



871360

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Appropriations (Hutson) recommended the following:

Senate Amendment (with title amendment)

Delete lines 89 - 329
and insert:

(5) "Division" means the Division of Pari-mutuel Wagering of the Department of Business and Professional Regulation.

(6) "Entry fee" means the cash or cash equivalent amount that is required to be paid by a person to a contest operator or noncommercial contest operator to participate in a fantasy sports contest.



871360

11 (7) "Fantasy sports contest" means a fantasy or simulation
12 sports game or contest offered by a contest operator or a
13 noncommercial contest operator in which a contest participant
14 manages a fantasy or simulation sports team composed of athletes
15 from a professional sports organization and which meets each of
16 the following requirements:

17 (a) All prizes and awards offered to winning contest
18 participants are established and made known to the contest
19 participants in advance of the game or contest and their value
20 is not determined by the number of contest participants or the
21 amount of any fees paid by those contest participants.

22 (b) All winning outcomes reflect the relative knowledge and
23 skill of the contest participants and are determined
24 predominantly by accumulated statistical results of the
25 performance of individuals, including athletes in the case of
26 sporting events.

27 (c) No winning outcome is based on the score, point spread,
28 or any performance or performances of any single actual team or
29 combination of such teams; solely on any single performance of
30 an individual athlete or player in a single actual event; on a
31 pari-mutuel event, as the term "pari-mutuel" is defined in s.
32 550.002; on a game of poker or other card game; or on the
33 performances of participants in collegiate, high school, or
34 youth sporting events.

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

38 (8) "Noncommercial contest operator" means a natural person
39 who organizes and conducts a fantasy or simulation sports



871360

40 contest in which contest participants are charged entry fees for
41 the right to participate; entry fees are collected, maintained,
42 and distributed by the same natural person; the total entry fees
43 collected, maintained, and distributed by such natural person do
44 not exceed \$1,500 per season or a total of \$10,000 per calendar
45 year; and all entry fees are returned to the contest
46 participants in the form of prizes.

47 Section 4. Section 546.14, Florida Statutes, is created to
48 read:

49 546.14 Enforcement and administration; rulemaking.—

50 (1) The division shall enforce and administer this act.

51 (2) The division may:

52 (a) Conduct investigations and monitor the operation and
53 play of fantasy sports contests.

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

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

58 (d) Take testimony, issue summons and subpoenas for any
59 witness, and issue subpoenas duces tecum in connection with any
60 matter within its jurisdiction.

61 (e) Monitor and ensure the proper collection and
62 safeguarding of entry fees and the payment of contest prizes in
63 accordance with consumer protection procedures enacted pursuant
64 to s. 546.16.

65 (f) Investigate any licensed or unlicensed person or entity
66 when such person or entity is advertising as offering or
67 providing, or is engaged in conducting, a fantasy sports contest
68 that requires licensure under this act or when a contest



871360

69 operator or noncommercial contest operator is engaged in
70 activities that do not comply with or are prohibited by this
71 act. The division shall have the authority to issue an order to
72 such licensed or unlicensed person or entity or contest operator
73 or noncommercial contest operator to cease and desist the
74 further conduct of such activities, to seek an injunction, or to
75 take other appropriate action to enforce the requirements of
76 this act.

77 (3) The division shall revoke a contest operator's license
78 if the contest operator offers fantasy sports contests that
79 violate s. 546.13(6)(c).

80 (4) The division shall adopt rules to implement and
81 administer this act. Such rules may not conflict with, and must
82 be applied, construed, and interpreted in a manner consistent
83 with, the gaming compact ratified, approved, and described in s.
84 285.710(3).

85 Section 5. Section 546.15, Florida Statutes, is created to
86 read:

87 546.15 Licensing.—

88 (1) A contest operator must be licensed by the division to
89 conduct fantasy sports contests within this state.

90 (2) The application must include:

91 (a) The full name of the applicant.

92 (b) If the applicant is a corporation, the name of the
93 state in which the applicant is incorporated and the names and
94 addresses of the officers, directors, and shareholders who hold
95 15 percent or more equity.

96 (c) If the applicant is a business entity other than a
97 corporation, the names and addresses of each principal, partner,



871360

98 or shareholder who holds 15 percent or more equity.

99 (d) The names and addresses of the ultimate equitable
100 owners of the corporation or other business entity, if different
101 from those provided under paragraph (b) or paragraph (c), unless
102 the securities of the corporation or entity are registered
103 pursuant to s. 12 of the Securities Exchange Act of 1934, 15
104 U.S.C. ss. 78a-78kk, and:

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

108 2. The securities of the corporation or entity are
109 regularly traded on an established securities market in the
110 United States.

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

113 (f) A statement of the assets and liabilities of the
114 applicant.

115 (g) If required by the division, the names and addresses of
116 the officers and directors of any creditor of the applicant and
117 of stockholders who hold more than 10 percent of the stock of
118 the creditor.

119 (h) For each individual listed in the application pursuant
120 to paragraph (a), paragraph (b), paragraph (c), or paragraph
121 (d), a full set of fingerprints to be submitted to the division
122 or to a vendor, entity, or agency authorized by s. 943.053(13).

123 1. The division, vendor, entity, or agency shall forward
124 the fingerprints to the Department of Law Enforcement for state
125 processing, and the Department of Law Enforcement shall forward
126 the fingerprints to the Federal Bureau of Investigation for



871360

127 national processing.

128 2. Fingerprints submitted to the Department of Law
129 Enforcement pursuant to this paragraph shall be retained by the
130 Department of Law Enforcement as provided in s. 943.05(2)(g) and
131 (h) and, when the Department of Law Enforcement begins
132 participation in the program, shall be enrolled in the Federal
133 Bureau of Investigation's national retained print arrest
134 notification program. Any arrest record identified shall be
135 reported to the division by the Department of Law Enforcement.

136 (i) For each foreign national, such documents as necessary
137 to allow the division to conduct criminal history records checks
138 in the individual's home country. The applicant must pay the
139 full cost of processing fingerprints and required documentation.

140 (3) A person or entity is not eligible for licensure as a
141 contest operator or for licensure renewal if an individual
142 required to be listed pursuant to paragraph (2)(a), paragraph
143 (2)(b), paragraph (2)(c), or paragraph (2)(d) is determined by
144 the division, after investigation, not to be of good moral
145 character or is found to have been convicted of a felony in this
146 state, any offense in another jurisdiction which would be
147 considered a felony if committed in this state, or a felony
148 under the laws of the United States. As used in this subsection,
149 the term "convicted" means having been found guilty, with or
150 without adjudication of guilt, as a result of a jury verdict,
151 nonjury trial, or entry of a plea of guilty or nolo contendere.

152 (4) The license of a contest operator is automatically
153 suspended upon entry of a final order imposing an administrative
154 fine against the contest operator, until the administrative fine
155 is paid, if 30 calendar days have elapsed since the entry of the



871360

156 final order. The license of a contest operator may not be
157 renewed and an application for licensure as a contest operator
158 may not be approved if the contest operator or the applicant for
159 licensure as a contest operator is liable for an outstanding
160 administrative fine imposed under this act. Notwithstanding the
161 provisions of this subsection, a contest operator's license may
162 not be suspended and an application for licensure as a contest
163 operator may not be denied if the contest operator or the
164 applicant has an appeal from a final order pending in any
165 appellate court.

166 Section 6. Section 546.16, Florida Statutes, is created to
167 read:

168 546.16 Consumer protection.-

169 (1) A contest operator must implement procedures for
170 fantasy sports contests which:

171 (a) Prevent its employees, their relatives, or persons
172 living in the same household as the employees from competing in
173 a fantasy sports contest in which a cash prize is awarded.

174 However, a contest operator may offer fantasy sports contests to
175 its employees in which the employees are the sole participants
176 in the contests. For the purposes of this paragraph, the term
177 "relative" means a spouse, father, mother, son, daughter,
178 grandfather, grandmother, brother, sister, uncle, aunt, cousin,
179 nephew, niece, father-in-law, mother-in-law, son-in-law,
180 daughter-in-law, brother-in-law, sister-in-law, stepfather,
181 stepmother, stepson, stepdaughter, stepbrother, stepsister,
182 half-brother, or half-sister.

183 (b) Prohibit the contest operator from being a contest
184 participant in a fantasy sports contest that he or she offers.



871360

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

189 (d) Verify that contest participants are 21 years of age or
190 older.

191 (e) Restrict an individual who is a player, a game
192 official, or another participant in a real-world game or
193 competition from participating in a fantasy sports contest that
194 is determined, in whole or in part, on the performance of that
195 individual, the individual's real-world team, or the accumulated
196 statistical results of the sport or competition in which he or
197 she is a player, game official, or other participant.

198 (f) Allow individuals to restrict or prevent their own
199 access to fantasy sports contests and take reasonable steps to
200 prevent those individuals from entering a fantasy sports
201 contest.

202 (g) Limit the number of entries a single contest
203 participant may submit to each fantasy sports contest and take
204 reasonable steps to prevent participants from submitting more
205 than the allowable number of entries.

206 (h) Segregate contest participants' funds from operational
207 funds or maintain a reserve in the form of cash, cash
208 equivalents, payment processor reserves, payment processor
209 receivables, an irrevocable letter of credit, a bond, or a
210 combination thereof in the total amount of deposits in contest
211 participants' accounts for the benefit and protection of
212 authorized contest participants' funds held in fantasy sports
213 contest accounts.



214 (2) (a) A contest operator must annually contract with a
215 third party to perform an independent audit, consistent with the
216 standards established by the American Institute of Certified
217 Public Accountants, to ensure compliance with this act. The
218 contest operator shall submit the results of the independent
219 audit to the division no later than 90 days after the end of
220 each annual licensing period.

221 (b) Any data source and the corresponding data to determine
222 the results of all fantasy sports contests offered by contest
223 operators, other than noncommercial contest operators, must be
224 complete, accurate, reliable, and appropriate to settle the
225 outcome of the fantasy sports contests for which it is used.

226 Section 7. Section 546.17, Florida Statutes, is created to
227 read:

228 546.17 Records and reports.—Each contest operator shall
229 keep and maintain daily records of its operations and shall
230 maintain such records for at least 3 years. The records must
231 sufficiently detail all financial transactions required to
232 determine compliance with the requirements of this act and must
233 be available for audit and inspection by the division or other
234 law enforcement agencies during the contest operator's regular
235 business hours. The division shall adopt rules to implement this
236 section.

237 Section 8. Section 546.18, Florida Statutes, is created to
238 read:

239 546.18 Penalties; applicability; exemption.—

240 (1) (a) A contest operator, or an employee or agent thereof,
241 who violates this act is subject to an administrative fine, not
242 to exceed \$5,000 for each violation and not to exceed \$100,000



871360

243 in the aggregate. All fines imposed and collected under this
244 subsection must be deposited with the Chief Financial Officer to
245 the credit of the General Revenue Fund. An action to recover
246 such penalties may be brought by the division or the Department
247 of Legal Affairs in the name and on behalf of the state.

248 (b) The penalty provisions established in this subsection
249 do not apply to violations committed by a contest operator which
250 occurred prior to the issuance of a license under this act if
251 the contest operator applies for a license within 90 days after
252 the date the division begins accepting applications, and
253 receives a license within 240 days after such date.

254
255 ===== T I T L E A M E N D M E N T =====

256 And the title is amended as follows:

257 Delete lines 11 - 29

258 and insert:

259 take certain actions; requiring the division to revoke
260 a contest operator's license under certain
261 circumstances; authorizing the division to adopt
262 rules; creating s. 546.15, F.S.; providing application
263 requirements for fantasy sports contest operator
264 licenses; providing that specified persons or entities
265 are not eligible for licensure under certain
266 circumstances; defining the term "convicted";
267 specifying that a contest operator license is
268 automatically suspended under certain circumstances;
269 providing an exception; creating s. 546.16, F.S.;
270 requiring a contest operator to implement specified
271 consumer protection procedures under certain



871360

272 circumstances; defining the term "relative"; requiring
273 a contest operator to annually contract with a third
274 party to perform an independent audit; requiring a
275 contest operator to submit the audit results to the
276 division within a certain timeframe; requiring a
277 contest operator to use data sources that meet
278 specified requirements; creating s. 546.17, F.S.;