

By: Leach, Meyer, Patterson, Moody, Rose,
et al.

H.B. No. 1942

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the regulation of sports wagering; requiring
3 occupational permits; authorizing fees; imposing a tax;
4 decriminalizing wagering on certain sports events; creating
5 criminal offenses; providing administrative penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. The Legislature finds the following:

8 (1) consistent with a 2018 United States Supreme Court
9 decision authorizing states to exercise their lawful prerogative to
10 license and regulate sports wagering activity, it is in the
11 interest of this state to authorize a strict regulatory model for
12 sports wagering;

13 (2) a legal, regulated sports wagering market will
14 help to deter unlawful sports wagering and provide for more
15 regulatory and law enforcement oversight over sports wagering,
16 while generating state revenue;

17 (3) any sports wagering enforcement and regulatory
18 structure must begin from the bedrock premise that participation in
19 a lawful and licensed sports wagering industry is a privilege and
20 not a right and that strict regulatory oversight is intended to
21 safeguard the integrity of wagering on sporting events and to
22 ensure accountability and the public trust;

23 (4) the most expeditious way to legalize sports
24 wagering in this state and to strictly regulate this activity is to

1 utilize the resources of the Texas Lottery Commission; and

2 (5) sports wagering within this state will be vested
3 in operators acting under authority of state law and will promote
4 trust and integrity in all sports wagering operations.

5 SECTION 2. Subtitle A, Title 13, Occupations Code, is
6 amended by adding Chapter 2005 to read as follows:

7 CHAPTER 2005. SPORTS WAGERING

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 2005.001. SHORT TITLE. This chapter may be cited as the
10 Texas Sports and Entertainment Recovery Act.

11 Sec. 2005.002. DEFINITIONS. In this chapter:

12 (1) "Authorized sports entity" means:

13 (A) a sports entity; or

14 (B) a sports entity designee.

15 (2) "Cash equivalent" means an asset that is
16 convertible to cash and approved for use in connection with
17 authorized sports wagering, including the following approved cash
18 equivalents:

19 (A) traveler's checks;

20 (B) foreign currency;

21 (C) certified checks, cashier's checks, and
22 money orders;

23 (D) personal checks and drafts;

24 (E) digital and virtual currencies and
25 cryptocurrencies;

26 (F) online and mobile payment systems that
27 support online money transfers;

1 (G) credit cards and debit cards;

2 (H) electronic devices with prepaid access, as
3 defined by 31 C.F.R. Section 1010.100(w); and

4 (I) any other form approved by the commission.

5 (3) "Class 1 racetrack" means a class 1 racetrack
6 described by Section 2026.102 that was in existence on January 1,
7 2023. The term includes an entity that operates a class 1
8 racetrack.

9 (4) "College sport" means an athletic or sporting
10 event in which at least one participant is a team or contestant
11 competing on behalf or under the sponsorship of a public or private
12 institution of higher education, regardless of where the
13 institution is located.

14 (5) "Commission" means the Texas Lottery Commission.

15 (6) "Covered service" means any service that involves
16 the operation, management, or control of wagers authorized by this
17 chapter, including the development or operation of sports wagering
18 platforms and the provision of sports wagering odds and line
19 information and sports wagering risk management information. The
20 term does not include:

21 (A) payment processing and similar financial
22 services;

23 (B) customer identity, age verification, and
24 geolocation services;

25 (C) streaming or other video and data that do not
26 include sports wagering odds or line information;

27 (D) telecommunications, Internet service

1 providers, and other similar services not specifically designed for
2 use in connection with sports wagering;

3 (E) other goods or services designed to support
4 the operation, management, or control of a sports wagering
5 platform; and

6 (F) other goods or services not specifically
7 designed for use in connection with sports wagering.

8 (7) "Executive director" means the executive director
9 of the commission.

10 (8) "Fantasy sports contest" has the meaning assigned
11 by Section 47.01, Penal Code.

12 (9) "Interactive sports wagering" means the conduct of
13 sports wagering through or by means of the Internet, a mobile
14 device, or any other telecommunications service.

15 (10) "Interactive sports wagering operator" means the
16 holder of an interactive sports wagering permit.

17 (11) "Interactive sports wagering permit" means a
18 permit issued by the commission that authorizes the operation of
19 interactive sports wagering under this chapter.

20 (12) "Key person" means an officer or director of an
21 interactive sports wagering operator who:

22 (A) is directly involved in the operation,
23 management, or control of the conduct of sports wagering under this
24 chapter; or

25 (B) exercises substantial influence or control
26 over the interactive sports wagering operator's wagering
27 activities.

1 (13) "Official league data" means statistics,
2 results, outcomes, and other sporting event data obtained for
3 determining the outcome of tier two sports wagers under an
4 agreement between an interactive sports wagering operator and:

5 (A) the relevant sports governing body that
6 authorizes the use of the data for determining the outcome of tier
7 two sports wagers; or

8 (B) an entity expressly authorized by the sports
9 governing body to provide the information described by this
10 subdivision to interactive sports wagering operators.

11 (14) "Permit holder" means a person who holds an
12 interactive sports wagering permit or service provider permit
13 issued under this chapter.

14 (15) "Professional sports" means an athletic or
15 sporting event involving at least two competitors, at least one of
16 whom receives compensation for participating in the event.

17 (16) "Service provider" means the holder of a service
18 provider permit.

19 (17) "Service provider permit" means a permit issued
20 by the commission that authorizes the provision of covered
21 services.

22 (18) "Sporting event" or "sports event" means a
23 professional sports or athletic event, college sports or athletic
24 event, amateur sports or athletic event, motor race event,
25 electronic sports event, competitive video game event, or any other
26 event approved by the commission.

27 (19) "Sports entity" means:

1 (A) a sports team;

2 (B) a sports organization that:

3 (i) holds in this state sanctioned annual
4 professional golf tournaments as part of a national tour of
5 professional golfers; and

6 (ii) held events described by Subparagraph
7 (i) before January 1, 2023;

8 (C) a class 1 racetrack that was in operation on
9 January 1, 2023; or

10 (D) a racetrack that:

11 (i) existed and operated before January 1,
12 2000, and annually hosted National Association for Stock Car Auto
13 Racing Cup Series events for at least 20 years preceding May 1,
14 2023; or

15 (ii) existed and operated before January 1,
16 2015, and annually hosted the Formula One United States Grand Prix
17 in each year that the race occurred for at least five years
18 preceding May 1, 2023.

19 (20) "Sports entity designee" means any person, other
20 than an individual, that is designated and authorized by a sports
21 entity to receive an interactive sports wagering permit on behalf
22 of the sports entity.

23 (21) "Sports facility" means:

24 (A) a facility in this state that is the primary
25 host of:

26 (i) a Major League Baseball, National
27 Basketball Association, Women's National Basketball Association,

1 National Football League, Major League Soccer, National Lacrosse
2 League, or National Hockey League professional sports franchise; or

3 (ii) a sanctioned annual professional golf
4 tournament that is part of a national tour of professional golfers;

5 (B) a class 1 racetrack that was in operation on
6 January 1, 2023; or

7 (C) a racetrack that:

8 (i) existed and operated before January 1,
9 2000, and annually hosted National Association for Stock Car Auto
10 Racing Cup Series events for at least 20 years preceding May 1,
11 2023; or

12 (ii) existed and operated before January 1,
13 2015, and annually hosted the Formula One United States Grand Prix
14 in each year that the race occurred for at least five years
15 preceding May 1, 2023.

16 (22) "Sports governing body" means the organization
17 that:

18 (A) prescribes final rules and enforces codes of
19 conduct with respect to a professional sporting event and
20 participants in the professional sporting event; and

21 (B) has corporate headquarters located in the
22 United States.

23 (23) "Sports team" means a Major League Baseball,
24 National Basketball Association, Women's National Basketball
25 Association, National Football League, Major League Soccer,
26 National Lacrosse League, or National Hockey League professional
27 sports franchise located in this state that:

1 (A) leases, subleases, or exclusively or jointly
2 operates a sports facility; and

3 (B) existed on January 1, 2023.

4 (24) "Sports wagering" means a bet placed on sporting
5 events or portions of sporting events, or on the individual
6 performance statistics of athletes in a sporting event or
7 combination of sporting events. The term includes single-game
8 wagers, teaser wagers, parlays, over-unders, moneylines, pools,
9 exchange wagering, in-game wagering, in-play wagers, proposition
10 wagers, and straight wagers. The term does not include:

11 (A) fantasy sports contests; or

12 (B) horse racing or greyhound racing regulated
13 under Subtitle A-1 (Texas Racing Act).

14 (25) "Sports wagering brand" means the names, logos,
15 and brands by which an interactive sports wagering operator
16 advertises, promotes, or otherwise holds out to the public its
17 sports wagering platform.

18 (26) "Sports wagering platform" means an Internet
19 website, mobile application, or other interactive platform
20 accessible through or by means of the Internet, a mobile device, or
21 any other telecommunications service that sports wagering players
22 may use to place sports wagers and participate in sports wagering
23 authorized under this chapter.

24 (27) "Tier one sports wager" means any sports wager
25 other than a tier two sports wager.

26 (28) "Tier two sports wager" means a sports wager
27 placed after a sporting event begins.

1 (29) "Youth sports" means an athletic or sporting
2 event in which the majority of participants are under the age of 18
3 or are competing on behalf of or under the sponsorship of one or
4 more public or private preschools or public or private elementary,
5 middle or junior high, or high schools. The term does not include
6 professional sports or events that occur under the sponsorship or
7 oversight of national or international athletic bodies that are not
8 educational institutions and that include participants both over
9 and under the age of 18.

10 Sec. 2005.003. COMPLIANCE WITH FEDERAL AND STATE LAW. (a)
11 All sports wagering authorized under this chapter must be
12 initiated, received, and otherwise placed within the boundaries of
13 this state unless otherwise authorized by commission rule adopted
14 in accordance with applicable federal and state laws.

15 (b) The intermediate routing of electronic data relating to
16 Internet sports wagering authorized under this chapter, including
17 routing across state lines, does not determine the location in
18 which wagers are initiated, received, or otherwise placed,
19 consistent with the Unlawful Internet Gambling Enforcement Act of
20 2006 (31 U.S.C. Section 5361, et seq.).

21 Sec. 2005.004. INAPPLICABILITY OF CHAPTER TO CERTAIN
22 EVENTS. This chapter does not to apply to:

- 23 (1) fantasy sports contests; or
24 (2) pari-mutuel wagering on horse-racing or greyhound
25 racing under Subtitle A-1 (Texas Racing Act).

26 Sec. 2005.005. REVIEW OF COMMISSION ACTION. Except as
27 otherwise provided by this chapter, an action of the commission

1 under this chapter is subject to review under Chapter 2001,
2 Government Code.

3 Sec. 2005.006. ALLOCATION OF EXCESS FEE REVENUE. Any fees
4 collected by the commission under this chapter in amounts that
5 exceed the amount the commission requires to implement this chapter
6 shall be remitted to the comptroller to be deposited as prescribed
7 by Section 2005.258.

8 SUBCHAPTER B. COMMISSION POWERS AND DUTIES

9 Sec. 2005.051. SPORTS WAGERING PROGRAM. (a) The commission
10 shall by rule establish an interactive sports wagering program
11 under this chapter and issue permits to operate interactive sports
12 wagering on sporting events as authorized by this chapter and
13 commission rule.

14 (b) The commission may not authorize sports wagering
15 involving youth sports.

16 Sec. 2005.052. RULES. The commission shall adopt all
17 necessary rules to administer this chapter and regulate sports
18 wagering in this state.

19 Sec. 2005.053. ADMINISTRATION AND ENFORCEMENT. The
20 executive director under direction of the commission shall
21 administer and enforce this chapter.

22 Sec. 2005.054. CERTIFICATION OF REVENUES AND EXPENSES. The
23 commission shall:

24 (1) each month certify to the comptroller in the form
25 and manner required by the comptroller a full and complete
26 statement of sports wagering revenue and expenses for the preceding
27 month; and

1 (2) not later than September 30 of each year, provide
2 to the comptroller a full and complete statement of sports wagering
3 revenue and expenses for the preceding state fiscal year and any
4 recommendations for amendments to this chapter that may be
5 warranted and prudent to protect the public interest.

6 Sec. 2005.055. AUDITS. (a) To ensure a proper accounting
7 of all revenue due to this state, the commission and the comptroller
8 each independently shall have the right to audit the books and
9 records of interactive sports wagering operators and service
10 providers that are related to sports wagering activities authorized
11 under this chapter. The commission and comptroller shall
12 coordinate to ensure audits are not duplicative or overly
13 burdensome on the operators or providers.

14 (b) The comptroller may conduct an audit of any taxes or
15 fees imposed under this chapter in the same manner the comptroller
16 conducts an audit of taxes imposed under Title 2, Tax Code.

17 Sec. 2005.056. VOLUNTARY EXCLUSION PROGRAM. (a) The
18 commission by rule shall establish, implement, and administer a
19 voluntary exclusion program.

20 (b) The rules adopted under this section must require:

21 (1) the commission to establish and administer a
22 statewide self-exclusion list that allows an individual to register
23 on the commission's public Internet website for self-exclusion for
24 the period specified in the exclusion registration agreement and
25 requires the commission to regularly distribute the list to each
26 interactive sports wagering operator;

27 (2) each interactive sports wagering operator to

1 provide information on the procedures for individuals to request to
2 be added to the commission's self-exclusion list and for operators
3 to bar individuals on the self-exclusion list from any further
4 participation in sports wagering for the period the individuals are
5 included on the list;

6 (3) except as otherwise provided by commission rule,
7 an individual who participates in the voluntary exclusion program
8 to agree to refrain from participating in sports wagering for the
9 period specified in the exclusion registration agreement;

10 (4) except as otherwise provided by commission rule,
11 an individual who participates in the voluntary exclusion program
12 to agree not to petition the commission for removal from the program
13 for the period specified in the exclusion registration agreement;
14 and

15 (5) a permit holder to make all commercially
16 reasonable attempts and cause its sales agents and others operating
17 on its behalf to make reasonable efforts to cease all direct
18 marketing efforts to individuals participating in the voluntary
19 exclusion program.

20 (c) An individual's registration under the voluntary
21 exclusion program does not prevent a permit holder and its agents
22 and others operating on their behalf from seeking payment of a debt
23 accrued by the individual before the individual entered the
24 program.

25 Sec. 2005.057. RISK MANAGEMENT. (a) The commission shall
26 adopt rules allowing interactive sports wagering operators and
27 their service providers to use systems that offset loss or manage

1 risk in the operation of sports wagering under this chapter,
2 including through liquidity pools, exchanges, or similar
3 mechanisms in other approved jurisdictions in which the interactive
4 sports wagering operator, service provider, affiliate of either, or
5 other third party also holds an equivalent permit or license.

6 (b) Notwithstanding Subsection (a), the rules adopted under
7 this section must require that adequate protections be maintained
8 at all times to ensure sufficient funds are available to pay all
9 sports wagering players.

10 Sec. 2005.058. PLACES OF PUBLIC ACCOMMODATION. The
11 commission may not authorize or allow a person to:

12 (1) operate or to allow the operation of a place of
13 public accommodation, a club, or a similar establishment in which
14 computer terminals or similar access devices are intended or are
15 made available for the primary use of accessing a sports wagering
16 platform; or

17 (2) otherwise advertise to the general public that the
18 place of public accommodation, club, or similar establishment is
19 available to engage in sports wagering.

20 Sec. 2005.059. AUTHORITY TO SUSPEND WAGERING. The
21 commission, as necessary to protect the integrity of a competition
22 or its participants or as described in Section 2005.060, may
23 suspend wagering on any competition, category or type of
24 competition, or other aspect of a competition.

25 Sec. 2005.060. LIMITATIONS ON CERTAIN SPORTS WAGERING FOR
26 GOOD CAUSE. (a) If a sports governing body believes that the type,
27 form, or category of sports wagering on that sports governing

1 body's sporting events has the potential to undermine the integrity
2 or perceived integrity of the sports governing body or its sporting
3 events, the sports governing body may submit to the commission a
4 written request to restrict, limit, or exclude a certain type,
5 form, or category of sports wagering for that sports governing
6 body's sporting events. The sports governing body shall provide the
7 request in the form and manner prescribed by commission rule.

8 (b) The commission shall request comment from interactive
9 sports wagering operators on each request described by Subsection
10 (a) before granting the request.

11 (c) After giving due consideration to all comments received
12 under Subsection (b), the commission shall, on a demonstration of
13 good cause from the requestor that the type, form, or category of
14 sports wagering is likely to undermine the perceived integrity or
15 the integrity of the sports governing body or its sporting events,
16 grant the request.

17 (d) The commission shall:

18 (1) if feasible, respond to a request under Subsection
19 (a) concerning a particular event before the event begins; or

20 (2) if not feasible, respond not later than the
21 seventh day after the date the request is submitted.

22 (e) If the commission determines the requestor who
23 submitted a request under Subsection (a) is likely to prevail in
24 successfully demonstrating good cause for its request, the
25 commission may provisionally grant the request until the commission
26 issues a final determination on whether the requestor has
27 demonstrated good cause. Absent a provisional grant by the

1 commission, an interactive sports wagering operator may continue to
2 offer sports wagering on sporting events that are the subject of a
3 request under this section during the commission's consideration of
4 the request.

5 Sec. 2005.061. MONITORING PROGRAM. The commission by rule
6 shall adopt and administer a monitoring program sufficient to
7 protect the integrity of all sports wagering regulated under this
8 chapter. The program must provide for the sharing of suspicious
9 activities on wagering with operators and regulators in other
10 states.

11 SUBCHAPTER C. SPORTS WAGERING PERMITS

12 Sec. 2005.101. INTERACTIVE SPORTS WAGERING PERMIT
13 APPLICATION; FEE. (a) The commission shall issue not more than one
14 interactive sports wagering permit for each authorized sports
15 entity under this chapter. Each sports entity may designate only
16 one sports entity designee as an authorized sports entity.

17 (b) The commission shall issue an interactive sports
18 wagering permit to an authorized sports entity that:

19 (1) submits a completed application to the commission,
20 on a form prescribed by the commission, containing the information
21 required by this section; and

22 (2) pays to the commission a permitting fee in an
23 amount equal to \$2 million, which the commission must refund if the
24 applicant's application is denied after deducting the commission's
25 expenses incurred in considering the application.

26 (c) The commission may issue an interactive sports wagering
27 permit to an authorized sports entity that is a sports entity

1 designee only if the designee is based in the United States.

2 (d) The commission shall prescribe an application form for
3 an interactive sports wagering permit that requires an applicant to
4 submit:

5 (1) the applicant's proposed initial business plan,
6 including the range of contemplated types and modes of sports
7 wagering;

8 (2) the applicant's proposed measures to address age
9 and identity verification and geolocation requirements;

10 (3) the applicant's proposed internal controls,
11 including controls to ensure that an ineligible person does not
12 participate in sports wagering;

13 (4) the applicant's history of preventing problem
14 gambling, including training programs for its employees;

15 (5) the applicant's written information security
16 program, including information security governance and the
17 designation of a chief security officer or equivalent;

18 (6) the single sports wagering brand under which an
19 interactive sports wagering operator plans to hold out its sports
20 wagering platform to the public;

21 (7) any personal information the commission by rule
22 may determine is required for the applicant's key persons; and

23 (8) any other information the commission considers
24 necessary.

25 Sec. 2005.102. SERVICE PROVIDER PERMIT APPLICATION; FEE.

26 (a) An applicant for a service provider permit shall:

27 (1) submit an application to the commission, on a form

1 prescribed by the commission, containing the information required
2 by this section; and

3 (2) pay to the commission an application fee in an
4 amount equal to \$25,000.

5 (b) An application submitted under this section must
6 include:

7 (1) the applicant's background in sports wagering or a
8 covered service;

9 (2) the applicant's experience in connection with
10 sports wagering or other wagering activities in other
11 jurisdictions, including the applicant's history and reputation of
12 integrity and compliance, a list of all active or lapsed permits or
13 licenses for sports wagering or other wagering activities, and the
14 reason for any lapse;

15 (3) the applicant's written information security
16 program, including information security governance and the
17 designation of a chief security officer or equivalent;

18 (4) any personal information the commission by rule
19 determines should be required concerning the applicant's key
20 persons; and

21 (5) any other information the commission considers
22 necessary.

23 Sec. 2005.103. BACKGROUND CHECK. The commission shall
24 conduct a background check on each service provider applicant,
25 including any key persons of the applicant, as required by
26 commission rule. A background check conducted under this section
27 must include a credit history check, a tax record check, and a

1 criminal history record information check.

2 Sec. 2005.104. GRANT OR DENIAL. (a) The commission shall
3 grant or deny a completed application under this subchapter not
4 later than the 90th day after the date the commission receives the
5 application. The commission's decision is final and not
6 appealable, except as otherwise required under state law.

7 (b) The commission may accept a license, permit, or any
8 other authorization to operate sports wagering issued by another
9 jurisdiction that the commission specifically determines has
10 similar permitting requirements as evidence that the applicant
11 meets the interactive sports wagering operator requirements. The
12 commission may accept another jurisdiction's or an approved third
13 party's testing of the interactive sports wagering platform as
14 evidence that the platform meets any requirements mandated by
15 commission rule.

16 (c) The commission shall grant a permit to an applicant for
17 a service provider permit unless:

18 (1) the commission reasonably believes:

19 (A) the applicant will be unable to satisfy the
20 duties of a service provider under this chapter;

21 (B) the applicant or a key person of the
22 applicant is not of good character, honesty, or integrity; or

23 (C) the applicant's or a key person of the
24 applicant's prior activities, criminal record, reputation, or
25 associations are likely to:

26 (i) pose a threat to the public interest;

27 (ii) impede the regulation of sports

1 wagering; or

2 (iii) promote unfair or illegal activities
3 in the conduct of sports wagering;

4 (2) the applicant or a key person of the applicant
5 knowingly fails to comply with the provisions of this chapter or a
6 commission rule under this chapter;

7 (3) the applicant or a key person of the applicant has
8 been previously convicted of a felony, a crime of moral turpitude,
9 or any criminal offense involving dishonesty or breach of trust in
10 the 10 years preceding the date the application is submitted;

11 (4) the applicant's or a key person of the applicant's
12 license, registration, or permit to conduct sports wagering, other
13 forms of gambling activity, or a covered service issued by another
14 state has been revoked; or

15 (5) the applicant defaults in payment of any
16 obligation or debt due to this state.

17 Sec. 2005.105. CONFIDENTIAL INFORMATION. Notwithstanding
18 any other law, the information an applicant submits under this
19 subchapter is confidential and exempt from public disclosure.

20 Sec. 2005.106. PERMIT RENEWAL. (a) Except as provided by
21 Subsection (b), a permit issued under this chapter expires on the
22 third anniversary of the date of issuance.

23 (b) If the permit application is submitted by a designee of
24 a sports entity or the sports entity's affiliate, a permit under
25 this chapter expires on the earlier of:

26 (1) the third anniversary of the date of issuance; or

27 (2) the expiration date of any contract between the

1 sports entity or an affiliate of the sports entity and the designee
2 of the sports entity or affiliate authorizing the designee to
3 manage and operate the sports entity's or affiliate's sports
4 wagering activities.

5 (c) At least 60 days before the expiration date of a permit,
6 a permit holder may renew a permit by submitting a renewal
7 application on a form prescribed by the commission. The permit
8 holder must include a renewal fee in an amount equal to:

9 (1) \$400,000 for renewal of an interactive sports
10 wagering permit; or

11 (2) \$10,000 for renewal of a service provider permit.

12 (d) The commission may deny an application for permit
13 renewal if the commission finds grounds for denial as provided in
14 Section 2005.101 for an interactive sports wagering permit or
15 Section 2005.102 for a service provider permit.

16 SUBCHAPTER D. SPORTS WAGERING OPERATORS

17 Sec. 2005.151. INTERACTIVE SPORTS WAGERING OPERATOR. An
18 interactive sports wagering operator or a service provider on
19 behalf of an interactive sports wagering operator may conduct
20 statewide interactive sports wagering.

21 Sec. 2005.152. DUTIES OF INTERACTIVE SPORTS WAGERING
22 OPERATORS. (a) An interactive sports wagering operator and its
23 service provider shall implement reasonable measures to:

24 (1) ensure that only individuals physically located in
25 this state or as otherwise authorized by commission rule may place a
26 wager through its sports wagering platform;

27 (2) protect the confidential information of players

1 using its sports wagering platform;

2 (3) prevent wagering on events that are prohibited
3 events, as provided by this chapter or commission rule;

4 (4) prevent individuals from placing wagers as agents
5 or proxies for other individuals;

6 (5) allow individuals to restrict themselves from
7 placing wagers through the sports wagering platform under the
8 voluntary exclusion program established under Section 2005.056;

9 (6) establish procedures to detect suspicious or
10 illegal wagering activity, including measures to report suspicious
11 or illegal wagering activity to the commission; and

12 (7) provide for the withholding or reporting of income
13 tax of players as required by applicable state or federal law.

14 (b) An interactive sports wagering operator shall maintain
15 until the third anniversary of the date of a sporting event records
16 of:

17 (1) all sports wagers placed on the event, including:

18 (A) the identity of the player;

19 (B) the amount and type of wager;

20 (C) the time and location of the wager, including
21 an Internet Protocol address, if available; and

22 (D) the outcome of the wager; and

23 (2) suspicious or illegal wagering activity.

24 (c) An interactive sports wagering operator must disclose
25 the records described in Subsection (b) to the commission on
26 request.

27 (d) If a sports governing body notifies the commission that

1 real-time information sharing for wagers placed on its sporting
2 events is necessary and desirable, interactive sports wagering
3 operators must share with that sports governing body or its
4 designee in real time, at the account level:

5 (1) anonymized information regarding an individual
6 who places a wager;

7 (2) the amount and type of wager;

8 (3) the time the wager was placed;

9 (4) the location of the wager, including the Internet
10 Protocol address if applicable;

11 (5) the outcome of the wager; and

12 (6) records of abnormal wagering activity.

13 (e) A sports governing body may use the information
14 described by Subsection (d) solely for sports wagering integrity
15 purposes.

16 (f) In advertising its sports wagering platform, an
17 interactive sports wagering operator must ensure that its
18 advertisements:

19 (1) are not targeted to individuals under the age of
20 21;

21 (2) disclose the identity of the interactive sports
22 wagering operator's brand;

23 (3) provide information about or links to resources
24 related to problem gambling and prevention, including a toll-free
25 crisis help telephone number approved by the commission; and

26 (4) are not misleading to a reasonable individual.

27 (g) For purposes of Subsection (d), "real-time information

1 sharing" means the sharing of information at a commercially
2 reasonable periodic interval of not less than once every 72 hours.

3 Sec. 2005.153. ESTABLISHMENT OF INTERACTIVE ACCOUNTS. (a)

4 An interactive sports wagering operator:

5 (1) is responsible for verifying the identity of a
6 sports wagering player and ensuring that the player is at least 21
7 years of age; and

8 (2) may remotely verify the identity of a sports
9 wagering player in order to establish the player's interactive
10 sports wagering account.

11 (b) A sports wagering player may not establish more than one
12 account with any interactive sports wagering operator.

13 (c) The following individuals are prohibited from placing
14 sports wagers:

15 (1) any individual under 21 years of age;

16 (2) any individual who has requested and has not
17 revoked exclusion from sports wagering under the voluntary
18 exclusion program established under Section 2005.056, or who
19 otherwise has been adjudicated by law as prohibited from engaging
20 in sports wagering;

21 (3) any member, officer, or employee of the
22 commission;

23 (4) any employee or key person of a permit holder for
24 that permit holder's sports wagering platform;

25 (5) any participant, including an athlete, coach,
26 trainer, referee, or other official, and any employee or other
27 staff of a participant, in a competition that is the subject of

1 sports wagering under this chapter for the league with which the
2 participant is affiliated; and

3 (6) any employee or other staff of a sports governing
4 body or authorizing league or similar sponsoring organization for a
5 competition subject to sports wagering under this chapter for the
6 sports governing body, authorizing league, or similar sponsoring
7 organization with which the individual is employed or otherwise
8 affiliated.

9 (d) An interactive sports wagering operator and, as
10 applicable, the operator's service providers may not accept a
11 sports wager from an individual described by Subsection (c)(5) or
12 (6) if the interactive sports wagering operator or, as applicable,
13 the operator's service provider, has notice or actual knowledge
14 that the individual is prohibited from placing a sports wager under
15 those subsections.

16 (e) An interactive sports wagering account must:

17 (1) be established in the name or on behalf of a player
18 who is a natural person and may not be in the name of any
19 beneficiary, custodian, joint trust, corporation, partnership, or
20 any other entity;

21 (2) be established:

22 (A) through the interactive sports wagering
23 operator's sports wagering platform or a specialized Internet
24 website or other interface established for that purpose; or

25 (B) by any other means approved by the
26 commission; and

27 (3) include terms that:

1 (A) prohibit the transfer or sale of an account
2 or account balance to another registered player;

3 (B) prohibit the use of any virtual private
4 network or other technology that may obscure or falsify the
5 player's physical location;

6 (C) prohibit any form of collusion, cheating, or
7 other unlawful activity;

8 (D) affirm that the player meets all eligibility
9 requirements for registration; and

10 (E) authorize the provision of notices and other
11 required communications either through a designated mobile or other
12 interface or to an electronic mail address designated by the
13 player.

14 (f) The interactive sports wagering operator may allow for
15 the establishment, verification, and funding of an account
16 remotely, provided the operator has in place measures sufficient to
17 remotely verify the age and identity of the player.

18 (g) An interactive sports wagering operator may suspend or
19 terminate an account:

20 (1) if the operator determines the player has provided
21 any false or misleading information in connection with the opening
22 of the account or has engaged in cheating or other unlawful conduct;

23 (2) if the player is or has been barred from placing
24 sports wagers in this state;

25 (3) if the player is or otherwise becomes ineligible
26 under this chapter;

27 (4) if the interactive sports wagering operator

1 determines it lacks sufficient information to verify the age and
2 eligibility of the player; or

3 (5) for any other reason at the sole discretion of the
4 operator, provided that reason is not based on a player's actual or
5 believed sex, gender identity, race, religion, national origin,
6 sexual orientation, or other lawfully protected characteristic.

7 (h) On termination for any reason other than the reason
8 described in Subsection (g)(1), an interactive sports wagering
9 operator must provide the player sufficient time and access to
10 withdraw any funds remaining in the account.

11 Sec. 2005.154. BRAND LIMITATION. An interactive sports
12 wagering operator may hold out the operator's sports wagering
13 platform to the public under only one sports wagering brand.

14 Sec. 2005.155. ASSIGNMENT OF SPORTS WAGERING OPERATIONS TO
15 THIRD PARTY. (a) Subject to commission approval, an interactive
16 sports wagering operator may assign the operator's interactive
17 sports wagering operations to a third-party designee to manage and
18 operate the operator's sports wagering activities.

19 (b) A third-party designee described by Subsection (a) must
20 submit to the commission the information required for an applicant
21 under Subchapter C in accordance with procedures prescribed by
22 commission rule.

23 Sec. 2005.156. FANTASY SPORTS CONTESTS. An interactive
24 sports wagering operator may offer fantasy sports contests to the
25 extent those contests are authorized by law.

26 Sec. 2005.157. RISK MANAGEMENT MEASURES. An interactive
27 sports wagering operator may engage in risk management measures,

1 commonly known as layoff wagering, in the ordinary course of
2 business.

3 Sec. 2005.158. DATA SOURCES. (a) An interactive sports
4 wagering operator is not required to use official league data in
5 determining the result of a tier one sports wager.

6 (b) A sports governing body may notify the commission in
7 accordance with forms and procedures prescribed by the commission
8 of the governing body's determination that an interactive sports
9 wagering operator must use official league data to settle tier two
10 sports wagers. The commission shall notify each interactive sports
11 wagering operator of the sports governing body's notification not
12 later than the fifth day after the date the commission receives the
13 notification. If a sports governing body does not notify the
14 commission of its determination to provide official league data, an
15 operator is not required to use official league data in determining
16 the result of a tier two sports wager on a professional sports event
17 of the league governed by the sports governing body.

18 (c) Not later than the 60th day after the date the
19 commission notifies each interactive sports wagering operator as
20 required by Subsection (b), a permit holder may only use official
21 league data to determine the results of tier two sports wagers on
22 professional sports events of the league governed by the sports
23 governing body, unless:

24 (1) the sports governing body or its applicable
25 designee is unable to provide a feed, on commercially reasonable
26 terms, of official league data to determine the results of a tier
27 two sports wager, in which case an operator is not required to use

1 official league data in determining the results of tier two sports
2 wagers until the data feed becomes available on commercially
3 reasonable terms; or

4 (2) an operator demonstrates to the commission that
5 the sports governing body has not provided or offered to provide a
6 feed of official league data to the operator on commercially
7 reasonable terms.

8 (d) The commission may consider the following nonexclusive
9 factors in evaluating whether a sports governing body has provided
10 or offered to provide a feed of official league data on commercially
11 reasonable terms:

12 (1) the availability of a sports governing body's
13 official league data for tier two sports wagers from more than one
14 authorized source;

15 (2) market information, including price, terms, and
16 conditions, regarding the purchase, in this state and other states,
17 by interactive sports wagering operators of comparable data for the
18 purpose of settling sports wagers;

19 (3) the nature and quantity of the data, including the
20 quality and complexity of the process used for collecting the data;
21 and

22 (4) the extent to which sports governing bodies or
23 their designees have made data used to settle tier two sports wagers
24 available to sports wagering operators and any terms and conditions
25 relating to the use of that data.

26 (e) During any period in which the commission is determining
27 whether official league data is available on commercially

1 reasonable terms under Subsections (c) and (d), an interactive
2 sports wagering operator is not required to use official league
3 data in determining the results of any tier two sports wagers. The
4 commission shall make a determination under Subsections (c) and (d)
5 not later than the 60th day after the date an operator notifies the
6 commission that it desires to demonstrate that a sports governing
7 body has not provided or offered to provide a feed of official
8 league data to the operator on commercially reasonable terms. If
9 the commission determines that the requesting operator is likely to
10 fail in successfully making the demonstration under this
11 subsection, the commission may provisionally deny the request until
12 the commission makes a final determination as to whether the
13 requesting operator has made the demonstration.

14 Sec. 2005.159. COMMERCIAL AGREEMENTS. (a) Any sports
15 governing body may enter into a commercial agreement with an
16 interactive sports wagering operator under which the sports
17 governing body may share in the amounts wagered or revenues derived
18 from sports wagering on the sports governing body's sporting
19 events.

20 (b) A sports governing body is not required to obtain a
21 permit or other approval from the commission to lawfully accept
22 amounts or revenues described by Subsection (a).

23 SUBCHAPTER E. COMPETITION INTEGRITY: PROHIBITED EVENTS;

24 INVESTIGATIONS; PROMPT REPORTING

25 Sec. 2005.201. PROHIBITION ON YOUTH SPORTS WAGERING. A
26 person may not place or accept a sports wager on youth sports.

27 Sec. 2005.202. COOPERATION WITH INVESTIGATIONS. The

1 commission and interactive sports wagering operators shall
2 cooperate with investigations conducted by sports governing bodies
3 or law enforcement agencies, including by providing or facilitating
4 the provision of account-level wagering information and audio or
5 video files relating to individuals placing wagers.

6 Sec. 2005.203. REQUIRED REPORT TO COMMISSION. (a) An
7 interactive sports wagering operator must promptly report to the
8 commission any information relating to:

9 (1) criminal or disciplinary proceedings commenced
10 against the interactive sports wagering operator in connection with
11 its operations;

12 (2) abnormal wagering activity or patterns that may
13 indicate a concern with the integrity of a sporting event;

14 (3) any potential breach of the relevant sports
15 governing body's internal rules and codes of conduct pertaining to
16 sports wagering, to the extent the operator has actual knowledge of
17 the potential breach;

18 (4) any other conduct that corrupts a wagering outcome
19 of a sporting event for purposes of financial gain, including match
20 fixing; and

21 (5) suspicious or illegal wagering activities,
22 including the use of funds derived from illegal activity, the
23 placement of wagers to conceal or launder funds derived from
24 illegal activity, the use of agents to place wagers, and the use of
25 false identification in placing wagers.

26 (b) Interactive sports wagering operators must promptly
27 report information relating to conduct described in Subsections

1 (a)(2), (3), and (4) to the relevant sports governing body.

2 Sec. 2005.204. CONFIDENTIALITY OF CERTAIN REPORTED
3 INFORMATION. (a) An interactive sports wagering operator must
4 maintain the confidentiality of information provided by a sports
5 governing body to the operator unless disclosure is required by
6 this chapter, the commission, other law, or court order.

7 (b) The commission, sports governing bodies, and
8 interactive sports wagering operators must maintain the
9 confidentiality of all information relating to conduct described in
10 Sections 2005.203(a)(2), (3), and (4) unless disclosure is required
11 by this chapter, other law, or court order, or as authorized by the
12 relevant sports governing body.

13 (c) The commission must maintain the confidentiality of all
14 information provided by sports wagering operators for compliance
15 purposes unless disclosure is required by this chapter, other law,
16 or court order.

17 (d) The commission and an interactive sports wagering
18 operator may disclose confidential information to another
19 interactive sports wagering operator, a sports governing body, a
20 sports wagering regulating entity, a law enforcement entity, or
21 other party for the purpose of preventing or investigating conduct
22 that corrupts or could corrupt the outcome of a sporting event,
23 including match fixing.

24 SUBCHAPTER F. WAGERING REVENUE TAX

25 Sec. 2005.251. IMPOSITION OF TAX. A tax is imposed on the
26 adjusted gross wagering revenue of an interactive sports wagering
27 operator.

1 Sec. 2005.252. COMPUTATION OF ADJUSTED GROSS WAGERING
2 REVENUE; LOSS CARRYFORWARD. (a) For purposes of the tax imposed
3 under this subchapter, an interactive sports wagering operator
4 shall compute the operator's adjusted gross wagering revenue for a
5 reporting period by determining the total amount of wagering
6 revenue the operator received from all sports wagers authorized
7 under this chapter during the period and subtracting the following
8 for the period:

9 (1) all cash or cash equivalents the operator paid as
10 winnings to players;

11 (2) the actual cost paid by the operator for any
12 personal property the operator distributed to a player as a result
13 of a sports wager authorized under this chapter;

14 (3) uncollectible receivables, not to exceed four
15 percent of the amount of gross wagering revenue except as provided
16 by Subsection (b);

17 (4) any federal excise tax payments on sports wagers
18 the operator remitted to the federal government; and

19 (5) amounts returned to an authorized participant due
20 to technical malfunction or due to concerns regarding the integrity
21 of the wager or the sporting event.

22 (b) The commission may increase the percentage of gross
23 wagering revenue that an interactive sports wagering operator may
24 deduct as uncollectible receivables under Subsection (a)(3) on a
25 showing that a greater percentage is reasonable and warranted.

26 (c) An interactive sports wagering operator that has an
27 adjusted gross wagering revenue for a reporting period computed

1 under Subsection (a) that is less than zero may carry that amount
2 forward and deduct the amount from the operator's adjusted gross
3 wagering revenue for one or more of the succeeding 12 reporting
4 periods before determining the amount of tax due under this
5 subchapter for the applicable reporting period.

6 (d) Notwithstanding Subsection (a), an interactive sports
7 wagering operator may, before the first anniversary of the date the
8 operator is initially issued an interactive sports wagering permit
9 under this chapter, exclude wagers placed using free bets or
10 promotional credits from the computation of the operator's adjusted
11 gross wagering revenue for a reporting period.

12 Sec. 2005.253. RATE OF TAX. The rate of the tax imposed
13 under this subchapter is 15 percent of the adjusted gross wagering
14 revenue for a reporting period, subject to Section 2005.252(c).

15 Sec. 2005.254. PAYMENT OF TAX. The tax imposed under this
16 subchapter is due and payable to the comptroller on or before the
17 20th day of the month following the month in which the adjusted
18 gross wagering revenue on which the tax is based is received.

19 Sec. 2005.255. TAX REPORT. (a) A person required to pay a
20 tax under this subchapter shall file a tax report with the
21 comptroller on a form prescribed by the comptroller. The tax report
22 is due on the date the tax is due under Section 2005.254.

23 (b) The tax report must include separate statements of:

24 (1) the amount of the gross wagering revenue the
25 person received from all sports wagers authorized under this
26 chapter during the reporting period;

27 (2) the total amount of cash or cash equivalents the

1 person paid as winnings to players during the reporting period;

2 (3) the amount of the actual cost the person paid
3 during the reporting period for any personal property the person
4 distributed to a player as a result of a sports wager authorized
5 under this chapter;

6 (4) the cash value of any bonuses or promotional
7 credits provided to players that are returned to the person in the
8 form of a deposit or wager during the reporting period;

9 (5) the person's total amount of uncollectible
10 receivables during the reporting period as determined under Section
11 2005.252;

12 (6) the amount of any federal excise tax payments on
13 sports wagers the person remitted to the federal government during
14 the reporting period; and

15 (7) the total negative amount of adjusted gross
16 wagering revenue that is eligible to be deducted under Section
17 2005.252(c), the amount of that revenue the person actually
18 deducted for the report in determining the tax due, and the
19 remaining amount of that revenue that is eligible to be deducted on
20 a subsequent report.

21 Sec. 2005.256. RECORDS. A person required to pay a tax
22 under this subchapter shall keep a record of:

23 (1) the amounts the person is required to report under
24 Section 2005.255; and

25 (2) any other information the comptroller requires.

26 Sec. 2005.257. ADMINISTRATION AND ENFORCEMENT; RULES. (a)
27 The comptroller shall administer, collect, and enforce the tax

1 imposed under this subchapter in the manner the comptroller
2 administers, collects, and enforces taxes imposed under Title 2,
3 Tax Code, except as otherwise provided by this subchapter.

4 (b) The comptroller shall adopt rules providing for the
5 manner in which a person required to pay a tax under this subchapter
6 may file an amended tax report for a reporting period or otherwise
7 account for errors or omissions in a tax report filed under this
8 subchapter. The comptroller may adopt other rules as necessary to
9 implement this subchapter.

10 Sec. 2005.258. ALLOCATION OF TAX REVENUE AND EXCESS FEE
11 REVENUE. The comptroller shall deposit the net revenue from the tax
12 collected under this subchapter and the excess fee revenue
13 collected under Section 2005.006 as follows:

14 (1) two percent to the problem gambling and addiction
15 grant fund established under Section 2005.259; and

16 (2) the remainder to the general revenue fund to be
17 appropriated to the Texas Education Agency for use in providing
18 property tax relief through the reduction of the state compression
19 percentage, as defined by Section 48.255, Education Code.

20 Sec. 2005.259. PROBLEM GAMBLING AND ADDICTION GRANT FUND.

21 (a) The problem gambling and addiction grant fund is established as
22 an account in the general revenue fund.

23 (b) Money credited to the fund may be used only for awarding
24 grants under this section. The fund shall be administered in
25 accordance with this section.

26 (c) An expenditure from the problem gambling and addiction
27 grant fund shall be made in accordance with the General

1 Appropriations Act.

2 (d) From funds appropriated as described by Subsection (c),
3 the commission shall administer a grant program to provide:

4 (1) assistance for the direct treatment of persons
5 diagnosed as suffering from pathological gambling and other
6 addictive behaviors; and

7 (2) funding for research regarding the impact of
8 gambling on residents of this state.

9 (e) Research grants awarded under Subsection (d)(2) may
10 include grants for determining the effectiveness of education and
11 prevention efforts on the prevalence of pathological gambling in
12 this state.

13 Sec. 2005.260. INAPPLICABILITY OF OTHER TAXES.
14 Notwithstanding any other law, except this chapter, an interactive
15 sports wagering operator is exempt from all excise taxes, license
16 taxes, permit taxes, privilege taxes, amusement taxes, and
17 occupation taxes imposed by this state or any political subdivision
18 of this state.

19 SUBCHAPTER G. PENALTIES

20 Sec. 2005.301. CRIMINAL PENALTIES. (a) A person commits an
21 offense if the person knowingly offers or engages in sports
22 wagering in violation of this chapter. An offense under this
23 subsection is a Class B misdemeanor.

24 (b) A person commits an offense if the person knowingly
25 attempts to suborn, collude, or otherwise conspire to impermissibly
26 influence the outcome of any competition or aspect of any
27 competition that is the subject of sports wagering under this

1 chapter. An offense under this subsection is a state jail felony.

2 (c) A person commits an offense if the person knowingly or
3 wilfully falsifies, conceals, or misrepresents a material fact or
4 knowingly or wilfully makes a false, fictitious, or fraudulent
5 statement or representation in an application submitted under this
6 chapter. An offense under this subsection is a state jail felony.

7 (d) If conduct constituting an offense under this chapter
8 also constitutes an offense under Chapter 47, Penal Code, the actor
9 may be prosecuted under either chapter or under both chapters.

10 Sec. 2005.302. CIVIL PENALTIES. If the commission
11 determines that a permit holder has intentionally violated any
12 material provision of this chapter or a rule adopted by the
13 commission under this chapter, the commission, after providing at
14 least 15 days' notice and a hearing, may:

15 (1) suspend or revoke the permit holder's permit; and
16 (2) impose a monetary penalty not to exceed \$10,000
17 for each violation.

18 SECTION 3. Section 47.01, Penal Code, is amended by
19 amending Subdivision (1) and adding Subdivision (2-a) to read as
20 follows:

21 (1) "Bet" means an agreement to win or lose something
22 of value solely or partially by chance. A bet does not include:

23 (A) contracts of indemnity or guaranty, or life,
24 health, property, or accident insurance;

25 (B) an offer of a prize, award, or compensation
26 to the actual contestants or participants in a bona fide contest for
27 the determination of skill, speed, strength, or endurance or to the

1 owners of animals, vehicles, watercraft, or aircraft entered in a
2 contest; [~~or~~]

3 (C) an offer of merchandise, with a value not
4 greater than \$25, made by the proprietor of a bona fide carnival
5 contest conducted at a carnival sponsored by a nonprofit religious,
6 fraternal, school, law enforcement, youth, agricultural, or civic
7 group, including any nonprofit agricultural or civic group
8 incorporated by the state before 1955, if the person to receive the
9 merchandise from the proprietor is the person who performs the
10 carnival contest; or

11 (D) an offer of a prize, award, or compensation
12 to the participants in a fantasy sports contest.

13 (2-a) "Fantasy sports contest" means a bona fide
14 contest, reflecting the relative knowledge and skill of the
15 participants, in which:

16 (A) participants assemble a fictional sports
17 team composed of actual professional or amateur athletes to compete
18 against other fictional sports teams assembled by other
19 participants for a prize, award, or compensation;

20 (B) the value of any prize, award, or
21 compensation is established in advance of the beginning of the game
22 or contest;

23 (C) the outcome of the game or contest is
24 determined by the accumulated statistical performances of the
25 individual athletes on a participant's fictional sports team; and

26 (D) the outcome of the game or contest is not
27 based solely on the score, point spread, or performance of a single

1 professional or amateur team or athlete.

2 SECTION 4. Section 47.02(c), Penal Code, is amended to read
3 as follows:

4 (c) It is a defense to prosecution under this section that
5 the actor reasonably believed that the conduct:

6 (1) was permitted under Chapter 2001, Occupations
7 Code;

8 (2) was permitted under Chapter 2002, Occupations
9 Code;

10 (3) was permitted under Chapter 2004, Occupations
11 Code;

12 (4) was permitted under Chapter 2005, Occupations
13 Code;

14 (5) consisted entirely of participation in the state
15 lottery authorized by the State Lottery Act (Chapter 466,
16 Government Code);

17 (6) [~~5~~] was permitted under Subtitle A-1, Title 13,
18 Occupations Code (Texas Racing Act); or

19 (7) [~~6~~] consisted entirely of participation in a
20 drawing for the opportunity to participate in a hunting, fishing,
21 or other recreational event conducted by the Parks and Wildlife
22 Department.

23 SECTION 5. Section 47.09(a), Penal Code, is amended to read
24 as follows:

25 (a) It is a defense to prosecution under this chapter that
26 the conduct:

27 (1) was authorized under:

- 1 (A) Chapter 2001, Occupations Code;
2 (B) Chapter 2002, Occupations Code;
3 (C) Chapter 2004, Occupations Code;
4 (D) Chapter 2005, Occupations Code;
5 (E) Subtitle A-1, Title 13, Occupations Code
6 (Texas Racing Act); or
7 (F) [~~(E)~~] Chapter 280, Finance Code;
8 (2) consisted entirely of participation in the state
9 lottery authorized by Chapter 466, Government Code; or
10 (3) was a necessary incident to the operation of the
11 state lottery and was directly or indirectly authorized by:
12 (A) Chapter 466, Government Code;
13 (B) the lottery division of the Texas Lottery
14 Commission;
15 (C) the Texas Lottery Commission; or
16 (D) the director of the lottery division of the
17 Texas Lottery Commission.

18 SECTION 6. (a) Not later than the 90th day after the
19 effective date of this Act, the Texas Lottery Commission shall post
20 on the commission's Internet website the application forms and
21 adopt rules allowing for the submission of applications for
22 interactive sports wagering permits and service provider permits,
23 as required by Chapter 2005, Occupations Code, as added by this Act.

24 (b) Not later than the 45th day after the date the
25 application forms are posted and rules are adopted as required by
26 Subsection (a) of this section, the Texas Lottery Commission shall
27 open an initial application period for issuance of permits under

1 Chapter 2005, Occupations Code, as added by this Act.

2 (c) Not later than the 30th day after the date the initial
3 application period described by Subsection (b) of this section
4 commences, the Texas Lottery Commission shall complete the review
5 of all applications received during the initial application period
6 and award interactive sports wagering permits in accordance with
7 Chapter 2005, Occupations Code, as added by this Act.

8 (d) Following the close of the initial application period
9 described by Subsection (c) of this section, the Texas Lottery
10 Commission shall issue additional available permits on a rolling
11 basis.

12 SECTION 7. The changes in law made by this Act to Chapter
13 47, Penal Code, apply only to an offense committed on or after the
14 effective date of this Act. An offense committed before the
15 effective date of this Act is governed by the law in effect on the
16 date the offense was committed, and the former law is continued in
17 effect for that purpose. For purposes of this section, an offense
18 was committed before the effective date of this Act if any element
19 of the offense occurred before that date.

20 SECTION 8. This Act takes effect January 1, 2024, but only
21 if the constitutional amendment authorizing the legislature to
22 legalize wagering in this state on certain sporting events is
23 approved by the voters. If that amendment is not approved by the
24 voters, this Act has no effect.