



Councilmember Kenyan R. McDuffie

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend Title III of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia to expand Class A licenses to permit mobile or online sports wagering applications, create a new Class C license for operators of mobile or online sports wagering applications, and impose differing tax rates on the gross gaming revenue of Class A, Class B, and Class C operators.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Sports Wagering Amendment Act of 2024”.

Sec. 2. Title III of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective May 3, 2019 (D.C. Law 22-312; D.C. Official Code § 36-621.01 *et seq.*), is amended as follows:

(a) Section 302 (D.C. Official Code § 36-621.02) is amended as follows:

(1) Subsection (c) is amended to read as follows:

“(c) Sports wagering shall occur only over mobile or online applications or in the specific locations within a designated sports wagering facility that have been approved by the Office; provided, that such applications or locations may be modified or relocated pursuant to regulation.”.

(2) New subsections (d) and (e) are added to read as follows:

“(d) Mobile or online sports wagering shall be operated only by (1) any Class A

35 sports wagering operator or its management services provider; and (2) any Class C sports
36 wagering operator or its management services provider. Such licensees shall only accept
37 mobile or online sports wagers from persons physically located in the District of
38 Columbia.

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

44 (b) Section 305 (D.C. Official Code § 36-621.05) is amended as follows:

45 (1) Subparagraph (b)(2)(B) is amended to read as follows:

46 “(B) Each Class A operator’s license shall be limited to a single sports wagering
47 facility and shall permit (1) on-premises sports wagering at such facility and (2) the operation of one
48 individually branded platform offering mobile or online sports wagering.”.

49 (2) A new subsection (h) is added to read as follows:

50 “(h) A license issued under this section shall not be transferred or assigned, except
51 as provided under Section 36-621.06. A licensee that is an entity shall apply for a new license no
52 later than 3 days after its acquisition, merger, or other change of control (as defined in
53 regulation), in which case the applicant may temporarily operate under the prior license until the
54 approval or denial of the application for a new license.”.

55 (c) Section 306 (D.C. Official Code § 36-621.06) is amended as follows:

56 (1) Subsection (a) is amended by striking the phrase “proposed sports wagering
57 facility” wherever it appears and inserting the phrase “proposed sports wagering facility, if

58 applicable” in its place.

59 (2) Subsection (b) is amended as follows:

60 (i) Subparagraph (3)(A) is amended by striking the figure “\$500,000” and
61 inserting “\$1,000,000” in its place.

62 (ii) Subparagraph (3)(B) is amended by striking the figure “\$250,000” and
63 inserting “\$500,000” in its place.

64 (iii) A new subparagraph (3)(C) is added to read as follows:

65 “(3)(C) In addition to the license fee, the Office may charge a processing
66 fee for an initial or renewed license in an amount equal to the projected cost of processing the
67 application and performing any background investigations. If the actual cost exceeds the projected
68 cost, an additional fee may be charged to meet the actual cost. If the projected cost exceeds the
69 actual cost, the difference may be refunded to the applicant or license.

70 (3) A new subsection (c-1) is added to read as follows:

71 “(c-1)(1) The Office may issue a Class C operator license to an eligible sports team
72 applicant; provided, that the applicant or its assignee shall not offer mobile or online sports
73 wagering within a 2-block radius of any of the designated facilities or on the premises of a sports
74 wagering facility of a Class B operator.

75 “(c-1)(2) An eligible sports team applicant under this subsection shall:

76 “(A) Be registered with the governing body of Major League Baseball,
77 Major League Soccer, National Basketball Association, National Football League, National
78 Hockey League, National Women’s Soccer League, or the Women’s National Basketball
79 Association;

80 “(B) Play 90 percent or more of its home games within the District of

81 Columbia;

82 “(C) Have its corporate team headquarters and the majority of its

83 employees be based in the District of Columbia; and

84 “(D) Play its home games at a sports stadium or arena with a designated

85 sports wagering facility approved by the Office.”

86 “(c-1)(3)(A) A Class C operator license may be assigned, delegated, or

87 subcontracted to a commercial partner that provides sports wagering through a mobile or online

88 application upon the approval of the Office.

89 “(B) A Class C operator license shall be issued for 5 years and require a

90 non-refundable application fee of \$2,000,000, which shall be submitted with the application.

91 “(C) A Class C operator license may be renewed for 5-year periods;

92 provided, that the licensee has continued to comply with all statutory and regulatory requirements

93 and pays upon submission of a renewal application a \$1,000,000 renewal fee.

94 “(D) A Class C operator shall not be required to obtain a separate retailer

95 license.

96 “(E) A Class C operator license shall be revoked by the Office if the sports

97 team license holder fails to maintain compliance with the requirements of subsection (c-1)(2).”.

98 (4) Subsection (c)(3) is amended to read as follows:

99 “(3) Sports wagering shall not be offered within a 2-block radius of any of

100 the designated facilities, except by the licensed Class A operator assigned to the designated

101 facility.”

102 (5) Subsection (e) is repealed.

103 (d) Section 307 (D.C. Official Code § 36-621.07) is amended as follows:

104 (1) Paragraph (b)(1) is amended by striking the phrase “its own sports wagering
105 facility” and inserting in its place the phrase “its own sports wagering facility or application” in
106 its place.

107 (2) Paragraph (c)(6) is amended by striking the word “Ensure” and inserting the
108 phrase “In the case of on-premises sports wagering, ensure” in its place.

109 (3) A new paragraph (c)(6A) is added to read as follows:

110 “(6A) In the case mobile or online sports wagering, ensure that sports wagering
111 occurs only through an Office-approved mobile or online application, in locations where the
112 Class A or Class C operator is licensed to offer sports wagering, and in accordance with this
113 subchapter and all other regulations that may be issued by the Office for such operators.”.

114 (e) Section 310(a) (D.C. Official Code § 36-621.10(a)) is amended to read as follows:

115 “(a) All persons employed to be engaged in activities related to on-premises sports
116 wagering shall be required to be licensed by the Office and, when employed, shall maintain a valid
117 occupational license and be employed in the capacity reported to the Office.”.

118 (f) Section 311(a)(2) (D.C. Official Code § 36-621.11(a)(1)) is amended to read as
119 follows:

120 “(2) The Office may offer a mobile or on-line sports wagering product, either by taxing
121 mobile and on-line licensed retailers at a rate of 30%, without limit to the number of licenses
122 issued, or through contract with a limited number of partners operating an Office of Lottery and
123 Gaming mobile and web-based sports wagering operation, whichever can be shown to return the
124 most revenue to the District of Columbia.”.

125 (g) Section 315 (D.C. Official Code § 36-621.15) is amended as follows:

126 (1) Subsection (a)(2) is amended to read as follows:

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“(a)(2) Pay to the District of Columbia Treasurer:

“(A) 20% of the gross sports wagering revenue from the preceding calendar month, in the case of a Class A operator;

“(B) 10% of the gross sports wagering revenue from the preceding calendar month, in the case of a Class B operator; and

“(C) 30% of the gross sports wagering revenue from the preceding calendar month, in the case of a Class C operator;

(2) A new subsection (d) is added to read as follows:

“(d) The revenue realized from the tax imposed under subsection (a) of this section shall be directed as follows:

“(1) The first \$300,000 of revenue shall be used to fund programs through the Department of Behavioral Health to prevent, treat, and research gambling addiction.

“(2) The next \$1,000,000 of revenue shall be transferred to the Washington Convention Center and Sports Authority to fund out-of-school time sports and other extracurricular programming for students of District of Columbia Public Schools and District of Columbia Public Charter Schools.”

(h) Section 316 (D.C. Official Code § 36-621.16) is amended as follows:

(1) Subparagraph (b)(1) is amended to read as follows:

“(b)(1) A Class A operator license shall be issued for 5 years and require a non-refundable application fee of \$1,000,000, which shall be submitted with the application; provided, that when an applicant for a Class A sports operator license partners with a joint venture with a CBE majority interest, it shall submit a non-refundable application fee of \$250,000 at the time of the initial application; provided further, that subsequent renewal fees shall be paid pursuant to § 36-621.06(b)(3)(B) and in accordance with subsection (c) of this

151 section.”

152 (2) A new subparagraph (b)(3) is added to read as follows:

153 “(b)(3) A Class C operator license shall be issued for 5 years and require a non-
154 refundable application fee of \$2,000,000, which shall be submitted with the application;
155 provided, that when an applicant for a Class C sports operator license partners with a joint
156 venture with a CBE majority interest, it shall submit a non-refundable application fee of
157 \$500,000 at the time of the initial application; provided further, that subsequent renewal fees
158 shall be paid pursuant to § 36-621.06(b)(3)(B) and in accordance with subsection (c) of this
159 section.”.

160 Sec. 3. Fiscal impact statement.

161 The Council adopts the fiscal impact statement in the committee report as the fiscal
162 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
163 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

164 Sec. 4. Effective date.

165 This act shall take effect following approval by the Mayor (or in the event of veto by the
166 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
167 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
168 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
169 Columbia Register.