

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1942

By: Representative L. Johnson

## For An Act To Be Entitled

AN ACT TO PROVIDE FOR THE REGULATION AND OVERSIGHT OF  
THE OPERATIONS OF ONLINE SPORTS POOLS BY CASINO  
LICENSEES; AND FOR OTHER PURPOSES.

## Subtitle

TO PROVIDE FOR THE REGULATION AND  
OVERSIGHT OF THE OPERATIONS OF ONLINE  
SPORTS POOLS BY CASINO LICENSEES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 23, is amended to add a new chapter to read as follows:

### CHAPTER 118

### ONLINE SPORTS POOLS

#### 23-118-101. Legislative findings.

#### The General Assembly finds that:

(1) Online sports pools conducted in compliance with this chapter are authorized under The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100; and

(2) The state would benefit substantially from authorizing online sports pools, to be conducted solely by casino licensees within the state and online sports pool operators with whom the casino licensees have a contractual agreement.

#### 23-118-102. Definitions.



As used in this chapter:

(1)(A) “Amateur sport or athletic event” means an athletic or sports event involving at least two (2) competitors who do not receive compensation, in excess of their expenses, for participating in the event.

(B) “Amateur sport or athletic event” does not include events in which the majority of participants are under eighteen (18) years of age;

(2) “Casino licensee” means a person holding a license to conduct casino gaming pursuant to The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100;

(3) “Collegiate sport or athletic event” means an athletic or sport event involving a sports or athletics team of a public or private institution of higher education;

(4) “Online sports pool” means an operation in which wagers on sports events are made over the internet on websites or mobile applications through computers, mobile devices, or other approved interactive devices accepted through a gaming system approved by the Arkansas Racing Commission;

(5) “Online sports pool platform” means an integrated system of hardware, software or applications through which an online sports pool operator operates, conducts, or offers an online sports pool;

(6) “Online sports pool operator” means a:

(A) Casino licensee that has elected to operate an online sports pool; or

(B) Sports pool operator intermediary operating an online sports pool on behalf of a casino licensee;

(7) “Online sports pool system” means all hardware, software, and communications that comprise a type of server-based gaming system for the purpose of offering an online sports pool;

(8)(A) “Professional sport or athletic event” means an athletic or sport event involving at least two (2) competitors who receive compensation, in excess of their expenses, for participating in the event.

(B) “Professional sport or athletic event” includes the conduct of sports events or tournaments in which the winning player or winning players or winning team or winning teams receive compensation, in excess of their expenses, for participating in the event, whether or not every individual participant in the event or tournament receives compensation

in excess of his or her expenses;

(9) "Service industry license" means a license issued by the commission to an entity to provide goods or services, or both, to a casino licensee;

(10) "Sports event" means any professional sport or athletic event, amateur sport or athletic event, collegiate sport or athletic event, motor race event, electronic sports event, competitive video game event, or any other event authorized by the commission;

(11) "Sports pool operator intermediary" means an independent entity holding a service industry license that supplies or offers services through an online sports pool in conjunction with a casino licensee; and

(12) "Sports wagering account" means an account established by an online sports pool operator for an individual patron to use for online sports pool wagering.

#### 23-118-103. Rules.

(a) The Arkansas Racing Commission shall promulgate rules to implement this chapter, including without limitation:

(1) The types of wagers that may be offered and events that may be wagered on;

(2) Geolocation requirements;

(3) Reporting and record-keeping requirements;

(4) Responsible gaming requirements; and

(5) Advertising requirements that prohibit the direct targeting of minors or self-excluded persons.

(b) When promulgating rules under this chapter, the commission shall:

(1) Examine the rules and regulations implemented in states where sports wagering is conducted; and

(2) Adopt, as far as is practicable, a similar framework.

#### 23-118-104. Limitations on licensed online sports pools.

(a) Each casino licensee may provide no more than three (3) individually branded online sports pool platforms, which may be operated by the casino licensee or by sports pool operator intermediaries.

(b)(1) All wagers on sports events shall be initiated, received, and otherwise made within this state unless otherwise permitted by the Arkansas

Racing Commission in accordance with applicable federal and state laws.

(2) Consistent with the intent of the United States Congress as articulated in the Unlawful Internet Gambling Enforcement Act of 2006, 31 U.S.C. § 5361 et seq., as it existed on January 1, 2021, the intermediate routing of electronic data relating to a lawful intrastate wager authorized under this section shall not determine the location or locations in which the wager is initiated, received, or otherwise made.

23-118-105. Approval to immediately commence online sports pool operations.

(a)(1) Upon receiving an application from a casino licensee to operate an online sports pool, the Arkansas Racing Commission shall review the request.

(2) If the commission determines that the applicant holds a valid casino license and is in compliance with this chapter, the commission shall immediately authorize the casino licensee to operate an online sports pool.

(b)(1) Any sports pool operator intermediary seeking to operate an online sports pool pursuant to a contract with the casino licensee is required to be licensed by the commission as a service industry licensee.

(2) Upon submitting an application and an application fee to the commission for a service industry license, an applicant may submit a contemporaneous request to the commission for an interim license authorizing the applicant to immediately act as a sports pool operator intermediary for up to three hundred sixty-five (365) days, pending the commission's full review of the application for the service industry license.

(3) All online sports pool wagering conducted under authority of an interim license approval under subdivision (b)(2) of this section shall comply with this chapter and any applicable rules of the commission related to sports wagering.

(c)(1) The commission may approve certain system, network, operational, and other standards necessary to implement online sports pool wagering on a temporary basis if a deadline for full-compliance with permanent standards is provided at the time of approval.

(2) Extensions may be approved by the commission if justification is provided to show that the additional time in the temporary

environment is reasonably necessary.

(d) Online sports pools conducted in compliance with this chapter are exempt from § 5-66-101 et seq.

23-118-106. Sports wagering accounts.

(a) Online sports pool wagering shall only be engaged in by patrons who have established a sports wagering account.

(b) A patron may establish and fund his or her sports wagering account:

(1) In person at the location of the casino licensee; or

(2) Remotely over the internet with the online sports pool operator through the online sports pool operator's online sports pool system.

SECTION 2. DO NOT CODIFY. TEMPORARY LANGUAGE.

The Arkansas Racing Commission shall:

(1) Adopt rules to implement this act within ninety (90) days of the effective date of this act; and

(2) Repeal or amend any existing rules that are in conflict with this act.