

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND House Committee Substitute for House Bill No. 2540, Page 403, Section 313.826, Line 5,  
2 by inserting after all of said section and line the following:

3  
4 "313.905. As used in sections 313.900 to 313.955, the following terms shall mean:

5 (1) "Authorized internet website", an internet website or any platform operated by a  
6 licensed operator;

7 (2) "Commission", the Missouri gaming commission;

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

10 (4) "Fantasy sports contest", any fantasy or simulated game or contest with an entry fee[;  
11 ~~conducted on an internet website or any platform;~~] in which:

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

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

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

20 (5) "Fantasy sports contest operator", any person [or], entity, or division of a corporate  
21 entity that offers [fantasy sports contests for a prize] a platform for the playing of fantasy contests,  
22 administers one or more fantasy contests with an entry fee, and awards a prize of value;

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

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

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

27 (7) "Licensed operator", a fantasy sports contest operator licensed pursuant to section  
28 313.910 to offer fantasy sports contests for play on an authorized internet website in Missouri;

29 (8) "Location", the geographical position of a person as determined within a degree of  
30 accuracy consistent with generally available internet protocol address locators;

31 (9) "Location percentage", for all fantasy sports contests, the percentage, rounded to the  
32 nearest one-tenth of one percent, of the total entry fees collected from registered players located in  
33 the state of Missouri at the time of entry into a fantasy contest, divided by the total entry fees  
34 collected from all players, regardless of the players' location, of the fantasy sports contests;

35 (10) "Minor", any person less than eighteen years of age;

36 [(9)] (11) "Net revenue", for all fantasy sports contests, the amount equal to the total entry

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 fees collected from all participants entering such fantasy sports contests less winnings paid to  
2 participants in the contests, multiplied by the ~~[resident]~~ location percentage;

3 ~~[(10)]~~ (12) "Player", a person who participates in a fantasy sports contest offered by a  
4 fantasy sports contest operator;

5 ~~[(11)]~~ (13) "Prize", anything of value including, but not limited to, cash or a cash  
6 equivalent, contest credits, merchandise, or admission to another contest in which a prize may be  
7 awarded;

8 ~~[(12)]~~ (14) "Registered player", a person registered pursuant to section 313.920 to  
9 participate in a fantasy sports contest ~~[on an authorized internet website];~~

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

14 ~~—[(14)]~~ (15) "Script", a list of commands that a fantasy-sports-related computer program can  
15 execute to automate processes on a fantasy sports contest platform.

16 313.935. 1. No fantasy sports contest operator shall offer any fantasy sports contest in  
17 Missouri without first being licensed by the commission. A fantasy sports contest operator wishing  
18 to offer fantasy sports contests in this state shall ~~[annually]~~ apply to the commission for a license  
19 and shall remit to the commission an ~~[annual]~~ application fee of ten thousand dollars or ten percent  
20 of the applicant's net revenue from the previous calendar year, whichever is lower.

21 2. As part of the commission's investigation and licensing process, the commission may  
22 conduct an investigation of the fantasy sports contest operator's employees, officers, directors,  
23 trustees, and principal salaried executive staff officers. The applicant shall be responsible for the  
24 ~~[total]~~ cost of the investigation up to ten thousand dollars. If the cost of the investigation exceeds  
25 the application fee, the applicant shall remit such cost to the commission ~~[the total cost of the  
26 investigation]~~ prior to any license being issued. ~~[The total cost of the investigation, paid by the  
27 applicant, shall not exceed fifty thousand dollars.]~~ An applicant may apply for, and the commission  
28 may grant, based on a showing of undue burden, a waiver of all or a portion of the cost of the  
29 investigation. All revenue received under this section shall be placed into the gaming commission  
30 fund created under section 313.835.

31 3. (1) A fantasy sports contest operator with net revenues of two million dollars or more  
32 from the previous calendar year shall be required to submit an annual license renewal fee of five  
33 thousand dollars by November first of each subsequent calendar year. A fantasy sports contest  
34 operator with net revenues of less than two million dollars but greater than one million dollars from  
35 the previous calendar year shall be required to submit an annual license renewal fee of two thousand  
36 five hundred dollars by November first of each subsequent calendar year. A fantasy sports contest  
37 operator with net revenues equal to or less than one million dollars but greater than two hundred  
38 fifty thousand dollars shall submit an annual license renewal fee of one thousand dollars by  
39 November first of each subsequent calendar year. A fantasy sports contest operator with net  
40 revenues of two hundred fifty thousand dollars or less from the previous calendar year shall not be  
41 required to submit an annual license renewal fee.

42 (2) In addition to the ~~[application]~~ license renewal fee, a licensed operator shall also pay an  
43 annual operation fee~~[, on April fifteenth of each year,]~~ in a sum equal to ~~[eleven and one-half]~~ six  
44 percent of the licensed operator's net revenue from the previous calendar year. All revenue  
45 collected under this subsection shall be placed in the gaming proceeds for education fund created  
46 under section 313.822. If a licensed operator fails to apply for a license renewal or pay the annual  
47 operation fee ~~[by April fifteenth, the licensed operator shall have its license immediately suspended~~  
48 by], the commission may suspend the license of such licensed operator until such payment is made.

1           4. Any fantasy sports contest operator already operating in the state prior to April 1, 2016,  
2 may operate until they have received or have been denied a license. Such fantasy sports contest  
3 operators shall apply for a license prior to October 1, 2016. Any fantasy sports contest operator  
4 operating under this subsection after August 28, 2016, shall pay the annual operation fee of eleven  
5 and one-half percent of its net revenue from August 28, 2016, until action is taken on its application.  
6 If a licensed fantasy sports contest operator fails to pay its annual operation fee by ~~[April 15, 2017]~~  
7 November 1, 2018, the commission may suspend the license or deny the pending license application  
8 of such fantasy sports contest operator ~~[shall have its license immediately suspended by the~~  
9 ~~commission, or if the fantasy sports contest operator has a pending application, its application shall~~  
10 ~~be denied immediately].~~

11           5. If a licensed fantasy sports contest operator ceases to offer fantasy sports contests in  
12 Missouri, the operator shall pay an operation fee equal to ~~[eleven and one-half]~~ six percent of its net  
13 revenue for the period of the calendar year in which it offered fantasy sports contests in Missouri by  
14 November first of the subsequent calendar year. ~~[Such payment shall be made within sixty days of~~  
15 ~~the last day the fantasy sports contest operator offered fantasy sports contests in Missouri. After the~~  
16 ~~expiration of sixty days, a penalty of five hundred dollars per day shall be assessed against the~~  
17 ~~fantasy sports contest operator until the operation fee and any penalty is paid in full.]"; and~~

18  
19 Further amend said bill by amending the title, enacting clause, and intersectional references  
20 accordingly.