may carry forward the negative amount to the return filed for the subsequent month. No amount  
18 shall be carried forward more than 12 months after the month in which the amount carried  
19 forward was originally due.

20          (d) Return. – Taxes levied by this Article are due when a return is required to be filed.  
21 The return is due on a monthly basis. A monthly return is due by the twentieth day of the month  
22 following the calendar month covered by the return. A return is filed on a form prescribed by the  
23 Secretary.

24          (e) Records. – A person who is required to file a return under this Article must keep a  
25 record of all documents used to determine information the person provides in a return. These  
26 records shall be open at all times for inspection by the Secretary or an authorized representative  
27 of the Secretary and shall be kept for the applicable period of statute of limitations as set forth  
28 under Article 9 of this Chapter.

29          (f) Refund. – An interactive sports wagering operator is allowed a refund of the tax paid  
30 under this section on a sports wager that has been refunded to the registered player. The Secretary  
31 shall prescribe the manner in which a taxpayer may request a refund under this subsection, which  
32 may include allowing a credit for the amount refunded on a subsequent monthly return required  
33 under this section. No refund is allowed for an amount that should be subtracted from gross  
34 wagering revenue as an actual uncollectible receivable under subsection (b) of this section,  
35 regardless of whether the amount is actually subtracted or not.

36 **"§ 105-113.127. Bond or irrevocable letter of credit.**

37          The Secretary may require an interactive sports wagering operator to furnish a bond in an  
38 amount that adequately protects the State from an interactive sports wagering operator's failure  
39 to pay taxes due under this Article. A bond must be conditioned on compliance with this Article,  
40 payable to the State, and in the form required by the Secretary. The amount of the bond is two  
41 times the interactive sports wagering operator's expected monthly tax liability under this Article,  
42 as determined by the Secretary, provided the amount of the bond may not be less than fifty  
43 thousand dollars (\$50,000) and may not be more than two million dollars (\$2,000,000). The  
44 Secretary should periodically review the sufficiency of bonds required of interactive sports  
45 wagering operators and increase the amount of a required bond when the amount of the bond  
46 furnished no longer covers the anticipated tax liability of the interactive sports wagering operator  
47 and decrease the amount when the Secretary determines that a smaller bond amount will  
48 adequately protect the State from loss.

49          For purposes of this section, an interactive sports wagering operator may substitute an  
50 irrevocable letter of credit for the secured bond required by this section. The letter of credit must  
51 be issued by a commercial bank acceptable to the Secretary and available to the State as a

1 beneficiary. The letter of credit must be in a form acceptable to the Secretary, conditioned upon  
2 compliance with this Article, and in the amounts stipulated in this section.

3 **"§ 105-113.128. Use of tax proceeds.**

4 The Secretary shall distribute the taxes collected under this Article, less the allowance to the  
5 Department of Revenue and reimbursement to the Lottery Commission for administrative  
6 expenses, in accordance with this section. The Secretary may retain the cost of collection by the  
7 Department, not to exceed five hundred thousand dollars (\$500,000) a year, as reimbursement to  
8 the Department. The Lottery Commission shall, no later than 20 days after the end of the month,  
9 notify the Department of its expenses from administering the provisions of Article 9 of Chapter  
10 18C of the General Statutes from the previous month. The Department shall reimburse the  
11 Lottery Commission from the tax revenues collected under this Article no later than the end of  
12 the month in which the Department was notified. The remainder of the net proceeds of the tax  
13 collected under this Article are to be credited in the following priority:

14 (1) Two million dollars (\$2,000,000) annually to the Department of Health and  
15 Human Services for gambling addiction education and treatment programs.

16 (2) One million dollars (\$1,000,000) annually to the North Carolina Division of  
17 Parks and Recreation for grants to local governments to expand opportunities  
18 for persons up to age 18 to engage in youth sports. The total dollar amount  
19 awarded each year to all applicants in any one county may not exceed one  
20 percent (1%) of the total funding available on July 1 of that year.

21 (3) Three hundred thousand dollars (\$300,000) annually shall be appropriated to  
22 each of the institutions listed in this subdivision to support collegiate athletic  
23 departments. If there are not sufficient funds for each of these institutions to  
24 receive an appropriation of three hundred thousand dollars (\$300,000), the  
25 amount of each appropriation shall be reduced by the same proportion so that  
26 all institutions receive an appropriation of the same amount. The institutions  
27 are listed as follows:

28 a. Elizabeth City State University.

29 b. Fayetteville State University.

30 c. North Carolina Agricultural & Technical State University.

31 d. North Carolina Central University.

32 e. University of North Carolina at Asheville.

33 f. University of North Carolina at Greensboro.

34 g. University of North Carolina at Pembroke.

35 h. University of North Carolina at Wilmington.

36 i. Western Carolina University.

37 j. Winston-Salem State University.

38 (4) One million dollars (\$1,000,000) annually to the North Carolina Outdoor  
39 Heritage Advisory Council for grants, in the discretion of the Council, as  
40 follows:

41 a. Grants not to exceed five thousand dollars (\$5,000) per sports team per  
42 county per year needing assistance to travel to in-State or out-of-state  
43 sporting events and team activities.

44 b. Incentive grants not to exceed twenty-five thousand dollars (\$25,000)  
45 to attract State, regional, and national sporting events, tournaments,  
46 and programs for nonprofessional athletes participating in programs  
47 administered by city, county, and local school administrative units.

48 (5) Of the remaining proceeds, as follows:

49 a. Twenty percent (20%) annually to be distributed equally among the  
50 institutions listed in this sub-subdivision to support collegiate athletic

1 departments, not to supplant general funding to that institution. The  
2 institutions are listed as follows:

- 3 1. Elizabeth City State University.
- 4 2. Fayetteville State University.
- 5 3. North Carolina Agricultural & Technical State University.
- 6 4. North Carolina Central University.
- 7 5. University of North Carolina at Asheville.
- 8 6. University of North Carolina at Greensboro.
- 9 7. University of North Carolina at Pembroke.
- 10 8. University of North Carolina at Wilmington.
- 11 9. Western Carolina University.
- 12 10. Winston-Salem State University.

13 b. Thirty percent (30%) annually to the North Carolina Major Events,  
14 Games, and Attractions Fund established under G.S. 143B-437.112.

15 c. Fifty percent (50%) annually to the General Fund."

16 **SECTION 5.** If any section or provision of this act is declared unconstitutional or  
17 invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
18 the part so declared to be unconstitutional or invalid.

19 **SECTION 6.** The Commission shall establish guidance to parties regulated by the  
20 provisions of Article 9 of Chapter 18C of the General Statutes, as enacted by this act. Such  
21 guidance shall address the application of Article 9 of Chapter 18C of the General Statutes, as  
22 enacted by this act, to electronic sports with due consideration to the key role of game publishers  
23 as creators of the underlying video game. The Commission may accept and issue applications for  
24 licensure in accordance with Article 9 of Chapter 18C of the General Statutes, as enacted by this  
25 act, prior to January 8, 2024, in order that licensees may begin operations on January 8, 2024. If  
26 more than 12 completed applications are received, the Commission in its discretion shall select  
27 and notify the qualified applicants it determines will best serve the public interest in maximizing  
28 revenue to the State, while preserving the integrity of sports wagering and ensuring accountability  
29 and preserving the public trust in licensed sports wagering activities. No license issued by the  
30 Commission shall become effective prior to January 8, 2024.

31 **SECTION 7.** The North Carolina State Lottery Commission shall use sufficient  
32 funds from the North Carolina State Lottery Fund to cover initial operating expenses of the  
33 Commission to implement Article 9 of Chapter 18C of the General Statutes, as enacted by this  
34 act, provided the total amount borrowed by the Commission shall not exceed fourteen million  
35 dollars (\$14,000,000) without further action by the General Assembly. The Commission shall  
36 repay any funds used out of the North Carolina State Lottery Fund pursuant to this section within  
37 36 months after the effective date of this act.

38 **SECTION 8.** The North Carolina State Lottery Commission shall study the  
39 implementation of Article 9 of Chapter 18C of the General Statutes, as enacted by this act, and  
40 shall report its findings, with any legislative recommendations, to the Joint Legislative Oversight  
41 Committee on the North Carolina State Lottery no later than March 1, 2024. The study and report  
42 shall address all of the following:

- 43 (1) Restrictions on number of licensees as established by G.S. 18C-904, as  
44 enacted by this act, and how additional applications for licensure are treated.
- 45 (2) Any potential challenges to enforcement of the Article.
- 46 (3) The establishment and use of the voluntary exclusion program.
- 47 (4) The siting and opening of public places of accommodation, and usage of such  
48 sites.
- 49 (5) Any potential issues or challenges with audits of interactive sports wagering  
50 operators.
- 51 (6) Any other information the Commission deems relevant.



1                   **SECTION 9.** Sections 1, 2, 3, and 5 of this act become effective January 8, 2024.  
2 Section 4 of this act becomes effective January 8, 2024, and applies to gross wagering revenue  
3 received on or after that date. Except as otherwise provided, this act is effective when it becomes  
4 law.