

## **MODEL SPORTS WAGERING ACT (GAMING STATES)**

### **Section 1. Definitions.**

As used in this Act, unless the context requires otherwise:

- (1) “Gaming facility” means a licensee offering gaming at a facility in this state pursuant to [insert reference existing state law].
- (2) “Interactive sports wagering platform” or “platform” means a person or entity that offers sports wagering over the internet, including on websites and mobile devices, on behalf of a gaming facility.
- (3) “Sports governing body” means the organization that prescribes final rules and enforces codes of conduct with respect to a sporting event and participants therein.
- (4) “Sports wagering” means accepting wagers on sporting events or portions of sporting events, or on the individual performance statistics of athletes in a sporting event or combination of sporting events, by any system or method of wagering, including but not limited to in-person, or over the internet through websites and on mobile devices. The term includes, but is not limited to, single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets.
- (5) “Sports wagering operator” or “operator” means a gaming facility that offers sports wagering or an interactive sports wagering platform that offers sports wagering on behalf of a gaming facility.
- (6) “Wager” or “bet” means the staking or risking by a person of something of value upon an agreement or understanding that the person or another person will receive something of value in the event of a certain outcome. The term does not include:
  - (a) any activity governed by the securities laws of the United States or this state;

- (b) any contract of indemnity or guarantee;
- (c) any contract for insurance; or
- (d) participation in any game or contest in which the participants do not stake or risk anything of value other than personal efforts of the participants in playing the game or contest or obtaining access to the internet, or points or credits that the sponsor of the game or contest provides to participants free of charge and that can be used or redeemed only for participation in games or contests offered by the sponsor.

## **Section 2. Sports wagering by gaming facilities.**

- (1) Sports wagering may not be offered in this state except by a gaming facility pursuant to this Act.
- (2) Gaming facilities may offer sports wagering:
  - (a) in-person at the licensed facility; and
  - (b) over the internet via an interactive sports wagering platform to persons physically located in this state.
- (3) A gaming facility may contract with interactive sports wagering platforms to administer sports wagering over the internet on its behalf.

## **Section 3. Licensing of interactive sports wagering platforms.**

- (1) An interactive sports wagering platform may offer sports wagering on behalf of a gaming facility only if it holds a platform license issued by [regulating entity].
- (2) Applicants for interactive sports wagering platform licenses shall:
  - (a) submit an application to [regulating entity] in the manner prescribed by [regulating entity] to verify the platform's eligibility under the Act, and

(b) pay an initial fee of \$10,000.

(3) Each year on or before the anniversary date of the payment of the initial fee made under subsection (2)(b), if such platform license has been issued, a platform shall pay to [regulating entity] an annual license renewal fee of \$5,000.

(4) Notwithstanding contrary law, a platform license application and all documents, reports, and data submitted by an interactive sports wagering platform to [regulating entity] containing proprietary information, trade secrets, financial information, or personal information about any person shall be treated by [regulating entity] as closed records and shall not to be disclosed to the public unless required by court order, this Act, or other law.

(5) An interactive sports wagering platform may enter into agreements to offer sports wagering on behalf of one or more gaming facilities without limitation. Such agreements are not prerequisites to obtaining an interactive sports wagering platform license.

#### **Section 4. Sports wagering operators; consumer protections.**

(1) Sports wagering operators shall verify that a person placing a wager is of the legal minimum age for placing such a wager.

(2) Sports wagering operators shall allow individuals to restrict themselves from placing wagers with the operator, including wager limits, and take reasonable steps to prevent those individuals from placing such wagers, including upon request of such individual to share the request with [regulating entity] for the sole purpose of disseminating the request to other sports wagering operators.

(3) [Regulating entity] shall promulgate rules to ensure that an operator's advertisements for sports wagering:

(a) do not target minors or other persons who are ineligible to place wagers, problem gamblers, or other vulnerable persons, which may

include limitations on the form, content, quantity, timing, and location of advertisements;

(b) disclose the identity of the sports wagering operator;

(c) provide information about or links to resources relating to gambling addiction; and

(d) are not false, misleading, or deceptive to a reasonable consumer.

## **Section 5. Integrity requirements.**

(1) Sports wagering operators shall conduct background checks on newly hired employees, and annual background checks on all existing employees. Background checks shall search for criminal history, and any charges or convictions involving corruption or manipulation of sporting events and association with organized crime.

(2) Sports wagering operators shall employ commercially reasonable methods to:

(a) prohibit the operator, directors, officers, owners, and employees of the operator, and any relative living in the same household as such persons, from placing bets with the operator;

(b) prohibit athletes, coaches, referees, team owners, employees of a sports governing body or its member teams, and player and referee union personnel from wagering on any sporting event overseen by their sport's governing body. In determining which persons are excluded from placing wagers under this subsection, operators shall use publicly available information and any lists of such persons that the sports governing body may provide to [regulatory entity];

(c) prohibit any individual with access to non-public confidential information held by the operator from placing wagers with the operator;

(d) prohibit persons from placing wagers as agents or proxies for others; and

(e) maintain the security of wagering data, customer data, and other confidential information from unauthorized access and dissemination; provided, however, that nothing in this Act shall preclude the use of internet or cloud-based hosting of such data and information or disclosure as required by court order, other law, or this Act.

(3) A sports governing body may notify [regulating entity] that it desires to restrict, limit, or exclude wagering on its sporting events by providing notice in the form and manner as [regulating entity] may require, including without limitation restrictions on the sources of data and associated video upon which an operator may rely in offering and paying wagers and the bet types that may be offered. Upon receiving such notice, [regulating entity] shall publish the wagering restrictions. Offering or taking wagers contrary to such published restrictions is a violation of this Act.

(4) [Regulatory entity] shall designate a state law-enforcement entity to have primary responsibility for conducting, or assisting [regulatory entity] in conducting, investigations into abnormal betting activity, match fixing, and other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain.

(5) [Regulating entity] and sports wagering operators shall cooperate with investigations conducted by sports governing bodies or law enforcement agencies, including but not limited to providing or facilitating the provision of account-level betting information and audio or video files relating to persons placing wagers.

(6) Sports wagering operators shall immediately report to [regulating entity] any information relating to:

(a) criminal or disciplinary proceedings commenced against the sports wagering operator in connection with its operations;

(b) abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events;

(c) any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering;

(d) any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing; and

(e) suspicious or illegal wagering activities, including use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, using agents to place wagers, and using false identification.

Sports wagering operators shall also immediately report information relating to conduct described in subsections (b), (c), and (d) to the relevant sports governing body.

(7) Sports wagering operators shall maintain the confidentiality of information provided by a sports governing body to the sports wagering operator, unless disclosure is required by this Act, [regulating entity], other law, or court order.

(8) Sports wagering operators shall use in all sports wagering only statistics, results, outcomes, and other data relating to a sporting event that have been obtained from the relevant sports governing body or an entity expressly authorized by the sports governing body to provide such information to sports wagering operators.

## **Section 6. Recordkeeping; information sharing; fees.**

(1) Sports wagering operators shall maintain records of all bets and wagers placed, including personally identifiable information of the bettor, amount and type of bet, time the bet was placed, location of the bet, including IP address if applicable, the outcome of the bet, records of

abnormal betting activity, and video camera recordings in the case of in-person wagers for at least three years after the sporting event occurs and make such data available for inspection upon request of [regulating entity] or as required by court order.

(2) If a sports governing body has notified [regulating entity] that real-time information sharing for wagers placed on its sporting events is necessary and desirable, sports wagering operators shall share in real time the information required to be retained pursuant to Section 6(1) (other than video files) with the sports governing body or its designee with respect to wagers on its sporting events.

(3) At least once per calendar quarter, a sports wagering operator shall remit to the relevant sports governing body a sport betting right and integrity fee of one percent of the amount wagered on its sporting events.

(4) [Regulating entity] shall cooperate with a sports governing body and operators to ensure the timely, efficient, and accurate sharing of information and the remittance of the sport betting right and integrity fee to the sports governing body or its designee.

### **Section 7. Civil penalty.**

Any person, firm, corporation, association, agent, or employee who knowingly violates any procedure implemented under this Act shall be liable for a civil penalty of not more than [amount] for each violation, not to exceed [amount] for violations arising out of the same transaction or occurrence, which shall accrue to the state and may be recovered in a civil action brought by [regulating entity].

### **Section 8. Criminal liability.**

(1) Whoever:

(a) places, or causes to be placed, a bet or wager on the basis of material nonpublic information relating to that bet or wager; or

(b) knowingly engages in, facilitates, or conceals conduct that intends to improperly influence a betting outcome of a sporting event for purposes of financial gain, in connection with betting or wagering on a sporting event—

shall be fined not more than \$5,000,000 or imprisoned not more than ten years, or both.

(2) A bet or wager is “on the basis of” material nonpublic information relating to that bet or wager if the person placing the bet or wager, or causing it to be placed, was aware of the material nonpublic information when such person placed the bet or wager or caused it to be placed.

(3) Any person or gaming facility who violates subsection (1)(b) shall be liable to the relevant sports governing body, which sports governing body may sue either at law or in equity in any court of competent jurisdiction.

### **Section 9. Reconciliation with federal law.**

Sports wagering may not be offered in this state under this Act until [regulating entity] determines that federal law does not prohibit such sports wagering.