

## 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 leagues; 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 leagues; to explicitly authorize the Board Chair to place Esports leagues 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 September 16, 2022)

New

~~{Deleted}~~

#### 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. A book may accept wagers on events conducted by an Esports league, without the approval required by section 22.1201, if the book:

(a) Obtains complete information concerning the manner in which the events are conducted by the league, including, without limitation, event rules;

(b) Obtains complete information demonstrating that the events 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.

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

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

3. If a book accepts wagers on events conducted by an Esports league, the book shall maintain records reflecting all the information described in subsection 2 for the Esports league. The book shall update these records as often as necessary to satisfy the requirements of subsection 2. The book shall notify the Board at least once per calendar quarter of the names of all Esports leagues for which the book accepts wagers on events conducted by the Esports leagues.

4. The Chair is hereby granted the authority to issue an interlocutory order prohibiting books from accepting wagers on events conducted by an Esports league. 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 Esports league 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.

5. Whether or not a book has notified the Chair of the book accepting wagers on events conducted by an Esports league, the Chair may place an Esports league on the list of sanctioning organizations. If the Chair places an Esports league on the list of sanctioning organizations, compliance with subsections 2 and 3 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.