
DIGEST

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HB 459 Original

2019 Regular Session

Talbot

Abstract: Provides relative to the regulation of fantasy sports contests in this state.

Present law provides for the "Louisiana Fantasy Sports Contests Act", which called for a proposition election held on November 6, 2018, to determine whether fantasy sports contests were to be permitted in a particular parish.

Present law provides for a definition of "fantasy sports contests", which means any fantasy or simulation sports game or contest played through the internet or mobile device with all of the following elements:

- (1) Participants create a simulation sports team based on the current membership of actual amateur or professional sports organizations.
- (2) All prizes and awards offered to winning participants are established and made known to the participants in advance of the game or contest, and the value of the prizes or awards is not determined by the number of participants or the amount of any fees paid by those participants.
- (3) All winning outcomes reflect the relative knowledge and skill of the participant and are predominantly determined by accumulated statistical results of the performance of the individuals, including athletes in the case of sporting events.
- (4) No winning outcome is based on either of the following:
 - (a) On the score, point-spread, or any performance or performances of any single real-world team or any combination of such teams.
 - (b) Solely on any single performance of an individual athlete in any single real-world sporting or other event.

Proposed law retains present law and adds definitions for the terms "confidential information", "entry fee", "fantasy sports contest operator", "fantasy sports contest player", "gross fantasy sports contests revenues", "location percentage", and "net revenue".

Proposed law requires a fantasy sports contest operator to be licensed by the La. Gaming Control Board. Provides that a fantasy sports contest operator may offer fantasy sports contests in the state

during the time its application for licensure is pending before the board, except as otherwise provided.

Proposed law provides that a fantasy sports contest operator must:

- (1) Be authorized to transact business in this state.
- (2) Pay to the board an annual fee of \$10,000.

Proposed law provides that any fantasy sports contest operator that allows its license to lapse, without requesting an extension of time to file for a renewal, is required to resubmit an initial application for licensure.

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. Provides that the board shall provide an operator with specific reasons if a license is not issued.

Proposed law provides that a license is transferable, and that any application made for a license is confidential and not subject to the Public Records Law.

Proposed law provides that as a condition of licensure, a fantasy sports contest operator is required to submit evidence to the board that the operator has established and will implement certain commercially reasonable procedures for fantasy sports contests.

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 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.

Proposed law provides that any fantasy sports contest operator who violates proposed law shall be liable for a civil penalty of not more than \$1,000 for each violation, not to exceed \$50,000 for violations arising out of the same transaction or occurrence, which shall accrue to the state and may be recovered by a civil action brought by the board.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 27:302; Adds R.S. 27:306, 307, 308, and 309)