



State of Tennessee

PUBLIC CHAPTER NO. 593

SENATE BILL NO. 588

By Jackson

Substituted for: House Bill No. 1267

By Gillespie; Mr. Speaker Cameron Sexton; Jernigan, Powell

AN ACT to amend Tennessee Code Annotated, Title 4; Title 14; Title 38; Title 39; Title 47; Title 49 and Title 67, relative to the duties of the sports wagering advisory council.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-51-302, is amended by deleting subdivisions (7), (27), and (28) and substituting instead the following:

(7) "Council" means the sports wagering advisory council;

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

(28) "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, including, but not limited to, the form of fixed-odds betting, a future bet, live betting, a money line bet, pari-mutuel betting, parlay bet, pools, proposition bet, spread bet, or in any other form or manner as authorized by rule promulgated by the council.

SECTION 2. Tennessee Code Annotated, Section 4-51-304, is amended by deleting the language "corporation" wherever it appears and substituting instead "council", and by deleting subsection (e) and substituting instead:

(e)(1) Eighty percent (80%) of the privilege tax collected under this section must be distributed by the council to the state treasurer for deposit into the lottery for education account created under § 4-51-111.

(2) Fifteen percent (15%) of the privilege tax collected under this section must be distributed by the council quarterly to the state treasurer for deposit into the general fund, to be remitted quarterly 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)(2) 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.

(3) Five percent (5%) of the privilege tax collected under this section must be distributed by the council to the state treasurer and allocated to the department of mental health and substance abuse services to use in the manner prescribed by § 4-51-319.

SECTION 3. Tennessee Code Annotated, Section 4-51-305(a), is amended by deleting the subsection and substituting instead the following:

(a)(1) There is created the sports wagering advisory council to enforce this part and supervise compliance with laws relating to the regulation and control of wagering on sporting events in this state.

(2) The council shall hire an executive director to direct and oversee the day-to-day operations and management of sports gaming under this part and other employees as deemed necessary by the council to assist the executive director and carry out the duties of the council. The executive director will be vested with such powers and duties as specified by the council by rule.

(3) The council shall establish the salaries of the executive director and employees hired under this subsection (a) and such executive director and employees serve at the pleasure of the council.

SECTION 4. Tennessee Code Annotated, Section 4-51-305(l), is amended by deleting the language "at the call of the board" and substituting instead "at the call of the chair".

SECTION 5. Tennessee Code Annotated, Section 4-51-305(n), is amended by deleting the subsection and substituting instead the following:

(n)(1) Meetings of the council are subject to the public meeting requirements prescribed in title 8, chapter 44, part 1; provided, that the council may meet virtually using an internet platform in emergency circumstances in a manner prescribed by rule of the council and in accordance with subdivision (n)(2).

(2) Virtual emergency meetings may only be conducted if the council:

(A) Not less than twenty-four (24) hours prior to the meeting, provides on its website public notice of the meeting;

(B) Provides adequate electronic or other notice to each licensee or permittee with an interest in the meeting, if applicable;

(C) Provides an audio or video feed of the meeting on its website which is accessible to the general public; and

(D) Provides a mechanism by which any licensee or permittee subject to disciplinary action at the meeting, if applicable, has the opportunity to provide testimony and submit evidence to the council members electronically.

(3) Disciplinary action taken against a licensee or permittee at a virtual emergency meeting under this subsection (n) is temporary until the council conducts a full investigative hearing on the matter in accordance with § 4-51-326 not later than five (5) business days after the conclusion of the virtual emergency meeting. If the council does not comply with this subdivision (n)(3), the disciplinary action of the council taken at the virtual emergency meeting is null and void.

(o) The council may from time to time convene an ad hoc advisory committee composed of nonmembers with particular expertise in an area or areas relative to sports gaming to:

(1) Advise the board of best practices with respect to sports wagering;

(2) Provide administrative and technical advice to the board with respect to sports wagering;

(3) Conduct research or perform studies relative to sports wagering; and

(4) Perform any other activities to assist the council in carrying out its duties.

(p) The council may, in its discretion, reimburse members of an ad hoc advisory committee convened under subsection (o) for per diem and travel expenses in accordance with the comprehensive travel rules as promulgated by the department of finance and administration and approved by the attorney general and reporter.

SECTION 6. Tennessee Code Annotated, Section 4-51-306, is amended by deleting from subsection (a) the language "corporation and board" and substituting instead "council"; and is further amended by deleting subsection (b) and substituting instead the following:

(b) The council shall promulgate rules in accordance with this part and the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 7. Tennessee Code Annotated, Sections 4-51-308 and 4-51-309, are amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 8. Tennessee Code Annotated, Section 4-51-310, is amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 9. Tennessee Code Annotated, Section 4-51-312, is amended by deleting from subdivision (a)(1) the language ", board, or corporation"; by deleting from subdivision (a)(5) and subsection (b) the language "board" and substituting instead "council"; and by deleting from subsection (c) the language "corporation" wherever it appears and substituting instead "council".

SECTION 10. Tennessee Code Annotated, Section 4-51-314, is amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 11. Tennessee Code Annotated, Section 4-51-315, is amended by deleting the language "board," from subsection (a); and by deleting from subsections (b), (d), (e), and (f) the language "board" wherever it appears and substituting instead "council".

SECTION 12. Tennessee Code Annotated, Section 4-51-316, is amended by deleting the language "board" wherever it appears and substituting instead the language "council".

SECTION 13. Tennessee Code Annotated, Section 4-51-317, is amended by deleting the language "board" wherever it appears and substituting instead "council", except in subdivision (b)(1).

SECTION 14. Tennessee Code Annotated, Section 4-51-317(f), is amended by deleting the language "corporation" wherever it appears and substituting instead the language "council".

SECTION 15. Tennessee Code Annotated, Section 4-51-318, is amended by deleting the language "corporation" and "board" wherever the terms appear and substituting instead "council".

SECTION 16. Tennessee Code Annotated, Section 4-51-319, is amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 17. Tennessee Code Annotated, Section 4-51-320, is amended by deleting from subdivision (1) the language ", board, or corporation"; and by deleting from subdivisions (5) and (7) the language "board" and substituting instead "council".

SECTION 18. Tennessee Code Annotated, Section 4-51-321, is amended by deleting the language "board" and substituting instead "council".

SECTION 19. Tennessee Code Annotated, Section 4-51-322, is amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 20. Tennessee Code Annotated, Section 4-51-323, is amended by deleting the language "Members of the board or designated employees or agents of the corporation may" and substituting instead the language "Members of the council or designated employees or agents of the council may".

SECTION 21. Tennessee Code Annotated, Section 4-51-324, is amended by deleting the language "board" wherever it appears and substituting instead "council", except in subdivision (b)(1).

SECTION 22. Tennessee Code Annotated, Section 4-51-325, is amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 23. Tennessee Code Annotated, Section 4-51-326, is amended by deleting the language "board" wherever it appears and substituting instead "council".

SECTION 24. Tennessee Code Annotated, Section 4-51-327, is amended by deleting the language "board" wherever it appears and substituting instead "council"; and by deleting the language "security personnel of the corporation" and substituting instead "employees of the council".

SECTION 25. Tennessee Code Annotated, Section 4-51-328, is amended by deleting the language "board" wherever it appears and substituting instead the language "council".

SECTION 26. Tennessee Code Annotated, Section 4-51-329, is amended by deleting the language "corporation" wherever it appears and substituting instead the language "council".

SECTION 27. Tennessee Code Annotated, Sections 4-51-301–4-51-306, 4-51-310, 4-51-311, 3-51-313–3-51-319, 3-51-323, 3-51-324, and 3-51-326–3-51-329, are amended by deleting the word "part" wherever it appears and substituting "chapter".

SECTION 28. Tennessee Code Annotated, Section 4-51-325(c), is amended by deleting the language "this part as part" and substituting "this chapter as part".

SECTION 29. Tennessee Code Annotated, Section 4-29-245(a), is amended by adding the following as a new subdivision:

() The sports wagering advisory council, created by § 4-51-305;

SECTION 30. The Tennessee Code Commission shall transfer Tennessee Code Annotated, Title 4, Chapter 51, Part 3, to Tennessee Code Annotated, Title 4, Chapter 49, and shall further revise all internal cross-references and citations within the new chapter and throughout Tennessee Code Annotated, consistent with such transfer.

SECTION 31. The appointed members of the Tennessee education lottery corporation sports wagering advisory council, as it existed prior to the effective date of this act, are transferred to the sports wagering advisory council as created by this act, to serve as the initial appointed members of the sports wagering advisory council, and shall serve out their respective terms on such council until that time at which such terms would have expired while members of the Tennessee education lottery corporation sports wagering advisory council.

SECTION 32.

(a) The Tennessee education lottery corporation and its board of directors shall assist and facilitate the transfer of its duties and powers to the sports wagering advisory council beginning on the effective date of this act. Until emergency or permanent rules are adopted under Section 6, existing bylaws governing sports gaming adopted by the Tennessee education lottery corporation remain in full force and effect.

(b) A license or permit issued by the Tennessee education lottery corporation under Tennessee Code Annotated, Title 4, Chapter 51, Part 3, prior to the effective date of this act remains valid on and after the effective date of this act, and is deemed to be a license or permit issued by the sports wagering advisory council upon the promulgation of emergency or permanent rules by such council under Section 6.

(c) Upon the promulgation of emergency or permanent rules by the sports wagering advisory council under Section 6, the Tennessee education lottery corporation shall transfer all remaining funds collected for the administration of Tennessee Code Annotated, Title 4, Chapter 51, Part 3, to the sports wagering advisory council for the administration of the Tennessee Sports Gaming Act on and after January 1, 2022.

(d) Contracts executed by the Tennessee education lottery corporation under Tennessee Code Annotated, Title 4, Chapter 51, Part 3, prior to the effective date of this act, including, but not limited to, for purposes of regulating sports gaming and providing related services, remain valid on and after the effective date of this act, and are assigned to the sports wagering advisory council upon the promulgation of emergency or permanent rules by such council under Section 6. Such contracts remain in full force and effect until such time as the contracts expire by their original terms, at which time the contracts may be renewed with the sports wagering advisory council at the discretion of the parties.

SECTION 33. This act takes effect upon becoming a law for purposes of promulgating rules and carrying out any administrative duties necessary to effectuate the provisions and intent of this act, the public welfare requiring it. This act takes effect on January 1, 2022, for all other purposes, the public welfare requiring it.

SENATE BILL NO. 588

PASSED: May 5, 2021


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 27th day of May 2021


BILL LEE, GOVERNOR