

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL 38  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S38-PCS45584-STxfr-50

Short Title: Sports Wagering Amendments.

(Public)

Sponsors:

Referred to:

February 2, 2021

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

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

"Article 9.

"Sports Wagering.

**"§ 18C-901. Definitions.**

As used in this Article, the following definitions apply:

- (1) ~~Adjusted gross revenue. — Gross wagering revenue received by an interactive sports wagering operator from all sports wagers authorized under this Article minus all of the following with respect to that gross wagering revenue received under this Article:~~
  - a. ~~All cash or cash equivalents paid out as winnings to registered players.~~
  - b. ~~The costs paid by an interactive sports wagering operator for any personal property distributed to a registered player as a result of a sports wager.~~
  - c. ~~The cash value of any bonuses or promotional credits provided to registered players that are then returned to an interactive sports wagering operator in the form of a deposit or wager.~~
  - d. ~~Uncollectible receivables, not to exceed four percent (4%) of gross revenue, except that the Commission may increase that percentage upon a showing that a higher amount is reasonable.~~
  - e. ~~Excise tax payments on sports wagers remitted to the federal government.~~
- (2) Amateur sports. — A sporting competition that is not a professional sport, ~~eollegiate~~ college sport, or youth sport. This term includes domestic, international, and Olympic sporting competitions.
- (3) Cash equivalent. — An asset convertible to cash for use in connection with authorized sports wagering that includes all of the following:
  - a. Foreign currency and coin.
  - b. Personal checks and drafts.
  - c. Digital, crypto, and virtual currencies.
  - d. Online and mobile payment systems that support online money transfers.
  - e. Credit cards and debit cards.



\* S 3 8 - P C S 4 5 5 8 4 - S T X F R - 5 0 \*

- 1 f. A prepaid access instrument.
- 2 g. Any other form approved by the Commission.
- 3 (4) College sports. – An athletic or sporting competition in which at least one
- 4 participant is a team or contestant competing on behalf of or under the
- 5 sponsorship of a public or private institution of postsecondary education.
- 6 (5) Covered services. – Any service creating sports wagering markets and
- 7 determination of sports wager outcomes that involves the operation,
- 8 management, or control of sports wagers authorized by this Article, including
- 9 the development or operation of the sports wagering platform and the
- 10 ~~provision~~ determination of odds and or line information, excluding
- 11 information. The term shall not include any of the following:
- 12 a. Payment processing and similar financial services.
- 13 b. Customer identity, age verification, and geolocation services.
- 14 c. Streaming or other video and data that does not include the
- 15 determination of odds or line information.
- 16 d. Telecommunications, internet service ~~provider, providers,~~ and other
- 17 similar services not specifically designed for sports wagering.
- 18 e. Other goods or services not specifically designed for use in connection
- 19 with sports wagering.
- 20 (6) Electronic sports. – Leagues, competitive circuits, tournaments, or similar
- 21 competitions where individuals or teams play video games, typically for
- 22 spectators, either in-person or online, for the purpose of prizes, money, or
- 23 entertainment.
- 24 (6m) Geofencing. – Technology approved by the Commission and utilized by an
- 25 interactive sports wagering operator to verify a registered player's geolocation
- 26 prior to the time the registered player is placing a sports wager.
- 27 (7) Gross wagering revenue. – The total of all cash or cash equivalents received
- 28 by an interactive sports wagering operator ~~as from~~ sports wagers as authorized
- 29 under this Article.
- 30 (7m) Interactive account. – A mobile account established by a registered player for
- 31 the purpose of placing sports wagers in accordance with this Article.
- 32 (8) Interactive sports wagering operator. – The holder of an interactive sports
- 33 wagering license issued by the Commission.
- 34 (9) Key person. – An officer or director of an interactive sports wagering operator
- 35 who is directly involved in the operation, management, or control of sports
- 36 wagering authorized under this Article, or who exercises substantial influence
- 37 or control over the interactive sports wagering operator's sports wagering
- 38 activities.
- 39 (10) Official league data. – Statistics, results, outcomes, and other data relating to
- 40 a sporting event obtained pursuant to an agreement with the relevant sports
- 41 governing body or an entity expressly authorized by the relevant sports
- 42 governing body to provide such data.
- 43 (10m) Parimutuel wager. – A betting system in which all of the bets of a particular
- 44 type are placed together in a pool and the sports wager is placed against other
- 45 bettors placing sports wagers on the same event of horse racing, dog racing,
- 46 or other sporting events in which the participants finish in a ranked order.
- 47 (11) Professional sports. – An athletic or sporting competition involving at least
- 48 two competitors who receive compensation for participating in such event.
- 49 (12) Registered player. – An individual who has established an account with an
- 50 interactive sports wagering operator.

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

- 1 (21) Tier one sports wager. – A sports wager that is determined solely by the final  
2 score or final outcome of the sporting event and is placed before the sporting  
3 event has begun.
- 4 (22) Tier two sports wager. – Any sports wager that is not a tier one sports wager.
- 5 (23) Tribal gaming enterprise. – A federally recognized Indian tribe that is  
6 authorized to conduct Class III games in accordance with the federal Indian  
7 Gaming Regulatory Act, 25 U.S.C. § 2701 et seq., in this State or a business  
8 entity owned or controlled by such tribe. Any federally recognized tribe, or  
9 business entity owned or controlled by the tribe, that is deemed an interactive  
10 sports wagering operator under this Article shall include authorization for any  
11 technology and sports wagering brand partners of the tribe or the business  
12 entity owned or controlled by the tribe, subject to compliance with the terms  
13 of this Article by the technology and sports wagering brand partners.
- 14 (24) Youth sports. – An event in which the majority of participants are under the  
15 age of 18 or are competing on behalf or under the sponsorship of one or more  
16 public or private preschool, elementary, middle, or secondary schools. The  
17 term does not include the following:
- 18 a. ~~professional sports~~ Professional sports.  
19 b. ~~or events~~ Sporting events that occur under the sponsorship or oversight  
20 of national or international athletic bodies that are not educational  
21 institutions and that include participants both over and under the age  
22 of 18.

23 **"§ 18C-902. Authorization of sports wagering generally.**

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

- 29 (1) Ensure that the registered player is located within the State, and not present  
30 on Indian lands within the State, when placing any sports wager, utilizing  
31 geofencing.
- 32 (2) Monitor and block unauthorized attempts to place sports wagers.

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

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

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

- 47 (1) ~~Pari-mutuel sports wagering on horse racing as authorized by G.S. 14-292.2.~~
- 48 (2) ~~Fantasy-fantasy~~ or simulated games or contests in which one or more  
49 ~~participants-fantasy contest players~~ compete against each other and winning  
50 outcomes reflect the relative knowledge and skill of the ~~participants-fantasy~~  
51 ~~contest players~~ and are determined predominantly by accumulated statistical

1 results of the performance of ~~individuals or athletes~~individuals, including  
2 athletes in the case of sporting events.

3 ...  
4 "§ 18C-903. Reserved for future codification purposes.

5 "§ 18C-904. **Interactive sports wagering license.**

6 ...  
7 (b) The Commission shall review and issue sports wagering licenses to qualified  
8 applicants. The applicant shall complete and submit an application on a form prescribed by the  
9 Commission and a licensing fee of ~~five hundred thousand one million~~ dollars (\$500,000)-  
10 (\$1,000,000). If the application is denied, the licensing fee shall be refunded, minus any expenses  
11 the Commission incurs in reviewing the application.

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

22 ...  
23 (f) The Commission shall grant or deny all applications under this section. The grounds  
24 for denial of an interactive sports wagering license shall be the same as in G.S. 18C-906(g). If  
25 there are more qualified applicants than the number of interactive sports wagering operators  
26 authorized under subsection (a) of this section, the Commission shall select the best qualified  
27 ~~applicants~~ applicants, taking into consideration the following factors:

- 28 (1) The contents of the application submitted in accordance with this section.
- 29 (2) The extent to which the applicant demonstrates past experience, financial  
30 viability, compliance with applicable laws and regulations in other  
31 jurisdictions, and success with sports wagering operations in other  
32 jurisdictions.
- 33 (3) The extent to which the applicant is able to meet the duties of an interactive  
34 sports wagering operator.
- 35 (4) The amount of ~~adjusted~~ gross wagering revenue and associated tax revenue  
36 that an applicant is projected to generate.
- 37 (5) Any other factors the Commission deems relevant.

38 (g) A person holding a license to engage in sports wagering, on the basis of comparable  
39 licensing requirements issued to that person by a proper authority ~~by in~~ in another state or territory  
40 of the United States or the District of Columbia if that jurisdiction's requirements for licensure,  
41 certification, or registration are substantially equivalent to or exceed the requirements of this  
42 State, and who, in the opinion of the Commission otherwise meets the requirements of this Article  
43 based upon verified evidence may, upon application, be licensed as an interactive sports wagering  
44 operator with or without further examination, ~~examination~~, as determined by the Commission.  
45 The Commission may also accept another jurisdiction's or approved third party's testing of the  
46 interactive sports wagering platform as evidence that the sports wagering platform meets any  
47 requirements mandated by the Commission.

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

1 ...

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

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

9 "§ 18C-905. Reserved for future codification purposes.

10 "§ 18C-906. **Applications for service provider licenses.**

11 ...

12 (b) The Commission shall review and issue service provider licenses to qualified  
13 applicants within 60 days of receipt of a completed application. The Commission may extend the  
14 review period for an additional 30 days if the background check is outstanding. Any denial shall  
15 be in writing and state the grounds therefor. The applicant shall complete and submit an  
16 application on a form prescribed by the Commission and a licensing fee of ~~twenty-five~~ fifty  
17 thousand dollars (\$25,000)-(\$50,000).

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

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

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

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

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

48 ...

49 (i) Each service provider shall promptly report all criminal or disciplinary proceedings  
50 commenced against that service provider in connection with its operations to the Commission.

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

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

5 **"§ 18C-907. Sports wagering supplier license.**

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

14 (b) ~~On application by an interested person, At the request of an applicant for a sports~~  
15 ~~wagering supplier license, the Commission may issue a provisional sports wagering supplier~~  
16 ~~license to an applicant for a sports wagering supplier license. A provisional license issued under~~  
17 ~~this subsection allows the applicant for the sports wagering supplier license to conduct business~~  
18 ~~regarding the operation of sports wagering with a license holder or applicant before the sports~~  
19 ~~wagering supplier license is issued. the applicant so long as the applicant has submitted a~~  
20 ~~completed application in accordance with this section. A provisional license issued under this~~  
21 ~~subsection expires on the date provided by the Commission.~~

22 ...

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

- 27 (1) The applicant's principal owners who directly own ~~five~~ ten percent (5%)  
28 (10%) or more of the applicant.
- 29 (2) Each holding, intermediary, or parent company that directly owns fifteen  
30 percent (15%) or more of the applicant.
- 31 (3) The applicant's board appointed CEO and ~~CFO~~ CFO, or the equivalent as  
32 determined by the Commission.
- 33 (4) Any other information the Commission may deem necessary.

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

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

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

- 49 (1) Governmental created entities, including statutory authorized pension  
50 investment boards and Canadian Crown corporations, that are direct or indirect

1 shareholders of an applicant shall be waived in the applicant's disclosure of  
2 ownership and control as determined by the Commission.

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

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

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

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

23 **"§ 18C-908. Renewals of licenses.**

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

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

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

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

31 (3) ~~and five-Thirty thousand dollars (\$5,000)-(\$30,000)~~ for a sports wagering  
32 supplier license.

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

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

37 (2) A violation of this Article.

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

43 (4) Failure to pay the privilege tax imposed under Article 2E of Chapter 105 of  
44 the General Statutes.

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

50 **"§ 18C-909. Use of proceeds.**



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

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

6 **"§ 18C-910. Duties of ~~interactive sports wagering operators~~ licensees.**

7 ...

8       (c) The interactive sports wagering operator shall disclose the records described in  
9 G.S. 18C-910(b) subsection (b) of this section to the Commission upon request.

10       (d) If a sports governing body has notified the Commission that real-time information  
11 sharing for sports wagers placed on its sporting events is necessary, interactive sports wagering  
12 operators shall share with that sports governing body or its designee in real time, at the account  
13 level, anonymized information regarding a ~~wagerer, registered player,~~ amount and type of ~~sports~~  
14 wager, the time the ~~sports~~ wager was placed, the location of the ~~wager, registered player at the~~  
15 time the sports wager was placed, and the IP address if applicable, outcome of the ~~sports~~ wager,  
16 and records of abnormal sports wagering activity. For purposes of this subsection, real time  
17 means on a commercially reasonable periodic interval, but in any event, not less than once every  
18 72 hours. A sports governing body receiving any information pursuant to this subsection shall  
19 use the information for the purpose of integrity monitoring only and not for any commercial  
20 purpose.

21       (e) In advertising its sports wagering platform, the interactive sports wagering operator  
22 shall ensure that its advertisements meet all of the following:

23           (1) It does not target persons under the age of 21.

24           (2) It discloses the identity of the interactive sports wagering operator.

25           (3) It provides information about or links to resources related to gambling  
26 addiction and prevention.

27           (4) It is not misleading to a reasonable person.

28       (f) ~~Interactive sports wagering operators~~ Licensees shall conduct background checks on  
29 newly hired employees. ~~The~~ Each licensed interactive sports wagering operator and service  
30 provider shall also conduct a single background check on employees as of the date of licensure.  
31 Background checks shall search for criminal history and any charges or convictions involving  
32 corruption or manipulation of sporting events and association with organized crime.

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

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

42 **"§ 18C-911. Reserved for future codification purposes.**

43 **"§ 18C-912. Establishment of interactive accounts.**

44 ...

45 **"§ 18C-913. Reserved for future codification purposes.**

46 **"§ 18C-914. Integrity of competition and prohibited events.**

47 ...

48       (e) Within 60 days of the Commission notifying each interactive sports wagering  
49 operator of such a sports governing body notification to the Commission, or such longer period  
50 as may be agreed between the sports governing body and the applicable interactive sports  
51 wagering operator, interactive sports wagering operators shall use only official league data to

1 determine the results of tier two sports wagers on sporting events of that sports governing body,  
2 unless any of the following apply:

- 3 (1) The sports governing body or its designee cannot provide a feed of official  
4 league data to determine the results of a particular type of tier two sports  
5 wager, in which case interactive sports wagering operators are not required to  
6 use official league data for determining the results of the applicable tier two  
7 sports wager until such time as such a data feed becomes available from the  
8 sports governing body on commercially reasonable terms and conditions.
- 9 (2) An interactive sports wagering operator can demonstrate to the Commission  
10 that the sports governing body or its designee will not provide a feed of official  
11 league data to the interactive sports wagering operator on commercially  
12 reasonable terms and conditions.
- 13 (3) ~~The sports governing body or its designee~~ of the sports governing body does  
14 not obtain a supplier license from the Commission to provide official league  
15 data to interactive sports wagering operators to determine the results of tier  
16 two sports wagers, if and to the extent required by law.

17 ...

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

19 "§ 18C-916. **Civil penalties; suspension and revocation of licenses.**

20 ...

21 "§ 18C-917. Reserved for future codification purposes.

22 "§ 18C-918. **Criminal penalties.**

23 ...

24 "§ 18C-919. Reserved for future codification purposes.

25 "~~§ 18C-920. Tax.~~

26 (a) ~~There shall be imposed a tax of eight percent (8%) on the adjusted gross revenue of~~  
27 ~~each interactive sports wagering operator. The tax imposed pursuant to this section is due~~  
28 ~~monthly to the Commission and shall be remitted on or before the twentieth day of the next~~  
29 ~~succeeding calendar month. If the interactive sports wagering operator's accounting practices~~  
30 ~~necessitate corrections to a previously remitted tax, the interactive sports wagering operator shall~~  
31 ~~document such corrections when the interactive sports wagering operator pays the following~~  
32 ~~month's taxes.~~

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

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

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

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

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

- 1 (1) ~~A monthly report that includes a complete statement of sports wagering~~  
2 ~~revenues and expenses for the previous month.~~
- 3 (2) ~~A complete statement of sports wagering revenues and expenses, along with~~  
4 ~~any recommendations for changes to this Article for the fiscal year, within 30~~  
5 ~~days of the end of that fiscal year. A copy shall also be provided to the State~~  
6 ~~Controller.~~

7 **~~§ 18C-921. Expenses of Lottery.~~**

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

12 **§ 18C-922. Voluntary exclusion program.**

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

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

- 20 (1) Verification of the individual's request to be placed in the voluntary exclusion  
21 program, and for how long, up to and including that individual's lifetime.
- 22 (2) How information regarding which individuals are in the voluntary exclusion  
23 program is to be disseminated to the interactive sports wagering operators.
- 24 (3) How an individual in the voluntary exclusion program may petition the  
25 Commission for removal from the voluntary exclusion program.
- 26 (4) The means by which the interactive sports wagering operators and their agents  
27 shall make all reasonable efforts to cease direct marketing efforts to  
28 individuals participating in the voluntary exclusion program.
- 29 (5) The means by which the Commission shall make available to all interactive  
30 sports wagering operators and their agents the names of the individuals  
31 participating the voluntary exclusion program, which shall be at least  
32 quarterly.

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

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

38 **§ 18C-923.** Reserved for future codification purposes.

39 **§ 18C-924. Risk management.**

40 ...

41 **§ 18C-925.** Reserved for future codification purposes.

42 **§ 18C-926. Places of public accommodation.**

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

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

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

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

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

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

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

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

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

29          "§ 18C-927. Reserved for future codification purposes.

30          "§ 18C-928. **Indian gaming; compliance with federal law.**

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

38          (b) All activities authorized by this Article shall be deemed to be conducted solely under  
39          the authority of this Article and not under the federal Indian Gaming Regulatory Act, 25 U.S.C.  
40          § 2701 et seq.

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

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

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

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

49                   a. To adhere to the requirements of this Article and to the regulations  
50                   adopted by the Commission with respect to ~~interactive~~ sports  
51                   wagering.

- b. To submit to the Commission's enforcement of this Article and any implementing of the rules, including waiver of any applicable tribal sovereign immunity for the sole and limited purpose of such enforcement.
- c. To collect and pay all taxes imposed by ~~this Article.~~Article 2E of Chapter 105 of the General Statutes.
- d. To not offer or conduct any interactive gambling other than the interactive sports wagering authorized by this Article unless specifically otherwise authorized by law.
- e. To locate any server or other information technology equipment directly related to the placing of sports wagers that is used by the tribal gaming enterprise and its agents to accept interactive sports wagering authorized by this Article on land that is not Indian lands and which, upon request, shall be accessible by the Commission, Department of Revenue, and State law enforcement. The location of all other technology and servers used by a tribal gaming enterprise in connection with sports wagering authorized by this act shall be approved by the Commission.

...."

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

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

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

"(b) Effective July 1 of each calendar year, the funds remitted to the Fund by the Secretary of Revenue from the privilege tax on sports wagering pursuant to G.S. 105-113.128 are appropriated for this purpose. In addition to the amounts remitted to the Fund pursuant to G.S. 18C-920(d), G.S. 105-113.128, the General Assembly shall determine any additional amount appropriated to the Fund. Agreements entered under this section are subject to appropriations."

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

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

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

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

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

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

The Department of Public Safety may provide to the North Carolina State Lottery Commission and to its Director from the State and National Repositories of Criminal Histories

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

19 **SECTION 4.** If Senate Bill 688, 2021 Regular Session, becomes law, Sections 5 and  
20 6 of that act read as rewritten:

21 "**SECTION 5.** The Commission shall establish guidance to parties regulated by the  
22 provisions of Article 9 of Chapter 18C of the General Statutes, as enacted by this act. Such  
23 guidance shall address the application of Article 9 of Chapter 18C of the General Statutes, as  
24 enacted by this act, to electronic sports with due consideration to the key role of game publishers  
25 as creators of the underlying video game. The Commission may accept and issue applications for  
26 licensure in accordance with Article 9 of Chapter 18C of the General Statutes, as enacted by this  
27 act, in order that licensees may begin operations on ~~January 1, 2022.~~ January 1, 2023. If more  
28 than 12 completed applications are received, the Commission in its discretion shall select and  
29 ~~notify, no later than December 1, 2021,~~ notify the qualified applicants it determines will best  
30 serve the public interest in maximizing revenue to the State, while preserving the integrity of  
31 sports wagering and ensuring accountability and preserving the public trust in licensed sports  
32 wagering activities. No license issued by the Commission shall become effective prior to January  
33 1, 2022, but prior to January 1, 2022, notified licensees may establish structure and operations to  
34 begin sports wagering on January 1, 2022. January 1, 2023.

35 "**SECTION 6.** Sections 1 through 4 of this act become effective ~~January 1, 2022.~~ January 1,  
36 2023. Except as otherwise provided, this act is effective when it becomes law."

37 **SECTION 5.(a)** If Senate Bill 688, 2021 Regular Session, becomes law, Chapter  
38 105 of the General Statutes is amended by adding a new Article to read:

39 "Article 2E.

40 "Privilege Tax on Interactive Sports Wagering Operators.

41 "§ 105-113.125. Definitions.

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

43 "§ 105-113.126. Privilege tax on interactive sports wagering operators.

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

48 (b) Determination of Value. – The value of the privilege conferred upon the interactive  
49 sports wagering operator is the gross wagering revenue of the operator as adjusted under this  
50 subsection. No income, revenue, or expenses of the interactive sports wagering operator other  
51 than those specified in this subsection are used to determine the value of the privilege conferred

1 upon the operator. The value of the privilege conferred upon the interactive sports wagering  
2 operator is the gross wagering revenue less the following expenses:

- 3 (1) All cash or cash equivalents paid out as winnings to registered players.
- 4 (2) The costs paid by an interactive sports wagering operator for any personal  
5 property distributed to a registered player as a result of a sports wager.
- 6 (3) The cash value of any bonuses or promotional credits provided to registered  
7 players that are then returned to an interactive sports wagering operator in the  
8 form of a deposit or wager as follows:
  - 9 a. Until January 1, 2025, without limitation.
  - 10 b. On or after January 1, 2025, through December 31, 2025, not to exceed  
11 two and one-half percent (2.5%) of gross wagering revenue.
  - 12 c. On or after January 1, 2026, through December 31, 2026, not to exceed  
13 two and one-quarter percent (2.25%) of gross wagering revenue.
  - 14 d. On or after January 1, 2027, through December 31, 2027, not to exceed  
15 two percent (2%) of gross wagering revenue.
  - 16 e. On or after January 1, 2028, not allowed.
- 17 (4) Actual uncollectible receivables from registered players, not to exceed four  
18 percent (4%) of gross wagering revenue.
- 19 (5) Excise tax payments on sports wagers included in gross wagering revenue  
20 remitted to the federal government.

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

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

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

35 **"§ 105-113.127. Bond or irrevocable letter of credit.**

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

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

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

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

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

- (1) The first one million dollars (\$1,000,000) annually to the Department of Health and Human Services for gambling addiction education and treatment programs in addition to the amount transferred under G.S. 18C-163(a)(3).
- (2) Fifty percent (50%) to the North Carolina Major Events, Games, and Attractions Fund established under G.S. 143B-437.112 and fifty percent (50%) to the General Fund."

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

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

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

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

...

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

...

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

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

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

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

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

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

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

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

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

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



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

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

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

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