

Sports Betting Legislative Blueprint

This blueprint should be viewed as a baseline for what NCPG believes is necessary to include in any legislation legalizing sports betting. The blueprint is intended to help ensure a sports betting environment is safe and sustainable in a state. When or how NCPG lobbies for change in legislation are state specific and subject to change based on a variety of factors. NCPG is neutral on legalized gambling and works to minimize the harms that flow from legalized gambling. If you have questions, please contact Government Relations Manager Cole Wogoman at ColeW@NCPGambling.org.

Funding Mechanism

At least 1% of tax revenue from all forms of betting, including sports betting, should go towards preventing and treating gambling addiction.

- 1% represents the floor of the appropriate amount that should be dedicated to these services.
 - This number should shift up depending on the tax rate of the jurisdiction. NCPG does not take a stance on a jurisdiction's preferred tax rate for sports gambling.
 - For instance, State A taxes sports betting revenue at 51%, while State B taxes sports betting revenue at 9.5%.
 - 1% of a 51% tax rate equals .0051% of overall revenue, while 1% of a 9.5% tax rate equals .00095% of overall revenue. If gambling operators in both states brought in \$1,000,000 total in revenue, State A would dedicate \$51,000 for gambling treatment while State B would dedicate only \$950.
 - Therefore, in states with low tax rates, it may be necessary for a state to dedicate more than 1% of tax revenue for gambling treatment to ensure a meaningful amount of funding.
 - A state's revenue is also dependent on the number of promotional deductions operators are allowed to include in their gross gaming taxable revenue calculation, and this could also dictate an appropriate rate higher than 1%.
- Funding is best dedicated as a *percentage* of revenue, so that as the amount of revenue increases from gambling, so does the amount of money that is dedicated to gambling prevention and treatment.
- There should also be a floor of required provided funding that is not designated as a percentage that must be funded if the designated percentage will not hit that amount. This is necessary because if the tax revenue decreases significantly, services provided by the government should not collapse. This amount should vary depending on the size of the state and its gambling market, but should be at least a few hundred thousand dollars.

How money dedicated to problem gambling must be spent should be specified in general terms in the legislation. The language should aim to not be overly prescriptive in such a way that requires the bill to be amended for any new funding initiatives related to problem gambling.

- Legislation is meant to instruct the Executive on the intent of the legislature, but not to tie the Executive's hands.
- Legislative language instructing the Executive to ensure funding is spent on "problem gambling prevention, research, and treatment" is appropriate.
 - Although legislative language should not tie the Executive's hands as to how funding is spent on problem gambling, it should be overly clear that the funding must be spent on problem gambling and not other addiction services.
 - In a small number of states, Executive branches have routinely taken gambling addiction funding and used it for other health services.

-Sample Language-

(Virginia Law—Regarding Problem Gambling Funding)

§ 58.1-4038. Distribution of tax revenue.

A. The Department shall allocate 2.5 percent of the tax revenue collected pursuant to § 58.1-4037 to the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.1.

B. The Department shall allocate the remaining 97.5 percent of the tax revenue collected pursuant to § 58.1-4037 to the general fund.

§ 37.2-314.1. Problem Gambling Treatment and Support Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Problem Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of § 58.1-4038 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing counseling and other support services for compulsive and problem gamblers, (ii) developing and implementing problem gambling treatment and prevention programs, and (iii) providing grants to supporting organizations that provide assistance to compulsive

gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.

Responsibilities of Operators

There should be clear directives as to the responsibilities of the gambling operators. Gambling operators should be required to have a responsible gambling plan and to at least do the following:

- Train all employees in responsible gambling and have their training materials evaluated by a third-party.
- Allow players to self-exclude from the gambling operator platforms and from specific events or games on the gambling operator's platform.
- Give players the ability to set limits on the amount of time they spend on a gambling app/site and the amount of money spent on that app/site, and make that information easy to access.
- Include problem gambling prevention and help messaging in their marketing.

-Sample Language-

(Massachusetts Law—Regarding Player Protections and Operator Requirements)

(2) The commission shall promulgate rules and regulations regarding protections for patrons placing wagers and the promotion of social responsibility and responsible gambling that shall include, but not be limited to, a requirement that an operator: (i) implement responsible gaming programs that include comprehensive employee trainings on responding to circumstances in which individuals present signs of a gambling addiction; (ii) assess, prevent and address problem gaming by an operator's consumers; (iii) permit a consumer to permanently close an account registered to the consumer on any or all platforms owned or operated by the operator at any time and for any reason; (iv) offer consumers access to their account history and account details; (v) refrain from making claims as to a consumer's winnings or money earned that is not net of wagers placed; (vi) allow a consumer to withdraw funds without further solicitations or promotion; (vii) annually submit a problem gaming plan for approval by the commission, in consultation with the department of public health, that includes the objectives of and timetables for implementing the plan, identification of the persons responsible for implementing and maintaining the

plan, procedures for identifying consumers with suspected or known problem gaming behavior, procedures for providing information to consumers concerning problem gaming identification and resources, procedures to prevent gaming by minors and self excluded persons and any other information the commission may require; and (viii) shall not offer or provide a line of credit to any consumer.

(3) The commission shall promulgate regulations that require mobile applications and digital platforms authorized for sports wagering to prominently display upon each entry into the application or platform the telephone number and website for a problem gambling hotline overseen by the department of public health.

(Virginia Law—Regarding Self-Exclusion)

§ 58.1-4015.1. Voluntary exclusion program.

A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

B. The regulations shall include the following provisions:

1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of this article; (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino gaming that may be allowed under the laws of the Commonwealth; (iv) participating in charitable gaming, as defined in § 18.2-340.16; (v) participating in fantasy contests, as defined in § 59.1-556; or (vi) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in administering the voluntary exclusion program pursuant to the provisions of this section.

2. A person who participates in the voluntary exclusion program may choose an exclusion period of two years, five years, or lifetime.

3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion program may not petition the Board for removal from the program for the duration of his exclusion period.

4. The name of a person participating in the program shall be included on a list of excluded persons. The list of persons entering the voluntary exclusion program and the personal information of the participants shall be confidential, with dissemination by the Department limited to sales agents and permit holders, as defined in § 58.1-4030, and any other parties the Department deems necessary for purposes of enforcement. The list and the personal information of participants in the voluntary exclusion program shall not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to other parties upon request by the participant and agreement by the Board.

5. Sales agents and permit holders shall make all reasonable attempts as determined by the Board to cease all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall not preclude sales agents and permit holders from seeking the payment of a debt incurred by a person before entering the program. In addition, a permit holder may share the names of individuals who self-exclude across its corporate enterprise, including sharing such information with any of its affiliates.

Advertisement Restrictions

Legislation should not allow operators to advertise in ways that:

- Are to an audience made up of a substantial percentage that are under legal betting age.
- Are targeted to problem gamblers or other vulnerable populations.
- Misrepresent the odds of winning.
- Use the term “risk-free” or similar terms when the bettor will need to risk their own money to access any winnings from the promotion.

-Sample Language-

(Massachusetts White Paper—Regarding disallowing advertising to an audience made up of a substantial percentage that are under the legal betting age)
[Operators] should not advertise by means of television, radio, internet, mobile applications, digital or online media, or other electronic communications, billboard or other outdoor advertising, or print publication, unless at least 85% of

the audience is reasonably expected to be 21 years of age or older as determined by reliable and current audience composition data.

(Kansas Law—Regarding Sports Betting Advertising Limitations)

Sec. 5. The executive director shall adopt rules and regulations regarding the advertisement for sports wagering. Such rules and regulations shall be adopted on or before January 1, 2023, and shall include, but not be limited to:

- (a) Ensuring that advertisements, including limitations on the form, content, quantity, timing and location of such advertisements, do not target children and minors, or other persons who are ineligible to place wagers, or problem gamblers or other vulnerable persons;*
- (b) disclosure of the identity of the lottery gaming facility manager in all such advertisements;*
- (c) provision of the toll-free number for information and referral services for compulsive and problem gambling; and*
- (d) prohibitions on false, misleading or deceptive advertisements.*

(New York Regulations on the term ‘risk-free’)

*§ 5330.38. Mobile sports wagering promotions. (a) Requirements for promotions. A skin shall submit to the commission all mobile sports wagering promotions for approval a minimum of 15 days prior to the intended commencement of such promotion. Any such proposed promotion shall: (1) detail the type of promotion, dates the promotion will occur, minimum and maximum awards, the anticipated liability and any other information pertinent to the promotion; (2) include terms and conditions that are full, accurate, clear, concise and do not contain misleading information; (3) disclose applicable terms if the authorized sports bettor must risk or lose the bettor’s own funds as part of the promotion, or if such promotion has conditions that a bettor’s own funds must be used to qualify for such promotion; (4) **not be described as risk-free if the authorized sports bettor needs to incur any loss or risk the bettor’s own money to use or withdraw winnings from the risk-free bet**; (5) not restrict the authorized sports bettor from withdrawing the bettor’s own funds or withdraw winnings from bets placed using the bettor’s own funds.*

Enforcement

Legislation should state which Executive agency is responsible for enforcing the requirements on gambling operators.

- It should be ensured that the chosen agency has the resources to carry out the enforcement, or is provided additional resources in the legislation.
- If not clear in the chosen agency's originating legislation, the parameters of the penalties for gambling operators violating their requirements should be explained, with the agency instructed to work out the specifics via regulation.

-Sample Language-

(Massachusetts Law—Regarding Agency Tasked with Enforcement)

Definition: "*Commission*", the Massachusetts gaming commission established in section 3 of chapter 23K.

Section 3. (a) The commission shall regulate the conduct of sports wagering under this chapter.

Research

There should be a clear directive for an agency to conduct surveys of the prevalence of gambling and gambling problems at regular intervals.

- If necessary, funding should be provided, or the agency should have access to the funding set aside in the problem gambling fund. Some states have required authorized gambling operators to bear these costs.
- The studies should be used to analyze the impacts of sports gambling and fantasy games on gambling prevalence rates.

-Sample Language-

(Massachusetts Law—Regarding Research Agenda and Recommendations)

Section 21. (a) The commission shall develop an annual research agenda in order to understand the social and economic effects of sports wagering in the commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of sports wagering. The

secretary of health and human services, with the advice and consent of the commission, may expend funds from the Public Health Trust Fund established in section 58 of chapter 23K to implement the objectives of the sports wagering research agenda; provided, however, that the objectives of the sports wagering research agenda shall, to the extent practicable, be substantially similar to the objectives of the research agenda established under section 71 of said chapter 23K. The sports wagering research agenda shall also include, but not be limited to: (i) an assessment of whether problem sports wagering is comorbid with problem gambling; (ii) an assessment as to whether the individuals participating in sports wagering are different than those who participate in other forms of gaming or gambling; (iii) an assessment of the impact of sports wagering on youth under the age of 25; (iv) an assessment of the impacts of sports wagering on college athletics and professional sports; and (v) the costs of implementing this chapter.

(b) Annually, the commission shall make scientifically-based recommendations that reflect the results of the research under clause (a) to the clerks of the senate and house of representatives, the senate and house committees on ways and means, the joint committee on economic development and emerging technologies, the joint committee on mental health, substance use and recovery and the joint committee on public health. The commission shall consider any such recommendations, research and findings in all decisions related to enhancing responsible gambling and mitigating problem sports wagering.

Data Collection

Operators should be required by law to share anonymized data with qualified researchers. Some states, for example, require the data be shared with researchers from the state university.

- Different methods of data collection may be appropriate, depending on the state's goals. The data could be provided directly to researchers or be collected first by the relevant state agency. Gaming operators could also be required to post anonymized data on a public-facing website.

(New Jersey Law—Regarding Annual Internet Gambling Report)

5:12-95.18 Reports regarding the impact of gaming through the Internet.

8.Reports regarding the impact of gaming through the Internet.

The division shall annually cause a report to be prepared and distributed to the Governor on the impact of Internet gaming on problem gamblers and gambling addiction in New Jersey. The report shall be prepared by a private organization or entity with expertise in serving the needs of persons with gambling addictions, which organization or entity shall be selected by the division. The report shall be prepared and distributed under the supervision of, and in coordination with, the division. Any costs associated with the preparation and distribution of the report shall be borne by casino licensees who have been authorized by the division to conduct Internet gaming and the division shall be authorized to assess a fee against such licensees for these purposes. The division may also report periodically to the Governor on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of gaming operations through the Internet.

(Ohio Regulations—Regarding Data Sharing)

Rule 3775-16-14 | State university data requests.

(A) A state university, as defined in section 3345.011 of the Revised Code, may submit a request to receive anonymized data from a sports gaming proprietor. Valid requests must clearly fulfill one of the following purposes and must be appropriately tailored for the stated purpose:

- (1) To assist the commission, at the request of the executive director, in ensuring the integrity of sports gaming; or*
- (2) To improve state-funded services related to responsible gambling and problem gambling.*

(B) The state university's request must include the following information:

- (1) The name of the state university;*
- (2) The contact information of an individual who the sports gaming proprietor or commission may contact if additional information is needed;*
- (3) The data requested including the specific data types or fields;*
- (4) The research purpose of the request, including a specific description of how the data will be used to meet a permitted purpose under paragraph (A) of this rule;*
- (5) Who, if anyone, the data may be shared with outside of the university;*
- (6) Procedures for how the university will protect the confidentiality of the data; and*

- (7) *Any other information required by the executive director.*
- (C) *Data provided under this rule must be anonymized and free of any patron personal information.*
- (D) *Upon receipt of a valid request for data, a sports gaming proprietor must promptly provide the requested data to the state university. If the state university and the sports gaming proprietor cannot come to an agreement on if the request is valid, the request must be sent to the commission for review. The executive director will determine if the request is valid and will notify the state university and sports gaming proprietor of this decision. If the executive director determines that the request is valid the sports gaming proprietor must promptly provide the requested data.*
- (E) *Any information or data provided by a sports gaming proprietor to a state university may not be used or shared, except as provided in division (B)(13) of section 3775.02 of the Revised Code.*

(2015 Massachusetts Casino Legislation—Regarding Sharing Anonymized Data for a Report)

S. 2015 Mass Casino legislation

SECTION 95. Notwithstanding any general or special law or rule or regulation to the contrary, a gaming establishment shall supply the Massachusetts gaming commission, hereinafter the commission, with customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, online gambling transactions or any other information system. The commission shall contract with an experienced nonprofit research entity to develop an anonymizing system that automatically removes from the data: (a) personally identifying information, including player name, street address, bank or credit information and the last 4 digits of a player's zip code, in compliance with section 2 of chapter 93H of the General Laws; and (b) game identifying information, including game name and device manufacturing company, in protection of corporate intellectual property. The data shall retain information on player characteristics including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered and, if applicable, number of lines or hands played and characteristics of games played including, but not limited to, reel configuration, return-to-player or RTP, volatility index and

denomination. The commission shall convey the anonymized data to a research facility which shall make the data available to qualified researchers for the purposes of: (1) conducting analyses that improve understanding of how gambling addiction develops and progresses; (2) developing evidence-based harm minimization strategies; and (3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission shall request reports on researcher analyses of the behavioral data, which could provided informed recommendation to the general court relative to more effective regulation of gambling operations. The commission may directly initiate studies assessing the effectiveness of any specific measures, programs or interventions which the commonwealth has implemented in gaming operations and which might be illuminated through the behavioral data in question.

Helpline Creation and Funding

States should create their own helpline through a contractor or nonprofit and properly fund its operations.

- Legislative language should allow for the national helpline number to be used by operators in materials or messaging that may be seen in multiple state jurisdictions.

-Sample Language-

(Ohio Law—Regarding Creation of a Helpline)

Sec. 3772.062

(B) The executive director of the commission, in conjunction with the department of mental health and addiction services and the state lottery commission, shall establish, operate, and publicize an in-state, toll-free telephone number Ohio residents may call to obtain basic information about problem gambling, the gambling addiction services available to problem gamblers, and how a problem gambler may obtain help. The telephone number shall be staffed twenty-four hours per day, seven days a week, to respond to inquiries and provide that information. The costs of establishing, operating, and publicizing the telephone number shall be paid for with money in the problem casino gambling and addictions fund.

(Indiana Regulations—Regarding use of National Number)



For nationally or regionally run, general advertisements that do not primarily target the State of Indiana or Indiana patrons, the IGC will consider the use of a general responsible gaming phone number and/or website. This could include radio, podcast, or other broadcasted advertisements and print advertisements, such as social media postings, or advertisements that are run in national/multi-state publications.

(Tennessee Regulations—Regarding use of National Number)

Pursuant to Sports Wagering Advisory Council Rule 1350-01-.07(12)(c)4., below is a list of approved toll-free numbers that Licensees may use in their advertisements. This list may be amended from time to time to add additional approved toll-free numbers:

- *TN REDLINE: 1-800-889-9789*
- *1-800-GAMBLER (on national ads only)*

Gambling Education in Schools

States should mandate gambling addiction education in schools, typically in middle or high school.

- The risk of gambling addiction is often best taught alongside the curriculum for substance abuse addiction.

-Sample Language-

(Virginia Law—Establishing a gambling addiction curriculum in schools)

Be it enacted by the General Assembly of Virginia:

1. That § 22.1-206 of the Code of Virginia is amended and reenacted as follows: § 22.1-206. Instruction concerning drugs, alcohol, substance abuse, tobacco and nicotine products, and gambling.

D. Instruction concerning gambling and the addictive potential thereof shall be provided by the public schools as prescribed by the Board.



2. That the Board of Education shall report to the Chairmen of House Committee on Education and the Senate Committee on Education and Health a description of the instruction concerning gambling and the addictive potential thereof that it prescribes pursuant to subsection D of § 22.1-206 of the Code of Virginia, as amended by this act.