

1 H.159

2 Senator Sirotkin moves that the Senate propose to the House that the bill be  
3 amended as follows:

4 First: By adding a new section to be Sec. 17a to read as follows:

5 Sec. 17a. 31 V.S.A. chapter 25 is added to read:

6 CHAPTER 25. SPORTS WAGERING

7 § 1301. DEFINITIONS

8 As used in this chapter:

9 (1) “Agent” means a party who is authorized by contract or agreement  
10 with the Department to conduct a sportsbook.

11 (2) “Board” means the Board of Liquor and Lottery.

12 (3) “Category of wager” means the kind of event being wagered on.

13 (4) “Collegiate sports event” means a sports or athletic event  
14 participated in or offered or sponsored by a public or private institution that  
15 offers educational services beyond the secondary level.

16 (5) “Commissioner” means the Commissioner of the Department of  
17 Liquor and Lottery or designee.

18 (6) “Department” means the Department of Liquor and Lottery.

19 (7) “Gross sports wagering revenue” means gross sports wagering  
20 receipts, excluding voided bets, less winnings paid to authorized participants  
21 and any federal excise tax.

1           (8) “High school sports event” means a sports or athletic event  
2           participated in or offered or sponsored by a public or private institution that  
3           offers educational services at the secondary level.

4           (9) “In-play sports wager” means a sports wager on a sports event after  
5           the sports event has begun and before it ends.

6           (10) “Mobile sports wagering platform” means the combination of  
7           hardware, software, and data networks used to manage, administer, record, or  
8           control sports wagers through mobile devices or the Internet.

9           (11) “Professional sports event” means an event at which two or more  
10          persons participate in a sports or athletic event and receive compensation in  
11          excess of actual expenses for their participation in the event.

12          (12) “Prohibited sports bettor” means:

13           (A) any member or employee of the Department and any spouse,  
14           child, sibling, or parent residing in the same household as a member or  
15           employee of the Department;

16           (B) any principal or employee of any agent;

17           (C) any contractor of the Department or its agents when the contract  
18           relates to the conduct of sports wagering;

19           (D) any contractor or employee of an entity that conducts sports  
20           wagering in another jurisdiction when the bettor, as a result of the bettor’s

1 contract or employment, possesses confidential or nonpublic information  
2 relating to the wager being placed;

3 (E) any amateur or professional athlete if the sports wager is based in  
4 whole or part on a sport or athletic event overseen by the athlete’s governing  
5 sports body;

6 (F) any sports agent, owner, or employee of a team, player, umpire,  
7 referee, coach, union official, or official of a sport’s governing body if the  
8 sports wager is based in whole or in part on a sport or athletic event overseen  
9 by the governing body that oversees the individual’s sport;

10 (G) any individual placing a wager as an agent of or proxy for a  
11 prohibited sports bettor; or

12 (H) any person under 21 years of age.

13 (13)(A) “Prohibited sports event” means any:

14 (i) collegiate sports event in which one of the participants is a  
15 collegiate team of a college institution that is primarily located in Vermont,  
16 unless the collegiate sports event is subject to the provisions of  
17 subdivision (12) of this section;

18 (ii) high school or collegiate sports event that takes place in  
19 Vermont; and

20 (iii) amateur or professional sports event where the participants  
21 are primarily under 18 years of age.

1           (B) “Prohibited sports event” does not mean the games of a collegiate  
2           sports tournament in which a Vermont college team participates, nor does it  
3           include any games of a collegiate sports tournament that occur outside  
4           Vermont even though some of the individual games or events are held in  
5           Vermont, and provided further that sports wagers are permitted on collegiate  
6           sports tournament games in which a Vermont college team participates only if  
7           the outcome of the wager is based on the outcome of all games within the  
8           tournament.

9           (14) “Sportsbook” means the business of accepting wagers on any sports  
10           event by any system or method of wagering.

11           (15) “Sports governing body” means the organization that prescribes  
12           final rules and enforces codes of conduct with respect to a sporting event and  
13           the participants therein.

14           (16) “Sports wager” means cash or cash equivalent paid by an individual  
15           to participate in sports wagering.

16           (17) “Sports wagering” means wagering on sporting events or any  
17           portion thereof or on the individual performance statistics of athletes  
18           participating in a sports event, or a combination of sports events, by any  
19           system or method of wagering, including in-person communication and  
20           electronic communication through Internet websites accessed via a mobile  
21           device or computer and mobile device applications. “Sports wagering”

1 includes single game bets, teaser bets, parlays, over-under bets, money line  
2 bets, pools, exchange wagering, in game wagering, in-play bets, proposition  
3 bets, and straight bets.

4 § 1302. DEPARTMENT OF LIQUOR AND LOTTERY; DUTIES

5 (a) The Commissioner is authorized to negotiate and contract to authorize  
6 not more than six agents to operate a sportsbook in Vermont through a mobile  
7 sports wagering platform. This subsection shall not be construed to require the  
8 Department to authorize unqualified applicants to conduct a sportsbook.

9 (b) The Department, either independently or through its agent, shall  
10 provide:

11 (1) Age verification measures to be undertaken to block access to and  
12 prevent sports wagers by persons under 21 years of age.

13 (2) Identity verification through secure online databases or by  
14 examination of photo identification.

15 (3) That mobile sports wagers must be initiated and received within the  
16 State of Vermont and may not be intentionally routed outside the State. The  
17 incidental intermediate routing of a mobile sports wager shall not determine  
18 the location or locations in which the wager is initiated, received, or otherwise  
19 made.

20 (4) Wager limits for daily, weekly, and monthly amounts consistent with  
21 the best practices in addressing problem gambling.

1           (5) A voluntary self-exclusion program for players to exclude  
2           themselves from wagering for a set period of time.

3           (6) Security mechanisms to ensure the confidentiality of wagering and  
4           personal and financial information except as otherwise authorized by this  
5           chapter.

6           (7) Measures to ensure that wagers are not placed by a prohibited sports  
7           bettor.

8           (c) The Department shall approve wager categories and types in a  
9           reasonable time frame. Once a particular category or wager type is approved  
10           for its first use, it may be used on multiple events without further approval.  
11           The Department may issue general approval for agents to conduct enumerated  
12           types and categories of wagers.

13           (d) The Department shall only approve wagers on categories of events  
14           where:

15           (1) the outcome can be verified;

16           (2) the outcome can be generated by a reliable and independent process;

17           and

18           (3) the event is conducted in conformity with applicable laws.

19           (e) The Department shall ensure that any contract with an agent includes a  
20           provision that allows the Department with 30 days' notice to amend or

1 terminate the contract upon the amendment of this subchapter by the General  
2 Assembly.

3 § 1303. PROCEDURES

4 (a)(1) The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to  
5 govern the establishment and operation of any sportsbook authorized by this  
6 chapter. For each procedure proposed to be adopted or amended pursuant to  
7 this section, the Board shall publish the proposal on the Department of Liquor  
8 and Lottery’s website, provide notice of the proposal to all agents, provide not  
9 less than 30 days for public comment on the proposal, and hold not less than  
10 two public hearings at which members of the public may seek additional  
11 information or submit oral or written comments on the proposal.

12 (2) The Board shall not be required to initiate rulemaking pursuant to  
13 3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section.

14 (3) A procedure adopted pursuant to this section shall have the force of  
15 law and be binding on all persons who play or offer sports wagering within the  
16 State.

17 (b) The Board shall adopt procedures pursuant to this section that govern  
18 the following minimum standards for the Department’s agents:

19 (1) Minimum computer system security, including:

20 (A) documented system security testing performed by a licensed  
21 third-party contractor approved by the Department;

- 1           (B) unique identification and verification systems for wagers;
- 2           (C) procedures to prevent past posting of wagers;
- 3           (D) minimum data that must be recorded relating to each wager;
- 4           (E) system redundancy to ensure recording of wagers during a system  
5 outage; and
- 6           (F) integration with an independent control system to ensure integrity  
7 of system wagering information;
- 8           (2) sports wagering system requirements that meet or exceed Gaming  
9 Laboratories International’s GLI-33: Standards for Event Wagering Systems,  
10 and its appendices, as amended or modified (GLI-33);
- 11          (3) minimum house rules, including:
  - 12           (A) the method for calculation and payment of winning wagers;
  - 13           (B) the effect of schedule changes for a sports event;
  - 14           (C) the method of notifying bettors of odds or proposition changes;
  - 15           (D) acceptance of wagers at terms other than those posted;
  - 16           (E) circumstances under which the agent will void a bet; and
  - 17           (F) treatment of errors, late bets, and related contingencies;
- 18          (4) minimum accounting controls, including:
  - 19           (A) processes for recording collection of wagers, payment of wagers,  
20 and cancellation of wagers issued; and
  - 21           (B) requirements for an annual audit of accounting controls;



1           (5) minimum internal control standards; and

2           (6) minimum cash reserves to be maintained by each agent.

3           (c) The procedures adopted pursuant to this section shall be submitted to  
4 the Sports Betting Study Committee for review and comment prior to formal  
5 implementation by the Board.

6           § 1303a. RESPONSIBLE GAMING; OPERATOR PLANS, DUTIES, AND

7           REPORT

8           (a) Annually, each agent shall submit to the Department a responsible  
9 gaming plan that shall include information related to the posting of materials  
10 related to problem gaming, resources to be made available to bettors  
11 expressing concerns about problem gaming, house-imposed player limits, and  
12 self-exclusion programs. The Commissioner shall require each applicant to  
13 submit a responsible gaming plan prior to authorizing the applicant to conduct  
14 a sportsbook within the State.

15           (b) Annually on or before January 15, the Department, in consultation with  
16 the Department of Mental Health, shall submit to the General Assembly a  
17 report on the impact of sports wagering on problem gamblers in Vermont,  
18 including an analysis of demographics that are disproportionately impacted by  
19 problem gambling. The Department may require the agents to pay for the  
20 costs associated with preparing and submitting the report.

- 1           (c) The Department shall ensure that any agent operating in the State  
2           operates a mobile sports wagering platform that:
- 3           (1) prohibits an individual from establishing more than one account;
- 4           (2) limits a person to the use of only one debit card or one credit card for  
5           an account and places a monetary limit on the use of a credit card over a period  
6           of time;
- 7           (3) allows a person to limit the amount of money that may be deposited  
8           into an account and spent per day through an account;
- 9           (4) establishes a voluntary self-exclusion process to allow a person to:
- 10           (A) exclude himself or herself from establishing an account;
- 11           (B) exclude himself or herself from placing wagers through an  
12           account; or
- 13           (C) limit the amount such person may spend using such an account;
- 14           (5) provides responsible gambling and problem gambling information to  
15           participants; and
- 16           (6) conspicuously displays on each applicable Internet website or mobile  
17           application:
- 18           (A) a link to a description of the provisions of this subsection (c);
- 19           (B) a link to responsible gambling information;
- 20           (C) a toll-free telephone number an individual may use to obtain  
21           information about problem gambling;

1            (D) a link to information about the voluntary self-exclusion process  
2            described in subdivision (4) of this subsection (c);

3            (E) a periodic pop-up message of the amount of time an individual  
4            has spent on the agent’s Internet website or mobile application;

5            (F) a means to initiate a break in play to discourage excessive play;  
6            and

7            (G) a clear display of the amount of money available to the individual  
8            in his or her account.

9            (d) At least every five years, each agent shall be subject to an independent  
10           review of the agent’s responsible gaming plan, as assessed by industry  
11           standards and performed by a third party approved by the Department. The  
12           Department may require the agent to pay for the independent review.

13           (e) Sports wagering advertisements shall not:

14           (1) depict an individual under 21 years of age, unless such individual is  
15           a professional athlete or a collegiate athlete who, if permitted by applicable  
16           law, is able to profit from the use of his or her name and likeness; or

17           (2) be aimed exclusively or primarily at individuals under 21 years of  
18           age.

1     § 1304. SPORTS WAGERING AGENTS; COMPETITIVE BIDDING

2             PROCESS

3             (a) The Commissioner shall select agents through a competitive bidding  
4     process.

5             (b) The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to  
6     establish criteria for the selection of agents. At a minimum, the Board's  
7     guidelines shall require an applicant to include the following in the proposal:

8             (1) an estimate of the applicant's potential gross sports wagering  
9     revenue and the percentage of gross revenue from mobile sports wagering the  
10    applicant will pay to the State if selected to be an agent;

11            (2) the number of skins the operator proposes to use for its sports  
12    wagering operations in Vermont;

13            (3) the applicant's responsible gaming plan and a description of  
14    responsible gaming safeguards that the applicant currently employs;

15            (4) a list of all jurisdictions where the applicant and any parent  
16    companies are currently authorized to conduct sports wagering operations;

17            (5) the applicant's player acquisition model, advertising and affiliate  
18    programs, and marketing budget, including details on how the applicant will  
19    convert customers from wagering through illegal channels to wagering legally  
20    in the State;

1           (6) the estimated time frame for implementing the applicant’s sports  
2           wagering operations;

3           (7) the applicant’s integrity monitoring systems, including any current  
4           affiliations related to integrity monitoring; and

5           (8) the applicant’s plan for maximizing sustainable, long-term revenue  
6           for the State, including a detailed market analysis.

7           (c) The Department shall impose the following licensing and operating  
8           fees:

9           (1) A new agent shall pay a one-year license fee of \$50,000.00. If after  
10           the first year of licensure there are not significant ownership or other changes  
11           as determined by the Department, an annual license renewal fee shall be  
12           \$20,000.00. Licenses shall be valid for one year from the date of issuance.  
13           License fees shall not be prorated.

14           (2) A licensed agent shall pay an annual operational fee of \$100,000.00.

15           § 1305. PROHIBITED ACTIVITIES

16           The Department’s agents are prohibited from the following activities:

17           (1) accepting or making payment relating to sports wagers made by  
18           prohibited sports bettors;

19           (2) accepting sports wagers on prohibited sports events; or

20           (3) accepting sports wagers from persons who are physically outside the  
21           State of Vermont at the time the sports wager is placed.

1     § 1306. PROCEEDS TO GENERAL FUND

2             The proceeds received by the Department from sports wagering, less the  
3     administrative costs of the Department, shall be deposited in the General Fund.

4     § 1307. MAINTAINING SPORTS INTEGRITY

5             The Department and its agents may participate in national and international  
6     monitoring services and associations and may share betting information with  
7     those entities and sports governing bodies in order to ensure the integrity of  
8     sports wagers and sports events. The Commissioner may restrict, limit, or  
9     exclude wagering on a sports event if the Commissioner determines that the  
10    restriction, limitation, or exclusion is necessary to ensure the integrity of the  
11    sportsbook.

12    § 1308. ACCESS TO FINANCIAL REPORTS

13            The Department may require financial and compliance reports from its  
14    agents at any time and may conduct audits of these reports to ensure that the  
15    State receives the contractual share of revenue.

16    § 1309. COMPLIANCE OVERSIGHT

17            (a) The Department shall retain oversight of its agents to ensure that all  
18    sports wagering activities are conducted in accordance with this chapter, any  
19    contractual terms, and any procedures adopted by the Department.

20            (b) Any failure to comply with this chapter, contractual terms, or any  
21    procedures adopted by the Department may be brought before the Board of

1 Liquor and Lottery. The Board shall have the authority to impose sanctions on  
2 an agent for a violation, including monetary penalties, suspension of agent  
3 operations within the State, and the termination of all agent operations within  
4 the State. The Department may also bring an action in a Vermont court for  
5 damages, injunctive relief, or enforcement of monetary penalties related to any  
6 contract violation.

7 **§ 1310. RESPONSIBLE GAMING SPECIAL FUND**

8 **(a) There is established the Responsible Gaming Special Fund that shall be**  
9 **managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Annually, an**  
10 **amount equal to 2.5 percent of the annual sports wagering revenue received by**  
11 **the Department of Liquor and Lottery shall be credited to this Fund.**

12 **(b) This Fund shall be available to the Department of Mental Health for:**

13 **(1) providing support to agencies, organizations, and persons that**  
14 **provide education, assistance, awareness, treatment, and recovery services to**  
15 **persons and families experiencing difficulty as a result of addictive or**  
16 **problematic gambling;**

17 **(2) promoting public awareness of and providing education about**  
18 **gambling addiction;**

19 **(3) establishing and funding programs to certify addiction counselors;**

20 **(4) promoting public awareness of assistance programs for gambling**  
21 **addiction;**

- 1           (5) paying the costs and expenses associated with the treatment of  
2 gambling addiction; and  
3           (6) funding a helpline with text messaging and online chat capabilities.  
4           (c) On or before January 15 of each year, the Department of Mental Health  
5 shall submit to the General Assembly a report detailing the expenditures from  
6 the Fund in the preceding fiscal year and summarizing the programs and  
7 activities supported by those expenditures.

8           § 1311. CONFIDENTIALITY OF RECORDS

9           (a) When produced or acquired by the Department pursuant to this chapter,  
10 the 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) any lists of names, including information related to voluntary self-  
14 exclusion;  
15           (3) trade secrets, business records, financial records, and related  
16 information; and  
17           (4) records relating to agent security, technology, facilities, or systems.

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     § 1312. CRIMES AND PENALTIES

2           (a) A person who is not permitted to conduct sports wagering pursuant to  
3     this chapter that operates, conducts, or exposes sports wagering for play or  
4     accepts a bet or wager associated with sports wagering shall be fined not more  
5     than \$10,000.00 or imprisoned not more than six months, or both.

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

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

12           Second: In Sec. 18, effective dates, in subsection (a), following “(VEDA  
13    Short-Term Forgivable Loan Program),” by striking out the word “and”  
14    preceding “Sec. 15(b)–(d)”, and following “Sec. 15(b)–(d) (appropriations)” by  
15    inserting , and Sec. 17a preceding “shall take effect on passage.”