

**PROPOSED AMENDMENTS TO REGULATION 22.1201
PROPOSED NEW REGULATION 22.1202**

PURPOSE: To explicitly include Esports within other events; to allow books to accept wagers on Esports events in the manner of traditional sporting events if the books fulfill certain due diligence requirements; to specify the record keeping and notice requirements for books which decide to accept wagers on Esports events; to grant the Board Chair authority to revoke or suspend a book’s decision to accept wagers on events conducted by certain Esports event operators; to set out the review process if the Board Chair revokes or suspends a book’s decision to accept wagers on events conducted by certain Esports event operators; to explicitly authorize the Board Chair to place Esports event operators on the list of sanctioning organizations; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 22
RACE BOOKS AND SPORTS POOLS**

(Draft Date October 24, 2022)

New

~~[Deleted]~~

22.1201 Other Events.

1. A book shall not accept wagers on an other event unless the Chair has approved the other event in writing, the other event has been sanctioned by an organization included on the list of sanctioning organizations maintained by the Board, or the other event is listed on the list of pre-approved other events. *A book which intends to accept wagers on an Esports event shall follow the procedures set forth in Section 22.1202.*

- 2. No Change.
- 3. No Change.
- 4. No Change.
- 5. No Change.
- 6. No Change.
- 7. No Change.
- 8. No Change.
- 9. No Change.

22.1202 Esports.

1. “Esports” means competitions between individuals or teams using video games which are hosted at a physical location or online. Esports are other events and are regulated as other events except as otherwise specifically set forth in this section.

2. For purposes of this section, “event operator” means a person or entity which sanctions, regulates, and/or organizes an Esports event.

3. A book may accept wagers on an Esports event, without the approval required by section 22.1201, if the book:

(a) Obtains complete information about the video game used for the event, including, without limitation, the publisher of the video game;

(b) Obtains complete information about the event operator, whether the event operator is approved to host events by the video game publisher, and whether the event operator has any affiliation with the video game publisher;

(c) Obtains complete information concerning the manner in which the event is conducted by the event operator, including, without limitation, event rules;

(d) Obtains complete information demonstrating that the event will:

(1) Be effectively supervised;

(2) Have effective integrity safeguards in place;

(3) Have verifiable outcomes;

(4) Have outcomes generated by a reliable and independent process;

(5) Have outcomes unlikely to be affected by any wager placed;

(6) Be conducted in compliance with any applicable laws; and

(7) Be consistent with the public policy of this state.

(e) Obtains a full description of any technology necessary to determine the outcome of the event; and

(f) Conducts any other investigation deemed appropriate by the Chair.

4. If a book accepts wagers on an Esports event, the book shall maintain records reflecting all the information described in subsection 3 for the Esports event. The book shall update these records as often as necessary to satisfy the requirements of subsection 3. The book shall provide a report to the Board not later than 15 days after the start of a calendar quarter which includes the names of the event operators for all Esports events on which the book accepted wagers during the previous calendar quarter.

5. The Chair is hereby granted the authority to issue an interlocutory order prohibiting books from accepting wagers on events conducted by an event operator. An interlocutory order shall be deemed delivered and effective upon service to all books pursuant to Regulation 2.070. If an interlocutory order prohibiting books from accepting wagers on events conducted by an event operator is issued, an affected book may request that the order be reviewed by the Board and Commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

6. Whether or not a book has notified the Chair of the book accepting wagers on events conducted by an event operator, the Chair may place an event operator on the list of sanctioning organizations. If the Chair places an event operator on the list of sanctioning organizations, compliance with subsections 3 and 4 is not required. However, a book shall continue to monitor the integrity of events on which it accepts wagers and continue to follow all other requirements regarding wagers.