

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. The Department shall  
16          establish a process that allows a holder of a joint bank account to exclude the  
17          joint account from all operator platforms in the State.

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

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

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

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

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

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

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

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

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

5                   (2) the requirement that the Department and its operators shall  
6                   cooperatively develop an advertising plan, which shall include strategies to  
7                   limit unwanted advertising and advertising aimed at persons under 21 years of  
8                   age; and

9                   (3) a cap on the amount spent by the Department and its operators on  
10                  sports wagering advertising within the State.

11           § 1303. PROCEDURES

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

20                  (2) The Board shall not be required to initiate rulemaking pursuant to  
21                  3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section.

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

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

6           (1) minimum computer system security, including:

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

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

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

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

12          (E) system redundancy to ensure recording of wagers during a system  
13          outage; and

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

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

19          (3) minimum house rules, including:

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

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

- 1           (C) the method of notifying bettors of odds or proposition changes;
- 2           (D) acceptance of wagers at terms other than those posted;
- 3           (E) circumstances under which the operator will void a bet; and
- 4           (F) treatment of errors, late bets, and related contingencies;
- 5           (4) minimum accounting controls, including:
- 6                 (A) processes for recording the collection of wagers, payment of
- 7 wagers, and cancellation of wagers issued; and
- 8                 (B) requirements for an annual audit of accounting controls;
- 9           (5) minimum internal control standards;
- 10           (6) minimum cash reserves to be maintained by each operator; and
- 11           (7) promotional play requirements that:
- 12                 (A) require each operator to provide unambiguous notice of the:
- 13                     (i) date and time the promotion or bonus is active and expires;
- 14                     (ii) rules of play;
- 15                     (iii) nature and value of prizes or awards;
- 16                     (iv) eligibility restrictions or limitations;
- 17                     (v) wagering and redemption requirements, including any
- 18 limitations;
- 19                     (vi) eligible events or wagers;
- 20                     (vii) cancellation requirements; and

1                   (viii) terms and conditions that are full, accurate, concise,  
2 transparent, and do not contain misleading information;

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

6                   (C) prohibit the operator from restricting the player from  
7 withdrawing the player's own funds or withdrawing winnings from wagers  
8 placed using the player's own funds;

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

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

13                   § 1304. REVENUES TO SPORTS WAGERING FUND

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

16                   § 1305. CONFIDENTIALITY OF RECORDS

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

20                   (1) personal information and background check documents;

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

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

5           (4) records relating to operator security, technology, facilities, or  
6           systems.

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

10           § 1306. EXEMPTION

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

14                               Subchapter 2. Sports Wagering Operators

15           § 1320. SPORTS WAGERING OPERATORS; COMPETITIVE BIDDING

16                               PROCESS

17           (a) The Commissioner shall select operators through a competitive bidding  
18           process. It is the intent of the General Assembly that the Department shall be  
19           guided by and prioritize the following when conducting the competitive  
20           bidding process, selecting operators, and structuring agreements with the  
21           operators:

1           (1) maximizing revenues to the State;

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

4           (3) protecting Vermonters from problem gambling.

5           (b) The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to  
6 establish criteria for the selection of operators. 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 adjusted gross sports  
9 wagering revenue and the percentage of adjusted gross sports wagering  
10 revenue from mobile sports wagering the applicant will pay to the State if  
11 selected to be an operator;

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

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

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

18           (5) the applicant's player acquisition model, advertising and affiliate  
19 programs, and marketing budget, including details on how the applicant will  
20 convert customers from wagering through illegal channels to wagering legally  
21 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 assess an annual operator fee based on the  
8 number of operators that are accepted through the competitive bidding process.

9           The annual operator fee shall be assessed as follows:

10           (1) For one operator, \$550,000.00.

11           (2) For two operators, \$275,000.00 per operator.

12           (3) For three operators, \$200,000.00 per operator.

13           (4) For four operators, \$162,500.00 per operator.

14           (5) For five operators, \$140,000.00 per operator.

15           (6) For six operators, \$125,000.00 per operator.

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

20           § 1321. PROHIBITED ACTIVITIES

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

- 1           (1) accepting or making payment relating to sports wagers made by  
2 prohibited sports bettors;  
3           (2) accepting sports wagers on prohibited sports events; or  
4           (3) accepting sports wagers from persons who are physically outside the  
5 State of Vermont at the time the sports wager is placed.

6           § 1322. MAINTAINING SPORTS INTEGRITY

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

14           § 1323. ACCESS TO FINANCIAL REPORTS

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

18           § 1324. COMPLIANCE OVERSIGHT

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

1       (b) Any failure to comply with this chapter, contractual terms, or any  
2       procedures adopted by the Department may be brought before the Board of  
3       Liquor and Lottery. The Board shall have the authority to impose sanctions on  
4       an operator for a violation, including monetary penalties, suspension of  
5       operator operations within the State, and the termination of all operator  
6       operations within the State. The Department may also bring an action in a  
7       Vermont court for damages, injunctive relief, or enforcement of monetary  
8       penalties related to any contract violation.

9       § 1325. CRIMES AND PENALTIES

10       (a) A person who is not permitted to conduct sports wagering pursuant to  
11       this chapter that operates, conducts, or exposes sports wagering for play or  
12       accepts a bet or wager associated with sports wagering shall:

13               (1) for a first violation of this subchapter, be fined not more than  
14       \$25,000.00 or imprisoned not more than six months, or both;

15               (2) for a second violation of this subsection, be fined not more than  
16       \$75,000.00 or imprisoned not more than one year, or both; and

17               (3) for a third or subsequent violation of this subsection, be fined not  
18       more than \$150,000.00 or imprisoned not more than two years, or both.

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

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

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

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

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

5                           Subchapter 3. Fantasy Sports Contests

6           § 1330. DEFINITIONS

7           As used in this subchapter:

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

11           (2) “Confidential fantasy sports contest information” means nonpublic  
12           information available to a fantasy sports operator that relates to a fantasy sports  
13           player’s activity in a fantasy sports contest and that, if disclosed, may give  
14           another fantasy sports player an unfair competitive advantage in a fantasy  
15           sports contest.

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

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

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

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

7           (D) the outcome is determined by the number of fantasy points  
8           earned; and

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

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

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

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

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

5           § 1331. CONSUMER PROTECTION

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

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

10           (A) the fantasy sports operator;

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

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

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

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

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

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

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

7           (7) segregate player funds from operational funds, or maintain a reserve  
8 in the form of cash, cash equivalents, payment processor receivables, payment  
9 processor reserves, an irrevocable letter of credit, a bond, or a combination  
10 thereof in an amount that equals or exceeds the amount of deposits in fantasy  
11 sports player accounts, for the benefit and protection of fantasy sports player  
12 funds held in the player's accounts; and

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

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

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

19           (2)(A) The operator shall enable a fantasy sports player to restrict  
20 irrevocably the player's own ability to participate in a fantasy sports contest,

1 for a period of time the player specifies, by submitting a request to the operator  
2 through its website or by online chat with the operator's agent.

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

5 (i) available resources addressing addiction and compulsive  
6 behavior;

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

9 (iii) requirements to reinstate an account at the end of the period;  
10 and

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

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

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

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

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

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

7       (d) A fantasy sports operator shall not extend credit to a fantasy sports  
8       player.

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

12       § 1332. FAIR AND TRUTHFUL ADVERTISING

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

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

16               (2) students;

17               (3) schools or colleges; or

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

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

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

2           (2) collegiate athletes;

3           (3) colleges; or

4           (4) college athletic associations.

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

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

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

17          § 1333. REGISTRATION

18          On or before October 15 of each year in which a fantasy sports operator  
19          offers a fantasy sports contest to consumers in this State, the operator shall file  
20          an annual registration with the Department on a form adopted for that purpose

1 and pay to the Department an annual registration fee in the amount of  
2 \$5,000.00.

3 § 1334. ENFORCEMENT

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

6 (b) The Attorney General has the authority to adopt rules to implement the  
7 provisions of this chapter and to conduct civil investigations, enter into  
8 assurances of discontinuance, and bring civil actions as provided under 9  
9 V.S.A. chapter 63, subchapter 1.

10 Subchapter 4. Responsible Gaming and Problem Gambling

11 § 1340. RESPONSIBLE GAMING AND PROBLEM GAMBLING;

12 OPERATOR PLANS, DUTIES, AND REPORT

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

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

6       (c) Problem gambling report. Annually on or before January 15, the  
7       Department, in consultation with the Department of Mental Health, shall  
8       submit to the General Assembly a report on the impact of sports wagering on  
9       problem gambling in Vermont, including an analysis of demographic  
10       populations that are disproportionately impacted by problem gambling. The  
11       Department may require the operators to pay for the costs associated with  
12       preparing and submitting the report.

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

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

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

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

20               (4) establishes a statewide voluntary self-exclusion process to allow a  
21       person to:

- 1           (A) exclude themselves from establishing an account;
- 2           (B) exclude themselves from placing wagers through an account; or
- 3           (C) limit the amount such person may spend using such an account;
- 4           (5) provides responsible gaming and problem gambling information to  
5 participants; and
- 6           (6) conspicuously displays on each applicable Internet website or mobile  
7 application:
- 8           (A) a link to a description of the provisions of this subsection (d);
- 9           (B) a link to responsible gaming and problem gambling information;
- 10          (C) a telephone number that an individual may use to obtain  
11 information about problem gambling;
- 12          (D) a link to information about the voluntary self-exclusion process  
13 described in subdivision (4) of this subsection (d);
- 14          (E) a periodic pop-up message displaying the amount of time an  
15 individual has spent on the operator's Internet website or mobile application;
- 16          (F) a means to initiate a break in play to discourage excessive play;
- 17          and
- 18          (G) a clear display of the amount of money available to the individual  
19 in the individual's account.
- 20          (e) Advertising restrictions. Sports wagering advertisements shall not:

1           (1) depict any individual under 21 years of age, except live footage or  
2           images of athletes in sporting events on which sports wagering is permitted;

3           (2) depict any individual under 21 years of age in any way that may be  
4           construed as the underage individual participating in or endorsing sports  
5           wagering; or

6           (3) target individuals under 21 years of age, other individuals who are  
7           ineligible to participate in sports wagering, individuals with gambling  
8           problems, or other vulnerable individuals.

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

15          § 1341. SPORTS WAGERING FUND

16          (a) The Sports Wagering Fund is established. It shall consist of all  
17          revenues and fees received by the Department pursuant to this chapter and all  
18          amounts that are from time to time appropriated to the Department for  
19          purposes of this chapter.

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

1     § 1341a. PROBLEM GAMBLING PROGRAM

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

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

8           (2) promote public awareness of and provide education concerning  
9     gambling addiction;

10          (3) establish programs to certify addiction counselors;

11          (4) promote public awareness of assistance programs for gambling  
12     addiction; and

13          (5) fund a helpline with text messaging and online chat capabilities.

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

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

19             CONTEST REPORT AND RECOMMENDATIONS

20          (a) On or before January 15, 2024, the Department of Liquor and Lottery  
21     shall submit to the House Committee on Government Operations and Military

1 Affairs and the Senate Committee on Economic Development, Housing and  
2 General Affairs a report on the current status of fantasy sports contests in  
3 Vermont.

4 (b) The report shall include:

5 (1) an examination of the number of fantasy sports contest operators, the  
6 amount of players who participate in fantasy sports contests, and the State's  
7 compliance monitoring and enforcement of the laws governing fantasy sports  
8 contests; and

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

11 Sec. 2a. APPROPRIATIONS

12 (a) The following sums are appropriated from the Sports Wagering Fund to  
13 the Department of Mental Health for purposes of establishing and  
14 administering the Problem Gambling Program:

15 (1) in fiscal year 2024, \$250,000.00; and

16 (2) in fiscal year 2025, \$500,000.00.

17 (b) In fiscal year 2024, \$550,000.00 is appropriated from the Sports  
18 Wagering Fund to the Department of Liquor and Lottery. This appropriation is  
19 made in anticipation of receipts from sports wagering operator fees.

20 Sec. 3. REPEAL

21 9 V.S.A. chapter 116 (fantasy sports contests) is repealed.

- 1 Sec. 4. EFFECTIVE DATE
- 2 This act shall take effect on passage.