

FILED
Date _____
Time _____
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Comm. Amdt. _____

Amendment No. _____

Signature of Sponsor

AMEND Senate Bill No. 313

House Bill No. 217*

by deleting Section 2 and substituting instead the following language:

SECTION 2. Tennessee Code Annotated, Section 10-7-504, is amended by adding the following subsection (x):

(x)

(1) The following information regarding donors to the state museum is confidential and not open for inspection by members of the public, upon the donor's advance request; provided, however, that the museum may disclose such information as authorized or required by law:

(A) Residential information, including the street address, city, state, and zip code;

(B) Home telephone and personal cell phone numbers;

(C) Social security number;

(D) Electronic mail address; and

(E) Taxpayer identification number.

(2) This subsection (x) is repealed effective July 1, 2026.



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Amendment No. _____

Signature of Sponsor

AMEND Senate Bill No. 1353

House Bill No. 1074*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 57-3-207(r)(3)(B), is amended by deleting the language "that has a total annual wine production of fifty thousand gallons (50,000 gals.) or less" and substituting instead the language "that pays taxes under § 57-3-302(a) at its licensed facility on fifty thousand gallons (50,000 gals.) or less of wine or finished wine product each calendar year".

SECTION 2. Tennessee Code Annotated, Section 57-3-207(r)(5), is amended by deleting the last sentence of subdivision (A) and deleting subdivision (B).

SECTION 3. Tennessee Code Annotated, Section 57-3-207(r), is amended by adding the following new subdivision:

(6)

(A) Wineries and farm wine producers that pay taxes under § 57-3-302(a) at their licensed facility on more than fifty thousand gallons (50,000 gals.) of wine during a calendar year and that operate a satellite facility shall obtain wine provided at their satellite facilities from a wholesaler licensed pursuant to § 57-3-203. The wholesaler may permit the winery or farm wine producer to transport wine or finished wine product from the winery or the farm to its satellite facilities; provided, that the wholesaler includes the amounts delivered in its inventory, reports depletions for purposes of tax collection, and is responsible for the payment of taxes on such depletions.



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(B) Wineries and farm wine producers that pay taxes under § 57-3-302(a) at their licensed facility on fifty thousand gallons (50,000 gals.) or less of wine or finished wine product each calendar year are not required to obtain wine provided at their satellite facilities from a wholesaler. Wineries may transport wine or finished wine product from their wineries to their satellite facilities. Wineries may transport wine made from produce from farm wine producers to the producers' satellite facilities. Farm wine producers may transport wine from their farm to their satellite facilities.

(C) Wine and finished wine product sold for consumption on the premises at the satellite facilities are subject to the same taxation as wine sold for consumption on the premises at the winery or on the premises of the farm wine producer.

SECTION 4. Tennessee Code Annotated, Section 57-3-207, is amended by adding the following new subsection:

() Wholesalers utilized by wineries or farm wine producers may permit wineries and farm wine producers to transport their products for sale; provided, that the wholesaler permitting such direct shipment shall include the amounts delivered in its inventory, report depletions for purposes of tax collection, and be responsible for the payment of taxes on such depletions.

SECTION 5. Tennessee Code Annotated, Section 57-3-207, is amended by deleting subdivision (v)(2) and adding the following new subsection:

() As used in this section, "finished wine product" means any wine product that is ready for use by an end user and that bears the label of the winery or farm wine permit holder that purchased or imported the finished wine product under subsection (v).

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

Status Sheet

2/27/2019

Bill Type: **AM**

Drafting No. 004986

Date Request Rec'd 2/27/2019

Member: Sanderson, Bill

House: H

Abstract: Abstract does not exist

Action	Owner	Date
Intake	Matthew Mundy	2/27/2019
Data Entry		
Drafting / Editing / Initial Review		
Team / General Review		
AA Corrections		
Proofreading		
Drafter Final Review		
AA Corrections		
Final Preparation / Jacketing		
OLS Final Approval		
Member Contacted		
Delivered & Locked		

Note:

hb 1069 sb 428 add "knowingly"

Delivery Instructions:

Summary Required: No

FILED
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Amendment No. _____

Signature of Sponsor

AMEND Senate Bill No. 428*

House Bill No. 1069

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 3-7-106, is amended by designating the existing language as subsection (a) and adding the following as a new subsection (b):

(b) No executive level state employee or lobbyist or employee of a contractor shall knowingly furnish false or misleading information or knowingly make a false or misleading statement to the fiscal review committee.

SECTION 2. This act shall take effect July 1, 2019, the public welfare requiring it.



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Amendment No. _____

Signature of Sponsor

AMEND Senate Bill No. 16

House Bill No. 1*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated is amended by adding the following new title:

14-1-101. Short title.

This title shall be known and may be cited as the "Tennessee Sports Gaming Act."

14-1-102. Title definitions.

As used in this title, unless the context otherwise requires:

(1) "Adjusted gross income" means the total of all money paid to a licensee as bets minus the total amount paid out to winning bettors over a specified period of time;

(2) "Bettor" means a person who is:

(A) Twenty-one (21) years of age or older;

(B) Physically present in this state when placing a wager with a licensee;

and

(C) Not prohibited from placing a wager under § 14-4-110;

(3) "Bond" means a bond held in escrow for the purpose of maintaining adequate reserves to account for losses suffered by a licensee and owed to bettors;

(4) "Bureau" means the Tennessee bureau of investigation;

(5) "Cheating" means improving the chances of winning or of altering the outcome by deception, interference, or manipulation of a sporting event or of any equipment, including software pertaining to or used in relation to the equipment, used for or in connection with the sporting event on which wagers are placed or are invited, including attempts and conspiracy to cheat;



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- (6) "Commission" means the Tennessee gaming commission;
- (7) "Department" means the department of revenue;
- (8) "Employee" means a person employed by a licensee;
- (9) "Fixed-odds betting" means bets made at pre-determined odds or on the spread where the return to the bettor is unaffected by any later change in odds or the spread;
- (10) "Future bet" means a wager made on the occurrence of an event in the future relating to a sporting event;
- (11) "Interactive sports wagering" means placing a wager on a sporting event via the internet, a mobile device, or other telecommunications platform;
- (12) "License" means a license to accept wagers from bettors on sporting events issued under § 14-5-101;
- (13) "Licensee" means a person who holds a license issued under § 14-5-101;
- (14) "Live betting" means a type of wager that is placed after the sporting event being wagered on has commenced and whose odds on events occurring are adjusted in real time;
- (15) "Local government" means a county, incorporated city or town, or metropolitan form of government;
- (16) "Minor" means a person who is less than twenty-one (21) years of age;
- (17) "Money line" means the fixed odds in relation to a dollar amount that a team or person participating in a sporting event will win outright, regardless of the spread;
- (18) "Official league data" means statistics, results, outcomes, and other data related to a sporting event obtained pursuant to an agreement with the relevant governing body of a sport or sports league, organization, or association or an entity expressly authorized by such governing body to provide such information to licensees for purposes of live betting;

(19) "Pari-mutuel betting" means a type of bet in which all wagers on a particular occurrence are pooled and winnings are paid in accordance with the size of the pool and the number of winners;

(20) "Parlay bet" means a single wager that incorporates two (2) or more individual bets for purposes of earning a higher payout if each bet incorporated within the wager wins;

(21) "Permit" means a permit issued to an employee of a licensee under § 14-5-103;

(22) "Proposition bet" means a wager made regarding the occurrence or non-occurrence during a sporting event of an event that does not directly affect the final outcome of the sporting event;

(23) "Remote kiosk" means a machine owned and operated by a licensee for the purpose of conducting its business that is unstaffed, that is located at a remote location from a sports book, and that remains connected to the sports book via the internet;

(24) "Sporting event" means any professional sporting or athletic event, including motorsports and e-sports, any collegiate sporting or athletic event, or any Olympic sporting or athletic event sanctioned by a national or international organization or association;

(25) "Sports book" means the staffed business operation of a licensee with a physical location that accepts wagers on sporting events from bettors;

(26) "Spread" means the predicted scoring differential between two (2) persons or teams engaged in a sporting event;

(27) "Supervisory employee" means a principal or employee having the authority to act on behalf of a licensee or whose judgment is being relied upon to manage and advance the business operations of a licensee;

(28) "Vendor" means a contractor, subcontractor, or independent contractor hired or contracted with by a licensee for the purpose of facilitating the business of the licensee; and

(29) "Wager" or "bet" means a sum of money that is risked by a bettor on the unknown outcome of one (1) or more sporting events in the form of fixed-odds betting, a future bet, live betting, a money line bet, pari-mutuel betting, parlay bet, proposition bet, spread bet, or in any other form or manner as authorized by rule of the commission.

14-2-101. Sports wagering permitted by local option election.

(a) The legislative body of a local government shall call and direct the county election commission to hold an election to authorize licensees to operate and conduct business within its jurisdictional boundaries upon:

(1) The adoption by the legislative body by majority vote of a resolution calling for a referendum election on the question; or

(2) Upon the filing with the legislative body of a petition bearing the genuine signatures of ten percent (10%) or more of the qualified voters of the local government, based upon the number of votes cast in the last preceding presidential election by the local government's qualified voters. The petition must be addressed to the legislative body and must contain language sufficient to specifically request that the legislative body call an election of the qualified voters of the local government upon the question of authorizing licensees to operate and conduct business within the jurisdictional boundaries of the local government.

(b) If a majority of the qualified voters of a local government voting in an election held under subsection (a) vote in favor of approving licensees to operate and conduct business within the jurisdictional boundaries of the local government in accordance with subsection (a):

(1) A licensee may operate and conduct business within the jurisdictional boundaries of the local government in accordance with this title and rules promulgated by the commission and department; and

(2) The legislative body of the local government shall notify the commission and the department of the election results.

(c) An election called under subsection (a) may be held at a special or general election.

(d) In like manner, the legislative body of a local government or its qualified voters, by petition, may call an election to prohibit any licensee from operating and conducting business within the jurisdictional boundaries of the local government.

(e) This section does not apply for purposes of obtaining a license to offer sports wagering in accordance with § 14-2-102 or § 14-2-103.

14-2-102.

(a) Notwithstanding § 14-2-101, a person who otherwise meets the requirements for licensure may obtain a license to offer statewide interactive sports wagering.

(b) A person issued a license to offer interactive sports wagering in accordance with subsection (a):

(1) Is subject to all other provisions of this title relating to licensure, permitting, regulation, and civil and criminal penalties; and

(2) Shall not operate a sports book or remote kiosk unless the sports book or remote kiosk is located in a jurisdiction that has approved sports gaming under § 14-2-101.

14-2-103.

(a) Notwithstanding § 14-2-101, a professional sports team or the owner of a professional motorsports speedway may contract with a third-party licensee for purposes of operating a sports book or kiosk that is located on or adjacent to property on which a professional sports stadium, arena, complex, or motorsports speedway is located if:

(1) With respect to a professional sports team, the professional sports team plays the majority of its home games in the stadium, arena, or complex; or

(2) With respect to the owner of a professional motorsports speedway, the speedway is primarily used for professional motorsports.

(b) A team or owner issued a license to offer sports wagering in accordance with subsection (a) is subject to all other provisions of this title relating to licensure, permitting, regulation, and civil and criminal penalties.

14-3-101. Taxes – Collection – Disposition of taxes.

(a) Notwithstanding any state law to the contrary, a licensee shall only pay a privilege tax on its adjusted gross income in accordance with this section.

(b) There is imposed upon the adjusted gross income of a licensee a privilege tax of ten percent (10%).

(c) The tax imposed under this section must be paid monthly by a licensee based on its monthly adjusted gross income for the immediately preceding calendar month. The tax must be paid to the department in accordance with rules promulgated by the department.

(d) For the purpose of enforcing this title and ascertaining the amount of tax due under this section, it is the duty of each licensee, on or before the fifteenth day of each month, to file a report with the department upon forms prescribed, prepared, and furnished by the department showing information relative to adjusted gross income and such other related information as the department may require.

(e)

(1) Forty percent (40%) of the privilege tax collected under this section must be distributed to the state treasurer for deposit into the general fund, to be appropriated for expenditures by the general assembly.

(2) Thirty percent (30%) of the privilege tax collected under this section must be distributed to the state treasurer for deposit into the education trust fund of 1992, created under § 49-3-357, and used exclusively for pre-kindergarten through twelfth grade (pre-K-12) education.

(3) Fifteen percent (15%) of the privilege tax collected under this section must be distributed to the state treasurer for deposit into the general fund, to be remitted monthly to each local government in this state on a per capita basis, as determined by population

based on the last federal census. For purposes of calculating the allocation, the population of counties excludes the population of each municipality within the boundaries of the county. Funds remitted to a local government under this subdivision (e)(3) must be allocated to the county or city general fund, as applicable, to be used for local infrastructure projects, including, without limitation, transportation and road projects and public buildings.

(4) Fifteen percent (15%) of the privilege tax collected under this section must be distributed to the state treasurer for deposit into the general fund, to be remitted monthly to each local education agency, as defined in § 49-1-103, distributed on a per capita basis based on student population for the immediately preceding school year, to be used for the local education agency's career and technical education programs. Money allocated under this subdivision (e)(4) is excluded from the maintenance of local funding effort requirement under § 49-3-314(c).

14-4-101. Tennessee gaming commission – Creation – Membership – Terms.

(a) There is created a Tennessee gaming commission consisting of nine (9) members, as follows:

(1) The governor shall appoint three (3) members, one (1) member from each grand division, to serve initial terms of two (2) years;

(2) The speaker of the house of representatives shall appoint three (3) members, one (1) member from each grand division, to serve initial terms of three (3) years; and

(3) The speaker of the senate shall appoint three (3) members, one (1) member from each grand division, to serve initial terms of four (4) years.

(b) After the initial terms, the term of an appointed member is four (4) years.

(c)

(1) Each member of the commission must:

(A) Be a citizen of the United States;

(B) Be, or within six (6) months of appointment become and remain, a resident of this state; and

(C) Possess and demonstrate honesty, integrity, and good character;

(2) A person is not eligible for appointment to the commission if the person:

(A) Holds any elective office in state government;

(B) Is an officer or official of any political party; or

(C) Has a direct pecuniary interest in the sports wagering or gaming industry.

(d) In making appointments to the commission, the appointing authorities shall strive to ensure that the commission membership has experience in:

(1) The sports wagering industry;

(2) Accounting; and

(3) Law enforcement.

(e) A vacancy on the commission must be filled for the balance of the unexpired term in the same manner as the original appointment.

(f) Five (5) members of the commission constitute a quorum for the purposes of voting and conducting the business of the commission.

(g) The commission shall elect a chair from among its membership. The chair shall serve in that capacity for one (1) year and is eligible for reelection. The chair shall preside at all meetings and shall have all the powers and privileges of other members.

(h) The commission shall meet not less than quarterly, and may hold additional regular and special meetings at the call of the chair or a majority of the members of the commission.

(i) The members must be reimbursed for per diem and travel expenses in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

(j) The commission may employ an executive director and staff as necessary to carry out its duties under this title to the extent that funds are available for such purpose.

14-4-102. Powers and duties – Primary office – Adoption of rules.

The commission shall:

- (1) Enforce this title and supervise compliance with laws and rules relating to the regulation and control of wagering on sporting events in this state;
- (2) Maintain its primary office in Nashville; and
- (3) Promulgate rules in accordance with this title and the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

14-4-103. Attorney general and reporter to serve as legal counsel to commission.

The office of the attorney general and reporter shall serve as legal counsel to the commission.

14-4-104. Commission administratively attached to secretary of state's office.

The commission is administratively attached to the secretary of state's office and the office shall provide administrative and technical assistance to the commission as necessary.

14-4-105. Removal of member.

A member of the commission may be removed from the commission by the member's appointing authority if, in the opinion of the appointing authority, the member has committed misfeasance or malfeasance in office or neglect of duty.

14-4-106. Reports of commission.

(a) The commission shall prepare and submit an annual report to the governor, the speaker of the senate, and the speaker of the house of representatives containing the following information:

- (1) The number of active licensees;
- (2) The aggregate gross and net revenue of all licensees, categorized by geographical area, and the assessed valuation of the property of licensees, by category, as listed on the assessment rolls; and
- (3) The financial impact on the state and local governments as the result of the sports wagering industry in this state.

(b) The report prepared under subsection (a) must be submitted not later than March 1 of each year. A report submitted under subsection (a) may be submitted electronically.

14-4-107. Requirements for escrow account, insurance, and cash-on-hand.

(a) The commission shall prescribe by rule:

(1) The amount of a bond in escrow and the amount of cash that must be kept on hand to ensure that there exists adequate reserves to pay off bettors; and

(2) Any insurance requirements for a licensee.

(b) The licensee may maintain the bond at any financial institution licensed by the department of financial institutions, and the licensee must be the beneficiary of any interest accrued thereon.

14-4-108. Financial practices, audits of licensees, and post-employment restrictions.

The commission shall prescribe by rule:

(1) Minimum requirements by which each licensee must exercise effective control over its internal fiscal affairs, including, without limitation, requirements for:

(A) Safeguarding assets and revenues, including the accounting for cash-on-hand and evidence of indebtedness;

(B) Maintenance of reliable records relating to accounts, transactions, profits and losses, operations, and events; and

(C) Global risk management;

(2) Requirements for internal and independent audits of licensees;

(3) The manner in which periodic financial reports must be submitted to the commission from each licensee, including the financial information to be included in the reports;

(4) The type of information deemed to be confidential financial or proprietary information that is not subject to any reporting requirements under this title;

(5) Policies, procedures, and processes designed to mitigate the risk of cheating and money laundering; and

(6) Any post-employment restrictions necessary to maintain the integrity of sports wagering in this state.

14-4-109. Persons authorized to engage in sports wagering.

(a) Except for those persons ineligible to place bets under § 14-4-110, a person who is twenty-one (21) years of age or older may place a wager in this state in the manner authorized by law, only with a permitted employee at a licensed sports book, through a remote kiosk, or via interactive sports wagering. Except for wagers placed with a licensee authorized to offer sports wagering statewide via interactive sports wagering under § 14-2-102 or at a location authorized under § 14-2-103, a person placing a wager must be physically located in a jurisdiction that has authorized sports wagering under § 14-2-101 at the time the wager is placed.

(b) A licensee shall ensure that all wagers accepted in this state are from qualified bettors and in accordance with this title.

14-4-110. Persons ineligible to place a bet or wager.

(a) The following persons shall not wager on a sporting event in this state:

- (1) Any member or employee of the commission;
- (2) With respect to a licensee, any principal owner, partner, member of the board of directors, officer, or supervisory employee;
- (3) With respect to a vendor of a licensee, any principal owner, partner, member of the board of directors, officer, or supervisory employee;
- (4) With respect to any professional sports team, any principal owner, partner, member of the board of directors, officer, or employee;
- (5) Any coach of or player on a collegiate or professional sports team;
- (6) Any person who is a member or employee of any governing body of a sports team, league, or association;
- (7) Any person having the ability to directly affect the outcome of a sporting event; and

(8) Any other category of persons, established by rule of the commission, that, if allowed to place a wager, would affect the integrity of sports wagering in this state.

(b) The commission shall maintain on its website a list of persons or categories of persons who are ineligible to place a wager in this state.

(c) A violation of subsection (a) is:

- (1) For a first offense, a Class C misdemeanor;
- (2) For a second offense, a Class B misdemeanor; and
- (3) For a third or subsequent offense, a Class A misdemeanor.

14-4-111. Wagers as contracts.

Notwithstanding § 29-19-101, each wager placed in accordance with this title is deemed to be an enforceable contract.

14-4-112. Wagers prohibited.

The commission shall, by rule, prohibit types or forms of wagering under this title that are contrary to public policy, unfair to consumers, or that are deemed to violate article XI, section 5 of the Constitution of Tennessee.

14-4-113. Sale of food and alcoholic beverages.

A licensee may obtain a license, certificate, or permit, as applicable, to sell food and alcoholic beverages at a sports book if the licensee otherwise meets the requirements for such license, certificate, or permit; provided, that the premises of the sports book where bettors place bets and receive payouts are maintained in an area separate and distinct from that part of the premises in which food and alcoholic beverages are sold.

14-4-114. Operation of sports book on premises of third party.

Upon application to and approval by the commission, a licensee may enter into an agreement with a third party to operate a sports book on the premises of the third party; provided, that the premises of the sports book where bettors place bets and receive payouts are maintained in an area separate and distinct from that part of the premises where the third party conducts its business.

14-4-115. Integrity of sports wagering – Public interest.

In addition to its specific rulemaking authority under this title, the commission may promulgate rules it deems necessary to maintain the integrity of sports wagering in this state and to protect the public interest.

14-4-116. Official league data.

(a) A licensee shall exclusively use official league data for purposes of live betting. The governing body of a sport or sports league, organization, or association or other authorized entity shall not charge a licensee for the use of official league data.

(b) If a licensee can demonstrate to the commission that the governing body of a sport or sports league, organization, or association or other authorized entity cannot provide a feed of official league data for live betting in accordance with commercially reasonable terms, as determined by the commission, a licensee may use any data source that is not obtained:

(1) Directly or indirectly from live, authorized sporting event attendees who collect the data in violation of the terms of admittance to the event; or

(2) Through automated computer programs that compile data from the internet in violation of the terms of service of the relevant website or other internet platform.

14-5-101. Licenses – Fees.

(a) An applicant for a license shall submit an application on a form, in such manner, and in accordance with such requirements as may be prescribed by rule of the commission.

(b) An application for a license must include the following:

(1) The identification of the applicant's principal owners, partners, members of its board of directors, officers, and supervisory employees;

(2) A national criminal background check for each person identified under subdivision (b)(1);

(3) Information, as required by rule of the commission, regarding the financial standing of the applicant, including, without limitation, each person or entity that has provided loans or financing to the applicant;

(4) A list of all existing and prospective vendors in connection to the applicant's operation in this state;

(5) A nonrefundable licensing fee in the amount of seven thousand five hundred dollars (\$7,500); and

(6) Any additional information required by the commission by rule.

(c) Upon review of the application, the commission shall approve or deny an application for a license not less than thirty (30) days after receipt of an application.

(d) Licensing fees collected by the commission must be deposited by the state treasurer in a separate account for the exclusive use of the commission in carrying out its duties under this title.

(e) Except as otherwise provided in §§ 14-2-102 and 14-2-103, a license issued by the commission authorizes the licensee to:

(1) Operate a sports book;

(2) Operate a remote kiosk for purposes of accepting wagers on sporting events;

and

(3) Offer interactive sports wagering.

(f) A licensee may renew its license by submitting an application on a form, in such manner, and in accordance with such requirements as may be prescribed by rule of the commission. A licensee shall submit the nonrefundable annual license fee with its application for the renewal of its license.

(g) A separate license is required for each sports book operated in this state.

14-5-102. Restrictions on licensees.

(a) A licensee shall not:

(1) Accept any wager on a sporting event from any person other than from a bettor who is physically located within a jurisdiction that has approved sports wagering by referendum under § 14-2-101, unless the wager is placed with a licensee authorized

to offer sports wagering statewide via interactive sports wagering under § 14-2-102 or at a location authorized under § 14-2-103;

(2) Allow any minor to place a wager or otherwise enter that portion of the premises of a sports book where odds are offered and wagers are placed;

(3) Offer, accept, or extend credit to a bettor;

(4) Directly or indirectly advertise or promote sports wagering to minors. The commission shall adopt rules specific to the manner in which a licensee may advertise its business operations as authorized by this title;

(5) Offer or accept a wager on any event, outcome, or occurrence other than a sporting event, including, without limitation, a high school sporting event offered, sponsored, or played in connection with a public or private institution that offers education at the secondary level; or

(6) Accept a wager from a person who is on the list of persons who are ineligible to place a wager created and maintained by the commission under § 14-4-110(b).

(b) A violation of this section is:

(1) For a first offense, a Class B misdemeanor; and

(2) For a second or subsequent offense, a Class A misdemeanor.

14-5-103. Employee permits – Permit fees.

(a) A licensee shall require each employee whose duties include the acceptance of wagers by bettors or the payment of winnings to bettors to obtain an annual employee permit from the commission. An applicant for a permit shall submit an application on a form, in such manner, and in accordance with such requirements as may be prescribed by the commission.

(b) The application must include:

(1) A national criminal background check;

(2) A nonrefundable, annual permit fee of two hundred fifty dollars (\$250); and

(3) Any additional information required by the commission by rule.

(c) Each employee permitted under this section shall maintain upon their person while working for a licensee an identification badge containing a unique identification number issued by the commission in accordance with rules promulgated by the commission.

(d) An employee of a licensee must renew the employee's permit annually in the manner prescribed by the commission by rule.

(e) The permitting requirements of this section do not apply to supervisory employees.

(f) A licensee may pay and remit to the commission permit fees on behalf of applicants for permits who the licensee intends to employ.

(g) Permit fees collected by the commission must be deposited by the state treasurer in the same manner as licensing fees under § 14-5-101(d).

14-5-104. Persons prohibited from obtaining license or permit.

The following persons shall not apply for or obtain a license or permit:

(1) Any member or employee of the commission;

(2) An employee of any professional sports team;

(3) Any coach of or player for a collegiate or professional sports team;

(4) Except as otherwise provided in §§ 14-2-102 and 14-2-103, any person who is a member or employee of any governing body of a sports team, league, or association;

(5) Any person who has been convicted of a crime as specified in rules promulgated by the commission;

(6) Any person having the ability to directly affect the outcome of a sporting event; and

(7) Any other category of persons, established by rule of the commission, that if licensed, would affect the integrity of sports wagering in this state.

14-5-105. Transfer of licenses and permits.

(a) The commission may adopt rules prescribing the manner in which a license may be transferred and a fee for the transfer of the license.

(b) Permits issued under this chapter are nontransferable.

14-5-106. House rules – Acceptance of wagers – Payouts.

(a) Each licensee shall adopt and adhere to a written, comprehensive policy outlining the house rules governing the acceptance of wagers and payouts. The policy and rules must be approved by the commission prior to the acceptance of a wager by a licensee. The policy and rules must be readily available to a bettor.

(b) The commission shall promulgate rules regarding:

(1) The manner in which a licensee accepts wagers from and issues payouts to bettors, including payouts in excess of ten thousand dollars (\$10,000); and

(2) Reporting requirements for suspicious wagers.

14-5-107. Continuing duty of licensees and permittees.

Each person holding a license or permit under this chapter has a continuing duty to inform the commission of any change in status relating to any information that may disqualify the person from holding the license or permit.

14-5-108. Inspections.

The commission or its designated employees or agents may, during normal business hours, enter the premises of any facility of a licensee or third party utilized by the licensee to operate and conduct business in accordance with this title for the purpose of inspecting books and records kept as required by this title, to ensure that the licensee is in compliance with this title, or to make any other inspection of the premises necessary to protect the interests of this state and its consumers.

14-5-109. Licensee reporting requirements – Compliance hearing.

(a) Each licensee shall report to the commission, no later than January 15 of each year:

(1) The name of any newly elected officer or director of the board of the licensed entity;

(2) The acquisition by any person of more than ten percent (10%) of any class of corporate stock;

(3) The total amount of wagers received from bettors for the immediately preceding calendar year;

(4) The adjusted gross income of the licensee for the immediately preceding calendar year; and

(5) Any additional information required by rule of the commission deemed in the public interest or necessary to maintain the integrity of sports wagering in this state.

(b) With respect to information reported under subdivision (a)(1) or (2), a licensee shall include with the report a statement as to any conflict of interest that may exist as the result of such election or acquisition.

(c) A licensee shall immediately report to the commission any information relating to:

(1) Criminal or civil proceedings commenced against the licensee in connection with its operations; and

(2) Illegal wagering activities, including cheating, the use of funds from illegal activities, wagers to conceal or launder funds derived from illegal activities, using agents to place wagers, using confidential, non-public information, and using a false identification document for any purpose.

(d) Upon receiving a report under this section, the commission may conduct a hearing in accordance with § 14-7-101 to determine whether the licensee remains in compliance with this title.

14-6-101. Interactive sports wagering and remote kiosks.

(a) Prior to placing a wager with a licensee through a remote kiosk or via interactive sports wagering, a bettor shall register with the licensee remotely or in person and attest that the bettor meets the requirements to place a wager with a licensee in this state. Prior to verification of a bettor's identity in accordance with this section, a licensee shall not allow the bettor to engage in sports wagering, make a deposit, or process a withdrawal via interactive sports wagering or through a remote kiosk. A licensee shall implement commercially and technologically reasonable procedures to prevent access to sports wagering by minors on its

interactive platforms and at remote kiosks. A licensee may use information obtained from third parties to verify that a person is authorized to open an account, place wagers, and make deposits and withdrawals.

(b) A licensee shall adopt a registration policy to ensure that all bettors utilizing remote kiosks and interactive sports wagering are authorized to place a wager with a licensee within this state. The policy must include, without limitation, a mechanism by which to:

- (1) Verify the name and age of the registrant with a government-issued identification card, driver's license, or passport;
- (2) Verify that the registrant is not prohibited from placing a wager under § 14-4-110; and
- (3) Obtain the following information:
 - (A) A physical address other than a post office box;
 - (B) A phone number;
 - (C) A unique user name;
 - (D) A bank account, in the registrant's name, and its routing number; and
 - (E) An active email account.

(c) A licensee may require a bettor to provide the licensee with a signed and notarized document attesting that the bettor is qualified to engage in sports wagering under this title as part of the registration policy of the licensee.

(d) A bettor shall not register more than one (1) account with a licensee, and a licensee shall use all commercially and technologically reasonable means to ensure that each bettor is limited to one (1) account.

(e) A licensee shall, in addition to complying with state and federal law pertaining to the protection of the private, personal information of registered bettors, use all other commercially and technologically reasonable means to protect such information consistent with industry standards.

(f) Once a bettor account is created, a bettor may only fund the account through:

(1) Cash, deposited at a sports book or remote kiosk;
(2) Electronic bank transfers of funds;
(3) Western Union or other telegraphic transfers of funds requiring cash to initiate the transaction; or

(4) Any other method approved by rule of the commission that may be initiated only with cash.

(g)

(1) Each financial transaction with respect to an account between a bettor and licensee must be confirmed by email, telephone, text message, or other means agreed upon by the account holder. A licensee shall use all commercially and technologically reasonable means to independently verify the identity of the individual making a deposit or withdrawal.

(2) If an operator determines that the information provided by a bettor to make a deposit or process a withdrawal is inaccurate or incapable of verification, or violates the policies and procedures of the licensee, the licensee shall, within ten (10) days, require the submission of additional information that can be used to verify the identity of the bettor.

(3) If such information is not provided or does not result in verification of the bettor's identity, the licensee shall:

(A) Immediately suspend the bettor's account and not allow the bettor to place wagers;

(B) Retain any winnings attributable to the bettor;

(C) Refund the balance of deposits made to the account to the source of such deposit or by issuance of a check; and

(D) Deactivate the account.

(h) A licensee shall utilize geo-location or geo-fencing technology to ensure that interactive sports wagering is only available to bettors who are physically located in this state.

(i) A licensee shall clearly and conspicuously display on the website page or kiosk screen accessed prior to registering a bettor for an account a statement indicating that it is illegal for a person under twenty-one (21) years of age to engage in sports wagering in this state.

(j) The commission shall promulgate rules for purposes of regulating sports wagering at remote kiosks and via interactive sports wagering.

14-6-102. Remote kiosk locations.

(a) Except for remote kiosks placed at an authorized location under § 14-2-103, remote kiosks must be located within the jurisdictional boundaries of a local government that has approved sports wagering under § 14-2-101.

(b) A licensee may, upon application to and approval by the commission, enter into an agreement with a third party to place a remote kiosk that is owned and operated by the licensee on the premises of the third party, and that remains connected via the internet to a sports book of a licensee.

14-7-101. Violations of title – Hearings – Administrative fines.

(a) Any person may file a complaint with the commission alleging a violation of this title. The Uniform Administrative Procedures Act, compiled in title 4, chapter 5, governs all matters and procedures regarding the hearing and judicial review of any contested case arising from a complaint filed under this subsection (a).

(b) If the commission determines that a licensee or permittee has violated any provision of this title or rule of the commission, the commission may:

- (1) Suspend, revoke, or refuse to renew a license or permit;
- (2) For any violation by a licensee, impose an administrative fine not to exceed twenty-five thousand dollars (\$25,000) per violation; and
- (3) For any violation by a permittee, impose an administrative fine not to exceed two thousand dollars (\$2,000) per violation.

(c) Except as provided in § 14-7-102, the commission shall promulgate rules establishing a schedule of administrative fines that may be assessed in accordance with subsection (b) for each violation of this title.

(d)

(1) Except as provided in subdivision (d)(2), administrative fines assessed under this section must be distributed to the state treasurer for deposit into the general fund, and be accounted for separately for use by the commission in enforcing this title.

(2) Administrative fines assessed in accordance with § 14-7-102(b) must be distributed to the state treasurer for deposit into the general fund, and be accounted for separately for use by the bureau and commission in conducting investigations under § 14-7-102.

(e) The commission may issue subpoenas to compel the attendance of witnesses and the production of relevant books, accounts, records, and documents for purposes of carrying out its duties under this title.

14-7-102. Investigations by Tennessee bureau of investigation.

(a) The bureau shall, in coordination with the commission, and as deemed necessary by the bureau and commission, conduct investigations to determine whether:

(1) A licensee is accepting wagers from minors or other persons ineligible to place wagers in this state; and

(2) A person is unlawfully accepting wagers from another person without a license or at a location in violation of this title.

(b) After a proceeding under § 14-7-101, if the commission finds that:

(1) A licensee is accepting wagers from minors or other persons ineligible to place wagers in this state, the commission shall impose an administrative fine against the licensee in the following amount:

(A) For a first offense, one thousand dollars (\$1,000);

(B) For a second offense, two thousand dollars (\$2,000); and

(C) For a third or subsequent offense, five thousand dollars (\$5,000); and

(2) A person is unlawfully accepting wagers from another person without a license or at a location in violation of this title, the commission shall impose an administrative fine against the person in the following amount:

(A) For a first offense, ten thousand dollars (\$10,000);

(B) For a second offense, fifteen thousand dollars (\$15,000); and

(C) For a third or subsequent offense, twenty-five thousand dollars (\$25,000).

14-7-103. Civil penalties.

Any licensee, permittee, or other person who violates this title is liable for a civil penalty of not more than five thousand dollars (\$5,000) per violation, not to exceed fifty thousand dollars (\$50,000) for violations arising out of the same transaction or occurrence, which must accrue to the state and may be recovered in a civil action brought by the office of the attorney general and reporter in the name of the commission. No costs may be taxed against the office of the attorney general and reporter or this state for actions brought under this section.

SECTION 2. Tennessee Code Annotated, Section 39-17-501(1), is amended by adding the following new subdivision (E):

(E) Lawfully accepting or placing a wager on a sporting event in accordance with the Tennessee Sports Gaming Act, compiled in title 14.

SECTION 3. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act are severable.

SECTION 4. The headings to sections, chapters, and parts in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 5. This act shall take effect upon becoming a law for purposes of promulgating rules, and on July 1, 2019, for all other purposes, the public welfare requiring it.