

§ 18C-906. Applications for service provider licenses.

(a) It shall be unlawful for any person to provide covered services to any interactive sports wagering operator in this State without a valid service provider license. The holder of a service provider license shall be deemed to also hold a sports wagering supplier license under this Article for services, goods, software, or components provided in-house.

(b) The Commission shall review and issue service provider licenses to qualified applicants within 60 days of receipt of a completed application. The Commission may extend the review period for an additional 30 days if the background investigation is outstanding. Any denial shall be in writing and state the grounds therefor. The applicant shall submit the completed application, on a form prescribed by the Commission, and the licensing fee of fifty thousand dollars (\$50,000). If the application is denied, the licensing fee shall be refunded, minus five percent (5%) of the licensing fee which shall be used by the Commission to offset associated expenses in reviewing the application.

(c) The application shall set forth all of the following:

- (1) The applicant's background in sports wagering or the covered service.
- (2) All experience with sports wagering or other wagering activities in other jurisdictions, including the applicant's history, reputation of integrity and compliance, and a list of all active and inactive licenses, certifications, or registrations and reasons for inactivity, if applicable.
- (3) A written information security program, detailing information security governance and the designation of a chief security officer or equivalent.
- (4) Any personal information the Commission may deem necessary concerning the applicant's key persons.
- (5) Any other information the Commission may deem necessary.

(d) The Commission shall conduct a background investigation on the applicant and key persons as deemed necessary by the Commission. The background investigation shall include a credit history check, a tax record check, and a criminal history record check. In the event an applicant and its key persons have had a completed criminal history record check in the 12 months prior to the application, the Commission may, in its discretion, accept the results of that prior criminal history record check upon submission of an affidavit that there has been no change in criminal history since the prior criminal history record check in this or any other state. The Commission shall not award a license if the applicant or any key person of the applicant has been convicted of a felony or any gambling offense in any state or federal court of the United States within 10 years of application or renewal.

(e) An applicant for licensure and any key person deemed necessary by the Commission shall consent to a criminal history record check and shall submit all necessary fingerprints. Refusal to consent to a criminal history record check may constitute grounds for the Commission to deny licensure.

(f) A person holding a service provider license or its equivalent, on the basis of comparable licensing requirements issued to that person by a proper authority by another state or territory of the United States or the District of Columbia if that jurisdiction's requirements for licensure, certification, or registration are substantially equivalent to or exceed the requirements of this State, and who, in the opinion of the Commission otherwise meets the requirements of this Article based upon verified evidence may, upon application, be licensed as a service provider with or without further examination, as determined by the Commission.

(g) Grounds for denial of a license may include the following:

- (1) The applicant is unable to satisfy the requirements under this Article.
- (2) The applicant or any key person is not of good character, honesty, or integrity.
- (3) The applicant's or any key person's prior activities, criminal record, reputation, or associations indicate any of the following:

- a. A potential threat to the public interest.
 - b. The potential to impede the regulation of sports wagering.
 - c. The potential of promoting unfair or illegal activities in the conduct of sports wagering.
- (4) The applicant or any key person knowingly makes a false statement of material fact or deliberately fails to disclose information requested by the Commission.
 - (5) The applicant or any key person knowingly fails to comply with the provisions of this Article or any requirements of the Commission.
 - (6) The applicant or any key person was convicted of a felony, a crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust within the 10 years prior to the submission date of the application.
 - (7) Any revocation, suspension, or denial of the applicant's or key person's license, certification, or registration to conduct sports wagering, other forms of gambling activity, or a covered service issued by any other jurisdiction.
 - (8) The applicant has defaulted on any obligation or debt owed to this State.
 - (9) Any breach, discontinuance, or other cessation of the written designation agreement required under G.S. 18C-905.
- (h) Notwithstanding Chapter 132 of the General Statutes or any other provision of law, except for G.S. 18C-916(b), only the following documents under this section shall be a public record, with respect to each applicant and each service provider:
- (1) The name, address, and sports wagering platform.
 - (2) The name of all key persons.
 - (3) The granting or denial of the application.
- (i) Each service provider shall promptly report all criminal or disciplinary proceedings commenced against that service provider in connection with its operations to the Commission. Each service provider shall promptly report all changes in key persons to the Commission, and all new key persons shall consent to a background investigation.
- (j) No service provider license is assignable or transferable without approval of the Commission. (2023-42, s. 1; 2023-134, s. 11.18(f).)