

Report and Recommendations of the 2022 Sports Betting Study Committee

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Introduction

Creation and Statutory Charge

The 2022 Sports Betting Study Committee was established in [2022 Act No. 183, Sec. 55](#). In Act 183, the General Assembly structured the Study Committee and enumerated a series of findings related to the proliferation of legal sports wagering and the potential revenue that could be generated in Vermont. In creating the Study Committee, the General Assembly expressed its intent as:

“Given the widespread participation in sports betting, the General Assembly finds that careful examination of whether and how best to regulate sports betting in Vermont and protect Vermonters involved in sports betting is necessary.”

Accordingly, the General Assembly established the Sports Betting Study Committee to study and report on whether and how to regulate sports betting in Vermont. Act 183 established the Study Committee as a nine-member committee representing the Attorney General or designee, Commissioner of Liquor and Lottery or designee, Commissioner of Taxes or designee, Secretary of State or designee, Secretary of Commerce and Community Development or designee, two current members of the Senate, and two current members of the House.

The members of the 2022 Sports Betting Study Committee were:

Wendy Knight, Commissioner of the Department of Liquor and Lottery – *Chair*
Christopher Curtis, Designee for the Office of the Attorney General
John Gortakowski, Designee for the Department of Taxes
Chris Winters, Designee for the Secretary of State
Tayt Brooks, Designee for the Agency of Commerce and Community
Development
Senator Kesha Ram Hinsdale
Senator Dick Sears Jr.
Representative Carol Ode
Representative Matthew Birong

The Study Committee met on September 13, 2022 to elect a chair and set a preliminary agenda. Commissioner Wendy Knight was elected as Chair of the Committee. The Committee determined that it would be appropriate to hold weekly meetings on Tuesdays and to schedule a public hearing. The Committee focused on the statutory charge established in Act 183, which directed the Committee to analyze the 2022 Sports Wagering Study conducted by the Office of Legislative Counsel and the Joint Fiscal Office and to prepare a report containing the Committee’s findings, recommendations for legislative action, and a draft of proposed legislation.

In order to meet the statutory charge set by the General Assembly and submit meaningful recommendations, the Committee focused on the following questions:

- *Should Vermont establish State control or a licensure model for the regulation of sports wagering?*
- *Which State administrative agency should oversee the sports wagering market in Vermont and what regulatory tools will that agency need?*
- *Should Vermont legalize mobile sports wagering or retail sports wagering, or both?*
- *How should Vermont structure a tax on sports wagering revenue?*
- *How should Vermont structure its responsible gaming resources and problem gambling programs?*

The Study Committee held eight meetings dedicated to each of these questions. At these meetings, the Study Committee heard from the following witnesses:

Christopher Curtis, Chief, Public Protection Division, Attorney General's Office
 Tucker Anderson, Legislative Counsel, Office of Legislative Counsel
 Rebecca London, Government Affairs Manager, Draft Kings
 John Herko
 Graham Campbell, Senior Fiscal Analyst, Joint Fiscal Office
 James Pepper, Chair, Cannabis Control Board
 Andrew Winchell, Director of Governmental Affairs, FanDuel
 Charles McIntyre, Executive Director, NH Lottery Commission
 Danny Maloney, Director of Sports Betting, NH Lottery Commission
 Greg Smith, President & CEO, Connecticut Lottery Corporation
 Danny DiRienzo, Senior Director, Government Relations, GeoComply
 Brianne Doura-Schawohl, Founder, National Council on Problem Gambling
 Marlene Warner, CEO, The Massachusetts Council on Gaming and Health, INC.

The witnesses' written testimony and other documents can be found on the [Study Committee's information page](#). The Study Committee's meetings and the public hearing can be viewed on the [Vermont Legislative Study Committees](#) YouTube page.

The Committee has organized its findings into six primary recommendations:

- Vermont Should Establish a State-Controlled Market
- Vermont Should Grant the Department of Liquor and Lottery the Administrative Authority Over Sports Wagering
- Vermont Should Ensure That the Administrative Agencies Have Sufficient Authority to Respond to the Rapidly Changing Market
- Vermont Should Legalize Mobile and Online Sports Wagering
- Vermont Should Establish a Revenue Share through the Competitive Bidding Process
- Vermont Should Adopt Comprehensive Responsible Gaming Measures

The report contains a section dedicated to each of these recommendations. Each section explains the Study Committee's findings, contextualizes the regulatory approach for the recommendation, and provides legislative proposals for a sports wagering bill.

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Recommendation for Regulatory Model

Vermont Should Establish a State-Controlled Market.

The Committee analyzed the existing sports wagering markets, with a particular focus on states in the New England and greater Northeast region. The Committee considered three general options:

- Prohibition. This model follows the current legal regime in Vermont, which prohibits sports wagering and applies criminal penalties to individuals offering or engaging in sports wagering.
- State Control. This model authorizes the State to operate sports wagering either as a form of lottery game or as a franchised market. For the latter, the State would establish exclusive contracts with sports wagering operators who wish to operate a sportsbook in Vermont.
- Licensed Market. This model authorizes sports wagering operators to open a sportsbook in Vermont, provided that they meet the qualifications for licensure.

As a first step, the Committee determined that *the State's interests would be best served by legalizing sports wagering*. The Committee determined that a legal and regulated market would align with the Committee's institutional priorities, including:

- converting the illegal market into a robust, regulated market;
- providing consumers with a safer and more secure product, including strong consumer protections that do not exist in the illegal market;
- **establishing strong and responsive administrative authority;**
- monitoring wagering activity to detect impacts on the integrity of both sports and wagering systems;
- funding responsible gaming and educational programs; and
- establishing State revenue through the application of a tax or revenue share.

The Committee then compared the costs and benefits of a state-control model against a licensed-market model. The Committee considered the following factors:

- The licensure model typically involves fewer “absolute barriers to entry” and may result in a more competitive and robust market.
- States that implement the licensure model may generate higher handles, which may result in relatively high gross gaming revenue that is subject to taxation.
- The licensure model may allow a more diverse array of products to enter the market, which results in more people converting from the illegal market to the regulated market.
- The licensure model has primarily been implemented by states that had existing licensing structures and gaming control boards. The majority of these states leveraged existing gaming licenses to ensure that new operators would partner with an in-state entity, such as a casino or racetrack.

- Control states typically had fewer operators, but those operators are “high quality” entities that offer competitive betting lines.
- Control states that selected sports wagering operators through a competitive bidding process often succeeded in finding operators that agreed to a high revenue share.
- The control-state model does not necessitate the establishment of a new administrative structure, such as a gaming control board, if one does not already exist.
- In New England, nearly all of the regulated markets have established some form of the state-control model where operators or platform providers are selected directly by the state, either through franchise or by competitive bid for licensure (New Hampshire, New York, Connecticut, and Rhode Island).

The Committee then considered Vermont’s existing wagering market, administrative structures, and potential in-state partners. Because Vermont does not have regulated gaming entities, such as casinos or racetracks, the Committee found that the best enterprise that that State can leverage is the Department of Liquor and Lottery. The Committee considered the Department’s current role as a controlling enterprise for spirits and lottery, and determined that the State should authorize the Department to offer sports wagering to Vermont consumers.

After examining the various control states, the Committee determined that *the Department should not offer its own sports wagering platform through the State Lottery*. The Committee analyzed states that have established unique wagering platforms and found that those states suffered from slow implementation, lower customer engagement, and lower revenue generation.

Instead, the Committee determined that *the State would be best served by conducting a competitive bidding process*, which would allow the Department to select the most qualified operators based on the State’s institutional priorities. The Committee found that the control states that used a bidding process were more successful at finding high quality operators and efficiently introducing an active and robust market.

Recommendation: Vermont should establish a state-control model that authorizes the Department of Liquor and Lottery to select operators through a competitive bidding process.

Legislative Proposals:

The Committee recommends that a sports wagering bill should authorize the Commissioner of Liquor and Lottery to establish exclusive contracts to offer sports wagering within the State:

The Commissioner shall negotiate and contract to authorize a minimum of two but not more than six agents to operate a sportsbook in Vermont through a mobile

sports wagering platform. This subsection shall not be construed to require the Department to authorize unqualified applicants to conduct a sportsbook and the Department may authorize a single agent to conduct a sportsbook if there are not a sufficient number of qualified applicants.

The Committee recommends authorizing a “minimum of two but not more than six” operators. It was the consensus of the Committee that the State should not establish a single rights-holder, unless the competitive bidding process does not result in more than one qualified bidder. The Committee also determined that a maximum number of operators should be established due to the relative size of Vermont’s market. The Committee determined that six operators would be an appropriate maximum threshold.

The Committee recommends that a sports wagering bill should establish a competitive bidding process for the selection of the State’s sports wagering operators:

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

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

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

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

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

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

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

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

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

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

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Recommendation for Administrative Authority

Vermont Should Grant the Department of Liquor and Lottery the Administrative Authority Over Sports Wagering.

As a component of the Committee's discussions concerning the state-control model, the Committee examined models for both centralized and decentralized structures for sports wagering regulation. Under a centralized model, a primary agency such as a gaming control board assumes the bulk of the regulatory authority over the sports wagering market. In a decentralized model, multiple agencies are granted regulatory authority over separate, discrete components of the market.

The Committee determined that the State would be best served by consolidating regulatory authority within a primary agency. Primarily, the Committee considered the current role of the Department of Liquor and Lottery with respect to control of the spirits market. The Committee found that the Department should be granted primary regulatory authority over the sports wagering market, including the competitive bidding process.

However, the Committee did recommend the decentralization of some administrative functions. Primarily, the Committee recommends assigning authority over problem gambling resources and related public health studies to the Department of Mental Health.

Recommendation: Grant the Department of Liquor and Lottery the authority to operate and regulate sports wagering, and assign the Department of Mental Health the duty of administering and studying problem gambling services.

Legislative Proposals

The Committee recommends assigning primary regulatory authority and duties to the Department of Liquor and Lottery. While the Committee did not discuss the substantive duties or authority that may be delegated, the Committee notes that the General Assembly could propose a structure similar to the Senate's proposals in 2022:

Example of Administrative Duties

- (a) The Department, either independently or through its agent, shall provide:
- (1) Age verification measures to be undertaken to block access to and prevent sports wagers by persons under (X) years of age.
 - (2) Identity verification through secure online databases or by examination of photo identification.
 - (3) That mobile sports wagers must be initiated and received within the State of Vermont and may not be intentionally routed outside the State. The incidental intermediate routing of a mobile sports wager shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

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

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

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

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

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

(c) The Department shall only approve wagers on categories of events where:

* * *

Examples of Regulatory Authority

(a) The Board shall adopt [rules or procedures] pursuant to this section that govern the following minimum standards for the Department's agents:

(1) Minimum computer system security, including:

* * *

(2) sports wagering system requirements that meet or exceed Gaming Laboratories International's GLI-33: Standards for Event Wagering Systems, and its appendices, as amended or modified (GLI-33);

(3) minimum house rules, including:

* * *

(4) minimum accounting controls, including:

* * *

(5) minimum internal control standards; and

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

Examples of Authority Over Competitive Bidding Standards and Procedures

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

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

* * *

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

* * *

Examples of DMH Authority Over Problem Gambling Resources and Studies

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

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

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

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

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

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

(5) paying the costs and expenses associated with the treatment of gambling addiction; and

(6) funding a helpline with text messaging and online chat capabilities.

(c) On or before January 15 of each year, the Department of Mental Health shall submit to the General Assembly a report detailing the expenditures from the Fund in the preceding fiscal year and summarizing the programs and activities supported by those expenditures.

Recommendation for Regulatory Tools and Scope of Administrative Authority

Vermont Should Ensure That the Administrative Agencies Have Sufficient Authority to Respond to the Rapidly Changing Market

The Committee examined issues related to the scope of administrative authority in the states with legal sports wagering markets. As a component of the Committee discussions, the members analyzed the costs and benefits of establishing a robust and responsive regulatory structure. The discussion focused on two essential questions: (1) how to balance statutory requirements with regulatory authority and (2) whether the State would need to establish a new, dedicated administrative structure to regulate sports wagering.

The Committee first determined that the Department of Liquor and Lottery should be granted broad regulatory authority that will allow the Department to quickly and efficiently respond to advancement in the sports wagering market. The Committee recommends that the delegating statute should grant regulatory flexibility that is guided by the findings and intent of the General Assembly.

The Committee then determined that the Department of Liquor and Lottery would be able to exercise the assigned regulatory authority without the need to create a new regulatory body to oversee sports wagering. The Committee recommends that the State leverage its existing resources.

Recommendation: Provide expanded regulatory authority to the Department of Liquor and Lottery to establish a robust and responsive administrative structure.

Vermont Should Legalize Mobile and Online Sports Wagering.

The Committee examined models for the legalization of both mobile and retail sports wagering. Mobile sports wagering is wagering conducted *through an electronic device* such as a smart phone, tablet, or computer. Retail wagering is conducted *in-person*, typically at a location such as a betting lounge or sports bar. In some states, retail wagering is conducted through kiosks that are located at licensed lottery locations.

While balancing mobile and retail wagering models, the Committee considered the following factors:

- The majority of sports wagers are now placed via mobile and online platforms.
- The mobile wagering market provides regulators with more tools to:
 - “know the customer” and confirm the identity of a bettor;
 - monitor wagering irregularities;
 - audit transactions and other financial records;
 - transfer funds without the risk of handling large sums of cash;
 - attract customers who are currently betting online through the illegal market; and
 - quickly introduce the regulated market.
- Mobile wagering requires access to mobile devices or the Internet, and people without those resources may be more likely to access sports wagering through retail locations.
- The retail market attracts “high volume” and savvy bettors.
- Retail wagering locations offer a more social experience and may be used primarily by bettors who prefer more traditional means of wagering.
- Retail wagering requires significant capital investments and sufficient regional population to support the retail locations.
- The retail market may require more intensive and costly regulatory presence, such as increased surveillance requirements and the physical presence of gaming control staff at decentralized locations.

Based on the testimony and evidence presented by experts and regulators, the Committee has found that the best option for Vermont is to first open the sports wagering market with mobile and online wagering. The Committee then recommends that the Department of Liquor and Lottery could conduct a feasibility study to determine whether retail wagering could be successful in certain locations.

Recommendation: Legalize mobile sports wagering and study the feasibility of a retail wagering model.

Legislative Proposals:

The Committee recommends that a sports wagering bill should initially confine sports wagering to mobile platforms, including a definition for “mobile sports wagering” that excludes retail or in-person wagering:

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

The Committee additionally recommends that a sports wagering bill should authorize the Department of Liquor and Lottery to conduct a feasibility study that will be submitted to the General Assembly in 2024. The feasibility study could be designed to reflect studies conducted in other states, including Massachusetts:

The Department of Liquor and Lottery shall study the feasibility of authorizing retail wagering locations in the State, including whether the State should authorize the operation of sports wagering kiosks. The study shall include an analysis of:

- (1) the economic impact on retail establishments that serve alcoholic beverages for on premises consumption, such as restaurants and bars;
- (2) whether Vermont has existing retail locations that may be able to operate retail sports wagering;
- (3) the economic impact to the State;
- (4) the methods and availability of payouts of winnings by retail sports wagering locations;
- (5) the public health and safety impacts of authorizing retail wagering locations;
- (6) the potential effect of retail sports wagering locations on problem gaming or gambling; and
- (7) the public health and economic impact of this method of sports wagering as an alternative to the illegal market.

Vermont Should Establish a Revenue Share Through the Competitive Bidding Process

The Committee examined different state models for the taxation of sports wagering revenue. The Committee did not focus on a particular region or model of regulation. Instead, the Committee analyzed tax and revenue models that fell into four major categories:

- More Operators; Low Tax Rate. This model is used by states that have established either an open licensure market *or* that have established exclusive franchises where “high quality” operators have been granted operator contracts. The tax rates in these states are typically fixed in statute and are on the lower end of the tax range that the Committee studied. The tax rates for these states are generally less than 20 percent. States with this model include Tennessee, New Jersey, West Virginia, Iowa, Indiana, Michigan, Colorado, Illinois, and Virginia.
- More Operators; High Tax Rate. This model is used by states that have established the “more operators” or “high quality operators” model outlined above and that have enacted or adopted relatively high tax rates. The tax rates for these states were generally between 35 percent and 51 percent. States under this model include Pennsylvania, New Hampshire, and Rhode Island.
- Fewer Operators; Low Tax Rate. This model is used by states that have established a model with relatively few operator licenses or exclusive rights holders. Further, this model generally excludes “high quality operators” that offer competitive lines. The tax rates in these states are typically fixed in statute and fall within the lower end of the tax range that the Committee studied. The tax rates in these states were generally between 10 percent and 20 percent. States with this model include Mississippi and Arkansas.
- Fewer Operators; High Tax Rate. This model is used by states that have established the “few operator” model outlined above. In these states, the tax rates are established somewhat evenly between statute and negotiated revenue share rates. States under this model include Oregon, Montana, and Washington, DC.

The Committee also analyzed the varying models for how “sports wagering revenue” might be defined in statute or rule. In the states with legal markets, one of the primary considerations was whether operators should be able to deduct promotional credits or advertising expenses from the adjusted gross revenue that is subject to a sports wagering tax.

With respect to tax models, the Committee received testimony from multiple stakeholders who expressed differing views on how the tax model should be structured. Given that the

Committee had determined that Vermont should establish a State-controlled market, the primary discussion was around whether a tax rate should be established in statute or whether the Department of Liquor and Lottery should incorporate a “revenue share” as a component of the competitive bidding process.

In general, the witnesses in favor of establishing a fixed statutory tax rate highlighted the following benefits:

- A statutory tax rate offers operators a higher level of predictability, which allows the operator to offer more competitive lines.
- States with more open markets and fixed tax rates have more competition in the market place, which allows the operators to offer better products to consumers.
- A statutory tax rate within the lower range of taxes will allow operators to compete with illegal operations, thereby converting more of the illegal market to the regulated market.

The witnesses who testified concerning the “revenue share” model highlighted the following benefits:

- The competitive bidding process typically results in a revenue sharing agreement with a higher revenue share for the state and higher revenue rates on a per capita basis.
- Incorporating the revenue share as a component of the competitive bidding process allows the State to balance priorities and negotiate a tax rate with the most qualified bidders.
- The revenue share model does not preclude the setting of a minimum tax rate in statute, but does allow the tax “ceiling” to be negotiated by the State and the bidders.

After considering the testimony, the Committee determined that the State would be best served by authorizing the Department of Liquor and Lottery to negotiate a revenue share through the competitive bidding process. The Committee also determined that the State should consider setting a minimum statutory tax rate, but declined to make a formal recommendation as to what the minimum rate would be.

Recommendation: Authorize the Department of Liquor and Lottery to establish a revenue share as a component of the competitive bidding process.

Legislative Proposals:

The Committee first recommends that the General Assembly define adjusted gross sports wagering revenue for purposes of the revenue share:

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

The Committee also recommends establishing the revenue share as a mandatory component of the competitive bidding process, selection of operators, and the contract to offer sports wagering within the State:

The Board’s guidelines shall require an applicant to include the following in the proposal:

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

Finally, the Committee recommends incorporating revenue share as a mandatory duty of any agent selected by the Department through the competitive bidding process. The General Assembly may consider providing for a minimum revenue share:

Each agent shall pay to the Department a revenue share that is determined through the competitive bidding process [, provided that any agent shall pay a revenue share that is not less than X percent of gross sports wagering revenue].

Vermont Should Adopt Comprehensive Responsible Gaming Measures

The Committee examined the responsible gaming measures that have been enacted in the states with legal sports wagering markets. The Committee examined responsible gaming measures in the following general categories:

- Responsible gaming as a component of consumer protection. This category focused on measures that ensure that consumers have access to information about their wagering activity, the rules of the wagering “games” that they are playing, and appropriate notices about their wagering account.
- Responsible gaming tools within the mobile platform. This category focused on the measures that some states have implemented to ensure that players are able to self-restrict their, initiate deposit limits, or establish breaks in play.
- Restrictions on indebtedness and multiple accounts. This category focused on statutory prohibitions against the extension of credit, the types of payment accounts that may be established by a customer, and the number of accounts that may be established by a single customer.
- Funding and studies concerning problem gambling. This category focused on the development of problem gambling resources and periodic studies to audit the State’s structures for responsible gaming and problem gambling treatment.

The Committee took extensive testimony concerning responsible gaming, how to structure consumer protection within a legal market, and how to ensure that administrative agencies have the best tools and information to address problem gambling.

The Committee also analyzed the existing consumer protection measures in the statutes governing fantasy sports contests, [9 V.S.A. chapter 116](#). The Committee determined that the existing fantasy sports contest statutes should act as a “regulatory floor” for establishing comprehensive responsible gaming measures in the context of sports wagering. If the General Assembly adopts the recommendations of the Committee concerning responsible gaming, then the Committee would recommend updating the fantasy sports contest consumer protection provisions to align the respective operator requirements.

Ultimately, the Committee determined that Vermont would be best served by adopting comprehensive responsible gaming measures similar to Massachusetts, New York, and Connecticut. Specifically, the Committee recommends that the State adopt the following responsible gaming measures:

- Require operators to:
 - adopt and annually submit a responsible gaming plan, which will be available to the public;
 - provide consumer protection notices that are at least as comprehensive as the current requirements for “fantasy sports contest operators” pursuant to 9 V.S.A. Chapter 116;

- allow customers to set deposit limitations, betting limits, and to establish breaks in play;
 - provide customers with access to records concerning their wagering activities; and
 - allow customers to irrevocably self-restrict their ability to play for a period of time.
- Prohibit operators from extending credit to customers.
 - Prohibit customers from using a credit card to establish an account.
 - Establish a Responsible Gaming Special Fund to support both responsible gaming education and problem gambling services.
 - Require periodic audits and reports concerning the State's responsible gaming measures, problem gambling services, and the socioeconomic impacts of gambling within the State.

Recommendation: The State should adopt comprehensive responsible gaming requirements that are aligned with current best practices.

Legislative Proposals:

The Committee recommends that a sports wagering bill should require each operator to adopt a responsible gaming plan. Further, the Department of Liquor and Lottery and Department of Mental Health should annually submit a report to the General Assembly concerning problem gambling in Vermont:

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

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

The Committee also recommends that a sports wagering bill should include an enumerated list of operator duties related to responsible gaming, subject to monitoring and enforcement:

(a) The Department shall ensure that any agent operating in the State operates a mobile sports wagering platform that:

- (1) prohibits an individual from establishing more than one account;
- (2) limits a person to the use of only one debit card for an account;
- (3) allows a person to limit the amount of money that may be deposited into an account and spent per day through an account;
- (4) establishes a voluntary self-exclusion process to allow a person to:
 - (A) exclude themselves from establishing an account;
 - (B) exclude themselves from placing wagers through an account; or
 - (C) limit the amount such person may spend using such an account;
- (5) provides responsible gambling and problem gambling information to participants; and
- (6) conspicuously displays on each applicable Internet website or mobile application:
 - (A) a link to a description of the provisions of this subsection (c);
 - (B) a link to responsible gambling information;
 - (C) a toll-free telephone number an individual may use to obtain information about problem gambling;
 - (D) a link to information about the voluntary self-exclusion process described in subdivision (4) of this subsection;
 - (E) a periodic pop-up message displaying the amount of time an individual has spent on the agent's Internet website or mobile application;
 - (F) a means to initiate a break in play to discourage excessive play; and
 - (G) a clear display of the amount of money available to the individual in the individual's account.

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

Finally, the Committee recommends that a sports wagering bill should establish special fund dedicated to addressing responsible gaming and problem gambling within the State:

(a) There is established the Responsible Gaming Special Fund that shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Annually, an amount equal to X percent of the annual sports wagering revenue received by the Department of Liquor and Lottery, but not less than \$X.XX, shall be credited to this Fund.

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

- (1) providing support to agencies, organizations, and persons that provide education, assistance, awareness, treatment, and recovery services to persons and families experiencing difficulty as a result of addictive or problematic gambling;
- (2) promoting public awareness of and providing education about gambling addiction;

(3) establishing and funding programs to certify addiction counselors;
(4) promoting public awareness of assistance programs for gambling
addiction;

(5) paying the costs and expenses associated with the treatment of
gambling addiction; and

(6) funding a helpline with text messaging and online chat capabilities.

(c) On or before January 15 of each year, the Department of Mental Health
shall submit to the General Assembly a report detailing the expenditures from the
Fund in the preceding fiscal year and summarizing the programs and activities
supported by those expenditures.

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