

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 707 (2016)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED (Y/N)

ADOPTED AS AMENDED (Y/N)

ADOPTED W/O OBJECTION (Y/N)

FAILED TO ADOPT (Y/N)

WITHDRAWN (Y/N)

OTHER

Committee/Subcommittee hearing bill: Business & Professions
Subcommittee

Representative Gaetz offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

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

501.935 Fantasy contests.—

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

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

(b) "Department" means the Department of Agriculture and
Consumer Services.

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17 (c) "Fantasy contest" means a fantasy or simulation sports
18 game or contest where the contest participant manages and owns a
19 fantasy or simulation sports team made up of athletes or players
20 that are members of an amateur or professional sports
21 organization and that meets the following conditions:

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

25 2. The value of all prizes and awards offered to winning
26 contest participants is established and made known to the
27 contest participants in advance of the fantasy contest.

28 3. All winning outcomes reflect the relative knowledge and
29 skill of contest participants and are determined predominantly
30 by accumulated statistical results of the performance of human
31 athletes or players in a sporting event or game.

32 4. A winning outcome is not based on the score, point
33 spread, or performance of a single actual team or combination of
34 such teams or on any single performance of a single human
35 athlete or player in a single event.

36 (d) "Contest operator" means a person or an entity that
37 offers fantasy contests for a cash prize to 750 or more members
38 of the public per year.

39 (e) "Contest participant" means a person who participates
40 in a fantasy contest offered by a contest operator.

41 (2) CONSUMER PROTECTION.—

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42 (a) A contest operator offering fantasy contests in this
43 state must register with the department. The initial
44 registration fee is \$500,000 and the annual renewal fee is
45 \$100,000.

46 (b) A contest operator offering fantasy contests in this
47 state must implement procedures that are intended to:

48 1. Prevent employees or relatives living in the same
49 household as any contest operator or employee of a contest
50 operator from competing in a fantasy contest in which the
51 contest cash prize is over \$5.

52 2. Prohibit the contest operator from being a contest
53 participant in a fantasy contest that he or she offers.

54 3. Prevent the employees or agents of the contest operator
55 from sharing confidential information that could affect fantasy
56 contest play with third parties until the information is made
57 publicly available.

58 4. Verify that a contest participant is 18 years of age or
59 older.

60 5. Restrict an individual who is a player, game official,
61 or other participant in a real-world game or competition from
62 participating in a fantasy contest that is determined in whole
63 or in part on the performance of that individual, the
64 individual's real-world team, or the accumulated statistical
65 results of the sport or competition in which he or she is a
66 player, game official, or other participant.

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67 6. Allow individuals to restrict or prevent their own
68 access to a fantasy contest and take reasonable steps to prevent
69 those individuals from entering a fantasy contest.

70 7. Disclose the number of fantasy contests a single
71 contest participant may enter and take reasonable steps to
72 prevent contest participants from entering more than the
73 allowable number of fantasy contests.

74 8. Segregate contest participants' funds from operational
75 funds and maintain a reserve in the form of cash, cash
76 equivalents, an irrevocable letter of credit, a bond, or a
77 combination thereof in the total amount of deposits in contest
78 participant accounts for the benefit and protection of
79 authorized contest participants' funds held in fantasy contest
80 accounts.

81 (c) A contest operator offering fantasy contests in this
82 state must annually contract with a third party to perform an
83 independent audit, consistent with the standards established by
84 the Public Company Accounting Oversight Board, to ensure
85 compliance with this chapter. The contest operator must submit
86 the results of the independent audit to the department.

87 (3) PENALTIES.—A contest operator, or an employee or agent
88 thereof, who violates this chapter is subject to a civil penalty
89 not to exceed \$1,000 for each violation, which shall accrue to
90 the state and may be recovered in a civil action brought by the
91 department.

92 (4) EXEMPTIONS.—

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93 (a) Fantasy contests are exempt from regulation under
94 chapter 849.

95 (b) A person or entity that offers fantasy contests to
96 fewer than 750 members of the public per year is not considered
97 a contest operator and is exempt from regulation under chapter
98 849 and subsection (2) of this section.

99 (5) ADMINISTRATION.—The department is authorized to adopt
100 rules for the administration of this section.

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102 -----
103 **T I T L E A M E N D M E N T**

104 Remove everything before the enacting clause and insert:

105 A bill to be entitled

106 An act relating to fantasy contests; creating s.
107 501.935, F.S.; providing definitions; providing
108 requirements for the operation of fantasy contests;
109 providing penalties; specifying that chapter 849, F.S.,
110 relating to gambling offenses, does not apply to fantasy
111 contests; providing that persons or entities that offer
112 fantasy contests in specified circumstances are not
113 considered contest operators and are exempt from certain
114 regulations; providing rulemaking authority; providing
115 an effective date.