



**NORTH CAROLINA
STATE LOTTERY COMMISSION**

Ripley Rand
Chair

Mark Michalko
Executive Director

Sports Wagering Authorization¹

January 24, 2024

Session Law 2023-42 (H347), “An Act to Authorize and Regulate Wagering on Professional, College, and Amateur Sports and on Horse Racing in North Carolina, and to Authorize Live Horse Racing in North Carolina,” establishes the North Carolina State Lottery Commission (Commission) as the state’s licensing body and regulator for authorized sports wagering. Under this law “sports wagering shall not be authorized in the State until a date identified by the Commission, which shall occur as soon as practicable and may be no later than June 15, 2024.”²

In a public meeting the Commission formally adopted this Sports Wagering Authorization and set **noon ET on Monday, March 11, 2024**, as the time for which legal sports wagering may commence in North Carolina. Only eligible licensed interactive sports wagering operators may offer and accept sports wagers, which must be placed through player-specific interactive accounts. A list of licensed interactive sports wagering operators will be maintained on the Commission’s website. In-person wagering will follow in the future as individual operators satisfy statutory and regulatory requirements for places of public accommodation.

Before it can offer and accept sports wagers, a licensed operator must first obtain a Certificate of Compliance (Certificate) issued by the Commission’s Deputy Executive Director of Gaming Compliance and Sports Betting. Information about the Certificate and its underlying requirements are set forth and described in herein.

North Carolinians, the regulated public, and others are reminded that:

- No sports wagers are lawful in the State before noon on March 11, 2024.
- The Commission maintains a list of licensed interactive sports wagering operators on its website. Go to <https://ncgaming.gov/> to view the list of licensed operators eligible to offer bets, the names of their platforms, and links to their websites.

¹ **Wagering on horse races is not yet authorized in this state.** This Sports Wagering Authorization does **not** address pari-mutuel wagering or advance deposit account wagering, each of which facilitates wagering on live, in-person horse races and simulcast horse races. See Article 10 “Pari-Mutuel Wagering,” of Chapter 18C of the General Statutes. The Commission will provide additional information about horse race wagering in the future.

² See S.L. 2023-42, Section 7 as amended by Section 11.18(k) of Session Law 2023-134 (H259), An Act to Make Base Budget Appropriations for Current Operations of State Agencies, Departments, and Institutions.



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- If you are offered the chance to place a bet illegally online or in-person on a sporting event or a horse race, beware. Unlicensed individuals or companies that offer bets may be breaking the law, and by placing a bet you may be engaging in criminal activity. Please report any illegal betting operations to local law enforcement, the Commission (SportsWagering@ncgaming.gov), or the N.C. Department of Justice’s Consumer Affairs Division (919-716-6000).
- **If gambling is more than a game for you or a loved one, free help is available.** The North Carolina Problem Gambling Program is a free resource for problem gaming prevention, as well as support and treatment programs. Text the phrase “**morethanagame**” to **53342**; call **877-718-5543**; or visit **morethanagame.nc.gov**. Free confidential counseling is available across the State.

I. Commission-Authorized Dates for Sports Wagering Activities

The regulated public, potential sports wagering patrons, media, and others have expressed significant interest in the State’s “go live” or “launch” date for sports wagering. Because “go-live” and “launch” may have different meanings for different audiences, key dates are identified and described below.

A. Commission Rules

By law, the General Assembly directed the Commission to adopt and implement any rules necessary to carry out provisions of the North Carolina State Lottery Act. N.C. Gen. Stat. § 18C-114(14). The Commission, pursuant to its Rulemaking Policy and Procedure, has engaged in a public rulemaking process and duly adopted its Rules Manual for Sports Wagering and Pari-Mutuel Wagering, which is available online at <https://ncgaming.gov>. The Commission’s Rules became effective January 8, 2024. S.L. 2023-42, Section 7; Rule 1A-010 (Effective Date of Rules Manual).

B. Player Account Registration

A licensed interactive sports wagering operator may begin registering new players and creating their interactive accounts only after it has obtained a license and a Certificate of Compliance from the Commission and in any event no earlier than **noon ET on Friday, March 1, 2024**.

C. Acceptance and Receipt of Player Account Deposits

A licensed interactive sports wagering operator may begin accepting account deposits from eligible registered players only after it has obtained a license and a Certificate of Compliance from the Commission and in any event no earlier than **noon ET on Friday, March 1, 2024**.



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D. Offering and Accepting Sports Wagers

A licensed interactive sports wagering operator may begin offering and accepting wagers on Commission-approved wagering events from eligible registered players only after it has obtained a license and a Certificate of Compliance from the Commission and in any event no earlier than **noon ET on Monday, March 11.**

E. Places of Public Accommodation and In-Person Wagering

A Sports Wagering Authorization from the Commission does not on its own permit operators to begin offering in-person wagering.

The Commission directs staff to evaluate and, where appropriate, authorize an operator’s proposed sports wagering offerings at statutorily-authorized locations for places of public accommodation. To be eligible to offer sports wagers at a place of public accommodation, an operator must demonstrate to the Executive Director and the Deputy Executive Director of Gaming Compliance and Sports Betting (1) effective, compliant operations with respect to mobile wagering, and (2) its ability to satisfy statutory and regulatory requirements relevant to places of public accommodation. The Executive Director and Deputy Executive Director are directed to create and utilize a separate “Place of Public Accommodation Certificate of Compliance” process to approve in-person wagering on a case-by-case basis for those operators that seek to open such wagering facilities.

F. Regulated Activity Undertaken by Service Providers and Sports Wagering Suppliers

Upon its receipt of a license or a provisional license, a service provider or a sports wagering supplier may begin engaging in conduct regulated by the Commission. As a reminder, only a licensed sports wagering operator with a Certificate of Compliance may offer or accept sports wagers.

G. Rolling Applications

The Commission continues to accept licensure applications from entities that seek to act as interactive sports wagering operators, service providers, or sports wagering suppliers. Entities that seek Commission approval to serve as Independent Testing Laboratories in North Carolina are likewise invited to contact the Deputy Executive Director of Gaming Compliance and Sports Betting and submit their credentials.

II. Certificate of Compliance Requirements

Only licensed interactive sports wagering operators that have obtained a Certificate of Compliance may offer and accept sports wagers in North Carolina.



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To obtain a Certificate of Compliance a licensed operator must demonstrate to the substantial satisfaction of the Executive Director and Deputy Executive Director of Gaming Compliance and Sports Betting that its mobile sports wagering operation meets requirements in statutes and Commission Rules. A licensee may be denied a Certificate of Compliance for non-compliance with any statutory or regulatory requirement. Commission staff are directed to evaluate the following³ prior to issuing a Certificate of Compliance to qualified operators:

A. Initial Approval of Proposed Internal Controls

On January 10, 2024, the Commission approved certain materials that describe the form and manner by which operator-applicants (and, later, licensed operators) are to submit proposed internal controls for review and, if appropriate, approval. Commission staff, with support from Commission vendor partners, will review submitted internal controls for completeness and compliance. Operator-applicants are encouraged to review the following Commission-approved materials, which have been provided previously:

- **Instructions and Guidelines for Constructing, Formatting, and Submitting Internal Controls.** This document contains detailed instructions concerning the form and manner which the Commission expects internal controls to be submitted. It outlines the submission process and provides internal control examples.
- **Internal Control Review Spreadsheet Template.** This excel file must be completed and submitted with the operator-applicant's internal controls. It also serves as a useful checklist to ensure the operator-applicant has compiled complete internal controls covering all necessary Commission rules and required standards.
- **Request a Waiver to an Internal Control Form.** This form shall be completed and submitted to the Commission when an operator-applicant requires a waiver to an internal control. Note, any request for a waiver to an internal control will require additional time for review by Commission staff.
- **Request for a Change to an Internal Control Form.** After the operator-applicant's internal controls are approved, this form shall be used in accordance with Commission Rules 1D-002 and 1D-003 before revising an approved internal control.

³ The enumerated components are set forth in summary fashion for operators to help them demonstrate their operational capacity in a way that is efficient for both the licensee and the Commission. Importantly, neither the Certificate of Compliance nor any of its individual components displaces or modifies statutory requirements or duly-adopted Commission Rules.



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The Commission has identified **January 26, 2024**, as a key deadline for operator-applicants to submit their proposed internal controls. This deadline will help ensure that the Commission staff has sufficient time to review submitted materials while allowing operator-applicants to address any questions or deficiencies. The Commission will accept proposed internal controls on a rolling basis; untimely submission, however, may delay an operator's Certificate of Compliance and, therefore, limit its ability to accept account deposits from players or offer and accept wagers on the earliest dates authorized by the Commission. Operators that secure initial approval of their internal controls will receive written confirmation from Commission.

B. Submission of Proposed Wagering Rules

As contemplated by Rule 1E-001 (Wagering Rules), each operator is required to adopt comprehensive wagering rules (commonly referred to as "house rules") and to present them for approval. Proposed Wagering Rules shall be submitted to the Deputy Executive Director of Gaming Compliance and Sports Betting in a form and manner prescribed by staff. The Deputy Executive Director of Gaming Compliance and Sports Betting is directed to approve or deny proposed Wagering Rules.

C. Submission of Terms & Conditions Document(s)

In order to demonstrate compliance with Rule 1G-004 (Terms and Conditions and Privacy Policies for Wagering Accounts), an operator shall submit to the Deputy Executive Director of Gaming Compliance and Sports Betting its applicable Terms & Condition document(s) for wagering accounts in North Carolina. To the extent that an operator utilizes hyperlinks to incorporate terms, provisions, or other materials into its Terms & Conditions for North Carolina wagering accounts, copies of such materials must be submitted, organized, and clearly labeled.

D. Submission of Privacy Policy Document(s)

In order to demonstrate compliance with Rule 1G-004 (Terms and Conditions and Privacy Policies for Wagering Accounts), an operator shall submit to the Deputy Executive Director of Gaming Compliance and Sports Betting its applicable Privacy Policy document(s) for wagering accounts in North Carolina. To the extent that an operator utilizes hyperlinks to incorporate terms, provisions, or other materials into its Privacy Policies for North Carolina wagering accounts, copies of such materials shall also be submitted and clearly labeled and organized.

E. Certifications from Independent Testing Laboratories

Operators are required to work with Commission-approved independent testing laboratories to collect and submit all necessary certifications contemplated in Commission Rules, including technical standards incorporated by reference. *See, e.g.,* Rule 2A-002 (Incorporation by Reference).



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Additionally, submission of certifications that can only be obtained after mobile sports wagering operations are “live” and functioning in a real-world environment (as opposed to in testing conditions) is required. Such submissions must be provided in timely fashion. Failure to provide post-launch certifications in a timely manner and as directed by the Deputy Executive Director constitutes grounds for rescission of the Certificate of Compliance or Disciplinary Action.

F. Geolocation Testing and Certification

Operators are required to work with Commission-approved independent testing laboratories to collect and submit all necessary certifications contemplated in Commission Rules pertinent to geolocation testing and geofencing requirements. *See, e.g.,* Rule 2D-005 (Geolocation Requirements).

G. Test Account Set-Up

Each operator must set-up four (4) separate test accounts for use by Commission staff, who will conduct initial and ongoing review and testing. At a minimum, the test account shall provide Commission staff with (i) account functionality that mirrors or matches the user-experience of a registered player and (ii) the features, permissions, and access necessary for staff to conduct its due diligence and compliance activities.

H. Player Account Management Platform – Demonstration and Review

While the independent test labs will conduct testing and review the materials, components, and processes that comprise each operator’s player account management (PAM) platform, an operator shall also provide Commission staff with a demonstration and overview of its PAM. An Operator shall provide summary documentation identifying the components of its PAM platform, including key components and actors and provide additional information upon request.

I. Show Capacity and Ability to Provide Daily Financial Reporting

Pursuant to N.C. Gen. Stat. § 18C-910(h), each “operator shall provide a daily summary of all sports wagering activity, detailing all transactions processed through each wagering system, provided in a format established by the Commission, at the close of each business day.” *See also* Rule 2C-012 (Daily Summary). Using dummy data in a test environment, each operator shall demonstrate its ability to report daily sports wagering in the format and manner required by the Commission. Here, the Commission directs the Deputy Executive Director of Gaming Compliance and Sports Betting to designate the content and format of such daily financial reporting, as well as the manner in which operators shall submit this information. Furthermore, the Deputy Executive Director is authorized to update daily financial reporting and submission requirements as appropriate and to address operator-specific considerations related to such reporting.



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J. Voluntary Exclusion Program and Responsible Gaming Features in Place

Each operator shall demonstrate to the satisfaction of the Deputy Executive Director of Gaming Compliance and Sports Betting that it can implement and maintain the Voluntary Exclusion Program and that its responsible gaming limits and features are in place and functional.

K. Demonstration and Overview of Wagering Applications and Websites

Each operator shall provide Commission staff with an on-line, real time demonstration and overview of its wagering applications and website(s), with a particular focus on unique features required by North Carolina law and Commission Rules. An operator may, in its discretion, provide Commission staff with supplementary materials (e.g., slides, diagrams, summary documents, or website flowchart) that will assist the Commission in reviewing these online sites and understand their architecture and functions.

L. Player Account Checks

Commission staff will utilize test accounts provided by the operator to conduct player account checks both before and after the operator begins accepting account deposits from registered players. Failure to satisfy the player account check after the issuance of the Certificate of Compliance may constitute grounds for rescinding the Certificate of Compliance. In particular, Commission staff will examine whether funds in a registered player's account are properly sourced through Commission-approved methods of funding; other critical components of the player account checks will be examined through internal control review and independent testing laboratory certification processes.

M. Attestation Regarding Certain Monetary Obligations to the State

Each operator shall submit on a form provided by Commission staff an attestation confirming that it is not currently in default on any obligation or debt owed to the State of North Carolina and disclosing whether it has previously defaulted on any such monetary obligation. If an operator has previously defaulted on such monetary obligation or is currently in default, it may provide supplemental written materials providing an explanation or additional context for the Commission's review. *See* N.C. Gen. Stat. § 18C-906(g)(8).

N. Attestation Regarding Reserve Requirement

The operator shall demonstrate its compliance with reserve requirements arising under N.C. Gen. Stat. § 18C-904(m), and Rule 1D-013 (Reserve Requirement) by submitting materials to the Commission, including a reserve requirement attestation on a form prescribed by the Deputy Executive Director of Gaming Compliance and Sports Betting. In lieu of the prescribed attestation,



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the Deputy Executive Director has discretion to accept an operator-specific attestation concerning reserve requirements.

O. Operator-Specific Considerations Identified by the Commission or Staff

The Commission empowers the Executive Director and Deputy Executive Director of Gaming Compliance and Sports Betting to incorporate additional operator-specific requirements into the Certificate of Compliance process on a case-by-case basis in order to address unique circumstances that may arise. By way of example (and without limitation) such requirements could arise from an operator's unique business model, other business offering or operations, use of technology, or pre-launch conduct in North Carolina or other gaming jurisdictions. Any such additional requirements will be promptly communicated to the operator with specific instructions and deadlines for compliance.

III. Special Topics

A. Advertising

The Commission is aware that sports wagering advertising and marketing has been present in North Carolina for some time through multi-jurisdictional advertisements of online sports wagering and does not plan to prohibit either multi-jurisdictional or North Carolina-specific marketing. The General Statutes and the Commission's rules set out requirements concerning advertising, branding, and marketing of sports wagering. Prospective-operators and operators should be mindful of these requirements not only when they become licensed, but also while their applications are under review and while they are working to obtain a Certificate of Compliance. A licensed operator may engage in advertising once approved for licensure and before obtaining its Certificate of Compliance; however, the Commission and its staff will consider an operator-applicant's interim conduct when evaluating its suitability for licensure and its operational capacity to meet state requirements. Any instance of non-compliance with State law or Commission Rules may constitute grounds for Disciplinary Action or rescission of a Certificate of Compliance.

The Commission cautions operators not to advertise (i) the availability of specific wagering offers, (ii) their ability to accept account deposits, or (iii) their ability to register new players until operators have obtained both a license and a Certificate of Compliance. Because it is unlawful for any person to offer or accept sports wagers in this State without a valid interactive sports wagering license, no person or entity should suggest through messaging, marketing materials, or traditional advertising that it is authorized to offer or accept sports wagers in this State until it meets Commission requirements.

Nevertheless, the Commission recognizes the importance of establishing awareness of the new, legal market for sports wagering in North Carolina. Operators may begin offering North Carolina



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specific advertisements once they obtain a license. Advertisements, branding, and marketing for North Carolina-specific audiences shall meet all Commission requirements.

To the extent operators utilize multi-jurisdictional advertisements on television, radio, the internet, or other broadcast channels, such messages may include the national 1-800-GAMBLER phone number and website information in lieu of providing the link and phone number for the North Carolina Problem Gaming Helpline. *See* Rule 1I-005(a).

B. Player Recruitment

Player recruitment for interactive sports wagering accounts via offerings of market alerts about when a player may create an account may occur prior to an operator-applicant receiving a license or Certificate of Compliance, so long as individuals are not allowed to create an interactive account, make deposits into their wagering accounts, or engage in sports wagering. User recruitment efforts should meet the advertising standards set forth in law and Commission Rules and conform to directives in this Authorization. If an entity that issues market alerts before receiving a license is ultimately denied a license, withdraws from consideration, or ultimately decides not to pursue licensure, all recruited users must be notified that the entity will not offer sports wagering in the immediate future.

C. Ceremonial First Mobile Wagers as Coordinated by Commission Staff

A ceremonial “Go Live” event to celebrate first bets in North Carolina may occur before noon ET on March 11, 2024. The Commission authorizes its staff to work with operators, lawmakers, dignitaries, and other necessary parties to coordinate such an event. At the time of the ceremonial event, individuals identified by the Executive Director may place sports wagers with licensed operators that have obtained a Certificate of Compliance.

D. ADW Licensing and Pari-Mutuel Wagering

Nothing herein authorizes pari-mutuel wagering in North Carolina.

E. Concurrent Review of Licensure Applications and Submissions to Obtain a Certificate of Compliance

Commission processes to evaluate operator-applicants’ suitability for licensure and assess their capacities to satisfy the Commission’s compliance requirements may proceed concurrently.

F. Timeliness Considerations and Licensure Matters

The Commission made license applications available to the public on December 1, 2023. Staff provided instructions to the public and potential applicants to submit completed applications and supporting materials on or before December 27, 2023, which was identified as the recommended



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submission date for applicants that wish to participate in the earliest “go live” date for sports wagering. Commission staff are directed to continue their priority review of operator-applicants’ licensure applications. Operator-applicants that submitted materials after December 27, 2023, may not be eligible to receive deposits and offer and accept wagers on the earliest possible dates.

An operator-applicant awarded a license is subject to any conditions placed on its license. Further, each sports wagering licensee has a continuing duty to maintain and, at the Commission’s or Director’s direction, demonstrate its suitability for Licensure. *See* Rule 1B-020 (Duty to Maintain Suitability).

G. Miscellaneous

Although this document does not modify or amend any previously-adopted Commission Rule, it has the force of a Commission Rule. The Commission reserves the right to rescind or modify this Sports Wagering Authorization.

On Behalf of the North Carolina State Lottery Commission

DocuSigned by:

1/24/2024

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Ripley Rand, Chair

Date

Approved by Commission: January 24, 2024