

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

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

7 ~~(2)~~(4) "Fantasy sports contest" means any fantasy or simulation sports game
8 or contest played through the internet or mobile device with all of the following
9 elements:

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

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

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

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

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

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

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

28 (6) "Fantasy sports contest player" or "player" means a person who
29 participates in a fantasy sports contest offered by a fantasy sports contest operator.

1 sanctions which may be imposed by the board against an operator or any other
2 licensee or permittee of the board.

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

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

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

24 (c) If any operator licensed under this Chapter determines that the winner is
25 a player who has outstanding child support arrearages or owes child support
26 overpayments, the operator licensed under this Chapter shall deduct the child support
27 arrears or child support overpayment from the payment of the winnings. The
28 deducted amount shall be forwarded to the Department of Children and Family
29 Services within seven days and the operator licensed under this Chapter shall pay the
30 remainder to the player who has outstanding child support arrearages or owes child

1 support overpayments. If the remainder is equal to or less than zero, the player who
2 has an outstanding child support arrearage or child support overpayment shall not
3 receive a payment.

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

8 (e) The board shall also require that the operator licensed under this Chapter
9 to adopt procedures designed to prevent employees from willfully failing to withhold
10 payments of winnings from players who have outstanding child support arrearsages
11 or child support overpayments, based upon the information provided by the
12 Department of Children and Family Services that allows the operator to identify such
13 persons.

14 (f) Not later than July 1, 2019, the board shall institute rulemaking procedures
15 as necessary to implement the provisions of this Paragraph.

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

21 (2) Any fine or other monetary penalty collected by the board or its staff shall
22 be remitted to state treasury for deposit into the state general fund.

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

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

30 * * *

1 §306. Licensing of fantasy sports contest operators

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

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

7 (1) Be a person domiciled in Louisiana or a domestic business entity with a
 8 certificate of existence from the Secretary of State and in good standing or a foreign
 9 corporation with a certificate of authority to transact business in this state from the
 10 Secretary of State and in good standing.

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

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

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

20 §307. Issuance or denial of license

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

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

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

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

30 §308. License requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 D. A licensed fantasy sports contest operator shall:

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

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

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

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

28 (2) No person licensed pursuant to the provisions of this Chapter, or any
29 agent or employee thereof, shall allow a person to participate in a fantasy sports
30 contest in a parish in which, at the election held pursuant to R.S. 27:303, a majority

1 of the qualified electors in the parish voting on the proposition to authorize fantasy
2 sports contests in the parish voted against the proposition.

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

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

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

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

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

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

27 (b) If the licensee, his employee, or agent is shown to have known or
28 reasonably believed he was allowing a person under the age of twenty-one years to
29 be a fantasy sports contest player, or for allowing a person under the age of fifteen

1 years to be a fantasy sports contest player regardless of what the licensee, his
 2 employee, or agent knew or reasonably believed about the age of that person:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 §310. Reporting of gaming proceeds

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

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

25 (2) The operator's net revenue.

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

1 §311. Child support orders

2 A. The legislature further finds and declares it to be the public policy of the
 3 state that parents should provide financial support to their minor children who cannot
 4 care for themselves. Thus, intervention by the state, through the enforcement of child
 5 support orders and the collection of child support, is in the best interest of its citizens
 6 and is necessary when the parents fail to meet their support obligations. Since
 7 children are adversely affected when parents who have outstanding support
 8 obligations divert their financial support to gaming, a parent's winnings from money
 9 diverted from a child's support should be applied to the parent's outstanding support
 10 obligations. The legislature further finds and declares that this policy is consistent
 11 with the public policy of protecting the general welfare of the state's people.

12 B. In accordance with this finding, the Department of Children and Family
 13 Services shall report to the joint committees on Civil Law and Procedure and
 14 Judiciary A, no later than fifteen days following the commencement of the regular
 15 legislative session each year, on the interception and seizure of gaming winnings for
 16 the payment of child support and overpayments owed to the department. This report
 17 shall be a public record and shall include but not be limited to the total dollar amount
 18 of winnings intercepted pursuant to this Section and the dollar amount of each
 19 intercepted.

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

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

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

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

1 (2) Any hearing officer of the board shall review the penalty schedule
2 provided for in Subsection A of this Section to determine whether a penalty provided
3 for in the penalty schedule and issued by the board or division, as may be applicable,
4 is appropriate and applicable to a particular violation.

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

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

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

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

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

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

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

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

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

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

2 A. The board or division, as may be applicable, shall initiate an
3 administrative action and may revoke or suspend the license or permit of any person
4 or the approval of any device issued pursuant to the provisions of this Chapter for
5 any of the following:

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

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

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

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

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

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

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

28 §314. Investigations and violations

29 A. The division shall conduct such investigations, hearings, and inquiries as
30 it deems necessary to fulfill its responsibilities under the provisions of this Chapter.

1 A license may be suspended prior to a hearing upon a written finding of danger to
2 public health and welfare.

3 B. As a condition of receiving a license under the provisions of this Chapter,
4 each operator agrees that the division and its agents and employees shall have
5 unrestricted access and the right to inspect any premises under the control of the
6 operator in which any activity relating to the provisions of this Chapter is conducted.

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

8 An operator shall:

9 (1) Limit each authorized player to one active and continuously used
10 account.

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

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

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

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

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

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

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

28 §316. Charging for inactive accounts

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

1 B. An operator shall charge players only for entry fees placed or contests
 2 entered. No player shall be charged for failure to enter on a fantasy sports contest
 3 or for failure to deposit certain amounts of cash or cash equivalent into any account.

4 Section 2. This Act shall become effective on July 1, 2019; however, if House Bill
 5 No. 600 of the 2019 Regular Session of the Legislature is not enacted, Section 1 shall not
 6 become effective.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____