

By Senator Negrón

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1 A bill to be entitled
2 An act relating to fantasy games; creating ch. 547,
3 F.S., entitled "Fantasy Games"; creating s. 547.01,
4 F.S.; defining terms; creating s. 547.02, F.S.;
5 requiring certain game operators to register with the
6 Department of Agriculture and Consumer Services and to
7 pay related fees; requiring a game operator to
8 implement certain procedures; requiring a game
9 operator to prevent certain persons from competing in
10 a fantasy game; preventing certain information from
11 being shared with third parties; requiring a game
12 operator to verify the age of a game participant;
13 restricting certain persons from participating in a
14 fantasy game; requiring a game operator to allow
15 individuals to restrict or prevent their own access to
16 fantasy games; requiring that certain information be
17 disclosed to game participants; requiring the
18 segregation of certain funds by a game operator;
19 requiring a game operator to annually contract with a
20 third party to perform an independent audit; requiring
21 a game operator to submit the audit results to the
22 department; creating s. 547.03, F.S.; providing a
23 civil penalty; creating s. 547.04, F.S.; exempting
24 fantasy games from regulation under ch. 849, F.S.;
25 providing an effective date.

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

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29 Section 1. Chapter 547, Florida Statutes, entitled

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30 "Fantasy Games," is created.

31 Section 2. Section 547.01, Florida Statutes, is created to
32 read:

33 547.01 Definitions.—As used in this chapter, the term:

34 (1) "Confidential information" means information related to
35 the playing of fantasy games by game participants which is
36 obtained solely as a result of a person's employment with or
37 work as an agent for a game operator.

38 (2) "Department" means the Department of Agriculture and
39 Consumer Services.

40 (3) "Fantasy game" means a fantasy or simulation sports
41 game or educational game or contest that meets the following
42 conditions:

43 (a) The value of all prizes and awards offered to winning
44 game participants is established and made known to the game
45 participants in advance of the fantasy game.

46 (b) All winning outcomes reflect the relative knowledge and
47 skill of game participants and are determined predominantly by
48 accumulated statistical results of the performance of
49 individuals, including athletes in the case of sporting events.

50 (c) A winning outcome is not based on the score, point
51 spread, or performance of a single team or combination of such
52 teams or on any single performance of an individual athlete or
53 player in a single event.

54 (4) "Game operator" means a person or an entity that offers
55 fantasy games for a cash prize to more than 750 members of the
56 public.

57 (5) "Game participant" means a person who participates in a
58 fantasy game offered by a game operator.

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59 Section 3. Section 547.02, Florida Statutes, is created to
60 read:

61 547.02 Consumer protection.-

62 (1) A game operator offering fantasy games in this state
63 must register with the department. The initial registration fee
64 is \$500,000 and the annual renewal fee is \$100,000.

65 (2) A game operator offering fantasy games in this state
66 must implement procedures that are intended to:

67 (a) Prevent employees or relatives living in the same
68 household as any game operator from competing in a fantasy game
69 in which the game cash prize is over \$5.

70 (b) Prohibit the game operator from being a game
71 participant in a fantasy game that he or she offers.

72 (c) Prevent the employees or agents of the game operator
73 from sharing confidential information that could affect fantasy
74 game play with third parties until the information is made
75 publicly available.

76 (d) Verify that a game participant is 18 years of age or
77 older.

78 (e) Restrict an individual who is a player, game official,
79 or other participant in a real-world game or competition from
80 participating in a fantasy game that is determined in whole or
81 in part on the performance of that individual, the individual's
82 real-world team, or the accumulated statistical results of the
83 sport or competition in which he or she is a player, game
84 official, or other participant.

85 (f) Allow individuals to restrict or prevent their own
86 access to a fantasy game and take reasonable steps to prevent
87 those individuals from entering a fantasy game.

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88 (g) Disclose the number of fantasy games a single game
89 participant may enter and take reasonable steps to prevent game
90 participants from entering more than the allowable number of
91 fantasy games.

92 (h) Segregate game participants' funds from operational
93 funds and maintain a reserve in the form of cash, cash
94 equivalents, an irrevocable letter of credit, a bond, or a
95 combination thereof in the total amount of deposits in game
96 participant accounts for the benefit and protection of
97 authorized game participants' funds held in fantasy game
98 accounts.

99 (3) A game operator offering fantasy games in this state
100 must annually contract with a third party to perform an
101 independent audit, consistent with the standards established by
102 the Public Company Accounting Oversight Board, to ensure
103 compliance with this chapter. The game operator must submit the
104 results of the independent audit to the department.

105 Section 4. Section 547.03, Florida Statutes, is created to
106 read:

107 547.03 Penalties.—A game operator, or an employee or agent
108 thereof, who violates this chapter is subject to a civil penalty
109 not to exceed \$1,000 for each violation, which shall accrue to
110 the state and may be recovered in a civil action brought by the
111 department.

112 Section 5. Section 547.04, Florida Statutes, is created to
113 read:

114 547.04 Exemption.—Fantasy games are exempt from regulation
115 under chapter 849.

116 Section 6. This act shall take effect July 1, 2016.