

§ 18C-904. Interactive sports wagering license.

(a) It shall be unlawful for any person to offer or accept sports wagers in this State without a valid interactive sports wagering license. Except as provided in G.S. 18C-928, the Commission shall authorize no more than 12 interactive sports wagering operators 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 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 the range of contemplated types and modes of sports wagering.
- (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 job creation in this State and a plan for continued job creation in this State.
- (9) A documented history of capital investment in this State and a plan for continued capital investment in this State.
- (10) A documented history of partnership with a sports facility, if any, and the intentions of that partnership to offer the placement of sports wagers at a place of public accommodation in accordance with this Article.
- (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 intended to provide additional insight regarding applicants who intend to operate a place of public accommodation.

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

- (1) The contents of the application submitted in accordance with this section.
- (2) The extent to which the applicant demonstrates past experience, financial viability, compliance with applicable laws and regulations in other jurisdictions, and success with sports wagering operations in other jurisdictions.
- (3) The extent to which the applicant is able to meet the duties of an interactive sports wagering operator.
- (4) The amount of gross wagering revenue and associated tax revenue that an applicant is projected to generate.
- (5) The extent to which the applicant, or an affiliate of the applicant, will create jobs in conjunction with sports wagering in this State.
- (6) The extent to which the applicant, or an affiliate of the applicant, has made capital investments in this State, and the timing of such capital investments.
- (7) The extent to which the applicant, or an affiliate of the applicant, has a plan to open and operate a place of public accommodation in accordance with this Article.
- (8) Any other factors the Commission deems relevant.

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

(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.)