

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1941**  
**98TH GENERAL ASSEMBLY**

5525S.05T

2016

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**AN ACT**

To amend chapter 313, RSMo, by adding thereto twelve new sections relating to fantasy sports contests.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 313, RSMo, is amended by adding thereto twelve new sections, to  
2 be known as sections 313.900, 313.910, 313.920, 313.930, 313.940, 313.950, 313.960, 313.970,  
3 313.990, 313.1000, 313.1010, and 313.1020, to read as follows:

**313.900. Sections 313.900 to 313.1020 shall be known and may be cited as the**  
2 **"Missouri Fantasy Sports Consumer Protection Act".**

**313.910. As used in sections 313.900 to 313.1020, the following terms shall mean:**

2 **(1) "Authorized internet website", an internet website or any platform operated**  
3 **by a licensed operator;**

4 **(2) "Commission", the Missouri gaming commission;**

5 **(3) "Entry fee", anything of value including, but not limited to, cash or a cash**  
6 **equivalent, that a fantasy sports contest operator collects in order to participate in a**  
7 **fantasy sports contest;**

8 **(4) "Fantasy sports contest", any fantasy or simulated game or contest with an**  
9 **entry fee, conducted on an internet website or any platform, in which:**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 (a) The value of all prizes and awards offered to the winning participants is  
11 established and made known in advance of the contest;

12 (b) All winning outcomes reflect in part the relative knowledge and skill of the  
13 participants and are determined predominantly by the accumulated statistical results of  
14 the performance of individuals, including athletes in the case of sports events; and

15 (c) No winnings outcomes are based on the score, point spread, or any performance  
16 of any single actual team or combination of teams or solely on any single performance of  
17 an individual athlete or player in any single actual event.

18 (5) "Fantasy sports contest operator", any person or entity that offers fantasy  
19 sports contests for a prize;

20 (6) "Highly experienced player", a person who has either:

21 (a) Entered more than one thousand contests offered by a single fantasy sports  
22 contest operator; or

23 (b) Won more than three fantasy sports prizes of one thousand dollars or more;

24 (7) "Licensed operator", a fantasy sports contest operator licensed pursuant to  
25 section 313.920 to offer fantasy sports contests for play on an authorized internet website  
26 in Missouri;

27 (8) "Minor", any person less than eighteen years of age;

28 (9) "Net revenue", for all fantasy sports contests, the amount equal to the total  
29 entry fees collected from all participants entering such fantasy sports contests less winnings  
30 paid to participants in the contests, multiplied by the resident percentage;

31 (10) "Player", a person who participates in a fantasy sports contest offered by a  
32 fantasy sports contest operator;

33 (11) "Prize", anything of value including, but not limited to, cash or a cash  
34 equivalent, contest credits, merchandise, or admission to another contest in which a prize  
35 may be awarded;

36 (12) "Registered player", a person registered pursuant to section 313.940 to  
37 participate in a fantasy sports contest on an authorized internet website;

38 (13) "Resident percentage", for all fantasy sports contests, the percentage, rounded  
39 to nearest one-tenth of one percent, of the total entry fees collected from Missouri residents  
40 divided by the total entry fees collected from all players, regardless of the players' location,  
41 of the fantasy sports contests; and

42 (14) "Script", a list of commands that a fantasy-sports-related computer program  
43 can execute to automate processes on a fantasy sports contest platform;

313.920. 1. A fantasy sports contest conducted under this chapter is exempt from  
2 chapter 572, and does not constitute gambling for any purpose.

3           **2. A fantasy sports contest operator shall apply for and receive a license from the**  
4 **commission prior to offering fantasy sports contests for play in Missouri.**

5           **3. The commission shall provide forms, to be completed by applicants and made**  
6 **available on the commission's website, on which the applicant shall demonstrate experience,**  
7 **reputation, competence, and financial responsibility consistent with the best interest of the**  
8 **Missouri fantasy sports industry and in compliance with the laws of the state.**

9           **4. The commission may, in its sole discretion, refuse to license any applicant or**  
10 **revoke or suspend the license of any applicant or licensee if the applicant or licensee, or an**  
11 **employee of the applicant or licensee:**

12           **(1) Has knowingly made a false statement of material fact or has deliberately failed**  
13 **to disclose any information requested;**

14           **(2) Is or has pled guilty or been convicted of any illegal, corrupt, or fraudulent act,**  
15 **practice, or conduct in connection with any fantasy sports contest in this or any other state**  
16 **or has pled guilty or been convicted of a felony, a crime of moral turpitude, or any criminal**  
17 **offense involving dishonesty or breach of trust within the ten years prior to the date of**  
18 **application for registration;**

19           **(3) Has at any time knowingly failed to comply with the provisions of this chapter**  
20 **or of any requirements of the commission;**

21           **(4) Has had a registration or permit to hold or conduct fantasy sports contests**  
22 **denied for just cause, suspended, or revoked in any other state or country;**

23           **(5) Has legally defaulted in the payment of any obligation or debt owed to the State**  
24 **of Missouri; or**

25           **(6) Is not qualified to do business in the state of Missouri or is not subject to the**  
26 **jurisdiction of the courts of the state of Missouri.**

27           **5. Fantasy sports contests as defined in section 313.910, are authorized and may be**  
28 **conducted on an excursion gambling boat or adjacent property to the excursion gambling**  
29 **boat operated by entities licensed under sections 313.807 and 313.920. A person under**  
30 **twenty-one years of age shall not participate in fantasy sports contests on an excursion**  
31 **gambling boat.**

**313.930. 1. In order to ensure the protection of registered players, an authorized**  
2 **internet website shall identify the person or entity that is the licensed operator.**

3           **2. A licensed operator shall ensure that fantasy sports contests on its authorized**  
4 **internet website comply with all of the following:**

5           **(1) All winning outcomes are determined by accumulated statistical results of fully**  
6 **completed contests or events, and not merely any portion thereof, except that fantasy**  
7 **participants may be credited for statistical results accumulated in a suspended or**

8 **shortened contest or event which has been called on account of weather or other natural**  
9 **or unforeseen event;**

10 **(2) A licensed operator shall not allow registered players to select athletes through**  
11 **an auto-draft that does not involve any input or control by a registered player, or to choose**  
12 **pre-selected teams of athletes;**

13 **(3) A licensed operator shall not offer or award a prize to the winner of, or athletes**  
14 **in, the underlying competition itself; and**

15 **(4) A licensed operator shall not offer fantasy sports contests based on the**  
16 **performances of participants in collegiate, high school, or youth athletics.**

17 **3. A licensed operator shall have procedures approved by the commission before**  
18 **operating in Missouri that:**

19 **(1) Prevents unauthorized withdrawals from a registered player's account by the**  
20 **licensed operator or others;**

21 **(2) Makes clear that funds in a registered player's account are not the property of**  
22 **the licensed operator and are not available to the licensed operator's creditors;**

23 **(3) Segregate player funds from operational funds;**

24 **(4) Maintain a reserve in the form of cash or cash equivalents in the amount of the**  
25 **deposits made to the accounts of fantasy sports contest players for the benefit and**  
26 **protection of the funds held in such accounts;**

27 **(5) Ensures any prize won by a registered player from participating in a fantasy**  
28 **sports contest is deposited into the registered player's account within 48 hours of winning**  
29 **the prize;**

30 **(6) Ensures registered players can withdraw the funds maintained in their individual**  
31 **accounts, whether such accounts are open or closed, within five business days of the request**  
32 **being made, unless the licensed operator believes in good faith that the registered player**  
33 **engaged in either fraudulent conduct or other conduct that would put the licensed operator**  
34 **in violation of sections 313.900 to 313.1020, in which case the licensed operator may decline**  
35 **to honor the request for withdrawal for a reasonable investigatory period until its**  
36 **investigation is resolved if it provides notice of the nature of the investigation to the**  
37 **registered player. For the purposes of this provision, a request for withdrawal will be**  
38 **considered honored if it is processed by the licensed operator but delayed by a payment**  
39 **processor, credit card issuer or by the custodian of a financial account;**

40 **(7) Allows a registered player to permanently close their account at any time for**  
41 **any reason; and**

42 **(8) Offers registered players access to their play history and account details.**

43           **4. A licensed operator shall establish procedures for a registered player to report**  
44 **complaints to the licensed operator regarding whether his or her account has been**  
45 **misallocated, compromised, or otherwise mishandled, and a procedure for the licensed**  
46 **operator to respond to those complaints.**

47           **5. A registered player who believes his or her account has been misallocated,**  
48 **compromised, or otherwise mishandled should notify the commission. Upon notification,**  
49 **the commission may investigate the claim and may take any action the commission deems**  
50 **appropriate under subdivision (4) of section 313.1010.**

51           **6. A licensed operator shall not issue credit to a registered player.**

52           **7. A licensed operator shall not allow a registered player to establish more than one**  
53 **account or user name on its authorized internet website.**

**313.940. 1. A person shall register with a licensed operator prior to participating**  
2 **in fantasy sports contests on an authorized internet website.**

3           **2. A licensed operator shall implement appropriate security standards to prevent**  
4 **access to fantasy sports contests by a person whose location and age have not been verified**  
5 **in accordance with this section.**

6           **3. A licensed operator shall ensure that all individuals register before participating**  
7 **in a fantasy sports contest on an authorized internet website and provide their age and**  
8 **state of residence.**

9           **4. A licensed operator shall ensure that an individual is of legal age before**  
10 **participating in fantasy sports contest on an authorized internet website. In Missouri, the**  
11 **legal age to participate shall be eighteen years of age.**

12           **5. (1) The licensed operator shall develop an online self-exclusion form and a**  
13 **process to exclude from play any person who has filled out the form.**

14           **(2) A licensed operator shall retain each online self-exclusion form submitted to it**  
15 **in order to identify persons who want to be excluded from play. A licensed operator shall**  
16 **exclude those persons.**

17           **(3) A licensed operator shall provide a link on its authorized internet website to a**  
18 **compulsive behavior website and the online self-exclusion form described in subdivision**  
19 **(1) of this subsection.**

20           **6. A licensed operator shall not advertise fantasy sports contests in publications or**  
21 **other media that are aimed exclusively or primarily at persons less than eighteen years of**  
22 **age. A licensed operator's advertisement shall not depict persons under eighteen years of**  
23 **age, students, or settings involving a school or college. However, incidental depiction of**  
24 **nonfeatured minors shall not be a violation of this subsection.**

25           **7. A licensed operator shall not advertise fantasy sports contests to an individual**  
26 **by phone, email, or any other form of individually targeted advertisement or marketing**  
27 **material if the individual has self-excluded himself or herself pursuant to this section or**  
28 **if the individual is otherwise barred from participating in fantasy sports contests. A**  
29 **licensed operator shall also take reasonable steps to ensure that individuals on the**  
30 **involuntary exclusion list or disassociated persons list maintained by the commission are**  
31 **not subject to any form of individually targeted advertising or marketing.**

32           **8. A licensed operator shall not misrepresent the frequency or extent of winning in**  
33 **any fantasy sports contest advertisement.**

34           **9. A licensed operator shall clearly and conspicuously publish and facilitate**  
35 **parental control procedures to allow parents or guardians to exclude minors from access**  
36 **to any fantasy sports contest. Licensed operators shall take commercially reasonable steps**  
37 **to confirm that an individual opening an account is not a minor.**

38           **10. Licensed operators shall prohibit the use of scripts in fantasy sports contests**  
39 **that give players an unfair advantage over other players.**

40           **11. Licensed operators shall monitor fantasy sports contests to detect the use of**  
41 **unauthorized scripts and restrict players found to have used such scripts from further**  
42 **fantasy sports contests.**

43           **12. Licensed operators shall make all authorized scripts readily available to all**  
44 **fantasy sports players; provided, that a licensed operator shall clearly and conspicuously**  
45 **publish its rules on what types of scripts may be authorized in the fantasy sports contest.**

46           **13. Licensed operators shall clearly and conspicuously identify highly experienced**  
47 **players in fantasy sports contests by a symbol attached to a player's username, or by other**  
48 **easily visible means, on the licensed operator's authorized internet website.**

49           **14. Licensed operators shall offer some fantasy sports contests open only to**  
50 **beginner players and that exclude highly experienced players.**

**313.950. 1. This section applies to all of the following persons:**

2           **(1) An officer of a licensed operator;**

3           **(2) A director of a licensed operator;**

4           **(3) A principal of a licensed operator;**

5           **(4) An employee of a licensed operator; and**

6           **(5) A contractor of a licensed operator with proprietary or nonpublic information.**

7           **2. A person listed in subsection 1 of this section shall not play any fantasy sports**  
8 **contest outside of private fantasy sports contests offered by the licensed operator**  
9 **exclusively for those listed.**

10           **3. A person listed in subsection 1 of this section shall not disclose proprietary or**  
11 **nonpublic information that may affect the play of fantasy sports contests to any individual**  
12 **authorized to play fantasy sports contests.**

13           **4. A licensed operator shall make the prohibitions in this section known to all**  
14 **affected individuals and corporate entities.**

**313.960. Each licensed operator shall comply with all applicable federal, state, local**  
2 **laws, and regulations, including without limitation laws and regulations applicable to tax**  
3 **withholdings and laws and regulations applicable to providing information about winnings**  
4 **and the withholding to taxing authorities.**

**313.970. 1. No fantasy sports contest operator shall offer any fantasy sports contest**  
2 **in Missouri without first being licensed by the commission. A fantasy sports contest**  
3 **operator wishing to offer fantasy sports contests in this state shall annually apply to the**  
4 **commission for a license and shall remit to the commission an annual application fee of ten**  
5 **thousand dollars or ten percent of the applicant's net revenue from the previous calendar**  
6 **year, whichever is lower.**

7           **2. As part of the commission's investigation and licensing process, the commission**  
8 **may conduct an investigation of the fantasy sports contest operator's employees, officers,**  
9 **directors, trustees, and principal salaried executive staff officers. The applicant shall be**  
10 **responsible for the total cost of the investigation. If the cost of the investigation exceeds the**  
11 **application fee, the applicant shall remit to the commission the total cost of the**  
12 **investigation prior to any license being issued. The total cost of the investigation, paid by**  
13 **the applicant, shall not exceed fifty thousand dollars. All revenue received under this**  
14 **section shall be placed into the gaming commission fund created under section 313.835.**

15           **3. In addition to the application fee, a licensed operator shall also pay an annual**  
16 **operation fee, on April fifteenth of each year, in a sum equal to eleven and one-half percent**  
17 **of the licensed operator's net revenue from the previous calendar year. All revenue**  
18 **collected under this subsection shall be placed in the gaming proceeds for education fund**  
19 **created under section 313.822. If a licensed operator fails to pay the annual operation fee**  
20 **by April fifteenth, the licensed operator shall have its license immediately suspended by the**  
21 **commission until such payment is made.**

22           **4. Any fantasy sports contest operator already operating in the state prior to April**  
23 **1, 2016, may operate until they have received or have been denied a license. Such fantasy**  
24 **sports contest operators shall apply for a license prior to October 1, 2016. Any fantasy**  
25 **sports contest operator operating under this subsection after August 28, 2016, shall pay the**  
26 **annual operation fee of eleven and one-half percent of its net revenue from the effective**  
27 **date of this section until action is taken on its application. If a fantasy sports contest**  
28 **operator fails to pay its operation fee by April 15, 2017, the fantasy sports contest operator**

29 shall have its license immediately suspended by the commission, or if the fantasy sports  
30 contest operator has a pending application, its application shall be denied immediately.

31       **5. If a fantasy sports contest operator ceases to offer fantasy sports contests in**  
32 **Missouri, the operator shall pay an operation fee equal to eleven and one-half percent of**  
33 **its net revenue for the period of the calendar year in which it offered fantasy sports**  
34 **contests in Missouri. Such payment shall be made within sixty days of the last day the**  
35 **fantasy sports contest operator offered fantasy sports contests in Missouri. After the**  
36 **expiration of sixty days, a penalty of five hundred dollars per day shall be assessed against**  
37 **the fantasy sports contest operator until the operation fee and any penalty is paid in full.**

**313.990. A licensed operator shall contract annually with a certified public**  
2 **accountant to perform a financial audit of the licensed operator and the authorized**  
3 **internet website to ensure compliance with sections 313.900 to 313.1020 and any rule**  
4 **governing sections 313.900 to 313.1020. The licensed operator shall pay for the audit and**  
5 **submit, by March first of each year, the results of the audit to the commission.**

**313.1000. 1. Notwithstanding any applicable statutory provision to the contrary,**  
2 **all investigatory, proprietary, or application records, information, and summaries in the**  
3 **possession of the commission or its agents may be treated by the commission as closed**  
4 **records not to be disclosed to the public; except that the commission shall, on written**  
5 **request from any person, provide such person with the following information furnished**  
6 **by an applicant or licensee:**

7       **(1) The name, business address, and business telephone number of any applicant**  
8 **or licensee;**

9       **(2) An identification of any applicant or licensee, including, if an applicant or**  
10 **licensee is not an individual, the state of incorporation or registration, the corporate**  
11 **officers, and the identity of all shareholders or participants. If an applicant or licensee has**  
12 **a pending registration statement filed with the federal Securities and Exchange Division,**  
13 **the names of those persons or entities holding interest shall be provided;**

14       **(3) An identification of any business, including, if applicable, the state of**  
15 **incorporation or registration in which an applicant or licensee or an applicant's or**  
16 **licensee's spouse or children have an equity interest. If an applicant or licensee is a**  
17 **corporation, partnership, or other business entity, the applicant or licensee shall identify**  
18 **any other corporation, partnership, or business entity in which it has an equity interest,**  
19 **including, if applicable, the state of incorporation or registration. This information need**  
20 **not be provided by a corporation, partnership, or other business entity that has a pending**  
21 **registration statement filed with the federal Securities and Exchange Division;**

22       **(4) Whether an applicant or licensee has been indicted, convicted, pleaded guilty**  
23 **or nolo contendere, or forfeited bail concerning any criminal offense under the laws of any**



24 jurisdiction, either felony or misdemeanor, except for traffic violations, including the date,  
25 the name and location of the court, arresting agency and prosecuting agency, the case  
26 number, the offense, the disposition, and the location and length of incarceration;

27 (5) Whether an applicant or licensee has had any license or certificate issued by a  
28 licensing authority in this state or any jurisdiction denied, restricted, suspended, revoked,  
29 or not renewed and a statement describing the facts and circumstances concerning the  
30 denial, restriction, suspension, revocation, or nonrenewal, including the licensing authority,  
31 the date each such action was taken, and the reason for each such action;

32 (6) Whether an applicant or licensee has ever filed or had filed against it a  
33 proceeding in bankruptcy or has ever been involved in any formal process to adjust, defer,  
34 suspend, or otherwise work out the payment of any debt, including the date of filing, the  
35 name and location of the court, and the case and number of the disposition;

36 (7) Whether an applicant or licensee has filed or been served with a complaint or  
37 other notice filed with any public body regarding the delinquency in the payment of, or a  
38 dispute over, the filings concerning the payment of any tax required under federal, state, or  
39 local law, including the amount, type of tax, the taxing agency, and time periods involved;

40 (8) A statement listing the names and titles of all public officials or officers of any  
41 unit of government, and relatives of such public officials or officers who, directly or  
42 indirectly, own any financial interest in, have any beneficial interest in, are the creditors  
43 of or hold any debt instrument issued by, or hold or have any interest in any contractual  
44 or service relationship with, an applicant or licensee;

45 (9) The name and business telephone number of the attorney representing an  
46 applicant or licensee in matters before the commission.

47 2. Notwithstanding any applicable statutory provision to the contrary, the  
48 commission shall, on written request from any person, also provide the following  
49 information:

50 (1) The amount of the tax receipts paid to the state by the holder of a license;

51 (2) Whenever the commission finds an applicant for a license unsuitable for  
52 licensing, a copy of the written letter outlining the reasons for the denial; and

53 (3) Whenever the commission has refused to grant leave for an applicant to  
54 withdraw his application, a copy of the letter outlining the reasons for the refusal.

313.1010. The commission shall have full jurisdiction over and shall supervise all  
2 licensed operators, other licensees, and authorized internet websites governed by sections  
3 313.900 to 313.1020. The commission shall have the following powers to implement  
4 sections 313.900 to 313.1020:

5 (1) To investigate applicants;

6 (2) To license fantasy sports contest operators and adopt standards for licensing;

7           **(3) To investigate alleged violations of sections 313.900 to 313.1020 or the**  
8 **commission's rules, orders, or final decisions;**

9           **(4) To assess an appropriate administrative penalty of not more than ten thousand**  
10 **dollars per violation, not to exceed one hundred thousand dollars for violations arising out**  
11 **of the same transaction or occurrence, and take action including, but not limited to, the**  
12 **suspension or revocation of a license for violations of sections 313.900 to 313.1020 or the**  
13 **commission's rules, orders, or final decisions;**

14           **(5) To issue subpoenas for the attendance of witnesses and subpoenas duces tecum**  
15 **for the production of books, records, and other pertinent documents, and to administer**  
16 **oaths and affirmations to the witnesses, when, in the judgment of the commission, it is**  
17 **necessary to enforce sections 313.900 to 313.1020 or the commission rules;**

18           **(6) To take any other action as may be reasonable or appropriate to enforce**  
19 **sections 313.900 to 313.1020 and the commission rules.**

**313.1020. 1. The commission shall have power to adopt and enforce rules and**  
2 **regulations:**

3           **(1) To regulate and license the management, operation, and conduct of fantasy**  
4 **sports contests and participants therein;**

5           **(2) To adopt responsible play protections for registered players; and**

6           **(3) To properly administer and enforce the provisions of sections 313.900 to 313.1020.**

7           **2. The commission shall not adopt rules or regulations limiting or regulating the**  
8 **rules or administration of an individual fantasy sports contest, the statistical makeup of**  
9 **a fantasy sports contest, or the digital platform of a fantasy sports contest operator.**

10           **3. No rule or portion of a rule promulgated under the authority of sections 313.900**  
11 **to 313.1020 shall become effective unless it has been promulgated pursuant to the**  
12 **provisions of section 536.024.**

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