

Article 9.

Sports Wagering.

§ 18C-901. Definitions.

As used in this Article, the following definitions apply:

- (1) Amateur sports. – A sporting competition that is not a professional sport, college sport, or youth sport. This term includes domestic, international, and Olympic sporting competitions.
- (2) 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 check and draft.
 - c. Digital, crypto, and virtual currency.
 - d. Online and mobile payment systems that support online money transfers.
 - e. Credit card and debit card.
 - f. Prepaid access instrument.
 - g. Any other form approved by the Commission.
- (3) College sports. – An athletic or sporting competition in which at least one participant is a team or contestant competing on behalf of or under the sponsorship of a public or private institution of postsecondary education. This term shall not include a public or private institution of postsecondary education sponsorship of professional sports.
- (4) Covered services. – Any service creating sports wagering markets and determination of sports wager outcomes that involves the operation, management, or control of sports wagers authorized by this Article. The term shall not include any of the following:
 - a. Payment processing and similar financial services.
 - b. Customer identity, age verification, and geolocation services.
 - c. Streaming or other video and data that does not include the determination of odds or line information.
 - d. Telecommunications, internet service providers, and other similar services not specifically designed for sports wagering.
 - e. Other goods or services not specifically designed for use in connection with sports wagering.
 - f. Odds or line information provided by a sports wagering supplier to an interactive sports wagering operator or to a service provider.
 - g. Sports wagering platforms.
- (5) Electronic sports. – Leagues, competitive circuits, tournaments, or similar competitions where individuals or teams play video games, typically for spectators, either in person or online, for prizes, money, or entertainment.
- (6) Geofencing. – Technology approved by the Commission and utilized by an interactive sports wagering operator to verify a registered player's geolocation prior to the time the registered player is placing a sports wager.
- (7) Gross wagering revenue. – The total of amounts received by an interactive sports wagering operator from sports wagers as authorized under this Article

- less the amounts paid as winnings before any deductions for expenses, fees, or taxes.
- (8) Interactive account. – A mobile account established by a registered player for the purpose of placing sports wagers in accordance with this Article.
 - (9) Interactive sports wagering operator. – The holder of an interactive sports wagering license issued by the Commission.
 - (10) Key person. – An officer or director of a licensee or applicant for licensure who is directly involved in the operation, management, or control of sports wagering authorized under this Article, or who exercises substantial influence or control over the sports wagering activities.
 - (10a) through (10c) Reserved for future codification purposes.
 - (10d) Motorsports facility. – A motorsports racetrack in this State that meets either of the following criteria:
 - a. It annually hosts more than one National Association for Stock Car Auto Racing national touring race.
 - b. It hosted at least one National Association for Stock Car Auto Racing All-Star Race occurring after January 1, 2022.
 - (11) Official league data. – Statistics, results, outcomes, and other data relating to a sporting event obtained pursuant to an agreement with the relevant sports governing body or an entity expressly authorized by the relevant sports governing body to provide such data.
 - (12) Pari-mutuel wager. – As defined in G.S. 18C-1001.
 - (12a) through (12c) Reserved for future codification purposes.
 - (12d) Professional golf tournament. – A professional sports event played in this State that is governed by an American governing body of the highest level of professional golf and has more than 50,000 live spectators anticipated to attend based on similar prior sporting events.
 - (13) Professional sports. – An athletic or sporting competition involving at least two competitors who receive compensation for participating in such event.
 - (13a) through (13c) Reserved for future codification purposes.
 - (13d) Professional sports team. – A team in this State that competes in the highest level of any of the following professional sports:
 - a. Baseball.
 - b. Men's Soccer.
 - c. Basketball.
 - d. Football.
 - e. Ice Hockey.
 - f. Women's Soccer.
 - (14) Registered player. – An individual who has established an interactive account with an interactive sports wagering operator.
 - (15) Service provider. – A business entity that provides covered services to an interactive sports wagering operator and holds a service provider license.
 - (16) Sporting event. – Professional sports, amateur sports, and college sports, all of which may include electronic sports, and any other event approved by the Commission.
 - (17) Sports facility. – Any of the following:

- a. A motorsports facility.
 - b. A facility that hosts a professional golf tournament.
 - c. A facility that is the home location of a professional sports team.
- (18) Sports governing body. – An organization headquartered in the United States that prescribes final rules with respect to a sporting event and enforces the code of conduct for participants therein. In the context of electronic sports, the sports governing body shall be the video game publisher of the title used in the electronic sports competition, regardless of location.
- (19) Sports wager or sports wagering. – Placing of wagers on any of the following: (i) a sporting event, (ii) a portion of a sporting event, or (iii) the individual performance statistics of athletes in a sporting event or combination of sporting events. The term also includes single-game wagers, teaser wagers, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play wagers, proposition wagers, straight wagers, and any other wager approved by the Commission.
- (20) Sports wagering brand. – The names, logos, and brands that an interactive sports wagering operator advertises, promotes, or otherwise holds out to the public displaying its sports wagering platform.
- (21) Sports wagering platform. – A website, mobile application, or other interactive platform accessible via the internet, mobile, wireless, or similar communication technology that a registered player may use to place sports wagers authorized under this Article.
- (22) Sports wagering supplier. – A person that provides services, goods, software, or other components necessary for the creation of sports wagering markets and determination of sports wager outcomes, directly or indirectly, to any interactive sports wagering operator or service provider involved in the acceptance of sports wagers, including any of the following: providers of data feeds and odds services, internet platform providers, risk management providers, integrity monitoring providers, entities engaged in facilitating or enabling sports wagering activities on behalf of, or in affiliation with, interactive sports wagering operators in places of public accommodation, and other providers of sports wagering supplier services as determined by the Commission. The term does not include a sports governing body that provides raw statistical match data to one or more designated and licensed providers of data and odds services.
- (23) Tier one sports wager. – A sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.
- (24) Tier two sports wager. – Any sports wager that is not a tier one sports wager.
- (25) Tribal gaming enterprise. – A federally recognized Indian tribe that is authorized to conduct Class III games in accordance with the federal Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq., in this State or a business entity owned or controlled by such tribe. Any federally recognized tribe, or business entity owned or controlled by the tribe, that is deemed an interactive sports wagering operator under this Article shall include authorization for any technology and sports wagering brand partners of the tribe or the business entity

owned or controlled by the tribe, subject to compliance with the terms of this Article by the technology and sports wagering brand partners.

- (26) Youth sports. – An event in which the majority of participants are under the age of 18 or are competing on behalf or under the sponsorship of one or more public or private preschool, elementary, middle, or secondary schools. The term does not include the following:
- a. Professional sports.
 - b. Sporting events that occur under the sponsorship or oversight of national or international athletic bodies that are not educational institutions and that include participants both over and under the age of 18. (2023-42, s. 1; 2023-134, s. 11.18(b).)

§ 18C-902. Authorization of sports wagering generally.

(a) Notwithstanding any provision of Article 37 of Chapter 14 of the General Statutes, sports wagering on sporting events as authorized by this Article shall not be considered unlawful. All sports wagering authorized under this Article shall be placed via an interactive account or at a place of public accommodation and shall be initiated and received within this State except as provided in G.S. 18C-928. The interactive sports wagering operator shall comply with all of the following:

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

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

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

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

- (1) Sports wagering involving youth sports.
- (2) Sports wagering on any of the following:
 - a. The occurrence of injuries.
 - b. The occurrence of penalties.
 - c. The outcome of disciplinary proceedings against a participant in a sporting event.

- d. The outcome of replay reviews.
- (3) The Commission serving as an operator of a sports wagering platform.
- (4) The placing of a pari-mutuel wager.
- (e) Nothing in this Article shall apply to fantasy or simulated games or contests in which one or more fantasy contest players compete and winning outcomes reflect the relative knowledge and skill of the fantasy contest players and are determined predominantly by accumulated statistical results of the performance of individuals, including athletes in the case of sporting events.
- (f) Upon request and with reasonable notice, the Commission or the Department of Revenue has the authority to audit any interactive sports wagering operator or its service providers as related to sports wagering activities.
- (g) Any sports governing body on whose sporting events sports wagering is authorized by this Article may enter into commercial agreements with interactive sports wagering operators or other entities in which the sports governing body may share in the amount bet from sports wagering on sporting events of the sports governing body. A sports governing body is not required to obtain a license or any other approval from the Commission to lawfully accept such amounts.
- (h) Nothing in this Chapter shall authorize the Commission to establish, require, or enforce a maximum or minimum payout or hold percentage upon any interactive sports wagering operator.
- (i) All of the following persons are prohibited from engaging in sports wagering:
 - (1) Any person under the age of 21.
 - (2) Any person who has requested and not revoked a voluntary exclusion designation from sports wagering pursuant to G.S. 18C-922.
 - (3) Any person who has been adjudicated by law as prohibited from engaging in sports wagering.
 - (4) Any member or employee of the Commission when placing a sports wager in this State.
 - (5) Any employee or key person of an interactive sports wagering operator or service provider license when placing sports wagers with that interactive sports wagering operator.
 - (6) With respect to a sporting event, any participant in that sporting event, including an athlete, coach, trainer, official, or any employee or staff of a participant, when placing a sports wager on that sporting event in which that participant is participating.
 - (7) Any employee or staff of a sports governing body, when placing a sports wager on sporting events with which that individual or sports governing body is affiliated. (2023-42, s. 1; 2023-134, s. 11.18(c).)

§ 18C-903. (Reserved)

§ 18C-904. Interactive sports wagering license.

- (a) It shall be unlawful for any person to offer or accept sports wagers on sporting events in this State without a valid interactive sports wagering license. Except as provided in G.S. 18C-928, the Commission shall only license interactive sports wagering operators who have a written designation agreement in accordance with G.S. 18C-905 to offer and accept sports wagers on sporting events, which shall include any of the following:
 - (1) Professional sports.

- (2) College sports.
- (3) Electronic sports.
- (4) Amateur sports.
- (5) Any other event approved by the Commission in accordance with this Article.

(b) The Commission shall review and issue interactive sports wagering licenses to qualified applicants. The applicant shall complete and submit an application on a form prescribed by the Commission and a licensing fee of one million dollars (\$1,000,000). If the application is denied, the licensing fee shall be refunded, minus five percent (5%) of the licensing fee which shall be used by the Commission to offset associated expenses in reviewing the application.

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

- (1) The proposed initial business plan, including all of the following:
 - a. The range of contemplated types and modes of sports wagering.
 - b. The name and address of the registered agent in this State of all parties to the written designation agreement.
 - c. The name, address, and other contact information of the person listed as the authorized representative in the written designation agreement.
- (2) The proposed measures to address age and identity verification and geolocation requirements.
- (3) The proposed internal controls that will prevent ineligible persons from participating in sports wagering.
- (4) A documented history of working to prevent compulsive gambling, including training programs for its employees.
- (5) A written information security program detailing information security governance and the designation of a chief security officer or equivalent.
- (6) The proposed sports wagering brand that the applicant plans to hold out to the public displaying its sports wagering platform.
- (7) Any personal information the Commission may deem necessary concerning the applicant's key persons.
- (8) A documented history of economic investment in this State, including all of the following:
 - a. Job creation in this State and a plan for continued job creation in this State.
 - b. Commitment to improve or maintain buildings or infrastructure to further the tourism and entertainment industries in this State.
 - c. Support of nonprofit and educational organizations in this State.
 - d. Willingness to partner with State and local governments to achieve common goals of improving quality of life in this State through economic development.
- (9) A documented history of capital investment in this State and a plan for continued capital investment in this State.
- (10) A copy of the written designation agreement.
- (11) Any other information the Commission may deem necessary.

(d) Information provided to the Commission under subdivisions (8) through (10) of subsection (c) of this section are informational in nature and may be used for any of the following purposes by the Commission:

- (1) To provide additional insight regarding applicants who intend to operate a place of public accommodation.
 - (2) To evaluate an applicant's potential to maximize revenue to this State.
- (e) The Commission shall conduct a background investigation on the applicant and key persons as deemed necessary by the Commission. The background investigation shall include a credit history check, a tax record check, and a criminal history record check. In the event an applicant and its key persons have had a completed criminal history record check in the 12 months prior to the application, the Commission may, in its discretion, accept the results of that prior criminal history record check upon submission of an affidavit that there has been no change in criminal history since the prior criminal history record check in this or any other state. The Commission shall not award a license if an applicant or any key person of the applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States within 10 years of application or renewal.
- (f) An applicant for licensure and any key person deemed necessary by the Commission shall consent to a criminal history record check and shall submit all necessary fingerprints. Refusal to consent to a criminal history record check may constitute grounds for the Commission to deny licensure.
- (g) Repealed by Session Laws 2023-134, s. 11.18(d), effective January 8, 2024.
- (h) A person holding a license to conduct sports wagering, on the basis of comparable licensing requirements issued to that person by a proper authority in another state or territory of the United States or the District of Columbia if that jurisdiction's requirements for licensure, certification, or registration are substantially equivalent to or exceed the requirements of this State, and who, in the opinion of the Commission otherwise meets the requirements of this Article based upon verified evidence may, upon application, be licensed as an interactive sports wagering operator with or without further examination, as determined by the Commission. The Commission may also accept another jurisdiction's or approved third party's testing of the interactive sports wagering platform as evidence that the sports wagering platform meets any requirements mandated by the Commission.
- (i) The Commission shall review and issue interactive sports wagering licenses to qualified applicants within 60 days of receipt of a completed application. The Commission may extend the review period for an additional 30 days if the background investigation is outstanding. Any denial shall be in writing and state the grounds therefor.
- (j) Notwithstanding Chapter 132 of the General Statutes or any other provision of law, except for G.S. 18C-916(b), only the following documents under this section shall be a public record, with respect to each applicant and each interactive sports wagering operator:
- (1) The name, address, and sports wagering platform.
 - (2) The names of all key persons.
 - (3) The documented history of working to prevent compulsive gambling, including training programs for its employees.
 - (4) The proposed sports wagering brand that the applicant plans to hold out to the public displaying its sports wagering platform.
 - (5) The granting or denial of the application.
- (k) Each interactive sports wagering operator shall promptly report all of the following to the Commission:
- (1) All criminal or disciplinary proceedings commenced against that interactive sports wagering operator in connection with its operations.

- (2) All changes in key persons. All new key persons shall consent to a background investigation.
- (3) Any breach, discontinuance, or other cessation of the written designation agreement.

(l) No interactive sports wagering operator license is assignable or transferable without approval of the Commission and payment of the licensing fee in accordance with this section.

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

(n) The holder of an interactive sports wagering operator license shall be deemed to also hold a service provider license and sports wagering supplier license under this Article for services, goods, software, or components provided in-house.

(o) If an applicant for an interactive sports wagering license is a sports facility or team that is a member of a league, association, or organization that prevents the sports facility or team from being subject to the regulatory control of the Commission or from otherwise operating under an interactive sports wagering license, the sports facility or team may contractually appoint a designee approved by the Commission for all aspects of Commission oversight and operation. (2023-42, s. 1; 2023-134, s. 11.18(d).)

§ 18C-905. Written designation agreements.

(a) In order to qualify as an interactive sports wagering operator, the applicant shall be a party to a written designation agreement with one of the following:

- (1) A professional sports team.
- (2) The owner or operator of one of the following:
 - a. A motorsports facility.
 - b. A facility that hosts a professional golf tournament annually.
- (3) A sports governing body that annually within the calendar year sanctions more than one National Association for Stock Car Auto Racing national touring race in the State.
- (4) A sports governing body that annually within the calendar year sanctions more than one professional golf tournament.

(b) Each of the persons listed in subsection (a) of this section may enter into a written designation agreement with only one interactive sports wagering operator or applicant for licensure as an interactive sports wagering operator.

(c) In accordance with G.S. 18C-926, places of public accommodation associated with a sports facility shall be operated solely by the interactive sports wagering operator with whom the person listed in subsection (a) of this section entered into the written designation agreement.

(d) A copy of the written designation agreement shall be included with the application for licensure or renewal as an interactive sports wagering operator. The Commission shall be immediately notified of the following with respect to the written designation agreement:

- (1) Any modifications, changes, or alterations.
- (2) Any breach, discontinuance, or other cessation. (2023-134, s. 11.18(e).)

§ 18C-906. Applications for service provider licenses.

(a) It shall be unlawful for any person to provide covered services to any interactive sports wagering operator in this State without a valid service provider license. The holder of a service provider license shall be deemed to also hold a sports wagering supplier license under this Article for services, goods, software, or components provided in-house.

(b) The Commission shall review and issue service provider licenses to qualified applicants within 60 days of receipt of a completed application. The Commission may extend the review period for an additional 30 days if the background investigation is outstanding. Any denial shall be in writing and state the grounds therefor. The applicant shall submit the completed application, on a form prescribed by the Commission, and the licensing fee of fifty thousand dollars (\$50,000). If the application is denied, the licensing fee shall be refunded, minus five percent (5%) of the licensing fee which shall be used by the Commission to offset associated expenses in reviewing the application.

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

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

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

(e) An applicant for licensure and any key person deemed necessary by the Commission shall consent to a criminal history record check and shall submit all necessary fingerprints. Refusal

to consent to a criminal history record check may constitute grounds for the Commission to deny licensure.

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

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

- (1) The applicant is unable to satisfy the requirements under this Article.
- (2) The applicant or any key person is not of good character, honesty, or integrity.
- (3) The applicant's or any key person's prior activities, criminal record, reputation, or associations indicate any of the following:
 - a. A potential threat to the public interest.
 - b. The potential to impede the regulation of sports wagering.
 - c. The potential of promoting unfair or illegal activities in the conduct of sports wagering.
- (4) The applicant or any key person knowingly makes a false statement of material fact or deliberately fails to disclose information requested by the Commission.
- (5) The applicant or any key person knowingly fails to comply with the provisions of this Article or any requirements of the Commission.
- (6) The applicant or any key person was convicted of a felony, a crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust within the 10 years prior to the submission date of the application.
- (7) Any revocation, suspension, or denial of the applicant's or key person's license, certification, or registration to conduct sports wagering, other forms of gambling activity, or a covered service issued by any other jurisdiction.
- (8) The applicant has defaulted on any obligation or debt owed to this State.
- (9) Any breach, discontinuance, or other cessation of the written designation agreement required under G.S. 18C-905.

(h) Notwithstanding Chapter 132 of the General Statutes or any other provision of law, except for G.S. 18C-916(b), only the following documents under this section shall be a public record, with respect to each applicant and each service provider:

- (1) The name, address, and sports wagering platform.
- (2) The name of all key persons.
- (3) The granting or denial of the application.

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

(j) No service provider license is assignable or transferable without approval of the Commission. (2023-42, s. 1; 2023-134, s. 11.18(f).)

§ 18C-907. Sports wagering supplier license.

(a) The Commission may issue a sports wagering supplier license to a sports wagering supplier. A person not providing covered services need not be licensed as an interactive sports wagering operator or as a service provider.

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

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

(d) The applicant shall complete and submit an application on a form prescribed by the Commission and a licensing fee of thirty thousand dollars (\$30,000). If the application is denied, the licensing fee shall be refunded, minus five percent (5%) of the licensing fee which shall be used by the Commission to offset associated expenses in reviewing the application. In the application, the Commission shall require applicants to disclose the identity of each of the following:

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

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

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

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

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

- (1) Governmental created entities, including statutory authorized pension investment boards and Canadian Crown corporations, that are direct or indirect shareholders of an applicant shall be waived in the applicant's disclosure of ownership and control as determined by the Commission.
- (2) Investment funds or entities registered with the Securities and Exchange Commission, including Investment Advisors and entities under the management of the Securities and Exchange Commission, that are direct or

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

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

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

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

(l) Notwithstanding Chapter 132 of the General Statutes or any other provision of law, except for G.S. 18C-916(b), only the following documents under this section shall be a public record, with respect to each applicant and each sports wagering supplier:

- (1) The name, address, and sports wagering platform.
- (2) The name of all key persons.
- (3) The granting or denial of the application.

(m) No sports wagering supplier license is assignable or transferable without approval of the Commission and payment of the licensing fee in accordance with this section. (2023-42, s. 1; 2023-134, s. 11.18(g).)

§ 18C-908. Renewals of licenses.

(a) Except as provided in this subsection, an interactive sports wagering operator's license issued pursuant to this Article shall expire upon the earlier of five years or the breach, discontinuance, or other cessation of the written designation agreement required under G.S. 18C-905. All other licenses issued pursuant to this Article shall be valid for five years.

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

- (1) One million dollars (\$1,000,000) for an interactive sports wagering license.
- (2) Fifty thousand dollars (\$50,000) for a service provider license.
- (3) Thirty thousand dollars (\$30,000) for a sports wagering supplier license.

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

- (1) The same grounds that would constitute denial of an initial application under G.S. 18C-906(g).
- (2) A violation of this Article or a pattern of noncompliance with rules or directives promulgated by the Commission.
- (3) A violation of Article 2E of Chapter 105 of the General Statutes.
- (4) The Commission's previous decision to suspend or impose civil penalties on the licensee.

(d) With respect to interactive sports wagering operators, the Commission may deny a license renewal if the Commission finds good cause that the licensee has materially not complied with the provisions of this Article.

(e) The Commission may, in its discretion, require an annual attestation of compliance from licensees. The Commission shall prescribe the form, method, and deadline of the attestation of compliance. To the extent a licensee identifies any instance of technical or material noncompliance in its annual attestation of compliance, it shall also submit a remedial or mitigation plan for the Commission's consideration. (2023-42, s. 1; 2023-134, s. 11.18(h).)

§ 18C-909. Use of proceeds.

(a) The Commission shall use the funds remitted to it pursuant to G.S. 105-113.128 and any proceeds from license fees collected under this Article and Article 10 of this Chapter to cover expenses in administering this Article. Any proceeds remaining at the end of each fiscal year after payment of expenses of the Commission pursuant to this section shall be remitted to the General Fund, however, the Commission may retain an amount reasonably necessary to cover future expenses of the Commission related to administering the provisions of this Article and Article 10 of this Chapter, the total of which, including the amount authorized to be retained under G.S. 18C-1010(c), may not exceed the total expenses of the Commission related to administering the provisions of this Article and Article 10 of this Chapter during the previous quarter of the fiscal year.

(b) Expenses of the Commission shall include all items listed in G.S. 18C-163. (2023-42, s. 1.)

§ 18C-910. Duties of licensees.

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

- (1) Prevent persons who are not registered players from placing sports wagers through its sports wagering platform.
- (2) Prevent persons who are not physically located in the State from placing a wager through its sports wagering platform.
- (3) Protect the confidential information of registered players using its sports wagering platform.
- (4) Prevent sports wagering on prohibited events set forth in this Article or as otherwise determined by the Commission.
- (5) Prevent persons from placing sports wagers as agents or proxies for others.
- (6) Allow persons to voluntarily exclude themselves under G.S. 18C-922 from placing sports wagers through its sports wagering platform as set forth in this Article.
- (7) Establish procedures to detect suspicious or illegal sports wagering activity.
- (8) Provide for the reporting of income tax on winnings where required by applicable State or federal law.
- (9) Prevent a participant in a sporting event, including an athlete, coach, trainer, official, or any employee or staff of a participant from placing a sports wager on that sporting event in which the participant is participating.
- (10) Verify the location of the sports wagerer at the time the sports wager is initiated and received for compliance with G.S. 18C-902(c).

- (11) Notify the Commission of any breach, discontinuance, or other cessation of the written designation agreement required under G.S. 18C-905.
 - (12) Notify the Commission of any modifications, changes, or alterations to the written designation agreement required under G.S. 18C-905.
 - (13) Notify the Commission of any contract entered into under G.S. 18C-926(f)(2).
- (b) For three years after a sporting event occurs, interactive sports wagering operators shall maintain records on all of the following:
- (1) Each sports wager, including the identity of the registered player placing the sports wager.
 - (2) The amount, type, time, location, and outcome of the sports wager, including the IP address, if available.
 - (3) Suspicious or illegal sports wagering activity.
- (c) The interactive sports wagering operator shall disclose the records described in subsection (b) of this section to the Commission upon request.
- (d) If a sports governing body has notified the Commission that real-time information sharing for sports wagers placed on its sporting events is necessary, interactive sports wagering operators shall share with that sports governing body or its designee in real time, at the account level, anonymized information regarding a registered player, amount and type of sports wager, the time the sports wager was placed, the location of the registered player at the time the sports wager was placed, the IP address if applicable, the outcome of the sports wager, and records of abnormal sports wagering activity. For purposes of this subsection, real time means on a commercially reasonable periodic interval, but in any event, not less than once every 72 hours. A sports governing body receiving any information pursuant to this subsection shall use the information for the purpose of integrity monitoring only and not for any commercial purpose.
- (e) The interactive sports wagering operator and their agents shall ensure that all advertisements and marketing of sports wagers, the sports wagering platform, and other sports wager related commercial offerings meet all of the following requirements:
- (1) It does not target persons under the age of 21.
 - (2) It discloses the identity of the interactive sports wagering operator.
 - (3) It provides information about or links to resources related to gambling addiction and prevention.
 - (4) It is not misleading to a reasonable person.
 - (5) It satisfies the rules and requirements promulgated by the Commission.
- (f) Background investigations shall search for criminal history and any charges or convictions involving corruption or manipulation of sporting events and association with organized crime.
- (g) Interactive sports wagering operators and service providers shall employ commercially reasonable methods to maintain the security of wagering data, registered player and other customer data, and any other confidential information, including information provided by a sports governing body, from unauthorized access and dissemination. All servers necessary to the placement or resolution of a sports wager, other than back-up servers, shall be physically located in this State. Consistent with federal law, nothing in this section shall preclude the use of internet or cloud-based hosting, or the use of back-up servers located outside of this State.
- (h) Each interactive sports wagering operator shall provide a daily summary of all sports wagering activity, detailing all transactions processed through each wagering system, provided in a format established by the Commission, at the close of each business day.

(i) An interactive sports wagering operator may not, as a condition of use of its sports wagering platform, require a registered player to waive any right, forum, or procedure otherwise available to the registered player under State or federal law. All agreements between an interactive sports wagering operator and a registered player shall be governed by State law. The State and federal courts located in North Carolina shall serve as the exclusive venue for all such disputes. (2023-42, s. 1; 2023-134, s. 11.18(i).)

§ 18C-911. (Reserved)

§ 18C-912. Establishment of interactive accounts.

(a) Only a registered player shall be permitted to establish an interactive account with an interactive sports wagering operator. The interactive sports wagering operator is responsible for verifying the identity of the registered player and ensuring that the registered player is at least 21 years of age. The registered player shall be permitted to deposit cash or cash equivalents into the interactive account.

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

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

- (1) Be registered in the name of the registered player, who is a natural person.
- (2) Be established through the interactive sports wagering operator's sports wagering platform.
- (3) Be funded with cash or cash equivalents.
- (4) Prohibit the transfer or sale of an account or account balance.
- (5) Prohibit the use of any virtual private network or other technology that may obscure or falsify the registered player's physical location.
- (6) Prohibit any form of collusion, cheating, or other unlawful activity.
- (7) Affirm that the registered player meets all eligibility requirements for registration.
- (8) Authorize the provision of notices and other required communications either through a designated mobile or other interface or to an electronic mail address designated by the registered player.
- (9) Meet or exceed minimum requirements identified by the Commission, including technical requirements related to data privacy, data security, and sports wagering platform features to support responsible sports wagering.

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

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

- (1) The registered player has provided any false or misleading information in connection with the opening of the account, or has engaged in collusion, cheating, or other unlawful conduct.
- (2) The registered player is barred from placing sports wagers in the State.
- (3) The registered player is or otherwise becomes ineligible pursuant to this Article.
- (4) For any other reason at the sole discretion of the interactive sports wagering operator, provided it is not in violation of federal or State law.

(f) In the event of termination of the interactive account in accordance with this section, the registered player shall be provided timely ability to access and withdraw any funds remaining in the interactive account. (2023-42, s. 1.)

§ 18C-913. (Reserved)

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

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

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

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

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

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

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

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

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

- (1) The extent to which interactive sports wagering operators have purchased the same or similar official league data on the same or similar terms, particularly in jurisdictions where such purchase was not required by law, or was required by law, but only if offered on commercially reasonable terms.
- (2) The nature and quantity of the official league data, including its speed, accuracy, reliability, and overall quality, as compared to comparable non-official data.
- (3) The quality and complexity of the process used to collect and distribute the official league data as compared to comparable non-official data.
- (4) The availability of a sports governing body's tier two official league data to an interactive sports wagering operator from more than one authorized source.
- (5) Market information, including price and other terms and conditions, regarding the purchase by interactive sports wagering operators of comparable data for the purpose of settling sports wagers in this State and other jurisdictions.

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

(7) Any other information the Commission deems relevant.

(g) Interactive sports wagering operators shall, as soon as practicable, report to the Commission any information relating to abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events, or any other conduct that corrupts a sports wagering outcome of a sporting event or events for purposes of financial gain, including match fixing. The interactive sports wagering operator making such a report shall also simultaneously report such information to the relevant sports governing body. (2023-42, s. 1.)

§ 18C-915. (Reserved)

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

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

(1) Suspend or revoke the license.

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

(b) Nonpublic record documents and materials that applicants and licensees submit to the Commission shall become public record if such materials are specifically identified by the Commission as providing a basis for a civil penalty, license suspension, license revocation, or other formal or informal enforcement action undertaken by the Commission against the licensee. (2023-42, s. 1.)

§ 18C-917. (Reserved)

§ 18C-918. Criminal penalties.

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

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

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

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

(e) Nothing in this Article shall be construed to allow the interactive sports wagering operator or its service providers to be charged with a violation of subsection (a) or (c) of this section absent actual notice and knowledge that a person is under age or giving false information. (2023-42, s. 1.)

§ 18C-919. (Reserved)

§ 18C-920. (Reserved)

§ 18C-921. (Reserved)

§ 18C-922. Voluntary exclusion program.

(a) The Commission shall establish a voluntary exclusion program for any individual to voluntarily exclude themselves from placing sports wagers under this Article and pari-mutuel wagers under Article 10 of this Chapter. Licensees under this Article and Article 10 of this Chapter shall use reasonable means to comply with the exclusion of individuals participating in the voluntary exclusion program by the Commission.

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

- (1) Verification of the individual's request to be placed in the voluntary exclusion program, and for how long, up to and including that individual's lifetime.
- (2) How information regarding which individuals are in the voluntary exclusion program is to be disseminated to licensees under this Article and Article 10 of this Chapter.
- (3) How an individual in the voluntary exclusion program may petition the Commission for removal from the voluntary exclusion program.
- (4) The means by which licensees under this Article and Article 10 of this Chapter and their agents shall make all reasonable efforts to cease direct marketing efforts to individuals participating in the voluntary exclusion program.
- (5) The means by which the Commission shall make available to all licensees under this Article and Article 10 of this Chapter and their agents the names of the individuals participating in the voluntary exclusion program, which shall be at least quarterly.

(c) Participation in the voluntary exclusion program shall not preclude licensees under this Article and Article 10 of this Chapter and their agents from seeking the payment of a debt accrued by the individual while not participating in the voluntary exclusion program.

(d) The voluntary exclusion program shall be exempt from Chapter 132 of the General Statutes and shall be treated as confidential by each licensee under this Article and Article 10 of this Chapter. Licensees under this Article and Article 10 of this Chapter conducting sports wagering or pari-mutuel wagering in another state may share the information provided under this section with its agents and affiliates in other states for excluding individuals participating in the voluntary exclusion program. (2023-42, s. 1.)

§ 18C-923. (Reserved)

§ 18C-924. Risk management.

The Commission shall adopt rules permitting, but not requiring, interactive sports wagering operators and their service providers to employ systems that offset loss or manage or lay off risk in the operation of sports wagering pursuant to this Article, including through liquidity pools, exchanges, or similar mechanisms in another approved jurisdiction in which the interactive sports wagering operator, service provider, or an affiliate of either or other third party also holds a license or the equivalent, provided that at all times adequate protections are maintained to ensure sufficient funds are available to pay all winnings. (2023-42, s. 1.)

§ 18C-925. (Reserved)

§ 18C-926. Places of public accommodation.

(a) Permanent places of public accommodation for the purpose of placing sports wagers may be associated with each sports facility, in accordance with this section and as specified in the written designation agreement.

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

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

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

(d) Mobile devices, computer terminals, similar devices, and cashiers used to operate the place of public accommodation shall have the ability to accept cash and cash equivalents and to distribute cash or cash equivalents. Only a cashier may distribute cash or cash equivalents at a place of public accommodation. All cashiers that accept or distribute cash or cash equivalents shall be employees of an interactive sports wagering operator.

(e) A place of public accommodation under this section may be advertised by the owner or operator of the sports facility. Such advertisements shall comply with the requirements listed in G.S. 18C-910(e).

(f) Notwithstanding subsections (a) through (c) of this section, temporary places of public accommodation may be established by only one of the following means:

- (1) If a permanent place of public accommodation is not located at the sports facility as defined in G.S. 18C-901(17)b., no more than one temporary place of public accommodation may be established at that sports facility as defined in G.S. 18C-901(17)b. during the professional golf tournament by the interactive sports wagering operator that has entered into a written designation agreement with that sports facility.
- (2) The owner or operator of a facility hosting a professional golf event played in this State that has more than 50,000 live spectators anticipated to attend based on similar prior golf events may contract with no more than one interactive sports wagering operator to establish and operate no more than one temporary place of public accommodation during the professional golf event. The interactive sports wagering operator shall immediately notify the Commission of any contract entered into under this subdivision as if it were a written designation agreement.

(f1) The temporary place of public accommodation established under subsection (f) of this section need not comply with local ordinances under Chapter 160D of the General Statutes. For purposes of this section, "temporary" shall mean opening no more than five calendar days prior to the professional golf tournament or event and closing no later than five calendar days after the professional golf tournament or event.

(g) The Commission may adopt rules as necessary governing the placement of any place of public accommodation on the property of a sports facility. (2023-42, s. 1; 2023-134, s. 11.18(j).)

§ 18C-927. (Reserved)

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

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

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

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

- (1) Submission of a completed application to the Commission.
- (2) Agreement by the tribal gaming enterprise, in a form as prescribed by the Commission, to all of the following:
 - a. Adherence to the requirements of this Article and to the regulations adopted by the Commission with respect to sports wagering.
 - b. Submission to the Commission's enforcement of this Article and any implementation of the rules, including waiver of any applicable tribal sovereign immunity for the sole and limited purpose of such enforcement.
 - c. Adherence to the requirements of Article 2E of Chapter 105 of the General Statutes.
 - d. Not offering or conducting any interactive gambling other than the sports wagering authorized by this Article unless specifically otherwise authorized by law.
 - e. Location of 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 sports wagering authorized by this Article on land that is not Indian lands. Upon request, make accessible any server or other information technology equipment directly related to the placing of sports wagers by the Commission, the 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 Article shall be approved by the Commission.

(d) Any federally recognized tribe, or business entity owned or controlled by the tribe, that is deemed an interactive sports wagering operator under this Article shall include authorization for

any technology and sports wagering brand partners of the tribe or the business entity owned or controlled by the tribe, subject to compliance with the terms of this Article by the technology and sports wagering brand partners. A tribal gaming enterprise deemed an interactive sports wagering operator under this section shall not count toward the total number of authorized interactive sports wagering operators in this State in accordance with G.S. 18C-904. (2023-42, s. 1.)