

SPORTS BETTING LEGISLATION AMENDMENTS

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Amendment 1 -- Classical New Jersey Model

- Operator licenses allowed for all riverboats and organizational licensees under the horse racing act of 1975. These licenses allow for online and in person bets;
- Occupational license for all employees' language and fees;
- Management service license language and fees;
- Supplier license language and fees;
- Requires the tracks to contract with the horsemen's groups before getting a license and does require them to share in their profits for purses. Also, requires the IGB to prepare a report within 1 year that studies the viability and benefit of providing a sports wagering license to a horseman's association;
- \$10 million for operator license and then renewal every 5 years \$250,000;
- Each operator receives 2 skins. Skin license is \$1 million and \$500,000 renewal every 5 years;
- 15% brick and mortar and 20% online with no deductions;
- Illinois Gaming Board;
- Allow temporary licenses for any operator or vender who can produce a license issued from another US state;
- Provides emergency rule making for the IGB to implement this act. This act must be implemented within 90 days of the effective date.

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Amendment 2 – Mississippi Model

- Enables sports betting to be run at the licensed OTBs, racetracks, and casino's in Illinois and 10 online operators that are tethered to the brick and motors;
- Enforces a 15% tax rate on AGR for brick and motor sports wagering licensee's and for online licenses;
- Enforces an initial operator license fee of \$10,000,000, and a renewal fee of \$500,000 every 4 years, management services license fee \$250,000, supplier fee \$100,000 and occupational license fee of \$100;
- Mandates that operators employ software that monitors suspicious betting activity, and that they report that activity immediately to the Illinois Gaming Board;
- Requires the Illinois Gaming Board (IGB) to implement and regulate the act within 6 months;
- Requires the tracks to contract with the horsemen's groups before getting a license and does require them to share in their profits for purses. Also, requires the IGB to prepare a report within 1 year that studies the viability and benefit of providing a sports wagering license to a horseman's association;
- Reapplication fee is prorated and coincides with the reapplication for horse racing and casino license;
- A .20% royalty fee is allowed if the IGB adopts the fee. If the integrity fee is adopted by the IGB, then the professional sports leagues shall provide official league data to the licensees before the integrity fee is remitted to the leagues. Prohibits licensee's from entering into an independent contractual relationship with a sport's governing body for access to official league data;
- Minimum internal controls that have been established by regulators throughout the country are adopted if the IGB does not adopt rules in a timely fashion.
- Sports wagering profits after the administrative deduction shall be deposited into the Sports wagering fund then transferred in equal amounts to the State Construction Account Fund, Pension Stabilization Fund, and Common School Fund;

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HOUSE BILL 3308

Amendment 4 -- Professional sports league proposals

1. Integrity requirements to protect consumers and sports.

- Among other integrity requirements, sports wagering operators must share anonymous betting data in real-time with leagues.
- This provision recognizes that no single gaming operator is as well-positioned to detect abnormal betting activity and to monitor integrity risks as the leagues, much less to detect abnormal bets placed with multiple operators or in multiple states.

2. Mobile betting to provide a viable alternative to the illegal sportsbooks.

- Allows existing gaming facilities to contract with licensed interactive sports wagering platforms to offer wagering over the internet and on mobile devices.

3. Ensure confidence in the marketplace and protect consumers using official league data.

- Provides that for certain types of betting, the wagers must be settled using data provided by the relevant sports governing body. Does not require use of official league data for bets on the outcome of a game that are placed before the game begins.
- This provision recognizes that modern sports betting involves myriad bet types—from the ordinary to the performance of an individual player in part of a game to whether the next pitch will be a curveball or a fastball. Consumers deserve to know that bets are settled using reliable, verified data collected with the highest level of integrity. The alternative is unreliable data that is ripe for abuse and that is often produced by shady operators engaged in illegal piracy, scraping, and courtsiding.

4) Compensates leagues and promotes future investment with .25% royalty.

- Wagering operators remit .25% of the amount wagered to the Board, which in turn distributes the collected royalties to sports governing bodies.
- The royalty requirement reflects precedent already taking place in Illinois, where OTBs remit a fee to the track for simulcasting horseraces.

5) Limits placement of gaming facilities at sports venues.

6) Adopts a 12.5% tax rate and requires an initial license fee of \$10,000,000.

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Amendment 5 – Lottery Oversight

- Gives the Illinois Department of the Lottery jurisdiction over all sports wagering operations, including emergency rulemaking powers. All sports betting is conducted through the department, and the department determines what types of sports wagers may be offered by lottery retailers, including the total amount of wagers that the retailer may retain;
- The Lottery board shall issue one central system provider a license. The terms of the proposals should be made available to the public. The board shall select no more than three final applicants to make presentations during an open session of the board;
- Betting may be conducted through terminals that must meet minimum standards set by an independent outside testing lab approved by the department. Terminals may only dispense tickets and receipts, no cash;
- Provides a tax of 50% on sports wagering revenue.