

By Senator Hutson

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1 A bill to be entitled
2 An act relating to the Fantasy Sports Contest
3 Amusement Act; creating s. 546.11, F.S.; providing a
4 short title; creating s. 546.12, F.S.; providing
5 legislative findings and intent; creating s. 546.13,
6 F.S.; defining terms; creating s. 546.14, F.S.;
7 requiring the Florida Gaming Control Commission to
8 enforce and administer the act; authorizing the
9 commission to take certain actions; requiring the
10 commission to revoke a contest operator's license
11 under certain circumstances; requiring the commission
12 to adopt rules; creating s. 546.15, F.S.; providing
13 application requirements for fantasy sports contest
14 operator licenses; providing that specified persons or
15 entities are not eligible for licensure under certain
16 circumstances; defining the term "convicted";
17 specifying that a contest operator license is
18 automatically suspended under certain circumstances;
19 providing an exception; requiring contest operators to
20 report certain changes in ownership or interest;
21 creating s. 546.16, F.S.; requiring a contest operator
22 to implement specified consumer protection procedures;
23 defining the term "relative"; requiring a contest
24 operator to annually contract with a third party to
25 perform an independent audit; requiring a contest
26 operator to submit the audit results to the commission
27 within a certain timeframe; requiring a contest
28 operator to use data sources that meet specified
29 requirements; creating s. 546.17, F.S.; requiring

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30 contest operators to keep and maintain certain records
31 for a specified period; providing a requirement for
32 such records; requiring that such records be available
33 for audit and inspection; requiring the commission to
34 adopt rules; creating s. 546.18, F.S.; providing a
35 civil penalty; providing applicability; exempting
36 fantasy sports contests from certain provisions in ch.
37 849, F.S.; amending s. 16.71, F.S.; prohibiting the
38 Governor from soliciting or requesting certain
39 information from a person who holds a license to
40 conduct fantasy sports contests; amending s. 16.712,
41 F.S.; conforming provisions to changes made by the
42 act; amending s. 16.713, F.S.; revising prohibitions
43 relating to appointment to and employment with the
44 commission to include prohibitions relating to fantasy
45 sports contests licenses; amending s. 16.715, F.S.;
46 revising prohibitions relating to former commissioners
47 and employees of the commission to include
48 prohibitions relating to fantasy sports contests
49 licenses; amending s. 849.142, F.S.; providing that
50 specified provisions do not apply to participation in
51 or the conduct of fantasy sports contests; providing
52 an effective date.

53
54 Be It Enacted by the Legislature of the State of Florida:

55
56 Section 1. Section 546.11, Florida Statutes, is created to
57 read:

58 546.11 Short title.—Sections 546.11-546.18 may be cited as

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59 the "Fantasy Sports Contest Amusement Act."

60 Section 2. Section 546.12, Florida Statutes, is created to
61 read:

62 546.12 Legislative intent; findings.—It is the intent of
63 the Legislature to ensure public confidence in the integrity of
64 fantasy sports contests and contest operators. This act is
65 designed to regulate the contest operators and individuals who
66 participate in such contests and to enact consumer protections
67 related to fantasy sports contests. Furthermore, the Legislature
68 finds that fantasy sports contests, as that term is defined in
69 s. 546.13, involve the skill of contest participants.

70 Section 3. Section 546.13, Florida Statutes, is created to
71 read:

72 546.13 Definitions.—As used in ss. 546.11-546.18, the term:

73 (1) "Act" means the Fantasy Sports Contest Amusement Act,
74 ss. 546.11-546.18.

75 (2) "Commission" means the Florida Gaming Control
76 Commission.

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

81 (4) "Contest operator" means a person or an entity that
82 offers fantasy sports contests for a cash prize to members of
83 the public, but does not include a noncommercial contest
84 operator in this state.

85 (5) "Contest participant" means a person who pays an entry
86 fee for the ability to participate in a fantasy or simulation
87 sports game or contest offered by a contest operator or

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88 noncommercial contest operator.

89 (6) "Entry fee" means the cash or cash equivalent amount
90 that a person is required to pay to a contest operator or
91 noncommercial contest operator to participate in a fantasy
92 sports contest.

93 (7) "Fantasy sports contest" means a fantasy or simulation
94 sports game or contest offered by a contest operator or a
95 noncommercial contest operator in which a contest participant
96 manages a fantasy or simulation sports team composed of athletes
97 from a professional sports organization and which meets each of
98 the following requirements:

99 (a) All prizes and awards offered to winning contest
100 participants are established and made known to the contest
101 participants in advance of the game or contest, and their value
102 is not determined by the number of contest participants or the
103 amount of any fees paid by those contest participants.

104 (b) All winning outcomes reflect the relative knowledge and
105 skill of the contest participants and are determined
106 predominantly by accumulated statistical results of the
107 performance of individuals, including athletes in the case of
108 sporting events.

109 (c) No winning outcome is based on the score, point spread,
110 or any performance or performances of any single actual team or
111 combination of such teams; solely on any single performance of
112 an individual athlete or player in a single actual event; on a
113 pari-mutuel event, as the term "pari-mutuel" is defined in s.
114 550.002; on a game of poker or other card game; or on the
115 performances of participants in collegiate, high school, or
116 youth sporting events.

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117 (d) No casino graphics, themes, or titles, including, but
118 not limited to, depictions of slot machine-style symbols, cards,
119 dice, craps, roulette, or lotto, are displayed or depicted.

120 (8) "Noncommercial contest operator" means a natural person
121 who organizes and conducts a fantasy or simulation sports game
122 in which contest participants are charged entry fees for the
123 right to participate; entry fees are collected, maintained, and
124 distributed by the same natural person; the total entry fees
125 collected, maintained, and distributed by such natural person do
126 not exceed \$1,500 per season or a total of \$10,000 per calendar
127 year; and all entry fees are returned to the contest
128 participants in the form of prizes.

129 Section 4. Section 546.14, Florida Statutes, is created to
130 read:

131 546.14 Enforcement and administration; rulemaking.—

132 (1) The commission shall enforce and administer this act.

133 (2) The commission may:

134 (a) Conduct investigations and monitor the operation and
135 play of fantasy sports contests.

136 (b) Review the books, accounts, and records of any current
137 or former contest operator.

138 (c) Deny, suspend, or revoke any license under this act for
139 any violation of state law or rule.

140 (d) Take testimony, issue summonses and subpoenas for any
141 witness, and issue subpoenas duces tecum in connection with any
142 matter within its jurisdiction.

143 (e) Monitor and ensure the proper collection and
144 safeguarding of entry fees and the payment of contest prizes in
145 accordance with consumer protection procedures enacted pursuant

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146 to s. 546.16.

147 (f) Investigate any licensed or unlicensed person or entity
148 when such person or entity is advertising as offering or
149 providing, or is engaged in conducting, a fantasy sports contest
150 that requires licensure under this act or when a contest
151 operator or noncommercial contest operator is engaged in
152 activities that do not comply with or are prohibited by this
153 act. The commission may issue an order to such licensed or
154 unlicensed person or entity or contest operator or noncommercial
155 contest operator to cease and desist the further conduct of such
156 activities, may seek an injunction, or may take other
157 appropriate action to enforce this act.

158 (3) The commission must revoke a contest operator's license
159 if the contest operator offers fantasy sports contests that
160 violate s. 546.13(7)(c).

161 (4) The commission shall adopt rules to implement and
162 administer this act.

163 Section 5. Section 546.15, Florida Statutes, is created to
164 read:

165 546.15 Licensing; renewal.—

166 (1) A contest operator must be licensed by the commission
167 to conduct fantasy sports contests within this state. Licenses
168 are effective for 1 year after issuance and must be renewed
169 annually.

170 (2) The license application must include:

171 (a) The full name of the applicant.

172 (b) If the applicant is a corporation, the name of the
173 state in which the applicant is incorporated and the names and
174 addresses of the officers, directors, and shareholders who hold

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175 15 percent or more equity.

176 (c) If the applicant is a business entity other than a
177 corporation, the names and addresses of each principal, partner,
178 or shareholder who holds 15 percent or more equity, and any
179 person who individually or in concert with a relative
180 beneficially owns or controls, or has the power to vote or cause
181 the vote of, 15 percent or more equity. For the purposes of this
182 act, the term "relative" means a spouse, father, mother, son,
183 daughter, grandfather, grandmother, brother, sister, uncle,
184 aunt, cousin, nephew, niece, father-in-law, mother-in-law, son-
185 in-law, daughter-in-law, brother-in-law, sister-in-law,
186 stepfather, stepmother, stepson, stepdaughter, stepbrother,
187 stepsister, half brother, or half sister.

188 (d) The names and addresses of the ultimate equitable
189 owners of the corporation or other business entity, if different
190 from those provided under paragraph (b) or paragraph (c), unless
191 the securities of the corporation or entity are registered
192 pursuant to s. 12 of the Securities Exchange Act of 1934, 15
193 U.S.C. ss. 78a-78kk, and either:

194 1. The corporation or entity files with the United States
195 Securities and Exchange Commission the reports required by s. 13
196 of that act; or

197 2. The securities of the corporation or entity are
198 regularly traded on an established securities market in the
199 United States.

200 (e) The estimated number of fantasy sports contests to be
201 conducted by the applicant annually.

202 (f) A statement of the assets and liabilities of the
203 applicant.

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204 (g) If required by the commission, the names and addresses
205 of the officers and directors of any creditor of the applicant
206 and of stockholders who hold more than 10 percent of the stock
207 of the creditor.

208 (h) For each individual listed in the application pursuant
209 to paragraph (a), paragraph (b), paragraph (c), or paragraph
210 (d), a full set of fingerprints, to be submitted to the
211 commission or to a vendor, an entity, or an agency authorized
212 under s. 943.053(13).

213 1. The commission, vendor, entity, or agency shall forward
214 the fingerprints to the Department of Law Enforcement for state
215 processing, and the Department of Law Enforcement shall forward
216 the fingerprints to the Federal Bureau of Investigation for
217 national processing.

218 2. Fingerprints submitted to the Department of Law
219 Enforcement pursuant to this paragraph must be retained by the
220 Department of Law Enforcement as provided in s. 943.05(2)(g) and
221 (h) and, when the Department of Law Enforcement begins
222 participation in the program, must be enrolled in the Federal
223 Bureau of Investigation's national retained print arrest
224 notification program. The Department of Law Enforcement shall
225 report to the commission any arrest record identified.

226 (i) For each foreign national, such documents as are
227 necessary to allow the commission to conduct criminal history
228 records checks in the individual's home country. The applicant
229 must pay the full cost of processing fingerprints and required
230 documentation.

231 (3) The application for renewal must contain all revisions
232 to the information submitted in the prior year's application

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233 which are necessary to maintain such information as both
234 accurate and current.

235 (4) The applicant for renewal must attest that any
236 revisions do not affect the applicant's qualifications for
237 license renewal.

238 (5) Upon determination by the commission that the
239 application for renewal is complete and qualifications have been
240 met, including payment of the renewal fee, the fantasy sports
241 contests license must be renewed annually.

242 (6) A person or an entity is not eligible for licensure as
243 a contest operator or for licensure renewal if an individual
244 required to be listed pursuant to paragraph (5) (a), paragraph
245 (5) (b), paragraph (5) (c), or paragraph (5) (d) is determined by
246 the commission, after investigation, not to be of good moral
247 character or is found to have been convicted of a felony in this
248 state, any offense in another jurisdiction which would be
249 considered a felony if committed in this state, or a felony
250 under the laws of the United States. As used in this subsection,
251 the term "convicted" means having been found guilty, with or
252 without adjudication of guilt, as a result of a jury verdict,
253 nonjury trial, or entry of a plea of guilty or nolo contendere.

254 (7) The license of a contest operator is automatically
255 suspended upon entry of a final order imposing an administrative
256 fine against the contest operator, until the administrative fine
257 is paid, if 30 calendar days have elapsed since the entry of the
258 final order. The license of a contest operator may not be
259 renewed and an application for licensure as a contest operator
260 may not be approved if the contest operator or the applicant for
261 licensure as a contest operator is liable for an outstanding

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262 administrative fine imposed under this act. Notwithstanding this
263 subsection, a contest operator's license may not be suspended
264 and an application for licensure as a contest operator may not
265 be denied if the contest operator or the applicant has an appeal
266 from a final order pending in any appellate court.

267 (8) Changes in ownership of or interest in a fantasy sports
268 contests license of 5 percent or more of the stock or other
269 evidence of ownership or equity in the contest operator must be
270 approved by the commission before such change, unless the owner
271 is an existing owner of that license who was previously approved
272 by the commission. Changes in ownership of or interest in a
273 fantasy sports contests license of less than 5 percent must be
274 reported to the commission within 20 days after the change. The
275 commission may then conduct an investigation to ensure that the
276 license is properly updated to show the change in ownership or
277 interest.

278 Section 6. Section 546.16, Florida Statutes, is created to
279 read:

280 546.16 Consumer protection.-

281 (1) A contest operator shall implement procedures for
282 fantasy sports contests which:

283 (a) Prevent its employees, their relatives, or persons
284 living in the same household as the employees from competing in
285 a fantasy sports contest in which a cash prize is awarded.
286 However, a contest operator may offer to its employees fantasy
287 sports contests in which the employees are the sole
288 participants. For the purposes of this paragraph, the term
289 "relative" means a spouse, father, mother, son, daughter,
290 grandfather, grandmother, brother, sister, uncle, aunt, cousin,

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291 nephew, niece, father-in-law, mother-in-law, son-in-law,
292 daughter-in-law, brother-in-law, sister-in-law, stepfather,
293 stepmother, stepson, stepdaughter, stepbrother, stepsister, half
294 brother, or half sister.

295 (b) Prohibit the contest operator from being a contest
296 participant in a fantasy sports contest that the contest
297 operator offers.

298 (c) Prevent its employees or agents from sharing with a
299 third party confidential information that could affect fantasy
300 sports contest play, until the information has been made
301 publicly available.

302 (d) Verify that contest participants are 21 years of age or
303 older.

304 (e) Restrict an individual who is a player, a game
305 official, or other participant in a real-world game or
306 competition from participating in a fantasy sports contest that
307 is determined, in whole or in part, on the performance of that
308 individual, the individual's real-world team, or the accumulated
309 statistical results of the sport or competition in which he or
310 she is a player, game official, or other participant.

311 (f) Allow individuals to restrict or prevent their own
312 access to fantasy sports contests and take reasonable steps to
313 prevent those individuals from entering a fantasy sports
314 contest.

315 (g) Limit the number of entries a single contest
316 participant may submit to each fantasy sports contest and take
317 reasonable steps to prevent participants from submitting more
318 than the allowable number of entries.

319 (h) Segregate contest participants' funds from operational

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320 funds or maintain a reserve in the form of cash, cash
321 equivalents, payment processor reserves, payment processor
322 receivables, an irrevocable letter of credit, a bond, or a
323 combination thereof in the total amount of deposits in contest
324 participants' accounts for the benefit and protection of
325 authorized contest participants' funds held in fantasy sports
326 contest accounts.

327 (2) (a) A contest operator shall annually contract with a
328 third party to perform an independent audit, consistent with the
329 standards established by the American Institute of Certified
330 Public Accountants, to ensure compliance with this act. The
331 contest operator shall submit the results of the independent
332 audit to the commission no later than 90 days after the end of
333 each annual licensing period.

334 (b) Any data source and the corresponding data to determine
335 the results of all fantasy sports contests offered by contest
336 operators, other than noncommercial contest operators, must be
337 complete, accurate, reliable, and appropriate to settle the
338 outcome of the fantasy sports contests for which they are used.

339 Section 7. Section 546.17, Florida Statutes, is created to
340 read:

341 546.17 Records and reports.—Each contest operator shall
342 keep and maintain daily records of its operations and shall
343 maintain such records for at least 3 years. The records must
344 sufficiently detail all financial transactions required to
345 determine compliance with this act and must be available for
346 audit and inspection by the commission or other law enforcement
347 agencies during the contest operator's regular business hours.
348 The commission shall adopt rules to implement this section.

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349 Section 8. Section 546.18, Florida Statutes, is created to
350 read:

351 546.18 Penalties; applicability; exemption.-

352 (1) (a) A contest operator, or an employee or agent thereof,
353 that violates this act is subject to an administrative fine not
354 to exceed \$5,000 for each violation and not to exceed \$100,000
355 in the aggregate. All fines imposed and collected under this
356 subsection must be deposited with the Chief Financial Officer to
357 the credit of the General Revenue Fund. An action to recover
358 such penalties may be brought by the commission or the
359 Department of Legal Affairs in the name and on behalf of the
360 state.

361 (b) The penalty provisions established in this subsection
362 do not apply to violations committed by a contest operator which
363 occurred before the issuance of a license under this act if the
364 contest operator applies for a license within 90 days after the
365 date the commission begins accepting applications and receives a
366 license within 240 days after such date.

367 (2) Fantasy sports contests conducted by a contest operator
368 or noncommercial contest operator in accordance with this act
369 are not subject to s. 849.01, s. 849.08, s. 849.09, s. 849.11,
370 s. 849.14, or s. 849.25.

371 Section 9. Paragraph (b) of subsection (3) of section
372 16.71, Florida Statutes, is amended to read:

373 16.71 Florida Gaming Control Commission; creation;
374 meetings; membership.-

375 (3) REQUIREMENTS FOR APPOINTMENT; PROHIBITIONS.-

376 (b) The Governor may not solicit or request any
377 nominations, recommendations, or communications about potential

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378 candidates for appointment to the commission from:

379 1. Any person that holds a permit or license issued under
380 chapter 550, or a license issued under chapter 546, chapter 551,
381 or chapter 849; an officer, official, or employee of such
382 permitholder or licensee; or an ultimate equitable owner, as
383 defined in s. 550.002(37), of such permitholder or licensee;

384 2. Any officer, official, employee, or other person with
385 duties or responsibilities relating to a gaming operation owned
386 by an Indian tribe that has a valid and active compact with the
387 state; a contractor or subcontractor of such tribe or an entity
388 employed, licensed, or contracted by such tribe; or an ultimate
389 equitable owner, as defined in s. 550.002(37), of such entity;
390 or

391 3. Any registered lobbyist for the executive or legislative
392 branch who represents any person or entity identified in
393 subparagraph 1. or subparagraph 2.

394 Section 10. Paragraph (i) of subsection (1) of section
395 16.712, Florida Statutes, is amended to read:

396 16.712 Florida Gaming Control Commission authorizations,
397 duties, and responsibilities.—

398 (1) The commission shall do all of the following:

399 (i) Receive and review violations reported by a state or
400 local law enforcement agency, the Department of Law Enforcement,
401 the Department of Legal Affairs, the Department of Agriculture
402 and Consumer Services, the Department of Business and
403 Professional Regulation, the Department of the Lottery, the
404 Seminole Tribe of Florida, or any person licensed under chapter
405 24, part II of chapter 285, chapter 546, chapter 550, chapter
406 551, or chapter 849 and determine whether such violation is

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407 appropriate for referral to the Office of Statewide Prosecution.

408 Section 11. Paragraph (d) of subsection (1) and paragraph
409 (a) of subsection (2) of section 16.713, Florida Statutes, are
410 amended to read:

411 16.713 Florida Gaming Control Commission; appointment and
412 employment restrictions.—

413 (1) PERSONS INELIGIBLE FOR APPOINTMENT TO THE COMMISSION.—
414 The following persons are ineligible for appointment to the
415 commission:

416 (d) A person who has had a license or permit issued under
417 chapter 546, chapter 550, chapter 551, or chapter 849 or a
418 gaming license issued by any other jurisdiction denied,
419 suspended, or revoked.

420 (2) PROHIBITIONS FOR EMPLOYEES AND COMMISSIONERS; PERSONS
421 INELIGIBLE FOR APPOINTMENT TO AND EMPLOYMENT WITH THE
422 COMMISSION.—

423 (a) A person may not, for the 2 years immediately preceding
424 the date of appointment to or employment with the commission and
425 while appointed to or employed with the commission:

426 1. Hold a permit or license issued under chapter 550 or a
427 license issued under chapter 546, chapter 551, or chapter 849;
428 be an officer, official, or employee of such permitholder or
429 licensee; or be an ultimate equitable owner, as defined in s.
430 550.002(37), of such permitholder or licensee;

431 2. Be an officer, official, employee, or other person with
432 duties or responsibilities relating to a gaming operation owned
433 by an Indian tribe that has a valid and active compact with the
434 state; be a contractor or subcontractor of such tribe or an
435 entity employed, licensed, or contracted by such tribe; or be an

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436 ultimate equitable owner, as defined in s. 550.002(37), of such
437 entity;

438 3. Be a registered lobbyist for the executive or
439 legislative branch, except while a commissioner or employee of
440 the commission when officially representing the commission or
441 unless the person registered as a lobbyist for the executive or
442 legislative branch while employed by a state agency as defined
443 in s. 110.107 during the normal course of his or her employment
444 with such agency and he or she has not lobbied on behalf of any
445 entity other than a state agency during the 2 years immediately
446 preceding the date of his or her appointment to or employment
447 with the commission; or

448 4. Be a bingo game operator or an employee of a bingo game
449 operator.

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451 For the purposes of this subsection, the term "relative" means a
452 spouse, father, mother, son, daughter, grandfather, grandmother,
453 brother, sister, uncle, aunt, cousin, nephew, niece, father-in-
454 law, mother-in-law, son-in-law, daughter-in-law, brother-in-law,
455 sister-in-law, stepfather, stepmother, stepson, stepdaughter,
456 stepbrother, stepsister, half brother, or half sister.

457 Section 12. Paragraphs (b) and (c) of subsection (2) of
458 section 16.715, Florida Statutes, are amended to read:

459 16.715 Florida Gaming Control Commission standards of
460 conduct; ex parte communications.—

461 (2) FORMER COMMISSIONERS AND EMPLOYEES.—

462 (b) A commissioner may not, for the 2 years immediately
463 following the date of resignation or termination from the
464 commission:

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465 1. Hold a permit or license issued under chapter 550, or a
466 license issued under chapter 546, chapter 551, or chapter 849;
467 be an officer, official, or employee of such permitholder or
468 licensee; or be an ultimate equitable owner, as defined in s.
469 550.002(37), of such permitholder or licensee;

470 2. Accept employment by or compensation from a business
471 entity that, directly or indirectly, owns or controls a person
472 regulated by the commission; from a person regulated by the
473 commission; from a business entity which, directly or
474 indirectly, is an affiliate or subsidiary of a person regulated
475 by the commission; or from a business entity or trade
476 association that has been a party to a commission proceeding
477 within the 2 years preceding the member's resignation or
478 termination of service on the commission; or

479 3. Be a bingo game operator or an employee of a bingo game
480 operator.

481 (c) A person employed by the commission may not, for the 2
482 years immediately following the date of termination or
483 resignation from employment with the commission:

484 1. Hold a permit or license issued under chapter 550, or a
485 license issued under chapter 546, chapter 551, or chapter 849;
486 be an officer, official, or employee of such permitholder or
487 licensee; or be an ultimate equitable owner, as defined in s.
488 550.002(37), of such permitholder or licensee; or

489 2. Be a bingo game operator or an employee of a bingo game
490 operator.

491 Section 13. Subsection (7) is added to section 849.142,
492 Florida Statutes, to read:

493 849.142 Exempted activities.—Sections 849.01, 849.08,

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494 849.09, 849.11, 849.14, and 849.25 do not apply to participation
495 in or the conduct of any of the following activities:

496 (7) Fantasy sports contests conducted pursuant to chapter
497 546.

498 Section 14. This act shall take effect July 1, 2024.