

1 A bill to be entitled
 2 An act relating to fantasy contests; creating s.
 3 501.935, F.S.; providing definitions; providing
 4 requirements for the operation of fantasy contests;
 5 directing the Department of Agriculture and Consumer
 6 Services to contract with a private provider for
 7 services related to the prevention of compulsive or
 8 addictive behavior; providing penalties; specifying
 9 that chapter 849, F.S., relating to gambling offenses,
 10 does not apply to fantasy contests; specifying
 11 conditions under which a person or entity offering
 12 fantasy contests is not considered a contest operator
 13 and is exempt from certain regulation; authorizing the
 14 department to adopt rules; providing an effective
 15 date.

17 Be It Enacted by the Legislature of the State of Florida:

19 Section 1. Section 501.935, Florida Statutes, is created
 20 to read:

21 501.935 Fantasy contests.—

22 (1) DEFINITIONS.—As used in this section, the term:

23 (a) "Confidential information" means information related
 24 to the playing of fantasy contests by contest participants which
 25 is obtained solely as a result of a person's employment with or
 26 work as an agent or employee of a contest operator.

27 (b) "Contest operator" means a person or entity that
28 offers fantasy contests for a cash prize to 750 or more members
29 of the public per year.

30 (c) "Contest participant" means a person who participates
31 in a fantasy contest offered by a contest operator.

32 (d) "Department" means the Department of Agriculture and
33 Consumer Services.

34 (e) "Fantasy contest" means a fantasy or simulated game or
35 contest in which the contest participant manages and owns a
36 fantasy or simulation sports team consisting of athletes or
37 players that are members of an amateur or professional sports
38 organization and that meets the following conditions:

39 1. The membership of the fantasy or simulation sports team
40 is not based on the current membership of an actual team that is
41 a member of an amateur or professional sports organization.

42 2. The value of all prizes and awards offered to winning
43 contest participants is established and made known to the
44 contest participants in advance of the fantasy contest.

45 3. All winning outcomes reflect the relative knowledge and
46 skill of contest participants and are determined predominantly
47 by accumulated statistical results of the performance of human
48 athletes or players in a sporting event or game.

49 4. Winning outcomes are not based on the score, point
50 spread, or performance of a single actual team or combination of
51 such teams or on any single performance of a single human
52 athlete or player in a single sporting event or game.

53 (2) CONSUMER PROTECTION.—A contest operator offering
54 fantasy contests in the state must:

55 (a) Register with the department. The initial registration
56 fee is \$500,000 and the annual renewal fee is \$100,000.

57 (b) Implement procedures that are intended to:

58 1. Prevent an employee or agent of the contest operator, a
59 relative of the contest operator who resides in the same
60 household as the contest operator, or a relative of such
61 employee or agent who resides in the same household as the
62 employee or agent from competing in a fantasy contest in which
63 the cash prize is more than \$5.

64 2. Prohibit the contest operator from being a contest
65 participant in a fantasy contest offered by the contest
66 operator.

67 3. Prevent an employee or agent of the contest operator
68 from sharing confidential information with third parties that
69 could affect fantasy contests until the information is made
70 publicly available.

71 4. Verify that a contest participant is 18 years of age or
72 older.

73 5. Restrict a person who is a player, game official, or
74 other participant in an actual sporting event or game from
75 participating in a fantasy contest that is determined in whole
76 or in part on his or her performance, the performance of his or
77 her actual team, or the accumulated statistical results of the
78 sporting event or game in which he or she is a player, game

79 official, or other participant.

80 6. Allow persons to restrict their own access to a fantasy
81 contest and take reasonable steps to prevent themselves from
82 entering a fantasy contest.

83 7. Disclose the number of fantasy contests that a single
84 contest participant may enter and take reasonable steps to
85 prevent contest participants from entering more than the
86 allowable number of fantasy contests.

87 8. Segregate contest participants' funds from operational
88 funds and maintain a reserve in the form of cash, cash
89 equivalents, an irrevocable letter of credit, a bond, or a
90 combination thereof, in the total amount of the deposits in
91 contest participants' accounts, for the benefit and protection
92 of authorized contest participants' funds held in the contest
93 participants' accounts.

94 (c) Annually contract with a third party to perform an
95 independent audit, consistent with standards established by the
96 Public Company Accounting Oversight Board, to ensure compliance
97 with this section. The contest operator must annually submit the
98 results of the independent audit to the department.

99 (d) Offer training to employees and agents of the contest
100 operator on responsible play and practices, and work with the
101 compulsive or addictive behavior prevention program under
102 subsection (3) to recognize problem situations, implement
103 responsible play and practices, and implement protections for
104 underage participants.

105 (3) COMPULSIVE OR ADDICTIVE BEHAVIOR PREVENTION PROGRAM.—

106 (a) The department shall, subject to competitive bidding,
107 contract with a private provider for services related to the
108 prevention of compulsive or addictive behavior. The contract
109 shall provide for an advertising program to encourage
110 responsible play and practices and to publicize a telephone help
111 line and shall include accountability standards that must be met
112 by the private provider. Failure of the private provider to meet
113 any material terms of the contract, including the accountability
114 standards, constitutes a breach of contract or grounds for
115 nonrenewal.

116 (b) The compulsive or addictive behavior prevention
117 program shall be funded by the allocation of 7.5 percent of the
118 initial registration fee and any subsequent annual renewal fee
119 paid by the contest operator to the department.

120 (4) PENALTIES.—A contest operator, or an employee or agent
121 thereof, who violates this section is subject to a civil penalty
122 not to exceed \$1,000 for each violation, which shall accrue to
123 the state and may be recovered in a civil action brought by the
124 department.

125 (5) EXEMPTIONS.—

126 (a) Fantasy contests are exempt from regulation under
127 chapter 849.

128 (b) A person or entity that offers fantasy contests to
129 fewer than 750 members of the public per year is not considered
130 a contest operator and is exempt from regulation under

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131 subsection (2) and chapter 849.

132 (6) ADMINISTRATION.—The department may adopt rules to
133 administer this section.

134 Section 2. This act shall take effect July 1, 2016.