
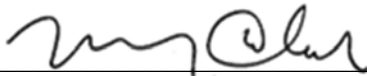

Councilmember Elissa Silverman


Councilmember Charles Allen


Councilmember Brooke Pinto


Councilmember Mary Cheh

1 A BILL
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7 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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12 To amend Title III of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and
13 Raffles for Charitable Purposes in the District of Columbia to create a new Class C
14 license for operators of online or mobile sports wagering applications, to clarify that
15 licenses are non-transferrable, to condition the operation of the District’s own sports
16 wagering product on a reasonable certainty of earning net income, and to impose a 15%
17 tax on the gross gaming revenue of Class C operators; to prohibit the extension of an
18 existing contract for sports betting and lottery gaming services and require a competitive
19 procurement for all future contracts for sports betting or lottery gaming services; and to
20 repeal the Sports Wagering Procurement Practices Reform Exemption Act of 2019.

21 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
22 act may be cited as the “Sports Wagering and Fair Competition Amendment Act of 2022”.

23 Sec. 2. Title III of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and
24 Raffles for Charitable Purposes in the District of Columbia, effective May 3, 2019 (D.C. Law
25 22-312; D.C. Official Code § 36-621.01 *et seq.*), is amended as follows:

26 (a) Section 302(c) (D.C. Official Code § 36-621.02) is amended to read as follows:

27 “(c) Sports wagering shall occur only over online or mobile applications or in the specific
28 locations within a designated sports wagering facility that have been approved by the Office;
29 provided, that such applications or locations may be modified or relocated pursuant to
30 regulation.”.

31 (b) Section 305 (D.C. Official Code § 36-621.05) is amended as follows:

32 (1) Subparagraph (b)(2)(B) is amended to read as follows:

33 “(B) Each operator’s license shall be limited to a single online or mobile
34 application or sports wagering facility.”.

35 (2) A new subsection (h) is added to read as follows:

36 “(h) A license issued under this section shall not be transferred or assigned. A licensee
37 that is an entity shall apply for a new license no later than 3 days after its acquisition, merger, or
38 other change of control (as defined in regulation), in which case the applicant may temporarily
39 operate under the prior license until the approval or denial of the application for a new license.”.

40 (c) Section 306 (D.C. Official Code § 36-621.06) is amended as follows:

41 (1) Subsection (a) is amended by striking the phrase “proposed sports wagering
42 facility” wherever it appears and inserting the phrase “proposed sports wagering facility, if
43 applicable” in its place.

44 (2) A new subsection (c-1) is added to read as follows:

45 “(c-1)(1) The Office may issue a Class C operator license to an applicant who provides
46 sports wagering through an online or mobile application; provided, that the applicant shall not
47 offer sports wagering within a 2-block radius of any of the designated facilities or on the
48 premises of a Class B operator.

49 “(2)(A) A Class C operator license shall be issued for 5 years and require a non-
50 refundable application fee of \$1,000,000, which shall be submitted with the application.

51 “(B) A Class C operator license may be renewed for 5-year periods;
52 provided, that the licensee has continued to comply with all statutory and regulatory
53 requirements and pays upon submission of a renewal application a \$500,000 renewal fee.

54 “(C) A Class C operator shall not be required to obtain a separate retailer
55 license.”.

56 (d) Section 307 (D.C. Official Code § 36-621.07) is amended as follows:

57 (1) Paragraph (b)(1) is amended by striking the phrase “its own sports wagering
58 facility” and inserting in its place the phrase “its own sports wagering facility or application” in
59 its place.

60 (2) Paragraph (c)(6) is amended by striking the word “Ensure” and inserting the
61 phrase “In the case of a Class A or Class B operator, ensure” in its place.

62 (3) A new paragraph (c)(6A) is added to read as follows:

63 “(6A) In the case of a Class C operator, ensure that sports wagering occurs only
64 through an Office-approved online or mobile application, in locations where the Class C operator
65 is licensed to offer sports wagering, and in accordance with this subchapter and all other
66 regulations that may be issued by the Office for Class C operators.”.

67 (e) Section 311(a)(2) (D.C. Official Code § 36-621.11(a)(2)) is amended to read as
68 follows:

69 “(2) The Office may offer a mobile or online sports wagering product through
70 contract with a limited number of partners operating an Office of Lottery and Gaming mobile
71 and web-based sports wagering operation; provided, that the operation of the Office’s sports

72 wagering product after July 16, 2024 shall be reasonably certain to produce net income for the
73 District, after deducting the cost of all payments to the partners and all other costs of offering and
74 marketing the product.”.

75 (f) Section 315(a)(2) (D.C. Official Code § 36-621.15(a)(2)) is amended to read as
76 follows:

77 “(2) Pay to the District of Columbia Treasurer:

78 “(A) 10% of the gross sports wagering revenue from the preceding
79 calendar month, in the case of a Class A or Class B operator; and

80 “(B) 15% of the gross sports wagering revenue from the preceding
81 calendar month, in the case of a Class C operator; provided, that notwithstanding subsection (c)
82 of this section, revenues from taxes imposed by this title on Class C operators shall be deposited
83 to the General Fund of the District.”.

84 Sec. 3. (a) The District shall not exercise any option to extend the term of the Sports
85 Betting and Lottery Contract beyond the expiration of the base period on July 16, 2024.

86 (b) The District shall not execute any modification of the Sports Betting and Lottery
87 Contract or enter into any other contract for similar services, if such modification or contract has
88 the practical effect of extending the Sports Betting and Lottery Contract beyond July 16, 2024 or
89 providing additional compensation to the providers of services under the Sports Betting and
90 Lottery Contract, except as provided in subsection (c) of this section.

91 (c) After the effective date of this Act, all contracts for sports betting or lottery gaming
92 services, or both, shall be procured by a competitive process in accordance with the Procurement
93 Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code §
94 2-351.01 *et seq.*), and all other applicable District law.

95 (d) For purposes of this section, the term “Sports Betting and Lottery Contract” means
96 Contract No. CFOPD-19-C-041 for sports betting, lottery gaming systems, and related services,
97 executed July 16, 2019, between the District of Columbia through the Office of the Chief
98 Financial Officer, Office of Lottery and Gaming, and Intralot, Inc., a Georgia profit corporation,
99 as amended by Modification No. 1, signed January 31, 2020, Modification No. 2, signed April
100 24, 2020, Modification No. 3, signed December 16, 2020, and Modification No. 4, signed
101 December 23, 2021.

102 Sec. 4. The Sports Wagering Procurement Practices Reform Exemption Act of 2019,
103 effective April 18, 2019 (D.C. Law 23-1; 66 DCR 5539), is repealed.

104 Sec. 5. Fiscal impact statement.

105 The Council adopts the fiscal impact statement in the committee report as the fiscal
106 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
107 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

108 Sec. 6. Effective date.

109 This act shall take effect following approval by the Mayor (or in the event of veto by the
110 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
111 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
112 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
113 Columbia Register.