

# Model Legislation for Online Gaming and Sports Betting

## Part I – General Provisions

### Section 101: Definitions

- (1) “Approved jurisdiction” means any jurisdiction within or outside of the United States that has authorized interactive gaming and that the [state gaming authority] determines has implemented sufficient safeguards to ensure the security and fairness of interactive gaming.
- (2) “Authorized interactive game” means:
- a. A computerized or virtual version of any of the following:
    - i. A game of chance or any digital simulation thereof, expressly including digital simulations of [lift state definitions of casino or table games, poker, bingo, slots, or lotteries];
    - ii. Betting or wagering on any sporting event or contest, to the extent permitted by state law;
    - iii. Any other game, whether or not involving an element of chance, in which a player may wager or stake any amount of real currency or promotional gaming credit and may win any real currency or promotional gaming credit.
  - b. An authorized game does not include any fantasy or simulation or game or contest in which no fantasy or simulation sports team is based on the current membership of an actual team that is a member of an amateur or professional sports organization. Nothing herein is intended to alter or limit any existing authorization for fantasy or interactive fantasy sports.
- (3) [“Bingo”]
- (4) “Gross interactive gaming revenue” means
- a. the total of all cash or cash equivalent wagers paid by registered players into an interactive gaming provider in consideration for the play of authorized games, including cash received as entry fees for contests or tournaments, minus

- i. The total of all cash or cash equivalents paid out to registered players as winnings,
    - ii. Amounts credited to interactive gaming accounts on a promotional or complimentary basis and wagered at least once; and
    - iii. The actual cost paid by the interactive gaming provider for any personal property distributed to a player as a result of playing an authorized game.
  - b. Gross interactive gaming revenue does not include amounts deposited with an interactive gaming provider but not actually wagered or amounts taken in fraudulent acts perpetrated against an interactive gaming provider and for which the interactive gaming provider has not been reimbursed.
- (5) “Interactive gaming” means the placing of wagers remotely and in real time on any authorized interactive game with any interactive gaming provider, using any communications technology (including without limitation the Internet), by means of any personal computer, mobile device, or other user interface capable of providing a means of input and output.
- (6) “Interactive gaming account” means the formal, electronic system implemented by an interactive gaming provider to record the balance of a registered player’s debts, credits, and other financial activity related to interactive gaming.
- (7) “Interactive gaming account agreement” means an agreement entered into between an interactive gaming provider and a registered player that governs the terms and conditions of the registered player’s interactive gaming account and the use of the Internet or other communications medium for purposes of placing wagers on authorized interactive games operated by an interactive gaming provider or interactive gaming operator.
- (8) “Interactive gaming agreement” means a formal, written agreement entered into by or between an interactive gaming licensee and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system by the interactive gaming operator in cooperation with or on behalf of the interactive gaming licensee.
- (9) “Interactive gaming application” means software distributed for download and/or installation by registered players onto a computer or mobile device for the purpose of accessing an interactive gaming platform.

- (10)“Interactive gaming license” means a license issued by the [state gaming authority] to an entity to permit it to offer interactive gaming.
- (11)“Interactive gaming licensee” means the holder of an Interactive Gaming License.
- (12)“Interactive gaming lounge” means an area of a [licensed casino/racino/etc.] that provides access to interactive gaming through dedicated terminals or other interfaces.
- (13)“Interactive gaming operator” means a person or entity authorized by the [state gaming authority] to operate interactive gaming or an interactive gaming system on behalf of or in cooperation with an interactive gaming licensee.
- (14)“Interactive gaming platform” means the software or other technology designed and used to manage, conduct, and record interactive games and the wagers associated with interactive games. The term shall include any mobile or computer application, website, or emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved by the [state gaming authority], as well as any software and hardware designed to function in coordination with preexisting hardware or software already owned or used by a registered player.
- (15)“Interactive gaming provider” means an interactive gaming licensee or an interactive gaming operator with a valid permit acting on behalf of or in partnership with an interactive gaming licensee.
- (16)“Interactive gaming reciprocal agreement” means an agreement negotiated by the [state gaming authority] and approved by the Governor with the regulatory agency of one or more states or jurisdictions where interactive gaming (whatever called) is legally authorized and that authorizes the conduct of interactive gaming between interactive gaming providers in this State and gaming entities in the state(s) or jurisdiction(s) that are parties to the agreement.
- (17)“Interactive gaming skin” means a portal, website, or mobile application, or multiple portals, websites, or mobile applications operated by the same interactive gaming provider under the same name, through which interactive gaming through a given interactive gaming system is made available by an interactive gaming provider to registered players in this State.
- (18)“Interactive gaming system” means the combination of all hardware, software, platform(s), and communications that comprise a server-based gaming system for the

purpose of offering authorized interactive games through an interactive gaming platform and maintaining authorized player accounts and associated records.

(19)“Interactive lottery” means an interactive game conducted by the [state lottery commission], either on its own or through an interactive gaming operator.

(20)[“Peer-to-Peer Game”]

(21)[“Poker”]

(22)“Registered Player” means an individual who has entered into an interactive gaming account agreement with an interactive gaming provider.

(23)[“Slots”]

(24)[“Sports Betting”]

(25)[“Table Games”]

## Section 102: Interactive Gaming Authorized

- (a) Interactive gaming may be carried out in the State by, on behalf of, or in cooperation with an interactive gaming licensee.
- (b) Notwithstanding any other provision of law, an individual located within this state who is 21 years of age or older shall be permitted to participate as a registered player in interactive gaming and wagering associated with playing an authorized interactive game offered by an interactive gaming licensee in accordance with this Chapter and regulations promulgated by the [state gaming authority].
- (c) The [state lottery] may offer interactive lottery games on the same terms and in the same manner that it may offer other lottery games under [state law], either on its own or pursuant to an interactive gaming agreement with an interactive gaming operator.
- (d) The [state gaming authority] shall issue interactive gaming licenses and interactive gaming operator permits in accordance with this Chapter.

## Part II: Licensing and Fees

## Section 201: Authorized Gaming Providers:

(a) An interactive gaming licensee may:

- 1) Conduct interactive gaming, either directly or through an interactive gaming operator under an interactive gaming agreement;
- 2) Operate one or more interactive gaming platforms or interactive gaming skins in furtherance of its interactive gaming activity, provided that every skin clearly identify both the platform and the licensee offering it;
- 3) Operate an interactive gaming lounge on its premises; or
- 4) Act as an interactive gaming operator.

(b) An interactive gaming operator may:

- 1) Conduct interactive gaming in cooperation with or on behalf of an interactive gaming licensee, provided that the interactive gaming operator:
  - A. Operates, pursuant to an interactive gaming agreement, a skin on behalf of and in the name of the licensee, which prominently identifies the platform and, if different, the operator as well;
  - B. Operate, pursuant to an interactive gaming agreement, a skin in its own name or in any other name approved by the [state gaming authority], provided that it clearly identify the platform and the licensee with which the operator is affiliated; or
  - C. Operate an interactive lottery on behalf of the [state lottery authority].

- 2) An interactive gaming operator need not be eligible to apply for an interactive gaming license.

(c) Neither an interactive gaming license nor an interactive gaming operator permit is required for an entity solely because the entity is providing or intends to provide, in connection with interactive gaming:

- 1) Payment processor and related money-transmitting and similar services;
- 2) Customer identity, age verification, and/or geolocation services;

- 3) Telecommunications, internet service provider, and other similar services not specifically designed for interactive gaming; and
  - 4) Other goods or services not specifically designed for use in connection with interactive gaming, provided that the providers of those goods or services are not paid a percentage of gaming revenue or of money wagered on interactive gaming or of commission fees or rake, not including fees charged by a payment processor or financial institution for facilitating a deposit by a customer.
- (d) The [state gaming authority] may, by regulation, establish qualifications for the providers of services described in paragraph (c) of this section, where such qualifications exist for providers of similar services for land-based or in-person gaming and provided that the qualifications imposed hereunder are no more onerous than those existing requirements.

#### Section 202: Interactive Gaming License

- (a) Eligibility and Application: The [state gaming authority] shall set forth procedures for issuing Interactive Gaming Licenses to [entities authorized to operate a casino, racetrack, racino, etc.] in the State, including providing for an application process to ensure the fitness of licensees to offer interactive gaming in the State.
- (b) Availability: The [state gaming authority] may, by regulation, limit the number of Interactive Gaming Licenses available to ensure the economic viability of interactive gaming in the State.
- (c) Timing: The [state gaming authority] shall prescribe the date on which it will begin accepting initial applications for interactive gaming licenses, which date shall not be later than 180 days from the effective date of this Act.

#### Section 203: Grant of Interactive Gaming License

- (a) The [state gaming authority] shall grant an application for an interactive gaming license upon finding, by clear and convincing evidence, that:

- 1) The applicant's proposed interactive gaming activity complies with the requirements of this Chapter and all other relevant laws and regulations;
  - 2) The applicant has implemented or will implement adequate safeguards to ensure that it is able to verify the age, identity, and location of potential players and block access to persons under 21 years of age, outside of this State, or otherwise excluded or prohibited from engaging in gaming;
  - 3) The applicant has implemented or will implement appropriate data security standards to prevent unauthorized access by any person whose age, identity, and location has not been or cannot be verified;
  - 4) The applicant has implemented or will implement appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty;
  - 5) The applicant's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and regulations promulgated by the [state gaming authority];
  - 6) The applicant is in good standing with the [state gaming authority];
  - 7) Granting the application would not result in a number of licenses being issued that exceeds the maximum established pursuant to Section 202(b).
- (b) It shall be an express condition of the issuance and continued validity of an interactive gaming license that a licensee shall collect, report, and pay all applicable taxes and fees and shall maintain all books, records, and documents pertaining to the licensee's interactive gaming operations in a manner and location within this State as approved by the [state gaming authority]. All books, records, and documents shall be immediately available for inspection by the [state gaming authority], upon reasonable notice, during regular hours of operation and shall be maintained in such manner as the [state gaming authority] may, by regulation, require.
- (c) Upon approval of an application, the [state gaming authority] shall immediately issue an interactive gaming license to the applicant.

#### Section 204: Fee and Term for Interactive Gaming License

- (a) Within thirty (30) days of the issuance of a license under this section, the licensee shall pay a licensing fee of [\$50K per 500K population]. The [state regulatory authority] may extend the time for this payment for good cause shown but, should a licensee fail to tender timely payment or to receive an extension, its license shall become void until such time as full payment is made.
- (b) A license shall be valid for a term of five (5) years, subject to the authority of the [state gaming authority] to deny, revoke, or suspend an active license. A license may be renewed as provided for in Section [] of this Chapter.
- (c) A license shall be valid unless not renewed or:
  - 1) The license or permit is suspended or revoked by the [state gaming authority] for failure to comply with requirements of this chapter and/or regulations of the [state gaming authority];
  - 2) The license or permit holder relinquishes or does not seek renewal of its license or permit; or
  - 3) The license or permit holder ceases to be eligible to hold or renew its license or permit under this chapter.
- (d) An interactive gaming license or shall include an itemized list of the authorized interactive games and skins to be operated by the licensee or operator. The licensee and/or may increase, decrease, or change the number or type of authorized interactive games offered on its skins, consistent with this Chapter and the scope of its license or permit, upon notice to the [state gaming authority]. The number or types of authorized games offered by a given licensee may not differ from the number or type authorized by a license without express authorization by the [state gaming authority].

#### Section 205: Renewal of License or Permit

- (a) Upon the expiration of an interactive gaming license or an interactive gaming operator permit, or within a reasonable time thereof as determined by the [state gaming authority], a licensee that is in good standing and has maintained current information with the [state gaming authority] may renew its license upon a payment of a fee of [\$50K per 500K population].



- (b) A renewed license shall be valid for a term of five (5) years, subject to the authority of the [state gaming authority] to deny, revoke, or suspend an active license.

#### Section 206: Application for Interactive Gaming Operator Permit

- (a) An entity seeking to serve as an interactive gaming operator shall submit an application to the [state gaming authority] for an interactive gaming operator permit, demonstrating that it is qualified to be an interactive gaming operator in accordance with regulations promulgated by the [state gaming authority] and on a form provided by the [state gaming authority]. The [state gaming authority] may, by regulation, exempt an applicant from the requirement to submit any or all categories of information required by the preceding paragraph if the applicant is already qualified to act as an interactive gaming operator in another jurisdiction with substantially similar permitting requirements to those in this Chapter.

#### Section 207: Grant of Interactive Gaming Operator Permit

- (a) The [state gaming authority] shall grant a application upon finding, by clear and convincing evidence, that:
- 1) The applicant's proposed interactive gaming activity complies with the requirements of this Chapter and all other relevant laws and regulations;
  - 2) The applicant has implemented or will implement adequate safeguards to ensure that it is able to verify the age, identity, and location of potential players and block access to persons under 21 years of age, outside of this State, or otherwise excluded or prohibited from engaging in gaming;
  - 3) The applicant has implemented or will implement appropriate data security standards to prevent unauthorized access by any person whose age, identity, and location has not been or cannot be verified;
  - 4) The applicant has implemented or will implement appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty;

- 5) The applicant's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and regulations promulgated by the [state gaming authority]; and
  - 6) The applicant is in good standing with the [state gaming authority];
- (b) It shall be an express condition of the issuance and continued validity of an interactive gaming operator permit that an operator shall collect, report, and pay all applicable taxes and fees and shall maintain all books, records, and documents pertaining to the licensee's interactive gaming operations in a manner and location within this State as approved by the [state gaming authority]. All books, records, and documents shall be immediately available for inspection by the [state gaming authority], upon reasonable notice, during regular hours of operation and shall be maintained in such manner as the [state gaming authority] may, by regulation, require.
- (c) Upon approval of an application, the [state gaming authority] shall immediately issue an interactive gaming operator permit to the applicant.

#### Section 208: Term for Interactive Gaming Operator Permit

- (a) A permit shall be valid for a term of five (5) years, subject to the authority of the [state gaming authority] to deny, revoke, or suspend an active license. A license may be renewed as provided for in Section [] of this Chapter.
- (b) Upon the expiration of an interactive gaming operator permit, or within a reasonable time thereof as determined by the [state gaming authority], a permit holder that is in good standing and has maintained current information with the [state gaming authority] may renew its license or permit upon such terms as may be established by regulation by the [state gaming authority].
- (c) A renewed permit shall be valid for a term of five (5) years, subject to the authority of the [state gaming authority] to deny, revoke, or suspend an active permit.

Section 209: Conditional Licenses and Permits:

- (a) During the first 18 months after the effective date of this Act, the [state gaming authority] may issue a conditional interactive gaming license or interactive gaming operator permit to any person who:
- 1) Has submitted a completed application for such license or permit; and
  - 2) Agrees to pay the appropriate licensing or permitting fee prior to the issuance of conditional authorization.
- (b) A conditional interactive gaming license or interactive gaming operator permit shall:
- 1) Permit the holder to offer interactive gaming on the same terms as if the holder held a non-conditional license or permit;
  - 2) Be valid until the earlier of twelve months after its issuance or the date that the [state gaming authority] makes a final determination on the holder's application for a non-conditional license or permit; and
  - 3) Be subject to a single renewal or extension of not more than twelve additional months by the [state gaming authority] for good cause.
- (c) Before issuing a conditional license or permit, the [state gaming authority] shall make an initial investigation as follows:
- 1) Within 45 days of receipt of an application for an interactive gaming license or interactive gaming operator permit within the time set forth in paragraph (a) of this section, the [state gaming authority] shall conduct a preliminary investigation of the applicant and employees of the applicant found by the [state gaming authority] to be necessarily included in a preliminary investigation, which shall include a criminal background investigation. Such investigation shall not include institutional investors in the applicant that would not be subject to investigation in connection with an application for [a land-based gaming license].
  - 2) If the preliminary investigation does not disclose adverse information that raises a serious question as to whether the applicant is suitable for a license or permit, the [state gaming authority] shall issue a conditional license or permit.

- 3) If at any time the [state gaming authority] discloses or otherwise becomes aware of information raising a serious question as to whether a conditional license or permit holder is suitable for a license or permit, the [state gaming authority] may terminate a conditional authorization under this section.

### Part III: Conduct of Interactive Gaming

#### Section 301: Location of Interactive Gaming

- (a) Except as otherwise provided by paragraphs (b) and (c) of this section, all wagers made through interactive gaming and all payments of winnings made in relation to interactive gaming shall be deemed to be initiated, received, paid, or otherwise made within this State.
- (b) Notwithstanding any provision to the contrary, an interactive gaming provider may accept registered players located outside the State and allow for registered players to engage in interactive gaming while not physically located in the State and/or may allow a person physically present in the State to transmit wagers and participate in interactive gaming outside of the State provided that:
  - 1) Doing so is not prohibited by federal law; and
  - 2) Participation in interactive gaming is conducted pursuant to an interactive gaming reciprocal agreement with the state or jurisdiction in question and the interactive gaming reciprocal agreement is not inconsistent with federal law.
- (c) Notwithstanding any provision to the contrary, an interactive gaming reciprocal agreement may permit the pooling of players or prize pools among multiple jurisdictions notwithstanding the location of the players.

#### Section 302: Establishment of Interactive Gaming Accounts

- (a) Only a registered player who has established an interactive gaming account shall be permitted to play an authorized interactive game or place a wager associated with an authorized interactive game.

(b) A registered player may not have more than one interactive gaming account for any given skin, but must create a separate interactive gaming account for each skin on which the registered player seeks to play.

(c) An interactive gaming account must:

- 1) be established in the name of and on behalf of a natural person who is a registered player, and may not be in the name of any beneficiary, custodian, joint trust, corporation, partnership, or any other entity;
- 2) be associated with a single skin or, with approval of the [state gaming authority] multiple skins that share a single set of accounts;
- 3) be established through a skin's application, website, or other interface or a specialized website or interface established for that purpose;
- 4) comply with the internal controls of the licensee or operator that, at minimum:
  - A. Contain an acknowledgement that the registered player is over 21 years of age;
  - B. Prohibit the use of the interactive gaming account by any person other than the registered player in whose name the account is created;
  - C. Prohibit the transfer or sale of an account or account balance;
  - D. Prohibit the use of any virtual private network or other technology that may obscure or falsify a user's physical location in connection with interactive gaming;
  - E. If the interactive gaming account may be used for peer-to-peer gaming, prohibit the use of any interactive gaming account to engage in any form of collusion or cheating; and
  - F. Contain an acknowledgement that the contents of the application are true under penalty of perjury under the laws of the State;

(d) To establish an interactive gaming account, a registered player must provide:

- 1) Sufficient information to verify the age and identity of the prospective interactive gaming account holder by a method approved by the [state gaming authority];

- 2) Sufficient information to verify the physical address of the principal residence of the prospective interactive gaming account holder by a method approved by the [state gaming authority];
  - 3) Electronic mail address and other contact information of the prospective account holder;
  - 4) A password as provided in paragraph [] below; and
  - 5) Such other and further information as the [state gaming authority] may, by regulation, require.
- (e) Should the interactive gaming provider be satisfied that the applicant is an eligible registered player, it may create an interactive gaming account in the registered player's name.
- (f) The address provided and verified pursuant to subparagraph (d)(2) of this section shall be deemed to be the registered player's address of record for the purposes of mailing checks, notices, and other materials to the prospective interactive gaming account holder.
- (g) As part of the application process, the interactive gaming provider shall require the prospective interactive gaming account holder to establish a password to access the interactive gaming account or shall establish some other method sufficient to authenticate the registered player as the holder of the interactive gaming account and to allow only the registered player access to the interactive gaming account.
- (h) Grounds for Rejection or Suspension: An application shall be rejected or an existing interactive gaming account shall be suspended if:
- 1) It is determined that the applicant has provided any deliberately false or misleading information in connection with an application;
  - 2) The applicant or interactive gaming account holder is or has been barred from placing wagers in the state;
  - 3) The applicant or interactive gaming account holder is currently or becomes self-excluded from gaming or interactive gaming;
  - 4) The applicant or interactive gaming account holder is or becomes a gaming employee, key employee, or principal employee of any licensed gaming entity or operator in the State; or

- 5) The interactive gaming provider lacks sufficient information to verify the age and eligibility of the applicant or interactive gaming account holder to be a registered player.
- 6) An application may be rejected or an account may be suspended for any other reason at the sole discretion of the interactive gaming provider, provided that it is not solely on the basis of a registered player's actual or believed sex, gender identity, race, religion, national origin, or sexual orientation.

### Section 303: Maintenance of Interactive Gaming Accounts

- (a) The [state gaming authority] shall promulgate regulations setting forth procedures to govern credits, debits, and deposits in interactive gaming accounts, which shall include:
  - 1) A requirement that all interactive gaming account balances be denominated in United States currency or in chits or tokens that can be easily converted to United States currency according to a fixed rate of exchange;
  - 2) A requirement that funds associated with an interactive gaming account be held in a non-interest bearing account separate from the operating funds of the licensee or operator and shall not be assignable or otherwise transferrable;
  - 3) An ability for players to review and verify transactions in their interactive gaming accounts including time spent logged in, games played, and amounts wagered, won, and lost within a given session;
  - 4) An ability for players to set limits of time spent, deposit and wagering on the platform.
  - 5) A right by an interactive gaming provider to add credit to an interactive gaming account as part of a promotion; and
  - 6) A right by an interactive gaming provider to refuse to accept all or part of any wager or deposit on behalf of any registered player.

### Section 304: Access to Interactive Gaming Accounts

- (a) Each interactive gaming provider shall establish a log-in procedure to allow a registered player to access interactive gaming through an interactive gaming account. The log-in procedure shall require the registered player to correctly provide a password or other authentication information at the beginning of every gaming session.
- (b) Upon logging in, an interactive gaming application, website, or other interface shall allow a registered player easy access to:
  - a. The current balance of available, unconstrained funds in the registered player’s account;
  - b. The means by which wins and losses have been incurred since the registered player’s interactive gaming account was established;
  - c. The wins and losses incurred during the present gaming session;
  - d. Information relating to Responsible Gaming and account limit setting as required by regulations promulgated by the [state gaming authority] but, in any event, including information on the State’s self-exclusion policy; and
  - e. The complete rules, in plain English and in searchable format, of each authorized interactive game offered by the interactive gaming provider.

#### Section 305: Betting and Wagering on Interactive Games

- (a) An interactive gaming provider may accept wagers only from funds in the interactive gaming accounts of registered players.
- (b) An interactive gaming provider may not accept a wager in excess of the available funds in the interactive gaming account of the registered player at the time the wager is placed.
- (c) Each authorized game shall clearly display to the player the permissible minimum and maximum wagers pertaining thereto.

#### Section 306: Closing an Interactive Gaming Account

- (a) An interactive gaming account holder shall have the right to close an account at any time. The [state gaming authority] shall promulgate regulations regarding the closure of ac-



counts and the handling of funds remaining in closed accounts that ensure that funds are returned to registered players within a reasonable time but not before an interactive gaming entity has the opportunity to ensure that all transactions related to the account have cleared and that no funds in the account have been the subject of chargebacks or any other claim by a bank, payment processor, or other entity.

- (b) Dormant Accounts: An interactive gaming account on which no wagers have been placed for 365 days, shall be considered a “dormant account.”
- 1) The [state gaming authority] shall prescribe regulations for terminating a dormant account and attempting to return the balance of any such account to the registered user.
  - 2) In the event that, after following the procedures provided for by the [state gaming authority], it is not possible to return the balance of a dormant account, the balance shall be [dealt with according to state law for unclaimed funds].

### Section 307: Prohibited Conduct

- (a) No interactive gaming provider nor any person licensed under this Chapter to operate or participate in interactive gaming, nor any person acting on behalf of or under any arrangement with any such person or provider, shall:
- 1) Make any loan to any person for the purpose of crediting an interactive gaming account;
  - 2) Allow any wager to be placed that results in a negative balance on any interactive gaming account; or
  - 3) Release or discharge any debt, in whole or in part, or make any loan that represents any losses incurred by any registered player arising out of any authorized interactive game without maintaining a written record thereof in accordance with regulations promulgated by the [state gaming authority]
- (b) No funds may be transferred or transferrable directly between interactive gaming accounts, irrespective of whether the accounts in question belong to the same or different registered gamers. Nothing herein shall prevent a player from applying or moving funds

for use in different functions, games, or virtual wallets, so long as those funds remain associated with a single account.

#### Section 308: Prohibition on Advertising of Illegal Interactive Gaming

- (a) No organization or commercial enterprise, other than an authorized interactive gaming provider with a valid interactive gaming license or interactive gaming operator permit, shall make its premises available for placing wagers on interactive gaming or advertise that its premises may be used for such purpose. An organization or commercial enterprise that is determined by the [state gaming authority] to have violated the provisions of this penalty shall be subject to a penalty of \$1,000 per player per day for making its premises available for placing wagers on interactive gaming and \$10,000 per violation for advertising that its premises may be used for such purpose.

#### Section 309: Gambling Problem Assistance

- (a) An interactive gaming provider shall:
- 1) Display the message “If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER” prominently at log-on and log-off times and on the public homepage or front page of any skin.
  - 2) Provide a mechanism by which the holder of an interactive gaming account may:
    - A. Place a limit on the amount of money deposited within a specified period of time and the length of time that the registered player will be unable to participate in gaming if the limit is reached;
    - B. Place a limit on time spent wagering on the skin for any length of time;
    - C. A temporary suspension of gaming through the interactive gaming account for any number of hours or up to 30 days; or
    - D. A permanent exclusion from holding or using an interactive gaming account.

- (b) An interactive gaming provider shall not send any gaming-related electronic mail or solicitations to any registered player whose account is suspended for a period of at least 72 hours pursuant to subparagraph (a)(2), provided that an interactive gaming provider may take up to 72 hours to update its mailing lists to remove any such player.
- (c) Where an account is suspended under subparagraph (a)(2), a registered player shall maintain the ability to withdraw funds from the interactive gaming account notwithstanding the suspension.

#### Part IV: Oversight

##### Section 401: Oversight by [State Gaming Authority]

(a) All facilities and interactive gaming systems shall:

- 1) Be situated either in this State or in an approved jurisdiction;
- 2) Be maintained in a manner preserving appropriate security for interactive gaming;
- 3) Provide security monitoring in a fashion that facilitates oversight and review by the [state gaming authority];
- 4) Preserve, for a period of at least four years, a record of all interactive gaming activity in a format that can be produced, in whole or in part, to the [state gaming authority] on request.

(b) Each interactive gaming provider shall either:

- 1) Have a permanent office or facility with at least one employee permanently located in the State, or
- 2) Designate an employee who:
  - i. Has authority to act on behalf of the provider within the State; and
  - ii. Consents in writing to accept service of process and other papers and to submit to jurisdiction as an authorized agent of the provider within the State.

- (c) The [state gaming authority] shall promulgate regulations requiring each interactive gaming provider to maintain with the [state gaming authority] a current description of its internal controls that relate to its gaming and business activities sufficient to provide adequate protection to authorized players and the public at large.
- (d) In the event that the [state gaming authority] determines that an interactive gaming provider has failed to comply with the regulations promulgated pursuant to paragraph (b) of this section or that the provider's internal controls are inadequate to provide sufficient control and security over the interactive gaming provider's interactive gaming activity, the [state gaming authority] shall specify the insufficiencies in writing to the interactive gaming provider, which shall make appropriate alterations to ensure compliance with this section.
- (e) The [State Gaming Authority] shall clearly display which skins and interactive gaming providers are authorized to operate interactive gaming in the state.

#### Section 402: Testing and Certification

- (a) No interactive game, interactive gaming platform, website, application, or associated software or hardware shall be used to conduct interactive gaming unless it has been tested and certified by a gaming laboratory approved by the [state gaming authority].
- (b) Each interactive gaming provider shall bear the costs of the testing and certification of its interactive gaming platforms and associated software and hardware.
- (c) The [state gaming authority] may exempt from the requirement of paragraph (a) any interactive game, interactive gaming platform, website, application, or associated software or hardware that have been found to meet the testing and certification standards adopted by an approved jurisdiction. Should the board so determine, it shall permit the use of interactive games and associated software and hardware approved by that jurisdiction without requiring separate or additional testing under this section.

### Part V: Tax and Revenues

#### Section 501: Interactive Gaming Tax

- (a) Each interactive gaming provider that conducts interactive gaming shall report to [state taxing authority] and pay from its monthly gross gaming revenue, on a form and in the manner described by the [state taxing authority], a tax of 10% of its monthly gross gaming revenue from all interactive games.
- (b) This tax shall be payable on a monthly basis according to regulations promulgated by the [state taxing authority].
- (c) Taxes on Out-of-State Wagering
  - a. Where gaming is permitted outside of the state according to an interactive gaming reciprocal agreement, transactions shall be taxed at a rate set forth in that agreement.
- (d) All taxes shall be placed into the [state General Fund].

#### Section 502: Local Tax Assessment

- (a) In addition to the tax imposed under section 501, each interactive gaming provider that conducts interactive gaming shall pay on a monthly basis and in a manner prescribed by the [state taxing authority] a local share assessment equal to 2% of the interactive gaming provider's monthly gross interactive gaming revenue.

#### Section 503: Funding for Compulsive and Problem Gambling

- (a) Each year, from the tax collected pursuant to Section 501, an amount equal to 0.2 percent of the total gross interactive gaming revenue reported by all interactive gaming providers shall be transferred to the [state gambling treatment fund].

#### Section 504: Funding to Combat Illegal Interactive Gaming

- (a) Each year, from the tax collected pursuant to Section 501, an amount equal to 0.2 percent of the total gross interactive gaming revenue reported by all interactive gaming providers shall be transferred to [a state law enforcement fund to investigate and shut down illegal or unlicensed interactive gaming providers].