

1 H.127

2 An act relating to sports wagering

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

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

5 CHAPTER 25. SPORTS WAGERING

6 Subchapter 1. Authority of the Department

7 § 1301. DEFINITIONS

8 As used in this chapter:

9 (1) “Adjusted gross sports wagering revenue” means gross sports
10 wagering receipts, excluding voided bets, less winnings paid to authorized
11 participants and any federal excise tax.

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

13 (3) “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 (4) “Commissioner” means the Commissioner of Liquor and Lottery or
17 designee.

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

19 (6) “High school sports event” means a sports or athletic event
20 participated in or offered or sponsored by a public or private institution that
21 offers educational services at the secondary level.

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

4 (8) “Operator” means a party who is authorized by contract or
5 agreement with the Department to conduct a sportsbook.

6 (9) “Prohibited sports bettor” means:

7 (A) any member or employee of the Department and any spouse,
8 child, sibling, or parent residing in the same household as a member or
9 employee of the Department;

10 (B) any principal or employee of any operator;

11 (C) any contractor of the Department or its operators when the
12 contract relates to the conduct of sports wagering;

13 (D) any contractor or employee of an entity that conducts sports
14 wagering in another jurisdiction when the bettor, as a result of the bettor’s
15 contract or employment, possesses confidential or nonpublic information
16 relating to the wager being placed;

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

20 (F) any sports agent, owner, or employee of a team; player; umpire;
21 referee; coach; union official; or official of a sport’s governing body if the

1 sports wager is based in whole or in part on a sport or athletic event overseen
2 by the governing body that oversees the individual's sport;

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

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

6 (10)(A) "Prohibited sports event" means any:

7 (i) collegiate sports event in which one of the participants is a
8 collegiate team of a college institution that is primarily located in Vermont,
9 unless the collegiate sports event is subject to the provisions of subdivision (B)
10 of this subdivision (10);

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

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

15 (B) "Prohibited sports event" does not mean the games of a collegiate
16 sports tournament in which a Vermont college team participates, nor does it
17 include any games of a collegiate sports tournament that occur outside
18 Vermont even though some of the individual games or events are held in
19 Vermont.

20 (11) "Sportsbook" means the business of accepting sports wagers on any
21 sports event by any system or method of wagering.

1 (12) “Sports event” means an event at which two or more persons
2 participate in a sports or athletic event. “Sports event” also means horse racing
3 and equestrian events.

4 (13) “Sports governing body” means the organization that prescribes
5 final rules and enforces codes of conduct with respect to a sporting event and
6 the participants in a sporting event.

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

9 (15)(A) “Sports wagering” means wagering on:

10 (i) sporting events or any portion of a sporting event; or

11 (ii) the individual performance statistics of athletes participating in
12 a sports event or a combination of sports events.

13 (B) “Sports wagering” means wagering on the matters enumerated in
14 subdivision (A) of this subdivision (15) by any system or method of wagering,
15 including in-person communication and electronic communication through
16 Internet websites accessed via a mobile device or computer and mobile device
17 applications.

18 (C) “Sports wagering” includes single game bets, teaser bets, parlays,
19 over-under bets, money line bets, pools, exchange wagering, in-game
20 wagering, in-play bets, proposition bets, and straight bets.

1 (D) “Sports wagering” does not mean participation in a fantasy sports
2 contest pursuant to subchapter 3 of this chapter.

3 (16) “Type of wager” means the form of a wager offered by an operator,
4 such as those described in subdivision (15)(C) of this section.

5 § 1302. DEPARTMENT OF LIQUOR AND LOTTERY; AUTHORITY AND
6 DUTIES

7 (a) The Department is authorized to operate sports wagering within the
8 State.

9 (b)(1) The Commissioner shall negotiate and contract to authorize a
10 minimum of two but not more than six operators to operate a sportsbook in
11 Vermont through a mobile sports wagering platform.

12 (2) This subsection shall not be construed to require the Department to
13 authorize unqualified applicants to conduct a sportsbook. If the competitive
14 bidding process fails to produce a sufficient number of qualified applicants, the
15 Department may:

16 (A) decline to authorize any operators to operate a sportsbook; or

17 (B) authorize a single operator to conduct a sportsbook.

18 (c) The Department, either independently or through its operator, shall
19 provide:

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

1 (2) Identity verification through secure online databases or by
2 examination of a person's photo identification and the review of a
3 supplemental, contemporaneous photograph of the person.

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

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

11 (5) A statewide voluntary self-exclusion program for players to exclude
12 themselves from wagering for a set period of time. The Department shall
13 establish a uniform self-exclusion program that ensures a listed player is
14 excluded from placing wagers with any of the State's authorized sports
15 wagering operators and fantasy sports contest operators.

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

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

1 (d) A sports governing body or college may request that the Department
2 restrict, limit, or exclude wagering on a sporting event or series of sporting
3 events. The Department shall review the request and seek input from the
4 Department's operators. If the Department determines it is appropriate, then
5 the Department may grant the request or part of the request to prohibit
6 unlawful activity, protect the integrity of the event, or protect public
7 confidence in the integrity of the sports event.

8 (e) The Department shall have authority to review and approve types of
9 wagers and categories of sports events before an operator is permitted to offer
10 the wager to the public. The Department shall approve types of wagers and
11 categories of sports events in a reasonable time frame. Once a particular
12 category of sports event or type of wager is approved for its first use, it may be
13 used on multiple events without further approval. The Department may issue
14 general approval for operators to offer wagers on enumerated categories of
15 sports events and types of wagers.

16 (f) The Department shall only approve wagers on sports events that:

17 (1) have verifiable outcomes that can be generated by a reliable and
18 independent processes; and

19 (2) are conducted in conformity with applicable laws.

20 (g) The Department shall include in its contract with each operator:

1 (1) a provision that prohibits the use of sports wagering advertisements,
2 logos, trademarks, or brands on products that are sold in Vermont and intended
3 primarily for persons under 21 years of age; and

4 (2) an advertising plan, which shall include strategies to limit unwanted
5 advertising and advertising aimed at persons under 21 years of age.

6 § 1303. PROCEDURES

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

15 (2) The Board shall not be required to initiate rulemaking pursuant to
16 3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section.

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

20 (b) The Board shall adopt procedures pursuant to this section that govern
21 the following minimum standards for the Department's operators:

1 (1) minimum computer system security, including:

2 (A) documented system security testing performed by a licensed

3 third-party contractor approved by the Department;

4 (B) unique identification and verification systems for wagers;

5 (C) procedures to prevent past posting of wagers;

6 (D) minimum data that must be recorded relating to each wager;

7 (E) system redundancy to ensure recording of wagers during a system
8 outage; and

9 (F) integration with an independent control system to ensure integrity
10 of system wagering information;

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

14 (3) minimum house rules, including:

15 (A) the method for calculation and payment of winning wagers;

16 (B) the effect of schedule changes for a sports event;

17 (C) the method of notifying bettors of odds or proposition changes;

18 (D) acceptance of wagers at terms other than those posted;

19 (E) circumstances under which the operator will void a bet; and

20 (F) treatment of errors, late bets, and related contingencies;

1 (4) minimum accounting controls, including:

2 (A) processes for recording the collection of wagers, payment of
3 wagers, and cancellation of wagers issued; and

4 (B) requirements for an annual audit of accounting controls;

5 (5) minimum internal control standards;

6 (6) minimum cash reserves to be maintained by each operator; and

7 (7) promotional play requirements that:

8 (A) require each operator to provide unambiguous notice of the:

9 (i) date and time the promotion or bonus is active and expires;

10 (ii) rules of play;

11 (iii) nature and value of prizes or awards;

12 (iv) eligibility restrictions or limitations;

13 (v) wagering and redemption requirements, including any
14 limitations;

15 (vi) eligible events or wagers;

16 (vii) cancellation requirements; and

17 (viii) terms and conditions that are full, accurate, concise,

18 transparent, and do not contain misleading information;

19 (B) prohibit promotions or bonuses from being described as free or
20 risk-free if those promotions or bonuses require the player to incur any loss or
21 risk the player's own money to use or withdraw winnings from the free wager;

1 (C) prohibit the operator from restricting the player from
2 withdrawing the player's own funds or withdrawing winnings from wagers
3 placed using the player's own funds;

4 (D) ensure that the promotion or bonus rules shall be available to
5 patrons and the Department; and

6 (E) require operators to adopt procedures for the issuance,
7 acceptance, and tracking of promotions or bonuses.

8 § 1304. REVENUES TO SPORTS WAGERING ENTERPRISE FUND

9 The revenues and fees received by the Department pursuant to this chapter
10 shall be deposited in the Sports Wagering Enterprise Fund.

11 § 1305. CONFIDENTIALITY OF RECORDS

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

15 (1) personal information and background check documents;

16 (2) any lists of names, including information related to voluntary self-
17 exclusion;

18 (3) trade secrets, business records, financial records, and related
19 information; and

20 (4) records relating to operator security, technology, facilities, or
21 systems.

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

4 § 1306. EXEMPTION

5 The provisions of 13 V.S.A. chapter 51, relating to gambling and lotteries,
6 shall not apply to sports wagering or a fantasy sports contest conducted
7 pursuant to this chapter.

8 Subchapter 2. Sports Wagering Operators

9 § 1320. SPORTS WAGERING OPERATORS; COMPETITIVE BIDDING

10 PROCESS

11 (a) The Commissioner shall select operators through a competitive bidding
12 process. It is the intent of the General Assembly that the Department shall be
13 guided by and prioritize the following when conducting the competitive
14 bidding process, selecting operators, and structuring agreements with the
15 operators:

16 (1) maximizing revenues to the State;

17 (2) reducing the illegal market and converting wagerers to the legal
18 market; and

19 (3) protecting Vermonters from problem gambling.

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

4 (1) an estimate of the applicant’s potential adjusted gross sports
5 wagering revenue and the percentage of adjusted gross sports wagering
6 revenue from mobile sports wagering the applicant will pay to the State if
7 selected to be an operator;

8 (2) the number of individually branded websites the operator proposes
9 to use for its sports wagering operations in Vermont;

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

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

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

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

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

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

3 (c) Each operator selected through the competitive bidding process shall
4 pay an operator fee of \$550,000.00. The Commissioner and an operator may
5 negotiate the renewal term upon which the fee will be reassessed. However,
6 the Department shall not require an operator to pay the fee more than once in
7 any three-year period.

8 (d) Each operator shall pay to the Department a revenue share that is
9 determined by the Department through the competitive bidding process,
10 provided that the revenue share shall not be less than 20 percent of adjusted
11 gross sports wagering revenue.

12 (e) The Board shall adopt procedures governing the review and
13 consideration of criminal background checks as a component of the
14 competitive bidding process. The procedures shall establish standards for
15 determining whether an applicant should not be selected as an operator due to
16 the criminal history of the applicant's principals or other individuals who
17 control the operator applicant. The Department shall obtain a copy of
18 fingerprint-based Vermont criminal history records, out-of-state criminal
19 history records, and criminal history records from the Federal Bureau of
20 Investigation for each operator applicant, principal of an operator applicant,
21 and any individual who controls an operator applicant.

1 (f) Notwithstanding subsection (e) of this section, the Department may
2 accept third-party criminal background checks submitted by an operator
3 applicant, principal of an operator applicant, or any individual who controls an
4 operator applicant in lieu of obtaining those records from the Vermont Crime
5 Information Center. The third-party background check shall:

6 (1) be conducted by a third-party consumer reporting agency or
7 background screening company that is in compliance with the federal Fair
8 Credit Reporting Act; and

9 (2) include a multistate and multijurisdiction criminal record locator.

10 § 1321. PROHIBITED ACTIVITIES

11 The Department's operators are prohibited from the following activities:

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

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

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

17 § 1322. MAINTAINING SPORTS INTEGRITY

18 The Department and its operators may participate in national and
19 international monitoring services and associations and may share betting
20 information with those entities and sports governing bodies in order to ensure
21 the integrity of sports wagers and sports events. The Commissioner may

1 restrict, limit, or exclude wagering on a sports event if the Commissioner
2 determines that the restriction, limitation, or exclusion is necessary to ensure
3 the integrity of the sportsbook.

4 § 1323. ACCESS TO FINANCIAL REPORTS

5 The Department may require financial and compliance reports from its
6 operators at any time and may conduct audits of these reports to ensure that the
7 State receives the contractual share of revenue.

8 § 1324. COMPLIANCE OVERSIGHT

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

12 (b) Any failure to comply with this chapter, contractual terms, or any
13 procedures adopted by the Department may be brought before the Board of
14 Liquor and Lottery. The Board shall have the authority to impose sanctions on
15 an operator for a violation, including monetary penalties, suspension of
16 operator operations within the State, and the termination of all operator
17 operations within the State. The Department may also bring an action in a
18 Vermont court for damages, injunctive relief, or enforcement of monetary
19 penalties related to any contract violation.

1 § 1325. CRIMES AND PENALTIES

2 (a) A corporation, association, or partnership that is not permitted to
3 conduct sports wagering pursuant to this chapter that operates, conducts, or
4 exposes sports wagering for play or accepts a bet or wager associated with
5 sports wagering shall:

6 (1) for a first violation of this subsection, be fined not more than
7 \$50,000.00 or imprisoned not more than six months, or both;

8 (2) for a second violation of this subsection, be fined not more than
9 \$150,000.00 or imprisoned not more than one year, or both; and

10 (3) for a third or subsequent violation of this subsection, be fined not
11 more than \$300,000.00 or imprisoned not more than two years, or both.

12 (b) An operator who violates a provision of this chapter shall be fined:

13 (1) for a first violation, not more than \$25,000.00;

14 (2) for a second violation, not more than \$75,000.00; and

15 (3) for a third violation, not more than \$150,000.00.

16 (c) Upon the violation of a provision of this chapter by an operator, the
17 Department may terminate its contract with the operator and revoke the
18 operator's privilege to offer sports wagering within the State.

19 Subchapter 3. Fantasy Sports Contests

20 § 1330. DEFINITIONS

21 As used in this subchapter:

1 (1) “Computer script” means a list of commands that can be executed by
2 a program, scripting engine, or similar mechanism that a fantasy sports player
3 can use to automate participation in a fantasy sports contest.

4 (2) “Confidential fantasy sports contest information” means nonpublic
5 information available to a fantasy sports operator that relates to a fantasy sports
6 player’s activity in a fantasy sports contest and that, if disclosed, may give
7 another fantasy sports player an unfair competitive advantage in a fantasy
8 sports contest.

9 (3) “Fantasy sports contest” means a virtual or simulated sporting event
10 governed by a uniform set of rules adopted by a fantasy sports operator in
11 which:

12 (A) a fantasy sports player may earn one or more cash prizes or
13 awards, the value of which a fantasy sports operator discloses in advance of the
14 contest;

15 (B) a fantasy sports player uses the player’s knowledge and skill of
16 sports data, performance, and statistics to create and manage a fantasy sports
17 team;

18 (C) a fantasy sports team earns fantasy points based on the sports
19 performance statistics accrued by individual athletes or teams, or both, in real
20 world sporting events;

1 (D) the outcome is determined by the number of fantasy points
2 earned; and

3 (E) the outcome is not determined by the score, the point spread, the
4 performance of one or more teams, or the performance of an individual athlete
5 in a single real world sporting event.

6 (4) “Fantasy sports operator” means a person that offers to members of
7 the public the opportunity to participate in a fantasy sports contest for
8 consideration.

9 (5) “Fantasy sports player” means an individual who participates in a
10 fantasy sports contest for consideration.

11 (6) “Location percentage” mean the percentage, rounded to the nearest
12 tenth of a percent, of the total of all entry fees collected from fantasy sports
13 players located in Vermont, divided by the total entry fees collected from all
14 fantasy sports players in fantasy sports contests.

15 (7) “Net fantasy sports contest revenues” means the amount equal to the
16 total of all entry fees that a fantasy sports operator collects from all fantasy
17 sports players, less the total of all sums paid out as winnings to all fantasy
18 sports players, multiplied by the location percentage for Vermont.

19 § 1331. CONSUMER PROTECTION

20 (a) A fantasy sports operator shall adopt commercially reasonable policies
21 and procedures to:

1 (1) prevent participation in a fantasy sports contest it offers to the public
2 with a cash prize of \$5.00 or more by:

3 (A) the fantasy sports operator;

4 (B) an employee of the fantasy sports operator or a relative of the
5 employee who lives in the same household; or

6 (C) a professional athlete or official who participates in one or more
7 real world sporting events in the same sport as the fantasy sports contest;

8 (2) prevent the disclosure of confidential fantasy sports contest
9 information to an unauthorized person;

10 (3) require that a fantasy sports player is 18 years of age or older and
11 verify the age of each player using one or more commercially available
12 databases, which the government or businesses regularly use to verify and
13 authenticate age and identity;

14 (4) limit and disclose to prospective players the number of entries a
15 fantasy sports player may submit for each fantasy sports contest;

16 (5) limit a fantasy sports player to not more than one username or
17 account;

18 (6) prohibit the use of computer scripts that provide a player with a
19 competitive advantage over another player;

20 (7) segregate player funds from operational funds, or maintain a reserve
21 in the form of cash, cash equivalents, payment processor receivables, payment

1 processor reserves, an irrevocable letter of credit, a bond, or a combination
2 thereof in an amount that equals or exceeds the amount of deposits in fantasy
3 sports player accounts, for the benefit and protection of fantasy sports player
4 funds held in the player's accounts; and

5 (8) notify fantasy sports players that winnings of a certain amount may
6 be subject to income taxation.

7 (b) A fantasy sports operator shall have the following duties:

8 (1) The operator shall provide a link on its website to information and
9 resources addressing addiction and compulsive behavior and where to seek
10 assistance with these issues in Vermont and nationally.

11 (2)(A) The operator shall enable a fantasy sports player to restrict
12 irrevocably the player's own ability to participate in a fantasy sports contest,
13 for a period of time the player specifies, by submitting a request to the operator
14 through its website or by online chat with the operator's agent.

15 (B) The operator shall provide to a player who self-restricts the
16 player's participation information concerning:

17 (i) available resources addressing addiction and compulsive
18 behavior;

19 (ii) how to close an account and restrictions on opening a new
20 account during the period of self-restriction;

1 (iii) requirements to reinstate an account at the end of the period;

2 and

3 (iv) how the operator addresses reward points and account
4 balances during and after the period of self-restriction, and when the player
5 closes the player's account.

6 (3) The operator shall provide a player access to the following
7 information for the previous six months:

8 (A) a player's play history, including money spent, games played,
9 previous line-ups, and prizes awarded; and

10 (B) a player's account details, including deposit amounts, withdrawal
11 amounts, and bonus information, including amounts remaining for a pending
12 bonus and amounts released to the player.

13 (c)(1) A fantasy sports operator shall contract with a third party to perform
14 an annual independent audit, consistent with the standards established by the
15 American Institute of Certified Public Accountants, to ensure compliance with
16 the requirements in this chapter.

17 (2) The fantasy sports operator shall submit the results of the
18 independent audit to the Attorney General.

19 (d) A fantasy sports operator shall not extend credit to a fantasy sports
20 player.

1 (e) A fantasy sports operator shall not offer a fantasy sports contest based
2 on the performance of participants in college, high school, or youth athletic
3 events.

4 § 1332. FAIR AND TRUTHFUL ADVERTISING

5 (a) A fantasy sports operator shall not depict in an advertisement to
6 consumers in this State:

7 (1) minors, other than professional athletes who may be minors;

8 (2) students;

9 (3) schools or colleges; or

10 (4) school or college settings, provided that an incidental depiction of
11 nonfeatured minors does not violate this section.

12 (b) A fantasy sports operator shall not state or imply in an advertisement to
13 consumers in this State endorsement by:

14 (1) minors, other than professional athletes who may be minors;

15 (2) collegiate athletes;

16 (3) colleges; or

17 (4) college athletic associations.

18 (c)(1) A fantasy sports operator shall include in an advertisement to
19 consumers in this State information concerning assistance available to problem
20 gamblers or shall direct consumers to a reputable source of that information.

1 (2) If an advertisement is of insufficient size or duration to provide the
2 information required in subdivision (1) of this subsection, the advertisement
3 shall refer to a website or application that does prominently include such
4 information.

5 (d) A fantasy sports operator shall only make representations concerning
6 winnings that are accurate, not misleading, and capable of substantiation at the
7 time of the representation. For purposes of this subsection, an advertisement is
8 misleading if it makes representations about average winnings without equally
9 prominently representing the average net winnings of all players.

10 § 1333. REGISTRATION

11 On or before October 15 of each year in which a fantasy sports operator
12 offers a fantasy sports contest to consumers in this State, the operator shall file
13 an annual registration with the Department on a form adopted for that purpose
14 and pay to the Department an annual registration fee in the amount of
15 \$5,000.00.

16 § 1334. ENFORCEMENT

17 (a) A person that violates a provision of this chapter commits an unfair and
18 deceptive act in commerce in violation of 9 V.S.A. § 2453.

19 (b) The Attorney General has the authority to adopt rules to implement the
20 provisions of this chapter and to conduct civil investigations, enter into

1 assurances of discontinuance, and bring civil actions as provided under 9
2 V.S.A. chapter 63, subchapter 1.

3 Subchapter 4. Responsible Gaming and Problem Gambling

4 § 1340. RESPONSIBLE GAMING AND PROBLEM GAMBLING;

5 OPERATOR PLANS, DUTIES, AND REPORT

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

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

19 (c) Problem gambling report. Annually on or before January 15, the
20 Department, in consultation with the Department of Mental Health, shall
21 submit to the General Assembly a report on the impact of sports wagering on

1 problem gambling in Vermont, including an analysis of demographic
2 populations that are disproportionately impacted by problem gambling. The
3 Department may require the operators to pay for the costs associated with
4 preparing and submitting the report.

5 (d) Operator platform requirements. The Department shall ensure that each
6 operator utilizes a mobile sports wagering platform that:

7 (1) prohibits an individual from establishing more than one account;

8 (2) prohibits an individual from using a credit card to establish an
9 account or place wagers;

10 (3) allows a person to limit the amount of money that may be deposited
11 into an account and spent per day through an account;

12 (4) establishes a statewide voluntary self-exclusion process to allow a
13 person to:

14 (A) exclude themselves from establishing an account;

15 (B) exclude themselves from placing wagers through an account; or

16 (C) limit the amount such person may spend using such an account;

17 (5) provides responsible gaming and problem gambling information to
18 participants; and

19 (6) conspicuously displays on each applicable Internet website or mobile
20 application:

21 (A) a link to a description of the provisions of this subsection (d);

1 (B) a link to responsible gaming and problem gambling information;

2 (C) a telephone number that an individual may use to obtain

3 information about problem gambling;

4 (D) a link to information about the voluntary self-exclusion process

5 described in subdivision (4) of this subsection (d);

6 (E) a periodic pop-up message displaying the amount of time an

7 individual has spent on the operator's Internet website or mobile application;

8 (F) a means to initiate a break in play to discourage excessive play;

9 and

10 (G) a clear display of the amount of money available to the individual

11 in the individual's account.

12 (e) Advertising restrictions. Sports wagering advertisements shall not:

13 (1) depict any individual under 21 years of age, except live footage or

14 images of athletes in sporting events on which sports wagering is permitted;

15 (2) depict any individual under 21 years of age in any way that may be

16 construed as the underage individual participating in or endorsing sports

17 wagering; or

18 (3) target individuals under 21 years of age, other individuals who are

19 ineligible to participate in sports wagering, individuals with gambling

20 problems, or other vulnerable individuals.

1 (f) Vermont postsecondary campuses. A postsecondary school located in
2 the State shall not permit sports wagering to be advertised on property
3 belonging to the postsecondary school, except for generally available
4 advertising, including television, radio, and digital advertising. An operator
5 shall not advertise in a manner that targets the area of a college or university
6 campus.

7 § 1341. SPORTS WAGERING ENTERPRISE FUND

8 (a) The Sports Wagering Enterprise Fund is established. It shall consist of
9 all revenues and fees received by the Department pursuant to this chapter and
10 all amounts that are from time to time appropriated to the Department for
11 purposes of this chapter.

12 (b) The Department's administrative and operating costs shall be allocated
13 to and paid from the Fund based on generally accepted accounting principles.

14 § 1341a. PROBLEM GAMBLING PROGRAM

15 (a) The Department of Mental Health shall establish and administer the
16 Problem Gambling Program to:

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

1 (2) promote public awareness of and provide education concerning
2 gambling addiction using online capabilities and other best practices; and

3 (3) promote public awareness of assistance programs for gambling
4 addiction using online capabilities and other best practices.

5 (b) On or before January 15 of each year, the Department of Mental Health
6 shall submit to the General Assembly a report detailing the expenditures
7 related to the Problem Gambling Program in the preceding fiscal year and
8 summarizing the programs and activities supported by those expenditures.

9 Sec. 2. DEPARTMENT OF LIQUOR AND LOTTERY; FANTASY SPORTS

10 CONTEST REPORT AND RECOMMENDATIONS

11 (a) On or before January 15, 2024, the Department of Liquor and Lottery
12 shall submit to the House Committee on Government Operations and Military
13 Affairs and the Senate Committee on Economic Development, Housing and
14 General Affairs a report on the current status of fantasy sports contests in
15 Vermont.

16 (b) The report shall include:

17 (1) an examination of the number of fantasy sports contest operators, the
18 amount of players who participate in fantasy sports contests, and the State's
19 compliance monitoring and enforcement of the laws governing fantasy sports
20 contests; and

1 (2) recommendations for how the current statutes governing fantasy
2 sports contests may be amended to address any issues identified in the report.

3 Sec. 2a. APPROPRIATIONS

4 (a) In fiscal year 2024, the following sums are appropriated from the Sports
5 Wagering Enterprise Fund:

6 (1) \$250,000.00 to the Department of Mental Health for purposes of
7 establishing and administering the Problem Gambling Program;

8 (2) \$550,000.00 to the Department of Liquor and Lottery in anticipation
9 of receipts from sports wagering operator fees; and

10 (3) \$100,000.00 to the Agency of Digital Services for purposes of
11 establishing the self-exclusion program required by this act.

12 (b) The appropriation to the Problem Gambling Program in subsection (a)
13 of this section shall be combined with the fiscal year 2024 funding from the
14 State Lottery Fund for the same purpose. Any contract scope of work,
15 memorandum of understanding parameters, or program design shall be
16 executed in consultation with the Chief Prevention Officer.

17 (1) On or before January 15, 2024, the Department of Mental Health,
18 Department of Liquor and Lottery, and Chief Prevention Officer shall report to
19 the General Assembly on the status of the Problem Gambling Program,
20 Program funding, and the projected use of the Program. The report shall detail
21 how the Program funding aligns with other similar programs.

1 (2) The report required by this subsection shall include
2 recommendations for allocations for problem gambling programs:

3 (A) for fiscal year 2025, in the form of a specific appropriation from
4 each enterprise fund; and

5 (B) for fiscal year 2026 and after, in the form of a recommended
6 minimum appropriation or percentage of revenue allocation from each
7 enterprise fund.

8 Sec. 3. 31 V.S.A. § 655 is amended to read:

9 § 655. DUTIES OF THE COMMISSIONER

10 * * *

11 (b) The Commissioner shall:

12 * * *

13 (7) Subject to the approval of the Board, establish a user agreement
14 with the Vermont Crime Information Center in accordance with 20 V.S.A.
15 chapter 117 for the purpose of obtaining Vermont criminal history records,
16 out-of-state criminal history records, and criminal history records from the
17 Federal Bureau of Investigation to review applications of any sports wagering
18 operator or for any Lottery sales agent license issued under this title.

19 Sec. 4. 32 V.S.A. § 5823 is amended to read:

20 § 5823. VERMONT INCOME OF INDIVIDUALS, ESTATES, AND
21 TRUSTS

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(b) For any taxable year, the Vermont income of a nonresident individual, estate, or trust is the sum of the following items of income to the extent they are required to be included in the adjusted gross income of the individual or the gross income of an estate or trust for that taxable year:

* * *

(6) proceeds from wagering transactions made within the State; or any Vermont State Lottery, tri-state lottery, or multijurisdictional lottery ticket paid to a person who purchased the ticket in Vermont, including payments received from a third party for the transfer of the rights to future proceeds related to the ticket; and the Commissioner may require withholding of any taxes due to the State under this subdivision from payments of wagering or lottery proceeds.

* * *

Sec. 5. REPEAL

9 V.S.A. chapter 116 (fantasy sports contests) is repealed.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.