



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 688

AMENDMENT NO.
(to be filled in by
Principal Clerk)

S688-ASTxfr-91 [v.6]

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Amends Title [NO]
Fourth Edition

Date ,2022

Representative

moves to amend the bill on page , lines, by

SECTION ?. 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, collegiate 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.



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

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- 1 governing body or an entity expressly authorized by the relevant sports  
2 governing body to provide such data.
- 3 (11) Professional sports. – An athletic or sporting competition involving at least  
4 two competitors who receive compensation for participating in such event.
- 5 (12) Registered player. – An individual who has established an account with an  
6 interactive sports wagering operator.
- 7 (13) Service provider. – A business entity that provides covered services to an  
8 interactive sports wagering operator and holds a service provider license.
- 9 (14) Sporting event. – Professional sports, college sports, and amateur sports, all  
10 of which may include electronic sports, and any other event approved by the  
11 Commission.
- 12 (15) Sports facility. – Any of the following:
- 13 a. A motorsports facility that hosts ~~professional sports~~a National  
14 Association for Stock Car Auto Racing national touring race and has  
15 a minimum seating capacity of 17,000 people.
- 16 b. A facility that hosts a professional golf tournament with more than  
17 50,000 live spectators anticipated to attend based on similar prior  
18 tournaments.
- 19 c. A facility that is the home location of a professional sports team that  
20 competes in any of the following professional leagues:
- 21 1. Major League Baseball.
- 22 2. Major League Soccer.
- 23 3. National Basketball Association.
- 24 4. National Football League.
- 25 5. National Hockey League.
- 26 (16) Sports governing body. – An organization headquartered in the United States  
27 and proscribes final rules with respect to a sporting event and enforces the  
28 code of conduct for participants therein.
- 29 (17) Sports wagering brand. – The names, logos, and brands that an interactive  
30 sports wagering operator advertises, promotes, or otherwise holds out to the  
31 public displaying its sports wagering platform.
- 32 (18) Sports wagering platform. – A website, mobile application, or other  
33 interactive platform accessible via the internet, mobile, wireless, or similar  
34 communication technology that a registered player may use to place sports  
35 wagers authorized under this Article.
- 36 (19) Sports wagering supplier. – A person that provides services, goods, software,  
37 or other components necessary for the creation of sports wagering markets  
38 and ~~determining~~ determination of sports wager outcomes, directly or  
39 indirectly, to any ~~license holder or applicant~~ interactive sports wagering  
40 operator or service provider involved in the acceptance of ~~wager~~ sports  
41 wagers, including any of the following: providers of data feeds and odds  
42 services, internet platform providers, risk management providers, integrity  
43 monitoring providers, and other providers of sports wagering supplier services

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1 as determined by the Commission. The term does not include Aa sports  
2 governing body that provides raw statistical match data to one or more  
3 designated and licensed providers of data and odds services shall not be a  
4 sports wagering supplier services.

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

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

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

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

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

30 a. ~~professional sports~~ Professional sports.

31 b. ~~or events~~ Sporting events that occur under the sponsorship or oversight  
32 of national or international athletic bodies that are not educational  
33 institutions and that include participants both over and under the age  
34 of 18.

35 **"§ 18C-902. Authorization of sports wagering generally.**

36 (a) Notwithstanding any provision of Article 37 of Chapter 14 of the General Statutes,  
37 sports wagering as authorized by this Article shall not be considered unlawful. All sports  
38 wagering authorized under this Article shall be placed via an interactive account as described in  
39 G.S. 18C912 and shall be initiated, received, and otherwise placed within this State except as  
40 provided in G.S. 18C-928. The interactive sports wagering operator shall comply with the  
41 following:

42 (1) Prevent the unauthorized use of the interactive account to place a sports wager  
43 when the registered player is not within the State, or is present on Indian lands

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1                   within the State that are subject to a Tribal-state gaming compact, by utilizing  
2                   geofencing.

3           (2)   Monitor and block unauthorized attempts to access the interactive account to  
4           place sports wagers.

5           (3)   Ensure that the registered player is located within the State, and not present  
6           on Indian lands within the State, when placing any sports wager, utilizing  
7           geofencing.

8           (a1)   This Article does not apply to interactive sports wagering conducted exclusively on  
9           Indian lands by an Indian tribe operating in accordance with a Tribal-state gaming compact and  
10           authorized to conduct Class III gaming pursuant to a compact with the State. For purposes of this  
11           Article, sports wagering is conducted exclusively on Indian lands only if the individual who  
12           places the sports wager is physically present on Indian lands when the sports wager is initiated,  
13           received, or otherwise placed on equipment that is physically located on Indian lands, and the  
14           sports wager is initiated, received, or otherwise placed in conformity with the safe harbor  
15           requirements as provided in 31 U.S.C. § 5362 (10)(c).

16           (a2)   An interactive sports wagering operator not licensed under this Article shall not  
17           accept any wager if the registered player placing the wager is physically present on Indian lands  
18           when the sports wager is initiated and the interactive sports wagering operator not licensed under  
19           this Article shall use a geo-fencing system approved by the Commission to ensure compliance  
20           with subsections (a) and (a1) of this section.

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

- 22                   (1)   Pari-mutuel sports wagering on horse racing as authorized by G.S. 14-292.2.  
23                   (2)   Fantasy or simulated games or contests in which one or more  
24                   ~~participants~~ fantasy contest players ~~compete against each other~~ and winning  
25                   outcomes reflect the relative knowledge and skill of the ~~participants~~ fantasy  
26                   contest players and are determined predominantly by accumulated statistical  
27                   results of the performance of ~~individuals or athletes~~ individuals, including  
28                   athletes in the case of sporting events.

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

- 30                   (1)   Sports wagering involving youth sports.  
31                   (2)   Sports wagering on the occurrence of any of the following:  
32                           a.    Injuries.  
33                           b.    Penalties.  
34                           c.    The outcome of disciplinary proceedings against a participant in a  
35                           sporting event.  
36                           d.    The outcome of replay reviews.  
37                   (3)   The Commission serving as an operator of a sports wagering platform.

38           (d)    Upon request and with reasonable notice, the Commission or the Department of  
39           Revenue has the authority to audit any interactive sports wagering operator or its service  
40           providers as related to sports wagering activities authorized under this Article.

41           (e)    Any sports governing body on whose sporting events sports wagering is authorized  
42           by this Article may enter into commercial agreements with interactive sports wagering operators  
43           or other entities in which the sports governing body may share in the amount bet from sports

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1 wagering on sporting events of the sports governing body. A sports governing body is not  
2 required to obtain a license or any other approval from the Commission to lawfully accept such  
3 amounts.

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

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

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

- 11 (1) Professional sports.
- 12 (2) College sports.
- 13 (3) Electronic sports.
- 14 (4) Amateur sports.
- 15 (5) Any other event approved by the Commission.

16 (b) The Commission shall review and issue sports wagering licenses to qualified  
17 applicants. The applicant shall complete and submit an application on a form prescribed by the  
18 Commission and a licensing fee of ~~five hundred thousand~~ one million dollars  
19 ~~(\$500,000)~~ (\$1,000,000). If the application is denied, the licensing fee shall be refunded, minus  
20 any expenses the Commission incurs in reviewing the application.

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

- 22 (1) The proposed initial business plan, including the range of contemplated types  
23 and modes of sports wagering.
- 24 (2) The proposed measures to address age and identity verification and  
25 geolocation requirements.
- 26 (3) The proposed internal controls that will prevent ineligible persons from  
27 participating in sports wagering.
- 28 (4) A documented history of working to prevent compulsive gambling, including  
29 training programs for its employees.
- 30 (5) A written information security program detailing information security  
31 governance and the designation of a chief security officer or equivalent.
- 32 (6) The proposed sports wagering brand that the applicant plans to hold out to the  
33 public displaying its sports wagering platform.
- 34 (7) Any personal information the Commission may deem necessary concerning  
35 the applicant's key persons.
- 36 (8) Any other information the Commission may deem necessary.

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

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1 or a key person of the applicant has been ~~convicted~~, convicted of a felony or any gambling offense  
2 in any state or federal court of the United States within 10 years of application or renewal.

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

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

- 11 (1) The contents of the application submitted in accordance with this section.
- 12 (2) The extent to which the applicant demonstrates past experience, financial  
13 viability, compliance with applicable laws and regulations in other  
14 jurisdictions, and success with sports wagering operations in other  
15 jurisdictions.
- 16 (3) The extent to which the applicant is able to meet the duties of an interactive  
17 sports wagering operator.
- 18 (4) The amount of ~~adjusted~~ gross wagering revenue and associated tax revenue  
19 that an applicant is projected to generate.
- 20 (5) Any other factors the Commission deems relevant.

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

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

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

- 38 (1) The name, address, and sports wagering platform.
- 39 (2) The name of all key persons.
- 40 (3) The documented history of working to prevent compulsive gambling,  
41 including training programs for its employees.
- 42 (4) The proposed sports wagering brand that the applicant plans to hold out to the  
43 public displaying its sports wagering platform.

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1           (5) Whether the Commission granted or denied the application.

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

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

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

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

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

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



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

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

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

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

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

14 a. A potential threat to the public interest.

15 b. Impede the regulation of sports wagering.

16 c. Promote unfair or illegal activities in the conduct of sports wagering.

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

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

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

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

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

28 (h) Notwithstanding any other provision of law, only the following documents under this  
29 section shall be a public record, with respect to each applicant and each interactive sports  
30 wagering operator:

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

32 (2) The name of all key persons.

33 (3) Whether the Commission granted or denied the application.

34 (i) Each service provider shall promptly report all criminal or disciplinary proceedings  
35 commenced against that service provider in connection with its operations to the Commission.  
36 Each sports wagering supplier shall promptly report all changes in key persons to the  
37 Commission, and all new key persons shall consent to a background check.

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

40 **"§ 18C-907. Sports wagering supplier license.**

41 (a) The Commission may issue a sports wagering supplier license to a sports wagering  
42 supplier. ~~A person that is not licensed under this Article shall not sell, lease, distribute, offer, or~~  
43 ~~otherwise provide services, goods, software, or other components necessary for the creation of~~

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1 ~~betting markets and determining bet outcomes, directly or indirectly, to any license holder or~~  
2 ~~applicant involved in the acceptance of bets, except that an interactive sports wagering operator~~  
3 ~~shall not be required to obtain a separate sports wagering supplier license in order to act as a~~  
4 ~~sports wagering supplier. A sports wagering supplier must be licensed under this section if~~  
5 ~~providing sports wagering supplier services under a fixed fee or revenue sharing agreement.~~

6 ~~(b) On application by an interested person,~~At the request of an applicant for a sports  
7 wagering supplier license, the Commission may issue a provisional sports wagering supplier  
8 license to an applicant for a sports wagering supplier license, the applicant so long as the applicant  
9 has submitted a completed application in accordance with this section. A provisional license  
10 issued under this subsection allows the applicant for the sports wagering supplier license to  
11 conduct business regarding the operation of sports wagering with a license holder or applicant  
12 before the sports wagering supplier license is issued. A provisional license issued under this  
13 subsection expires on the date provided by the Commission.

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

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

- 20 (1) The applicant's principal owners who directly own ~~five~~ten percent ~~(5%)~~(10%)  
21 or more of the applicant.  
22 (2) Each holding, intermediary, or parent company that directly owns fifteen  
23 percent (15%) or more of the applicant.  
24 (3) The applicant's board appointed CEO and ~~CFO.~~CFO, or the equivalent as  
25 determined by the Commission.  
26 (4) Any other information the Commission may deem necessary.

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

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

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

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

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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 licenses~~ 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  
30                    ~~license,~~ license.

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

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

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

36                    (2)        A violation of this Article.

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

42        **"§ 18C-909. Use of proceeds.**

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

5 **"§ 18C-910. Duties of interactive sports wagering operators.licensees.**

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

- 8            (1) Prevent persons who are not registered players from placing sports wagers  
9 through its sports wagering platform.  
10            (2) Prevent persons who are not physically located in the State from placing a  
11 wager through its sports wagering platform.  
12            (3) Protect the confidential information of registered players using its sports  
13 wagering platform.  
14            (4) Prevent sports wagering on prohibited events set forth in this Article or as  
15 otherwise determined by the Commission.  
16            (5) Prevent persons from placing sports wagers as agents or proxies for others.  
17            (6) Allow persons to voluntarily exclude themselves under G.S. 18C-922 from  
18 placing sports wagers through its sports wagering platform as set forth in this  
19 Article.  
20            (7) Establish procedures to detect suspicious or illegal sports wagering activity.  
21            (8) Provide for the reporting of income tax of registered players where required  
22 by applicable State or federal law.  
23            (9) Prevent a participant in a sporting event, including an athlete, coach, trainer,  
24 official, or any employee or staff of a participant from placing a sports wager  
25 on that sporting event in which the participant is participating.

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

- 28            (1) All sports wagers, including the identity of the registered player.  
29            (2) The amount, type, time, location, and outcome of the wager, including the IP  
30 address, if available.  
31            (3) Suspicious or illegal sports wagering activity.

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

34        (d) If a sports governing body has notified the Commission that real-time information  
35 sharing for sports wagers placed on its sporting events is necessary, interactive sports wagering  
36 operators shall share with that sports governing body or its designee in real time, at the account  
37 level, anonymized information regarding a ~~wagerer, registered player,~~ amount and type of sports  
38 wager, the time the sports wager was placed, the location of the registered player at the time the  
39 wager, sports wager was placed, and the IP address if applicable, outcome of the sports wager,  
40 and records of abnormal sports wagering activity. For purposes of this subsection, real time  
41 means on a commercially reasonable periodic interval, but in any event, not less than once every  
42 72 hours. A sports governing body receiving any information pursuant to this subsection shall

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1 use the information for the purpose of integrity monitoring only and not for any commercial  
2 purpose.

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

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

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

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

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

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

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

21 (h) Each service provider shall provide a daily summary of all sports wagering activity,  
22 detailing all transactions processed through each wagering system, provided in a format  
23 established by the Commission at the close of each business day.

24 "§ 18C-911. Reserved for future codification purposes.

25 "§ 18C-912. Establishment of interactive accounts.

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

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

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

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

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

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

38 (4) Any member, officer, or employee of the Commission if placing a sports  
39 wager in this State.

40 (5) Any employee or key person of an interactive sports wagering operator or  
41 service provider license when placing sports wagers with that interactive  
42 sports wagering operator.

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

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

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

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

- 25 (1) The results of tier one sports wagers on sporting events of any organization  
26 whether headquartered in the United States or elsewhere.  
27 (2) The results of tier two sports wagers on sporting events of organizations that  
28 are not headquartered in the United States.

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

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

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- 1           (1)    The sports governing body or its designee cannot provide a feed of official  
2 league data to determine the results of a particular type of tier two sports  
3 wager, in which case interactive sports wagering operators are not required to  
4 use official league data for determining the results of the applicable tier two  
5 sports wager until such time as such a data feed becomes available from the  
6 sports governing body on commercially reasonable terms and conditions.
- 7           (2)    An interactive sports wagering operator can demonstrate to the Commission  
8 that the sports governing body or its designee will not provide a feed of official  
9 league data to the interactive sports wagering operator on commercially  
10 reasonable terms and conditions.
- 11           (3)    The ~~sports governing body or its designee~~ of sports governing body does not  
12 obtain a supplier license from the Commission to provide official league data  
13 to interactive sports wagering operators to determine the results of tier two  
14 sports wagers, if and to the extent required by law.
- 15       (f)    During the pendency of the Commission's determination as to whether a sports  
16 governing body or its designee will provide a feed of official league data on commercially  
17 reasonable terms, an interactive sports wagering operator is not required to use official league  
18 data for determining the results of tier two sports wagers. The Commission's determination shall  
19 be made within 60 days of the interactive sports wagering operator notifying the Commission  
20 that it desires to demonstrate that the sports governing body or its designees will not provide a  
21 feed of official league data to the sports wagering operator on commercially reasonable terms.  
22 The following is a non-exclusive list of factors the Commission may consider in evaluating  
23 whether official league data is being offered on commercially reasonable terms and conditions  
24 for purposes of this subsection and subsections (d) and (e) of this section:
- 25           (1)    The extent to which interactive sports wagering operators have purchased the  
26 same or similar official league data on the same or similar terms, particularly  
27 in jurisdictions where such purchase was not required by law, or was required  
28 by law, but only if offered on commercially reasonable terms.
- 29           (2)    The nature and quantity of the official league data, including its speed,  
30 accuracy, reliability, and overall quality, as compared to comparable  
31 non-official data.
- 32           (3)    The quality and complexity of the process used to collect and distribute the  
33 official league data as compared to comparable non-official data.
- 34           (4)    The availability of a sports governing body's tier two official league data to an  
35 interactive sports wagering operator from more than one authorized source.
- 36           (5)    Market information, including price and other terms and conditions, regarding  
37 the purchase by interactive sports wagering operators of comparable data for  
38 the purpose of settling sports wagers in this State and other jurisdictions.
- 39           (6)    The extent to which sports governing bodies or their designees have made data  
40 used to settle tier two sports wagers available to interactive sports wagering  
41 operators and any terms and conditions relating to the use of that data.
- 42           (7)    Any other information the Commission deems relevant.



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

7 "§ 18C-915. Reserved for future codification purposes.

8 "§ 18C-916. **Civil penalties; suspension and revocation of licenses.**

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

12 (1) Suspend or revoke the license.

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

15 "§ 18C-917. Reserved for future codification purposes.

16 "§ 18C-918. **Criminal penalties.**

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

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

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

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

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

30 "§ 18C-919. Reserved for future codification purposes.

31 ~~"§ 18C-920. Tax.~~

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

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

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1       ~~(e) After reimbursement of expenses in implementing its responsibilities under this~~  
2 ~~Article and payments as provided in subsection (d) of this section, the Commission shall remit~~  
3 ~~all tax payments collected pursuant to this section and all license fees collected pursuant to this~~  
4 ~~Article to the Department of Revenue. The Commission shall document all expenses for which~~  
5 ~~deduction from the payments owed is asserted, which documentation shall be subject to audit by~~  
6 ~~the State.~~

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

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

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

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

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

21 **"§ 18C-921. Expenses of Lottery.**

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

26 **"§ 18C-922. Voluntary exclusion program.**

27       ~~(a) The Commission shall establish a voluntary exclusion program for Anyany individual~~  
28 ~~shall be able to voluntarily exclude themselves from placing sports wagers through a voluntary~~  
29 ~~exclusion program established by the Commission. wagers. Interactive sports wagering operators~~  
30 ~~shall use reasonable means to comply with exclusion of individuals participating in the voluntary~~  
31 ~~exclusion program by the Commission.~~

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

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

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

38           ~~(3) How an individual in the voluntary exclusion program may petition the~~  
39 ~~Commission for removal from the voluntary exclusion program.~~

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

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1           (5)     The means by which the Commission shall make available to all interactive  
2                    sports wagering operators and their agents the names of the individuals  
3                    participating the voluntary exclusion program, which shall be at least  
4                    quarterly.

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

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

9     "§ 18C-924. **Risk management.**

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

17     "§ 18C-925. Reserved for future codification purposes.

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

19           (a)     ~~The owner or operator of a sports facility may establish. No more than two~~ places of  
20           public accommodation for the purpose of accessing a sports wagering platform through mobile  
21           devices, computer terminals, or similar access devices, either directly or with assistance from a  
22           ~~person.~~ person, may be associated with each sports facility. Each owner or operator of a sports  
23           ~~facility shall be limited to one place of public accommodation described under subdivision (2) of~~  
24           ~~subsection (b) of this section.~~

25           (b)     Places of public accommodation ~~allowed~~ permitted under this section shall be located  
26           as follows:

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

28                   (2)     On other property owned or controlled by the owner or operator of the sports  
29                    facility or an affiliated entity of the owner or operator of the sports facility that  
30                    is located within a one-half mile radius of ~~the sports facility.~~ a sports facility  
31                    defined in G.S. 18C-901(15)a or G.S. 18C-901(15)c.

32                   (3)     On other property owned or controlled by the owner or operator of the sports  
33                    facility that is located within a one and one-half mile radius of a sports facility  
34                    defined in G.S. 18C-901(15)b.

35           (c)     Nothing in this section shall be construed to exempt a place of public accommodation  
36                    from the provisions of any other law that may be enforceable. A place of public accommodation  
37                    ~~may shall be either a permanent establishment or a temporary establishment associated with a~~  
38                    ~~specific sporting event of a series of sporting events.~~ establishment except as provided in  
39                    subsection (f) of this section.

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

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

3 (f) Notwithstanding subsections (a) through (c) of this section, one place of public  
4 accommodation may be temporarily established during a professional golf tournament as  
5 described in G.S. 18C-901(15)b. The temporary place of public accommodation need not comply  
6 with local ordinances under Chapter 160D of the General Statutes but shall not operate more than  
7 five days prior to the professional golf tournament or five days after the professional golf  
8 tournament.

9 "§ 18C-927. Reserved for future codification purposes.

10 "§ 18C-928. **Indian gaming; compliance with federal law.**

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

18 (b) All activities authorized by this Article shall be deemed to be conducted solely under  
19 the authority of this Article and not under the federal Indian Gaming Regulatory Act, 25 U.S.C.  
20 § 2701 et seq.

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

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

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1                   upon request, shall be accessible by the Commission, Department of  
2                   Revenue, and State law enforcement. The location of all other  
3                   technology and servers used by a tribal gaming enterprise in  
4                   connection with sports wagering authorized by this act shall be  
5                   approved by the Commission.

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

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

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

18                   **SECTION ?.(b)** If Senate Bill 688, 2021 Regular Session, as amended by this  
19 section, becomes law, Part 2L of Article 10 of Chapter 143B of the General Statutes as enacted  
20 by that act reads as rewritten:

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

22 **"§ 143B-437.110. Legislative findings and purpose.**

23           The General Assembly finds that:

- 24                   (1) It is the policy of the State of North Carolina to stimulate economic activity  
25                   and to create new jobs for the citizens of the State by encouraging and  
26                   promoting the attraction of major events to the State that spur economic  
27                   activity by attracting out-of-state visitors to the State and thereby promoting  
28                   the travel and tourism industries within the State.  
29                   (2) The purpose of this Part is to stimulate economic activity and to create new  
30                   jobs within the State.  
31                   (3) The enactment of this Part will maintain consistency and accountability in a  
32                   key economic development program and will ensure that the program benefits  
33                   the State and its citizens.  
34                   (4) Nothing in this Part shall be construed to constitute a guarantee or assumption  
35                   by the State of any debt of any business or to authorize the taxing power or the  
36                   full faith and credit of the State to be pledged.

37 **"§ 143B-437.111. Definitions.**

38           The following definitions apply in this Part:

- 39                   (1) Fund. – The North Carolina Major Events, Games, and Attractions Fund  
40                   established under G.S. 143B-437.112.  
41                   (2) Local entity. – A city, county, or local organizing committee.  
42                   (3) Local organizing committee. – A nonprofit corporation or its successor in  
43                   interest that satisfies one of the following conditions:

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- 1           a.       It has been authorized by a city, county, or more than one city or  
2           county acting collectively to pursue an application and bid on the  
3           applicant's behalf to a site selection organization for selection as the  
4           site of a major event.  
5           b.       With the authorization of a city, county, or more than one city or  
6           county acting collectively, it has executed an agreement with a site  
7           selection organization regarding a bid to host a major event.  
8       (4)   Major event. – An entertainment, musical, political, sporting, or theatrical  
9       event that satisfies the following conditions:  
10           a.       The event is held at a sports facility or is an event sponsored by the  
11           Ladies Professional Golf Association, the Professional Golfers'  
12           Association of America, the PGA Tour, or the United States Golf  
13           Association.  
14           b.       The event is not held more often than annually.  
15           c.       The location of the event is determined by a site selection organization  
16           through a competitive process.  
17           d.       The site selection organization considered multiple sites located  
18           outside of the State for the event.  
19           e.       The site selection organization selected a site within this State as the  
20           sole location for the event.  
21       (5)   Site selection organization. – The organization responsible for determining the  
22       site of a major event.  
23       (6)   Sports facility. – As defined in G.S. 18C-901.

24   **"§ 143B-437.112. North Carolina Major Events, Games, and Attractions Fund.**

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

- 31           (1)   The economic activity directly or indirectly attributable to the major event is  
32           sufficient to justify the use of State funds to attract or retain the event in this  
33           State.  
34           (2)   It is anticipated that the major event will provide positive media exposure for  
35           the State, thereby supplementing the State's efforts to promote travel and  
36           tourism within the State.  
37           (3)   The site selection organization must have considered multiple sites located  
38           outside of the State for the event.  
39           (4)   The site selection organization has selected a site within this State as the sole  
40           location for the event.  
41           (5)   The event is not held more often than annually.  
42           (6)   The project will benefit the people of this State by increasing opportunities  
43           for employment and by strengthening this State's economy.

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- 1           (7)     The project is consistent with economic development goals for the State and  
2                     for the area where it will be located.  
3           (8)     A grant under this Part is necessary to attract or retain the major event within  
4                     this State.  
5           (9)     The total benefits of the major event to the State outweigh its costs and render  
6                     the grant appropriate for the major event.

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

13 **"§ 143B-437.113. Applications; reports; study.**

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

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

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

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

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

7 **"§ 143B-437.114. Program guidelines.**

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

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

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

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

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

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

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

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

39 The Department of Public Safety may provide to the North Carolina State Lottery  
40 Commission and to its Director from the State and National Repositories of Criminal Histories  
41 the criminal history of any prospective employee of the Commission, any potential contractor,  
42 and any licensee or prospective ~~interactive sports wagering operator or service provider~~ licensee  
43 ~~under Article 9~~ of Chapter 18C of the General Statutes. The North Carolina State Lottery



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

16 **SECTION ?.** If Senate Bill 688, 2021 Regular Session, becomes law, Sections 5 and  
17 6 of that act reads as rewritten:

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

32 **SECTION 6.** Sections 1 through 4 of this act become effective ~~January 1,~~  
33 ~~2022.~~ January 1, 2023. Except as otherwise provided, this act is effective when it becomes law."

34 **SECTION ?.(a)** If Senate Bill 688, 2021 Regular Session becomes law, Chapter 105  
35 of the General Statutes is rewritten to add a new Article:

"Article 2E.

"Sports Wagering Taxes.

36 **"§ 105-113.125. Definitions.**

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

37 **"§ 105-113.126. Excise tax on sports wagering.**

38 (a) Rate. – An excise tax of ????? percent (%) is levied on the gross wagering revenue of  
39 an interactive sports wagering operator.

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1       **(b) Report.** – Taxes levied by this Article are payable when a report is required to be filed.  
2 A report is due on a monthly basis. A monthly report covers the total amount of gross wagering  
3 revenue received by an interactive sports wagering operator during the previous calendar month  
4 and is due within 20 days after the end of the month covered by the report. A report is filed on a  
5 form prescribed by the Secretary.

6       **(c) Records.** – A person who is required to file a report under this Article must keep a  
7 record of all documents used to determine information the person provides in a report. These  
8 records shall be open at all times for inspection by the Secretary or an authorized representative  
9 of the Secretary and shall be kept for three years from the due date of the report to which the  
10 records apply.

11       **(d) Refund.** – An interactive sports wagering operator is allowed a refund of excise tax  
12 paid under this section on a sports wager which has been refunded to the registered player. The  
13 Secretary shall prescribe the manner in which a taxpayer may request a refund under this  
14 subsection.

15 **§ 105-113.127. Bond or irrevocable letter of credit.**

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

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

33 **§ 105-113.128. Use of tax proceeds.**

34       The Secretary shall distribute the taxes collected under this Article, less the allowance to the  
35 Department of Revenue for administrative expenses, in accordance with this section. The  
36 Secretary may retain the cost of collection by the Department, not to exceed five hundred  
37 thousand dollars (\$500,000) a year, as reimbursement to the Department. The remainder of the  
38 net proceeds of the tax collected under this Article are to be credited as follows:

- 39           (1) An amount equal to fifty percent (50%) to the North Carolina Major Events,  
40           Games, and Attractions Fund established under G.S. 143B-437.112.
- 41           (2) An amount equal to five percent (5%) to the North Carolina State Lottery  
42           Commission to administer the provisions of Article 9 of Chapter 18C of the  
43           General Statutes.

