

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 SENATE BILL 1396

By: Holt

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5
6 AS INTRODUCED

7 An Act relating to consumer protection; creating the
8 Oklahoma Fantasy Contests Act; providing short title;
9 defining terms; requiring fantasy contest operators
10 to implement procedures for consumer protection;
11 providing penalties for violations; providing for
12 codification; and providing for an effective date.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 800.1 of Title 15, unless there
16 is created a duplication in numbering, reads as follows:

17 This act shall be known and may be cited as the "Oklahoma
18 Fantasy Contests Act."

19 SECTION 2. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 800.2 of Title 15, unless there
21 is created a duplication in numbering, reads as follows:

22 As used in this act:

23 1. "Confidential information" means information related to the
24 play of a fantasy contest by fantasy contest players obtained as a
result of or by virtue of a person's employment.

1 2. "Fantasy contest" includes any fantasy or simulated game or
2 contest, in which:

3 a the value of all prizes and awards offered to winning
4 participants are established and made known to the
5 participants in advance of the contest,

6 b. all winning outcomes reflect the relative knowledge
7 and skill of the participants and shall be determined
8 predominantly by accumulated statistical results of
9 the performance of individuals, including athletes in
10 the case of sports events, and

11 c. no winning outcome is based on the score, point
12 spread, or any performance or performances of any
13 single actual team or combination of such teams or
14 solely on any single performance of an individual
15 athlete or player in any single actual event.

16 3. "Fantasy contest operator" means a person or entity that
17 offers fantasy contests for a cash prize to members of the public.

18 4. "Fantasy contest player" means a person who participates in
19 a fantasy contest offered by a fantasy contest operator.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 800.3 of Title 15, unless there
22 is created a duplication in numbering, reads as follows:

23 A. A fantasy contest operator offering fantasy contests in the
24 State shall implement procedures that are intended to:

1 1. Prevent employees of the fantasy contest operator, and
2 relatives living in the same household as such employees, from
3 competing in any fantasy contest offered by any fantasy contest
4 operator in which the operator offers a cash prize over Five Dollars
5 (\$5.00);

6 2. Prevent sharing of confidential information that could
7 affect fantasy contest play with third parties until the information
8 is made publicly available;

9 3. Prevent the game operator from being a participant in a
10 fantasy game he or she offers;

11 4. Have a mechanism in place that is designed to verify that a
12 fantasy contest player is eighteen (18) years of age or older;

13 5. Ensure that individuals who participate or officiate in a
14 game or contest that is the subject of a fantasy contest will be
15 restricted from entering a fantasy contest that is determined, in
16 whole or in part, on the accumulated statistical results of a team
17 of individuals in the game or contest in which they are a player;

18 6. Allow individuals to restrict themselves from entering a
19 fantasy contest upon request and take reasonable steps to prevent
20 those individuals from entering the operator's fantasy contests;

21 7. Disclose the number of entries a single fantasy contest
22 player may submit to each fantasy contest and take reasonable steps
23 to prevent players from submitting more than the allowable number;
24 and

1 8. Segregate player funds from operational funds and maintain a
2 reserve in the form of cash, cash equivalents, an irrevocable letter
3 of credit, a bond or a combination thereof in the amount of the
4 deposits in player accounts for the benefit and protection of
5 authorized fantasy contest players' funds held in fantasy contest
6 accounts.

7 B. A fantasy contest operator offering fantasy contests in the
8 State must annually contract a third-party to perform an independent
9 audit, consistent with the standards established by the Public
10 Company Accounting Oversight Board created in the Federal Sarbanes-
11 Oxley Act of 2002 (Pub.L.107-204), to ensure compliance with all of
12 the requirements in this act. The fantasy contest operator must
13 submit the results of the independent audit to the Attorney General.

14 SECTION 4. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 800.4 of Title 15, unless there
16 is created a duplication in numbering, reads as follows:

17 Any person, firm, corporation, association, agent or employee
18 who violates any provision of this section shall be liable for a
19 civil penalty of not more than One Thousand Dollars (\$1,000.00) for
20 each such violation, which shall accrue to the General Revenue Fund
21 and may be recovered in a civil action brought by the Attorney
22 General.

23 SECTION 5. This act shall become effective November 1, 2016.

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