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

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

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28       Section 1. Section 547.01, Florida Statutes, is created to  
29   read:

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30 547.01 Definitions.—As used in this chapter, the term:

31 (1) "Confidential information" means information related to  
32 the play of fantasy games by game participants obtained solely  
33 as a result of or by virtue of a person's employment.

34 (2) "Department" means the Department of Agriculture and  
35 Consumer Services.

36 (3) "Fantasy game" means any fantasy or simulation sports  
37 game or educational game or contest that meets the following  
38 conditions:

39 (a) The value of all prizes and awards offered to winning  
40 game participants are established and made known to the game  
41 participants in advance of the fantasy.

42 (b) All winning outcomes reflect the relative knowledge and  
43 skill of the game participants and shall be determined  
44 predominantly by accumulated statistical results of the  
45 performance of individuals, including athletes in the case of  
46 sporting events.

47 (c) No winning outcome is based on the score, point spread,  
48 or any performance or performances of any single team or  
49 combination of such teams or solely on any single performance of  
50 an individual athlete or player in any single event.

51 (4) "Game operator" means a person or entity that offers  
52 fantasy games for a cash prize to more than 750 members of the  
53 public.

54 (5) "Game participant" means a person who participates in a  
55 fantasy game offered by a game sponsor.

56 Section 2. Section 547.02, Florida Statutes, is created to  
57 read:

58 547.02 Consumer protection provisions.—

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59 (1) A game operator offering fantasy games in the State  
60 must register with the department. The initial registration fee  
61 is \$500,000 and the annual renewal fee is \$100,000.

62 (2) A game operator offering fantasy games in the State  
63 must implement procedures that are intended to:

64 (a) Prevent the employees and the relatives living in the  
65 same household of any game operator from competing in a fantasy  
66 game in which the game cash prize is over \$5.

67 (b) Prevent the game operator from being a game participant  
68 in a fantasy game he or she offers.

69 (c) Prevent the employees of the game operator from sharing  
70 confidential information that could affect fantasy game play  
71 with third parties until the information is made publicly  
72 available.

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

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

82 (f) Allow individuals to restrict themselves from entering  
83 a fantasy game and take reasonable steps to prevent those  
84 individuals from entering a fantasy game.

85 (g) Disclose the number of fantasy games a single game  
86 participant may enter and take reasonable steps to prevent game  
87 participants from entering more than the allowable number of

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88 fantasy games.

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

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

102 Section 3. Section 547.03, Florida Statutes, is created to  
103 read:

104 547.03 Penalties.—Any person or agent or employee thereof  
105 who violates this chapter is liable for a civil penalty not to  
106 exceed \$1,000 for each violation which shall accrue to the State  
107 and may be recovered in a civil action brought by the  
108 Department.

109 Section 4. Section 547.04, Florida Statutes, is created to  
110 read:

111 547.04 Exemption.—Chapter 849 is not applicable to fantasy  
112 games.

113 Section 5. This act shall take effect July 1, 2016.