

2020 Regular Session

SENATE BILL NO. 331

BY SENATOR PEACOCK

GAMING. Provides for the authorization of fantasy sports. (7/1/20)

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AN ACT

To amend and reenact R.S. 27:302 and 304, and to enact R.S. 27:306 through 316, relative to fantasy sports contests; to provide relative to the Louisiana Fantasy Sports Contests Act; to provide for definitions; to provide for the licensing and suitability of fantasy sports contest operators; to provide relative to the issuance or denial of licenses; to prohibit the transfer of licenses; to provide penalties for allowing persons under twenty-one years of age to be a fantasy sports contest player; to provide relative to administrative rules; to provide relative to winnings of players with outstanding child support orders; to provide for periodic reporting; to provide relative to civil penalties; to provide relative to revocation or suspension of a license; to provide relative to investigations; to provide for obligations to participants; to provide for inactive accounts; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 27:302 and 304 are hereby amended and reenacted and R.S. 27:306 through 316 are hereby enacted to read as follows:

§302. Definitions

1 For purposes of this Chapter:

2 (1) "Board" means the Louisiana Gaming Control Board.

3 (2) **"Confidential information" means information related to the play of**
4 **a fantasy sports contest by fantasy sports contest players that is obtained as a**
5 **result of or by virtue of a person's employment.**

6 (3) **"Entry fee" means cash or cash equivalent that is required to be paid**
7 **by a fantasy sports contest participant to a fantasy sports contest operator in**
8 **order to participate in a fantasy sports contest.**

9 ~~(2)~~(4) "Fantasy sports contest" means any fantasy or simulation sports game
10 or contest played through the internet or mobile device with all of the following
11 elements:

12 (a) Participants create a simulation sports team based on the current
13 membership of actual amateur or professional sports organizations.

14 (b) All prizes and awards offered to winning participants are established and
15 made known to the participants in advance of the game or contest, and the value of
16 the prizes or awards is not determined by the number of participants or the amount
17 of any fees paid by those participants.

18 (c) All winning outcomes reflect the relative knowledge and skill of the
19 participant and are predominantly determined by accumulated statistical results of
20 the performance of the individuals, including athletes in the case of sporting events.

21 (d) No winning outcome is based on either of the following:

22 (i) On the score, point-spread, or any performance or performances of any
23 single real-world team or any combination of such teams.

24 (ii) Solely on any single performance of an individual athlete in any single
25 real-world sporting or other event.

26 (5) **"Fantasy sports contest operator" or "operator" means a person or**
27 **entity that is licensed by the board to offer a platform for the playing of fantasy**
28 **sports contests, to administer one or more fantasy sports contests with an entry**
29 **fee, and to award a prize of value.**

1 concerning a person's family, habits, character, associates, criminal record,
2 business activities, and financial affairs.

3 (4) Enforcement of this Chapter, gaming laws administered by the
4 board, and rules of the board, including imposition and collection of fines,
5 penalties, and other sanctions which may be imposed by the board against an
6 operator or any other licensee or permittee of the board.

7 (5) A procedure requiring the withholding of winnings of persons who
8 have outstanding child support arrearages or owing child support
9 overpayments. Winnings shall include only payments for which the operator
10 licensed under this Chapter is required to file form W2-G, or a substantially
11 equivalent form, with the United States Internal Revenue Service.

12 (a) The board may require that the agency reporting current child
13 support arrearages or overpayments provide information relating to such
14 arrearages or overpayments in a manner, format, or record approved by the
15 board that gives the operator licensed under the Chapter real-time or
16 immediate electronic database access to the information. If the information
17 relating to such arrearages or overpayments by the agency reporting current
18 child support arrearages or overpayments is not available through real-time or
19 immediate electronic database access, the operator shall not be responsible for
20 withholding cash gaming winnings in accordance with the provisions of this
21 Subparagraph.

22 (b) The board or operator licensed under this Chapter, including any of
23 its officers, employees, attorneys, accountants, or other agents, shall not be
24 civily or criminally liable to any person, including any player, for any
25 disclosure of information made in accordance with this Section, for
26 encumbering or surrendering assets in response to information provided by the
27 Department of Children and Family Services, or for any claims for damages
28 arising from withholding or failing to withhold any winnings, based upon
29 information provided to it.

1 (c) If any operator licensed under this Chapter determines that the
2 winner is a player who has outstanding child support arrearages or owes child
3 support overpayments, the operator licensed under this Chapter shall deduct
4 the child support arrearage or child support overpayment from the payment of
5 the winnings. The deducted amount shall be forwarded to the Department of
6 Children and Family Services within seven days and the operator licensed
7 under this Chapter shall pay the remainder to the player who has outstanding
8 child support arrearages or owes child support overpayments. If the remainder
9 is equal to or less than zero, the player who has an outstanding child support
10 arrearsage or child support overpayment shall not receive a payment.

11 (d) Any operator licensed under this Chapter may deduct an
12 administrative fee from each payment of winnings, of players who have
13 outstanding child support arrearages or owe child support overpayments per
14 singular or periodic payment, not to exceed thirty-five dollars.

15 (e) The board shall also require that the operator licensed under this
16 Chapter to adopt procedures designed to prevent employees from willfully
17 failing to withhold payments of winnings from players who have outstanding
18 child support arrearages or child support overpayments, based upon the
19 information provided by the Department of Children and Family Services that
20 allows the operator to identify such persons.

21 (f) Not later than July 1, 2020, the board shall institute rulemaking
22 procedures as necessary to implement the provisions of this Paragraph.

23 C.(1) Subject to the provisions of Article VII, Section 2.1 of the
24 Constitution of Louisiana, and in accordance with the Administrative
25 Procedure Act, the board may assess and provide for the imposition and
26 collection of such fees as may be necessary to defray administrative costs
27 associated with the application for and the investigation, granting, or renewal
28 of licenses and permits.

29 (2) Any fine or other monetary penalty collected by the board or its staff

1 shall be remitted to the state treasury for deposit into the state general fund.

2 D. Upon direction of the board, the office of state police and the attorney
3 general shall submit proposed rules to the board for consideration,
4 modification, and promulgation as provided in this Section.

5 E. The board shall not adopt rules and regulations pertaining to
6 campaign finance and contributions which are more restrictive than the
7 provisions of law found generally in Chapter 11 of Title 18 of the Louisiana
8 Revised Statutes of 1950, and specifically in R.S. 18:1505.2(L).

9 * * *

10 §306. Licensing of fantasy sports contest operators

11 A. No fantasy sports contest operator shall offer any fantasy sports
12 contest in this state without first being licensed by the board. Applications for
13 licensure shall be on forms provided by the board.

14 B. Before obtaining a license to offer fantasy sports contests in this state,
15 a fantasy sports contest operator shall:

16 (1) Be a person domiciled in Louisiana or a domestic business entity with
17 a certificate of existence from the secretary of state and in good standing or a
18 foreign corporation with a certificate of authority to transact business in this
19 state from the secretary of state and in good standing.

20 (2) Demonstrate to the board that the operator is suitable for licensing
21 pursuant to R.S. 27:28.

22 C. Any fantasy sports contest operator that allows its license to lapse,
23 without requesting an extension of time to file for renewal of the license, shall
24 be required to resubmit an initial application for licensure. An extension may
25 be granted by the board upon receipt of a written request prior to the lapse of
26 the license.

27 D. A license issued by the board to a fantasy sports contest operator shall
28 not be transferable.

29 §307. Issuance or denial of license

1 A. The board shall consider all applications for licensure and shall issue
2 a valid license to an applicant that meets the criteria set forth in this Chapter.

3 B. The board shall deny a license to any applicant who does not meet the
4 criteria as set forth in this Chapter and as established by the board.

5 C. The board shall issue or deny an operator's license within sixty days
6 of receipt of an application for licensure. If a license is not issued, the board
7 shall provide the operator with specific reasons for not issuing a license.

8 D. A license issued by the board to a fantasy sports contest operator shall
9 not be transferable.

10 §308. License requirements

11 A. As a condition of licensure, a fantasy sports contest operator shall
12 submit evidence to the board that the operator has established and will
13 implement commercially reasonable procedures for fantasy sports contests with
14 an entry fee that:

15 (1) Prevent employees of the fantasy sports contest operator, and
16 relatives of an employee living in the same household as an employee of an
17 operator, from competing in fantasy sports contests offered by an operator in
18 which the operator offers a cash prize to the general public.

19 (2) Prevent sharing of confidential information that could affect fantasy
20 sports contests with third parties until the information is made publicly
21 available.

22 (3) Provide that no winning outcome is based on the score, point spread,
23 or any performance of any single actual sports team or combination of such
24 teams or solely on any single performance of an individual athlete or participant
25 in any single actual sporting event.

26 (4) Ensure that any of following persons do not participate in fantasy
27 sports contests:

28 (a) Athletes and individuals who participate in or officiate a game or
29 competition that is the subject of a fantasy sports contest.

1 **(b) Any sports agent, team employee, referee, or league official**
2 **associated with a sport or athletic event.**

3 **(5) Verify that a fantasy sports contest player is twenty-one years of age**
4 **or older.**

5 **(6) Provide fantasy sports contest players with access to information on**
6 **responsible play.**

7 **(7) Provide fantasy sports contest players with access to information on**
8 **seeking assistance regarding compulsive or problem gambling.**

9 **(8) Provide fantasy sports contest players with access to the fantasy**
10 **sports contest player's play history and account details.**

11 **(9) Allow individuals to restrict themselves from entering a fantasy**
12 **sports contest upon request and provide reasonable steps to prevent the person**
13 **entering fantasy sports contests offered by an operator.**

14 **(10) Disclose the limit on the number of entries that a fantasy sports**
15 **contest player may submit in a fantasy sports contest and provide reasonable**
16 **steps to prevent players from submitting more than the limit.**

17 **(11) Segregate fantasy sports contest player funds from operational**
18 **funds or maintain a reserve that exceeds the amount of player funds on deposit,**
19 **which may not be used for operational activities. Reserve funds may take the**
20 **form of cash, cash equivalents, payment process reserves, payment processor**
21 **receivables, an irrevocable letter of credit, a bond, or a combination thereof, in**
22 **the amount that must exceed the total balances of the fantasy sports contest**
23 **players' accounts.**

24 **B. A fantasy sports contest operator shall not offer fantasy sports**
25 **contests based on the performances of participants in high school or youth**
26 **athletic events.**

27 **C. A fantasy sports contest operator shall not offer a fantasy sports**
28 **contest to the general public that does not establish and make known all prizes**
29 **and awards offered to winning participants in advance of the game or contest.**

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D. A licensed fantasy sports contest operator shall:

(1) Annually contract with a certified public accountant to conduct an independent audit that is consistent with the standards accepted by the American Institute of Certified Public Accountants.

(2) Submit to the board a copy of the audit report.

§309. Allowing underage persons to play fantasy sports contests; penalties; revocation hearing

A.(1) No person licensed pursuant to the provisions of this Chapter, or any agent or employee thereof, shall allow a person under the age of twenty-one years to be a fantasy sports contest player.

(2) No person licensed pursuant to the provisions of this Chapter, or any agent or employee thereof, shall allow a person to participate in a fantasy sports contest in a parish in which, at the election held pursuant to R.S. 27:303, a majority of the qualified electors in the parish voting on the proposition to authorize fantasy sports contests in the parish voted against the proposition.

B.(1) The person licensed pursuant to the provisions of this Chapter shall withhold all winnings from fantasy sports contest players who are determined to be under the age of twenty-one years and from fantasy sports contest players participating in a fantasy sports contest in a parish in which, at the election held pursuant to R.S. 27:303, a majority of the qualified electors in the parish voting on the proposition to authorize fantasy sports contests in the parish voted against the proposition.

(2) The person licensed pursuant to the provisions of this Chapter shall each quarter report and remit to the division all winnings withheld from fantasy sports contest players pursuant to the provisions of this Section.

C.(1) Violations of Paragraph (A)(1) of this Section shall be penalized by the division as follows:

(a) If the licensee, his employee, or agent reasonably believed that the person was twenty-one years of age or older:

1 (i) For a first or second violation, a fine of one thousand dollars shall be
2 imposed.

3 (ii) For a third or subsequent violation, a license revocation hearing shall
4 be conducted at which time the board shall determine whether or not there are
5 extenuating circumstances pursuant to which a license suspension or revocation
6 should not be imposed. At the conclusion of the hearing, the board may revoke
7 or suspend the license or, in lieu of the revocation or suspension of a license, the
8 board may impose a civil penalty not to exceed fifty thousand dollars for each
9 violation. Payment of the civil penalty shall be a requirement for the retention
10 of the license held by the entity.

11 (b) If the licensee, his employee, or agent is shown to have known or
12 reasonably believed he was allowing a person under the age of twenty-one years
13 to be a fantasy sports contest player, or for allowing a person under the age of
14 fifteen years to be a fantasy sports contest player regardless of what the licensee,
15 his employee, or agent knew or reasonably believed about the age of that
16 person:

17 (i) For a first or second violation, license revocation may be imposed.

18 (ii) For a first or second violation, a fine of one thousand dollars shall be
19 imposed if the license is not revoked.

20 (iii) For a third or subsequent violation, a license revocation hearing
21 shall be conducted at which time the board shall determine whether or not there
22 are extenuating circumstances pursuant to which a license suspension or
23 revocation should not be imposed. At the conclusion of the hearing, the board
24 may revoke or suspend a license or, in lieu of the revocation or suspension of a
25 license, the board may impose a civil penalty not to exceed fifty thousand dollars
26 for each violation. Payment of the civil penalty shall be a requirement for the
27 retention of the license held by the entity.

28 (2) Violations of Paragraph (A)(2) of this Section shall be penalized by
29 the division as follows:

1 **(a) For a first or second violation, license revocation may be imposed.**

2 **(b) For a first or second violation, a fine of one thousand dollars shall be**
3 **imposed if the license is not revoked.**

4 **(c) For a third or subsequent violation, a license revocation hearing shall**
5 **be conducted at which time the board shall determine whether or not there are**
6 **extenuating circumstances pursuant to which a license suspension or revocation**
7 **should not be imposed. At the conclusion of the hearing, the board may revoke**
8 **or suspend a license or, in lieu of the revocation or suspension of a license, the**
9 **board may impose a civil penalty not to exceed fifty thousand dollars for each**
10 **violation. Payment of the civil penalty shall be a requirement for the retention**
11 **of the license held by the entity.**

12 **D.(1) A licensee shall be provided notice of the charged violation and**
13 **may concede the violation and accept the penalty or may deny the violation and**
14 **demand a hearing be held, pursuant to R.S. 27:25, to make a determination**
15 **regarding the charge.**

16 **(2) A violation shall have occurred only if the charged violation is**
17 **conceded by the licensee to have occurred or is found to have occurred at a**
18 **hearing held for that purpose.**

19 **(3) For the purposes of determining whether a second or subsequent**
20 **violation has occurred, every violation shall have occurred on a separate**
21 **occasion, at the same licensed location, and only violations that have occurred**
22 **within a one-year period, regardless of when they were charged, conceded, or**
23 **found to have occurred, shall be considered.**

24 **(4) For persons having more than one license issued pursuant to the**
25 **provisions of this Chapter, license revocation as provided in this Subsection,**
26 **shall apply only to the license of the fantasy sports contest operator of the**
27 **platform on which the violation occurred.**

28 **E.(1) It is unlawful for any person under twenty-one years of age to be**
29 **a fantasy sports contest player.**

1 **(2) Whoever violates the provisions of this Subsection shall be fined not**
2 **more than one hundred dollars.**

3 **(3) Any person apprehended while violating the provisions of this**
4 **Subsection may be issued a citation by the apprehending law enforcement**
5 **officer, which shall be paid in the same manner as provided for the offenders**
6 **of local traffic violations.**

7 **§310. Reporting of gaming proceeds**

8 **An operator shall periodically report the following information to the**
9 **division, which is not confidential and shall be available for public inspection:**

10 **(1) The operator's gross fantasy sports contest revenues.**

11 **(2) The operator's net revenue.**

12 **(3) Quarterly and annual financial statements regarding their operations**
13 **in Louisiana submitted to the division that present historical data, including**
14 **annual financial statements that have been audited by an independent certified**
15 **public accountant as required by R.S. 27:308(D).**

16 **§311. Child support orders**

17 **A. The legislature further finds and declares it to be the public policy of**
18 **the state that parents should provide financial support to their minor children**
19 **who cannot care for themselves. Thus, intervention by the state, through the**
20 **enforcement of child support orders and the collection of child support, is in the**
21 **best interest of its citizens and is necessary when the parents fail to meet their**
22 **support obligations. Since children are adversely affected when parents who**
23 **have outstanding support obligations divert their financial support to gaming,**
24 **a parent's winnings from money diverted from a child's support should be**
25 **applied to the parent's outstanding support obligations. The legislature further**
26 **finds and declares that this policy is consistent with the public policy of**
27 **protecting the general welfare of the state's people.**

28 **B. In accordance with this finding, the Department of Children and**
29 **Family Services shall report to the joint committees on Civil Law and**

1 Procedure and Judiciary A, no later than fifteen days following the
2 commencement of the regular legislative session each year, on the interception
3 and seizure of gaming winnings for the payment of child support and
4 overpayments owed to the department. This report shall be a public record and
5 shall include but not be limited to the total dollar amount of winnings
6 intercepted pursuant to this Chapter and the dollar amount of each intercepted.

7 §312. Civil penalties; adoption of schedule of penalties

8 A.(1) All civil penalties for violations of this Chapter or any rule of the
9 board governing this Chapter shall be adopted as a schedule of penalties.

10 (2) The Louisiana Gaming Control Board shall adopt as a rule the
11 schedule of penalties provided for by this Subsection. All rules shall be adopted
12 pursuant to the provisions of the Administrative Procedure Act.

13 B.(1) The board or division, as may be applicable, shall review the
14 penalty schedule provided for in Subsection A of this Section to determine
15 whether a penalty provided for in the penalty schedule is appropriate and
16 applicable to a particular violation and, if the issuance of a civil penalty is
17 warranted, may impose the applicable appropriate penalty.

18 (2) In addition to or in lieu of the revocation or suspension of a license
19 or permit issued pursuant to the provisions of this Chapter, the board may
20 impose upon the operator as defined in R.S. 27:302, a civil penalty not to exceed
21 fifty thousand dollars for each violation of any provision of this Chapter, or any
22 rule or regulation of the board. Payment of the civil penalty shall be a
23 requirement for the retention of any permit, certificate, or license held by the
24 entity which violated any such provisions. If the operator contests the
25 imposition of the civil penalty, the penalty shall be imposed only after an
26 adjudicatory hearing is conducted pursuant to R.S. 27:25 and a basis for
27 imposition of the penalty is determined to exist.

28 C. A civil penalty shall not exceed fifty thousand dollars for each
29 violation of any provision of this Chapter or rule of the board.

1 **D.(1) For the purposes of this Chapter violations shall be determined as**
2 **follows:**

3 **(a) An operator shall be provided notice of the charged violation and**
4 **may admit the violation and accept the penalty or may deny the violation and**
5 **demand a hearing be held, pursuant to R.S. 27:25, to make a determination**
6 **regarding the charge.**

7 **(b) For the purposes of determining whether a second or subsequent**
8 **violation has occurred, each violation of the same rule or statutory provision**
9 **shall have occurred on a separate occasion, by the same operator, and only**
10 **violations that have occurred within a one-year period, regardless of when they**
11 **were charged, admitted, or found to have occurred, shall be considered.**

12 **(2) For operators having more than one license issued pursuant to the**
13 **provisions of this Chapter, civil penalties as provided in this Subsection shall**
14 **apply only to the license incurring the violation.**

15 **E.(1) Payment of the civil penalty shall be a requirement for the**
16 **retention of any permit or license held by the entity which violated any such**
17 **provisions.**

18 **(2)(a) Failure to remit civil penalties shall result in the shutdown of the**
19 **platform of the operator who refused to remit the civil penalty. The provisions**
20 **of this Subparagraph shall apply only in those instances where no**
21 **administrative hearing has been timely requested.**

22 **(b) Upon payment of the penalty, the platform may be reactivated.**

23 **F. If the operator contests the imposition of the civil penalty, the penalty**
24 **shall be imposed only after an adjudicatory hearing is conducted pursuant to**
25 **R.S. 27:25 and a basis for imposition of the penalty is determined to exist.**

26 **§313. Revocation or suspension of a license; civil penalty**

27 **A. The board or division, as may be applicable, shall initiate an**
28 **administrative action and may revoke or suspend the license or permit of any**
29 **person or the approval of any device issued pursuant to the provisions of this**

1 Chapter for any of the following:

2 (1) The failure to meet the requirements of suitability as defined in this
3 Chapter or in any rules adopted by the board.

4 (2) The failure to meet the requirements for the issuance of a license as
5 provided for in this Chapter or in any rules adopted by the board.

6 (3) Repeated violations of any of the provisions of this Chapter or any
7 rule of the board governing this Chapter. "Repeated violations" shall mean
8 three violations of the same rule or statutory provision which have occurred on
9 separate occasions by the same operator within a one-year period. The date of
10 a violation shall be considered to be the date the citation for that violation is
11 issued.

12 B. For all other violations not listed in Subsection A of this Section, the
13 board or division, as may be applicable, may issue a civil penalty pursuant to
14 the provisions of this Section.

15 C. In addition to or in lieu of the revocation or suspension of a license
16 issued pursuant to the provisions of this Chapter, the board or division, as may
17 be applicable, may impose a civil penalty not to exceed fifty thousand dollars for
18 each violation of any provision of this Chapter or any rule of the board
19 governing this Chapter.

20 D. In lieu of revocation or suspension of a license, the licensee may enter
21 into a consent agreement or settlement to pay a penalty not to exceed fifty
22 thousand dollars. No consent agreement or settlement shall exceed fifty
23 thousand dollars.

24 E. No suspension imposed pursuant to the provisions of this Chapter
25 shall exceed a period of thirty days.

26 §314. Investigations and violations

27 As a condition of receiving a license under the provisions of this Chapter,
28 each operator agrees that the division and its agents and employees shall have
29 unrestricted access and the right to inspect any premises under the control of

1 the operator in which any activity relating to the provisions of this Chapter is
2 conducted.

3 §315. Limitation on active accounts; obligations to participants

4 An operator shall:

5 (1) Limit each authorized player to one active and continuously used
6 account.

7 (2) Publish and facilitate parental control procedures to allow parents
8 or guardians to exclude minors from access to any contest or platform. The
9 procedures shall include a toll-free number to call for help in establishing such
10 parental controls.

11 (3) Make clear conspicuous statements that are not inaccurate or
12 misleading concerning the chances of winning and the number of winners when
13 referencing the chances or likelihood of winning.

14 (4) Permit any authorized player to permanently close an account
15 registered to the player, on any and all platforms supported by the operator or
16 registrant, at any time and for any reason.

17 (5) Identify all highly experienced players in any contest by a symbol
18 attached to the players' username, or by other visible means, on all platforms
19 supported by the operator or registrant.

20 (6) Disclose the number of entries a single authorized player may submit
21 to each contest.

22 (7) Disclose the maximum number of total entries allowed for each
23 contest.

24 (8) Implement measures to protect the privacy and online security of
25 authorized players, their account, and their personal financial information.

26 §316. Charging for inactive accounts

27 A. An operator shall not charge players for inactive accounts.

28 B. An operator shall charge players only for entry fees placed or contests
29 entered. No player shall be charged for failure to enter on a fantasy sports

"gross fantasy sports contests revenues", "location percentage", and "net revenue".

Present law authorizes the La. Gaming Control Board to adopt rules in accordance with the APA to implement, administer, and regulate fantasy sports contests.

Proposed law requires the rules adopted by the board to include the following:

- (1) The issuance of any license, contract, or permit, subject to regulation of the board.
- (2) The methods of and forms and procedures for making an application for a license, contract, or permit to be considered by the board.
- (3) The methods of and forms for providing to the board information concerning a person's family, habits, character, associates, criminal record, business activities, and financial affairs.
- (4) A procedure requiring the withholding of winnings of persons who have outstanding child support arrearages or owing child support overpayments. Winnings would only include payments for which the operator licensed under proposed law would have been required to file a W2-G form, or a substantially equivalent form, with the U.S. Internal Revenue Service.

Proposed law requires a fantasy sports contest operator to be licensed by the La. Gaming Control Board. Additionally, proposed law provides that a fantasy sports contest operator must:

- (1) Be a person domiciled in La. or a domestic business entity with a certificate of existence from the secretary of state and in good standing or a foreign corporation with a certificate of authority to transact business in the state from the secretary of state and in good standing.
- (2) Demonstrate to the La. Gaming Control Board that the operator is suitable for licensing pursuant to present law.

Proposed law requires any fantasy sports contest operator that allows its license to lapse, without requesting an extension of time to file for a renewal, to resubmit an initial application for licensure. Proposed law further prohibits the transfer of a fantasy sports contest operator's license.

Proposed law requires the board to issue or deny a fantasy sports contest operator's license within 60 days of receipt of application for licensure. Also requires the board to provide an operator with specific reasons if a license was not issued, and prohibits the transfer of a fantasy sports contest operator's license.

Proposed law requires, as a condition of licensure, a fantasy sports contest operator to submit evidence to the board that the operator established and would implement certain commercially reasonable procedures for fantasy sports contests which would include but not be limited to the following:

- (1) Prevent employees of the fantasy sports contest operator, and relatives of an employee living in the same household as an employee of an operator, from competing in fantasy sports contests offered by an operator in which the operator offers a cash prize to the general public.
- (2) Prevent sharing of confidential information that could affect fantasy sports contests with third parties until the information is made publicly available.
- (3) Provide that no winning outcome is based on the score, point spread, or any

- performance of any single actual sports team or combination of such teams or solely on any single performance of an individual athlete or participant in any single actual sporting event.
- (4) Ensure that any athletes and individuals who participate in or officiate a game or competition that is the subject of a fantasy sports contest or any sports agent, team employee, referee, or league official associated with a sport or athletic event do not participate in fantasy sports contests.
 - (5) Verify that a fantasy sports contest player is 21 years of age or older.
 - (6) Provide fantasy sports contest players with access to information on responsible play.
 - (7) Provide fantasy sports contest players with access to information on seeking assistance regarding compulsive or problem gambling.
 - (8) Provide fantasy sports contest players with access to the fantasy sports contest player's play history and account details.
 - (9) Allow individuals to restrict themselves from entering a fantasy sports contest upon request and provide reasonable steps to prevent the person entering fantasy sports contests offered by an operator.
 - (10) Disclose the limit on the number of entries that a fantasy sports contest player may submit in a fantasy sports contest and provide reasonable steps to prevent players from submitting more than the limit.
 - (11) Segregate fantasy sports contest player funds from operational funds or maintain a reserve that exceeds the amount of player funds on deposit, which may not be used for operational activities. Provide that reserve funds may take the form of cash, cash equivalents, payment process reserves, payment processor receivables, an irrevocable letter of credit, a bond, or a combination thereof, in the amount that must exceed the total balances of the fantasy sports contest players' accounts.

Proposed law prohibits fantasy sports contests operators from offering fantasy sports contests based on the performances of participants in high school or youth athletic events.

Proposed law requires a licensed fantasy sports contest operator to:

- (1) Annually contract with a certified public accountant to conduct an audit consistent with the standards accepted by the American Institute of Certified Public Accountants.
- (2) Submit to the board a copy of the audit report.

Proposed law prohibits any person licensed pursuant to proposed law, or any agent or employee thereof, from allowing a person under the age of 21 to be a fantasy sports contest player and from allowing a person to participate in a fantasy sports contest in a parish in which a majority of the qualified electors in the parish voting on the proposition to authorize fantasy sports in the parish voted against the proposition. Proposed law requires the licensee to withhold the winnings of such persons. Proposed law further provides for the imposition of fines and authorized license revocation for licensees who violate the proposed law prohibition.

Proposed law requires periodic reporting of gross fantasy sports contests revenues, net revenue, and financial statements regarding a fantasy sports contest operator's operations in La.

Proposed law requires the Dept. of Children and Family Services to annually report to the House Committee on Civil Law and Procedure and the Senate Committee on Judiciary A on the interception and seizure of gaming winnings for the payment of child support and overpayment owed to the department.

Proposed law provides for criteria for the revocation or suspension of a license, including the following:

- (1) Failure to meet the requirements of suitability.
- (2) Failure to meet the requirements for the issuance of a license.
- (3) Repeated violations of proposed law or rule of the board. Proposed law defines "repeated violations" as three violations of the same law or rule which had occurred on separate occasions by the same operator within a one-year period.

Proposed law authorizes the board to impose a fine or reach a settlement agreement with the operator in addition to or in lieu of revocation or suspension of a license. Proposed law limits suspension of a license to 30 days.

Proposed law provides that as a condition of receiving a license, an operator would have to allow the division and its agents and employees unrestricted access to and the right to inspect any premises under the control of the operator in which any activity relating to the provisions of proposed law is conducted.

Proposed law, regarding active accounts, requires an operator to:

- (1) Limit each authorized player to one active and continuously used account.
- (2) Publish and facilitate parental control procedures to allow parents or guardians to exclude minors from access to any contest or platform. Further would have required procedures to include a toll-free number to call for help in establishing such parental controls.
- (3) Make clear conspicuous statements that are not inaccurate or misleading concerning the chances of winning and the number of winners when referencing the chances or likelihood of winning.
- (4) Permit any authorized player to permanently close an account registered to the player, on any and all platforms supported by the operator or registrant, at any time and for any reason.
- (5) Identify all highly experienced players in any contest by a symbol attached to the players' username, or by other visible means, on all platforms supported by the operator or registrant.
- (6) Disclose the number of entries a single authorized player may submit to each contest.
- (7) Disclose the maximum number of total entries allowed for each contest.
- (8) Implement measures to protect the privacy and online security of authorized players, their account, and their personal financial information.

Proposed law prohibits an operator from charging players for inactive accounts and allows an operator to only charge players for entry fees placed or contests entered.

Proposed law deletes present law providing that the effective date would be contingent upon the enactment of laws relative to the taxation of revenue derived from fantasy sports

contests.

Effective July 1, 2020.

(Amends R.S. 27:302 and 304; adds R.S. 27:306-316)