

April 29, 2024

**To** Representative Stephenson  
**From** Alexandra Haigler, Legislative Analyst  
**Subject** Sports Betting Bill Author’s Amendment (H2000A32)

Below is a summary of what each line in the author’s amendment accomplishes:

Page and Line(s)	Purpose
1.2 – 1.8	Provides a more accurate and complete definition of “sports governing body.”
1.9 – 1.10	Amends language relating to the tax-delinquency requirement for sports betting licensure to be more consistent with existing statutory standards.
1.11 – 1.14	Clarifies the application requirements are for initial licensure and license renewal.
1.15	Technical change to replace the term “trainer” with “health care provider” in the list of individuals prohibited from placing bets in certain situations.
1.16	Aligns the regulatory recordkeeping requirement with the tax-specific recordkeeping requirement so that both requirements are 3-1/2 years.
1.17	Removes the commissioner of revenue from inspection and auditing requirements for the accounting records of sports betting licensees.
1.18	Clarifies that nonpayment of license fees or penalties imposed are grounds for temporary license suspension.
1.19 – 2.6	Allows DOR to share tax return information with DPS to verify a license applicant’s compliance with tax return filing and payment.
2.7 – 2.9	Creates a definition for “cash equivalent” which is a term used frequently in the sports betting tax article. Clarifies that cash equivalents include promotional credits, free bets, etc.
2.11	Clarifies the allowed subtraction for noncash prizes paid by the operator.
2.12 – 2.14	Removes provisions rendered unnecessary by the changes on lines 2.17-2.20.
2.15 – 2.16	Clarifies the commissioner’s authority to conduct a financial audit of an operator.
2.17 – 2.21	Links the administrative provisions of the sports betting tax to the administrative provisions of taxes imposed under chapter 297E (charitable gambling taxes).
2.22 – 2.24	Provides for expedited rulemaking for the regulation of fantasy contests.
2.25 – 2.26	Amends language relating to the tax-delinquency requirement for fantasy contest licensure to be more consistent with existing statutory standards.

Page and Line(s)	Purpose
2.27	Technical change to replace the term “trainer” with “health care provider” in the list of individuals prohibited from participating in fantasy contests in certain situations.
2.28	Aligns the regulatory recordkeeping requirement with the tax-specific recordkeeping requirement so that both requirements are 3-1/2 years.
2.29	Removes the commissioner of revenue from inspection and auditing requirements for the accounting records of fantasy contest licensees.
3.1 – 3.6	Amends the definition of “adjusted gross fantasy contest receipts” to clarify the tax base for the tax on fantasy contests.
3.7 – 3.9	Creates a definition for “cash equivalent” which is a term used frequently in the fantasy contest tax article. Clarifies that cash equivalents include promotional credits, free bets, etc.
3.10 – 3.13	Creates a definition for “entry fee” which is a term used frequently in the fantasy contest tax article. Clarifies that entry fee includes both cash and cash equivalents.
3.14 – 3.15	Technical wording change.
3.16 – 3.19	Replaces a cross-reference to the definition of “wager” in the fantasy contest regulatory article with the wording of the definition.
3.21	Removes provisions rendered unnecessary by the changes on lines 3.27-3.30.
3.23 – 3.26	Clarifies the commissioner’s authority to conduct a financial audit of an operator.
3.27 – 4.6	Links the administrative provisions of the fantasy contest tax to the administrative provisions of taxes imposed under chapter 297E (charitable gambling taxes).
4.7 – 6.9	Deletes and reinserts the tax rate reductions for the charitable gambling tax. Modifies the rate reductions to be contingent on the revenue from the sports betting tax and the fantasy contest tax hitting a certain dollar amount each fiscal year.
6.10	Deletes the provision authorizing the use of electronic pull-tab device dispensers.
6.11 – 7.13	Modifies the provisions related to historical horse racing. Includes provisions regarding the Racing Commission’s authority to authorize horse racing and card club games.

AH/mc