

1 S.213

2 Introduced by Senators Sears and Sirotkin

3 Referred to Committee on

4 Date:

5 Subject: Recreation and sports; sports wagering

6 Statement of purpose of bill as introduced: This bill proposes to establish a
7 system for the licensure and regulation of mobile sports wagering operators
8 and suppliers, authorize sports wagering through licensed operators, and tax
9 gross sports wagering receipts.

10 An act relating to sports wagering

11 It is hereby enacted by the General Assembly of the State of Vermont:

12 Sec. 1. 31 V.S.A. chapter 25 is added to read:

13 CHAPTER 25. SPORTS WAGERING

14 § 1301. DEFINITIONS

15 As used in this chapter:

16 (1) “Adjusted gross sports wagering receipts” means an operator’s gross
17 receipts from sports wagering less free bets and the total of all winnings paid to
18 patrons, including the cash equivalent of any merchandise or thing of value
19 awarded as a prize.

1 (2) “Adverse action” means a condition resulting from an
2 administrative, civil, or criminal violation, a suspension or revocation of a
3 license, or a voluntary surrender of a license to avoid or resolve civil, criminal,
4 or disciplinary action.

5 (3) “Board” means the Board of Liquor and Lottery.

6 (4) “Commissioner” means the Commissioner of Liquor and Lottery.

7 (5) “License” means any license applied for or issued by the Board
8 under this chapter, including a mobile sports wagering license under section
9 1305 of this chapter and a supplier license under section 1306 of this chapter.

10 (6) “National criminal history background check” means the criminal
11 history records system maintained by the Federal Bureau of Investigation,
12 based on fingerprint identification or any other method of positive
13 identification.

14 (7) “Operator” means a mobile sports wagering licensee under section
15 1305 of this chapter.

16 (8) “Professional sports or athletic event” means an event at which two
17 or more persons participate in sports or athletic contests and receive
18 compensation in excess of actual expenses for their participation in the event.

19 (9) “Prohibited sports event” means a high school event or any other
20 event in which a majority of the participants are under 18 years of age.

1 (10) “Sports event” means any professional or amateur sports or athletic
2 event that is not a prohibited sports event. The term shall include an Olympic
3 or international sports or athletic event; a motor vehicle race; or an electronic
4 sports event, commonly referred to as “e-sports.”

5 (11)(A) “Sports wagering” means the business of accepting wagers on
6 sports events or portions of sports events, the individual performance statistics
7 of athletes in a sports event, other events, or a combination of any of the same
8 by any system or method of wagering approved by the Board via a mobile
9 sports wagering licensee’s mobile applications and digital platforms that use
10 communications technology to accept wagers. The term includes single game
11 bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering,
12 in-game wagering, in-play bets, proposition bets, and straight bets.

13 (B) “Sports wagering” does not include the operation of fantasy
14 contests as defined in 9 V.S.A. § 4185.

15 (12) “Wager” means a sum of money or thing of value risked on an
16 uncertain occurrence.

17 § 1302. POWERS AND DUTIES

18 (a) Administration and Enforcement. The Board, through the
19 Commissioner:

20 (1) shall carry out the provisions of this chapter and regulate the conduct
21 of sports wagering;

1 (2) shall receive applications for licensure; issue licenses to applicants
2 qualified under this chapter; and renew, revoke, and reinstate licenses pursuant
3 to this chapter;

4 (3) shall levy and collect all fees, administrative penalties, and tax on
5 adjusted gross sports wagering receipts imposed by this chapter;

6 (4) may sue to enforce any provision of this chapter or any rule of the
7 Board by civil action or petition for injunctive relief;

8 (5) may hold hearings, administer oaths, and issue subpoenas in the
9 manner provided by applicable law; and

10 (6) may exercise any other powers necessary to effectuate the provisions
11 of this chapter and the rules of the Board.

12 (b) Rules. The Board shall adopt rules pursuant to 3 V.S.A. chapter 25 as
13 necessary to carry out and enforce the provisions of this chapter. The Board
14 shall adopt rules governing:

15 (1) qualifications for a license under this chapter;

16 (2) the acceptance of wagers on a sports event or a series of sports
17 events;

18 (3) maximum wagers that may be accepted by an operator from any one
19 patron on any one event;

- 1 (4) the type of wagering receipts that may be used, the method of
2 issuing receipts, the method of accounting to be used by operators, and
3 recordkeeping requirements;
- 4 (5) requirements for bonding or other security to be given by licensees;
5 (6) the wagering systems that may be used;
6 (7) the protections for patrons placing wagers;
7 (8) the promotion of social responsibility, responsible gaming, and the
8 display of information regarding how an individual may obtain assistance for a
9 gambling problem;
- 10 (9) the procedures and standards for adoption of comprehensive house
11 rules by operators and the approval of house rules by the Board pursuant to
12 section 1307 of this chapter;
- 13 (10) the minimum design and security requirements for:
- 14 (A) mobile applications and digital platforms for the acceptance of
15 wagers by mobile operators, including the required methods for verifying the
16 age and identity of a person who places a wager with a mobile operator;
- 17 (B) verifying that the person making the wager is physically located
18 in the State and is not prohibited from making a wager under section 1311 of
19 this chapter; and

1 (C) requiring the refund of any wager determined to have been
2 placed by a person prohibited from making a wager pursuant to section 1311 of
3 this chapter;

4 (11) the types of interested parties that may be prohibited from making a
5 wager pursuant to section 1311 of this chapter;

6 (12) establishing the personnel that shall be identified as “key
7 personnel” for purposes of a background check pursuant to section 1303 of this
8 chapter;

9 (13) the minimum design, security, testing, and approval requirements
10 for sports wagering equipment, systems, or services sold by suppliers licensed
11 under section 1307 of this chapter; and

12 (14) minimum internal control standards for operators, including:

13 (A) procedures for safeguarding assets and revenues;

14 (B) the recording of cash and evidence of indebtedness;

15 (C) the maintenance of reliable records, accounts, and reports of
16 transactions, operations, and events;

17 (D) required audits; and

18 (E) the content and frequency of reports of sports wagering activities
19 and revenues that must be made to the Board.

20 (c)(1) The Board shall maintain a list of players who have elected to restrict
21 irrevocably their own ability to wager on sports events for a specified period of

1 time pursuant to this chapter. The Board shall provide a portal through the
2 Department of Liquor and Lottery website that allows an individual to add his
3 or her name to the list and to specify the period of time during which he or she
4 wishes to restrict his or her ability to wager.

5 (2) The list shall be made available to all sports wagering operators
6 licensed pursuant to this chapter.

7 (3) The list shall include the names and periods of restriction for all
8 individuals who have restricted their ability to wager through the Department
9 of Liquor and Lottery's website or a website or mobile application operated by
10 a licensed sports wagering operator.

11 (4) The rules adopted pursuant to this section shall provide standards for
12 the involuntary placement and removal of names on the list.

13 § 1303. APPLICATION; BACKGROUND CHECK

14 (a) An application for a license or for renewal of a license required under
15 this chapter shall be submitted on the form provided by the Board. An
16 application submitted to the Board shall include:

17 (1) the full name, current address, and contact information of the
18 applicant;

19 (2) disclosure of each person that has control of the applicant as
20 described in subsection (b) of this section;

1 (3) consent to permit the Board to conduct a criminal history record
2 check pursuant to subsection (c) of this section for the applicant and each
3 person disclosed under subdivision (2) of this subsection;

4 (4) for the applicant and each person disclosed under subdivision (2) of
5 this subsection, a record of previous issuances and denials of or any adverse
6 action taken against a gaming license or application under this Title or in any
7 other jurisdiction; and

8 (5) any additional information required by the Board by rule.

9 (b) The following persons are considered to have control of an applicant or
10 a licensee:

11 (1) each corporate holding company, parent company, or subsidiary
12 company of a corporate applicant or licensee, and each person that owns
13 15 percent or more of the corporate applicant or licensee and that has the
14 ability to control the activities of the corporate applicant or licensee or elect a
15 majority of the board of directors of that corporate applicant or licensee, except
16 for a bank or other licensed lending institution that holds a mortgage or other
17 lien acquired in the ordinary course of business;

18 (2) each person associated with a noncorporate applicant or licensee that
19 directly or indirectly holds a beneficial or proprietary interest in the
20 noncorporate applicant's or licensee's business operation or that the Board

1 otherwise determines has the ability to control the noncorporate applicant or
2 licensee; and

3 (3) key personnel of an applicant or licensee, including any executive,
4 employee, or agent, having the power to exercise significant influence over
5 decisions concerning any part of the applicant's or licensee's relevant sports
6 wagering business operation in this State.

7 (c) The Board shall request a criminal history record check in the form the
8 Board requires. The Board shall submit fingerprints for a national criminal
9 history background check conducted by the Vermont State Police and the
10 Federal Bureau of Investigation. The fingerprints shall be furnished by all
11 persons required to be named in the application and shall be accompanied by a
12 signed authorization for the release of information by the Vermont State Police
13 and the Federal Bureau of Investigation, except that an individual who has
14 submitted to a criminal background check in this State or any other state within
15 the preceding 12 months shall not be required to submit to another criminal
16 background check, provided that the individual submits the results of the
17 previous criminal background check and affirms that there has been no
18 material change in the individual's criminal history since the time of the
19 previous criminal background check. Any applicant convicted of any
20 disqualifying offense shall not be licensed.

1 (d) A person licensed under this chapter shall give the Board written notice
2 within 30 days of any material change to any information provided in the
3 licensee's application for a license or renewal, including any change in the
4 identity of persons considered to have control of the licensee under subsection
5 (b) of this section.

6 § 1304. DENIAL OF LICENSE; REPRIMAND, SUSPENSION, AND
7 REVOCATION

8 The Board may deny a license to any applicant, reprimand any licensee, or
9 suspend or revoke a license if:

10 (1) the applicant or licensee has knowingly made a false statement of
11 material fact to the Board;

12 (2) the applicant or licensee has intentionally not disclosed the existence
13 or identity of other persons pursuant to section 1303 of this chapter;

14 (3) the applicant or licensee has had a license revoked by any
15 government authority responsible for regulation of gaming activities;

16 (4) the applicant or licensee has been convicted of a crime of moral
17 turpitude, a gambling-related offense, a theft or fraud offense, or has otherwise
18 demonstrated, either by a police record or other satisfactory evidence, a lack of
19 respect for law and order;

1 (5) the applicant or licensee has not demonstrated to the satisfaction of
2 the Board financial responsibility sufficient to adequately meet the
3 requirements of the licensed business or proposed business; or

4 (6) an applicant has not met the requirements of this section or any other
5 provision of this chapter.

6 § 1305. MOBILE SPORTS WAGERING LICENSE

7 (a) The Board shall issue a mobile sports wagering license to a person upon
8 finding that the person meets all requirements of this section, sections 1303
9 and 1304 of this chapter, and the rules adopted by the Board pursuant to this
10 chapter.

11 (b) A mobile sports wagering license granted by the Board pursuant to this
12 section grants a licensee lawful authority to conduct sports wagering through
13 any mobile applications or digital platforms approved by the Board within the
14 terms and conditions of the license and any rules adopted under this chapter.

15 (c)(1) The fee for an initial or renewed mobile sports wagering license is
16 \$10,000.00 and shall be retained by the Board for the costs of administering
17 this chapter.

18 (2) In addition to the license fee, the Board may charge a processing fee
19 for an initial or renewed license in an amount equal to the projected cost of
20 processing the application and performing any background investigations. If
21 the actual cost exceeds the projected cost, an additional fee may be charged to

1 meet the actual cost. If the projected cost exceeds the actual cost, the
2 difference may be refunded to the applicant or licensee.

3 (d) Except as provided in subsection (f) of this section, a license granted or
4 renewed under this section is valid for two years unless sooner revoked by the
5 Board under section 1304 of this chapter.

6 (e) A person may submit a request to the Board for the immediate
7 commencement of sports wagering operations. The request must include the
8 initial license fee of \$10,000.00 payable to the Board. Upon receiving a
9 request for a temporary license, the Board shall review the request. If the
10 Board determines that the person requesting the temporary license is qualified
11 for licensure, has paid the initial license fee, and is in compliance with this
12 subsection, the Board shall authorize the person to conduct sports wagering for
13 two years under a temporary license or until a final determination on the
14 person's license application is made. Sports wagering conducted under
15 authority of a temporary license shall comply with the operator's house rules
16 adopted pursuant to section 1307 of this chapter.

17 § 1306. SUPPLIER LICENSE

18 (a) The Board shall issue a supplier license upon finding that the applicant
19 meets all requirements of this section, sections 1303 and 1304 of this chapter,
20 and rules adopted by the Board pursuant to this chapter.

1 (b) An applicant for a supplier license shall demonstrate that the
2 equipment, systems, or services that the applicant plans to offer to an operator
3 conform to standards established by rule by the Board. The Board may accept
4 approval by another jurisdiction as evidence that the applicant meets the
5 standards established by the Board by rule, provided that the Board determines
6 that the jurisdiction has similar equipment standards.

7 (c) A supplier license granted by the Board pursuant to this section grants a
8 licensee lawful authority to sell or to lease sports wagering equipment,
9 systems, or services to operators in the State within the terms and conditions of
10 the license and any rules adopted pursuant to this chapter.

11 (d) The fee for an initial or renewed supplier license is \$1,000.00 and shall
12 be retained by the Board for the costs of administering this chapter. In addition
13 to the license fee, the Board may charge a processing fee for an initial or
14 renewed license in an amount equal to the projected cost of processing the
15 application and performing any background investigations. If the actual cost
16 exceeds the projected cost, an additional fee may be charged to meet the actual
17 cost. If the projected cost exceeds the actual cost, the difference may be
18 refunded to the applicant or licensee.

19 (e) A license granted or renewed under this section is valid for two years
20 unless sooner revoked by the Board under section 1304 of this chapter.

1 (f)(1) An applicant for a supplier license may submit with the application a
2 request for a temporary license. A request for a temporary license shall
3 include the initial license fee of \$1,000.00.

4 (2) If the Board determines that the applicant is qualified under
5 subsection (b) of this section, meets the requirements established by rule for a
6 temporary license, and has paid the initial license fee and the Board is not
7 aware of any reason that the applicant is ineligible for a license under this
8 section, the Board may issue a temporary supplier license.

9 (3) A temporary license issued under this subsection is valid for two
10 years or until a final determination on the supplier license application is made,
11 whichever is sooner. If after investigation the Board determines that the
12 applicant is eligible for a supplier license under this chapter, the Board shall
13 issue the initial supplier license, at which time the temporary license
14 terminates. The initial supplier license is valid for two years from the date that
15 the temporary license was issued by the Board.

16 (g) A supplier licensee shall submit to the Board a list of all sports
17 wagering equipment, systems, and services sold, leased, delivered, or offered
18 to an operator in this State as required by the Board, all of which shall be tested
19 and approved by an independent testing laboratory approved by the Board. An
20 operator may continue to use supplies acquired from a licensed supplier if the

1 supplier's license subsequently expires or is otherwise revoked, unless the
2 Board finds a defect in the supplies.

3 § 1307. SPORTS WAGERING HOUSE RULES

4 (a) An operator shall adopt comprehensive house rules for game play
5 governing sports wagering transactions with its patrons. The rules shall
6 specify the amounts to be paid on winning wagers, the circumstances under
7 which the operator will void a bet; treatment of errors, late bet, and related
8 contingencies; and the effect of schedule changes.

9 (b) The house rules, together with any other information that the Board
10 determines to be appropriate, shall be included in the terms and conditions of
11 the sports wagering system. Copies shall be made readily available to patrons.

12 (c) An operator shall submit adopted house rules and any amendments to
13 the Board for review and approval.

14 § 1308. OPERATOR DUTIES

15 (a) An operator shall:

16 (1) employ a monitoring system using software to identify unusual
17 irregularities in volume or odds swings that could signal suspicious activity
18 that requires further investigation; system requirements and specifications shall
19 be in accordance with industry standards;

20 (2) promptly report to the Board any facts or circumstances related to
21 the operation of a licensee that constitute a violation of State or federal law and

1 immediately report any suspicious betting over a threshold set by the operator
2 that has been approved by the Board to the appropriate State or federal
3 authorities;

4 (3) conduct all sports wagering activities in a manner that does not pose
5 a threat to the public health, safety, or welfare of the citizens of this State;

6 (4) keep current in all payments and obligations to the Board;

7 (5) bond in the amount required by the Board by rule;

8 (6) prevent any person from tampering or interfering with the operation
9 of any sports wagering;

10 (7) ensure that sports wagering occurs using only a mobile application
11 or digital platform approved by the Board that uses communications
12 technology to accept wagers originating in this State or in a state or jurisdiction
13 with which the Board has entered into a sports wagering agreement;

14 (8) maintain sufficient cash and other supplies to conduct sports
15 wagering at all times; and

16 (9) maintain daily records showing the gross sports wagering receipts
17 and adjusted gross sports wagering receipts of the licensee and timely file with
18 the Board any additional reports required by rule or by other provisions of this
19 chapter.

20 (b) Any suspicious activity identified under subdivision (a)(1) of this
21 section shall be immediately reported to and investigated by the Board.

1 § 1309. DISPLAYING BETTING LIMITS

2 An operator shall conspicuously display the minimum and maximum
3 wagers permitted on any mobile application or digital platform used to place
4 wagers and shall comply with these minimum and maximum wagers.

5 § 1310. SPORTS WAGERING AGREEMENTS

6 (a) The Board is authorized to:

7 (1) enter into sports wagering agreements; and

8 (2) take all necessary actions to ensure that any sports wagering
9 agreement entered into pursuant to this section becomes effective.

10 (b) The Board may adopt rules to implement this section. The rules
11 adopted by the Board pursuant to this section may include provisions
12 prescribing:

13 (1) the form, length, and terms of an agreement entered into by the
14 Board and another government, including provisions relating to how taxes are
15 to be treated by this State and another government, revenues are to be shared,
16 and disputes with patrons are to be resolved;

17 (2) the information to be furnished to the Board by a government that
18 proposes to enter into an agreement with this State pursuant to this section;

19 (3) the information to be furnished to the Board to enable the Board to
20 carry out the purposes of this section;

1 (4) the manner and procedure for hearings conducted by the Board
2 pursuant to this section, including any special rules or notices; and

3 (5) the information required to be furnished to the Board to support any
4 recommendations made to the Board pursuant to this section.

5 (c) The Board shall not enter into any sports wagering agreement pursuant
6 to this section unless the agreement includes provisions that:

7 (1) account for the sharing of revenues by this State and any signatory
8 government;

9 (2) permit the effective regulation of sports wagering by this State,
10 including provisions relating to licensing of persons, technical standards,
11 resolution of disputes by patrons, requirements for financial resources,
12 enforcement, accounting, and maintenance of records;

13 (3) require each signatory government to prohibit operators of sports
14 wagering from engaging in any activity permitted by the sports wagering
15 agreement unless they are licensed in this State or by a signatory government
16 with similar requirements approved by the Board;

17 (4) prohibit any signatory government from deviating from the
18 requirements of the sports wagering agreement unless all signatory
19 governments agree to the deviation;

1 (5) prohibit any subordinate or side agreement among any subset of
2 signatory governments unless the agreement relates exclusively to the sharing
3 of revenues; and

4 (6) require a signatory government to establish and maintain regulatory
5 requirements governing sports wagering that are consistent with the
6 requirements of this State in all material respects if the sports wagering
7 agreement allows persons physically located in this State to participate in
8 sports wagering conducted by a signatory government or an operator licensed
9 by a signatory government.

10 § 1311. ACCEPTANCE OF WAGERS; EXCLUDED PERSONS

11 (a) An operator shall accept wagers on sports events by means of electronic
12 devices using a mobile application or digital platform approved by the Board.
13 A person placing a wager shall be 18 years of age or older.

14 (b) An operator may accept wagers from a patron physically located in this
15 State, through the patron's sports wagering account, using a mobile application
16 or digital platform approved by the Board. The branding for each mobile
17 application or digital platform shall be determined by the operator.

18 (c) An operator may accept wagers from a patron physically located in a
19 state or jurisdiction with which the Board has entered a sports wagering
20 agreement, through the patron's sports wagering account, using a mobile
21 application or digital platform, provided that the application or platform is

1 approved by the Board and all other requirements of the agreement are
2 satisfied. An operator may pool the wagers with other wagers received from
3 patrons located in this State.

4 (d) An operator may accept wagers placed by other operators, and may
5 place wagers with other operators, provided that the operators that place a
6 wager with another operator informs the operator accepting the wager that the
7 wager is being placed by an operator and discloses the wagering operator's
8 identity.

9 (e) The Board or an operator may ban a person from participating in the
10 play or operation of sports wagering. A log of all excluded persons shall be
11 kept by the Board and each operator, and a person on the Board's exclusion list
12 or an operator's exclusion list may not engage in sports wagering under this
13 chapter.

14 (f) An employee of an operator shall not place a wager on any sports event
15 through a mobile application or digital platform of the operator.

16 § 1312. TAX ON SPORTS WAGERING REVENUES

17 (a) A tax of 10 percent is imposed on the adjusted gross sports wagering
18 receipts of each operator licensed under this chapter.

19 (b) The tax imposed by this section shall be paid to the Board monthly on
20 or before the 15th calendar day following the calendar month in which the
21 adjusted sports wagering receipts were received.

1 (c) An operator shall complete and submit the return for the preceding
2 month by electronic communication to the Board, on or before the 15th
3 calendar day, in the form prescribed by the Board that provides:

4 (1) the gross sports wagering receipts and adjusted gross sports
5 wagering receipts during that month;

6 (2) the tax amount for which the operator is liable; and

7 (3) any additional information necessary in the computation and
8 collection of the tax on adjusted gross sports wagering receipts required by the
9 Board.

10 (d) The tax amount shown to be due shall be remitted by electronic funds
11 transfer simultaneously with the return.

12 (e) The Board shall collect the tax imposed under this section. On a
13 quarterly basis, the Board shall pay the tax to the State Treasurer for deposit in
14 the General Fund.

15 (f)(1) When adjusted gross sports wagering receipts for a month is a
16 negative number because the winnings paid to a licensee's sports wagering
17 patrons exceed the licensee's gross sports wagering receipts, the Board shall
18 allow the licensee to carry over the negative amount to the return filed for the
19 subsequent month.

1 (2) The Board may issue a refund for all or part of a previous payment if
2 the licensee surrenders its license and the licensee's last return reported
3 negative adjusted gross sports wagering receipts.

4 (g) The tax on adjusted gross sports wagering receipts imposed by this
5 section is in lieu of all other State and local taxes and fees imposed on the
6 operation or the proceeds from the operation of sports wagering.

7 § 1313. ADMINISTRATIVE PENALTY

8 Except as provided in section 1314 of this chapter, a person that violates the
9 provisions of this chapter commits a civil violation for which the
10 Commissioner may impose administrative penalty of not more than \$10,000.00
11 for each violation.

12 § 1314. CRIMES AND PENALTIES

13 (a) A person who is not licensed under this chapter that operates, conducts,
14 or exposes sports wagering for play or accepts a bet or wager associated with
15 sports wagering shall be fined not more than \$10,000.00 or imprisoned not
16 more than six months, or both.

17 (b) A person convicted of a second violation or subsequent violation of
18 subsection (a) of this section shall be fined not more than \$25,000.00 or
19 imprisoned not more than one year, or both.

1 (c) A person convicted of a third or subsequent violation of subsection (a)
2 of this section shall be fined not more than \$50,000.00 or imprisoned not more
3 than two years, or both.

4 § 1315. EXEMPTION

5 The provisions of 13 V.S.A. chapter 51 do not apply to sports wagering
6 conducted in accordance with this chapter and the rules adopted pursuant to
7 this chapter.

8 § 1316. CONFIDENTIALITY; RECORDS

9 (a) When produced or acquired by the Board pursuant to this chapter, the
10 following records are exempt from public inspection and copying under the
11 Public Records Act and shall be kept confidential:

12 (1) personal information and background check documents;

13 (2) the list maintained pursuant to subsection 1302(c) of this chapter;

14 (3) trade secrets, business records, financial records, and related
15 information; and

16 (4) records relating to the security or design of technology, facilities, or
17 systems used by an operator or supplier.

18 (b) The Public Records Act exemptions created in this section shall not be
19 subject to the provisions of 1 V.S.A. 317(e) (repeal of Public Records Act
20 exemptions).

1 Sec. 2. EMERGENCY RULES

2 The Commissioner of the Department of Liquor and Lottery may adopt
3 emergency rules as necessary to implement this act without the necessity of
4 demonstrating that immediate adoption is necessary to avoid a threat to public
5 health, safety, or general welfare.

6 Sec. 3. 9 V.S.A. § 4189 is amended to read:

7 § 4189. REGISTRATION

8 In addition to applicable requirements under Titles 11-11C for a business
9 organization doing business in this State to register with the Secretary of State,
10 on or before October 15 of each year in which a fantasy sports operator offers a
11 fantasy sports contest to consumers in this State, the operator shall file an
12 annual registration with the Secretary of State on a form adopted for that
13 purpose ~~and pay to the Secretary an annual registration fee in the amount of~~
14 ~~\$5,000.00.~~

15 Sec. 4. 9 V.S.A. § 4189b is added to read:

16 § 4189b. TAX ON NET REVENUE

17 (a) A tax of 10 percent is imposed on the net fantasy sports contest
18 revenues of each operator registered under this chapter.

19 (b) The tax imposed by this section shall be paid to the Board of Liquor
20 and Lottery monthly on or before the 15th calendar day following the calendar
21 month in which the net fantasy sports contest revenues were received.

1 (c) An operator shall complete and submit the return for the preceding
2 month by electronic communication to the Board, on or before the 15th
3 calendar day, in the form prescribed by the Board that provides:

4 (1) the gross sports wagering receipts and adjusted gross sports
5 wagering receipts during that month;

6 (2) the tax amount for which the operator is liable; and

7 (3) any additional information necessary in the computation and
8 collection of the tax on adjusted gross sports wagering receipts required by the
9 Board.

10 (d) The Board shall collect the tax imposed under this section. On a
11 quarterly basis, the Board shall pay the tax to the State Treasurer for deposit in
12 the General Fund.

13 Sec. 5. EFFECTIVE DATE

14 This act shall take effect on July 1, 2020.