

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2278 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Justin Wood \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

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

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2278

By: Wood

7 PROPOSED COMMITTEE SUBSTITUTE

8 An Act relating to consumer protection; creating the  
9 Oklahoma Fantasy Contests Act; defining terms;  
10 requiring fantasy contest operator to register with  
11 the Department of Consumer Credit; prescribing  
12 operator to implement specified procedures; mandating  
13 annual independent audit; specifying standards for  
14 audit; directing submission of audit to Department;  
15 prescribing penalty for violation of act; authorizing  
16 collection through civil action by the Department;  
17 construing applicability; providing for codification;  
18 and providing an effective date.

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

20 SECTION 1. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 1025 of Title 15, unless there  
22 is created a duplication in numbering, reads as follows:

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

25 SECTION 2. NEW LAW A new section of law to be codified  
26 in the Oklahoma Statutes as Section 1026 of Title 15, unless there  
27 is created a duplication in numbering, reads as follows:

1 As used in the Oklahoma Fantasy Contests Act:

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

5 2. "Department" means the Department of Consumer Credit;

6 3. "Entry fee" means cash or cash equivalent that is required  
7 to be paid by a fantasy contest player to a fantasy contest operator  
8 to participate in a fantasy contest;

9 4. "Fantasy contest" means any fantasy or simulated game or  
10 contest, in which:

11 a. the value of all prizes and awards offered to winning  
12 participants are established and made known to the  
13 participants in advance of the contest,

14 b. all winning outcomes reflect the relative knowledge  
15 and skill of the participants and shall be determined  
16 predominantly by accumulated statistical results of  
17 the performance of individuals, including athletes in  
18 the case of sports events, and

19 c. no winning outcome is based on the score, point spread  
20 or any performance or performances of any single  
21 actual team or combination of such teams or solely on  
22 any single performance of an individual athlete or  
23 player in any single actual event;

1           5. "Fantasy contest operator" means a person or entity that  
2 offers fantasy contests with an entry fee for a cash prize to  
3 members of the public; and

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

6           SECTION 3.       NEW LAW       A new section of law to be codified  
7 in the Oklahoma Statutes as Section 1027 of Title 15, unless there  
8 is created a duplication in numbering, reads as follows:

9           A. A fantasy contest operator offering fantasy contests with an  
10 entry fee in this state shall register with the Department of  
11 Consumer Credit. The registration shall be valid upon receipt and  
12 payment of a fee not to exceed Two Thousand Five Hundred Dollars  
13 (\$2,500.00).

14          B. A fantasy contest operator shall implement procedures for  
15 fantasy contests with an entry fee that are intended to:

16           1. Prevent employees of the fantasy contest operator and  
17 relatives living in the same household as such employees from  
18 competing in any public fantasy contest offered by any fantasy  
19 contest operator in which the operator offers a cash prize;

20           2. Prevent sharing of confidential information that could  
21 affect the fantasy contest play with third parties until the  
22 information is made publicly available;

23           3. Prevent the fantasy contest operator from participating in  
24 the fantasy contest he or she offers;

1           4. Verify that a fantasy contest player in the fantasy contest  
2 is eighteen (18) years of age or older;

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

8           6. Allow individuals to restrict themselves from entering the  
9 fantasy contest upon request and provide reasonable steps to prevent  
10 those individuals from entering such fantasy contests offered by the  
11 fantasy contest operator;

12           7. Disclose the number of entries a single fantasy contest  
13 player may submit to each fantasy contest and take reasonable steps  
14 to prevent players from submitting more than the allowable number;  
15 and

16           8. Segregate player funds from operational funds and maintain a  
17 reserve in the form of cash, cash equivalents, an irrevocable letter  
18 of credit, a bond or a combination thereof in the amount of the  
19 deposits in player accounts for the benefit and protection of  
20 authorized fantasy contest players' funds held in fantasy contest  
21 accounts.

22           C. A fantasy contest operator offering fantasy contests with an  
23 entry fee in the state shall annually contract a third party to  
24 perform an independent audit, consistent with the standards

1 established by the Public Company Accounting Oversight Board, to  
2 ensure compliance with all of the requirements in the Oklahoma  
3 Fantasy Contests Act and submit the results of the independent audit  
4 to the Department of Consumer Credit.

5 SECTION 4. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 1028 of Title 15, unless there  
7 is created a duplication in numbering, reads as follows:

8 Any person, firm, corporation, association, agent or employee  
9 who violates any provision of the Oklahoma Fantasy Contests Act  
10 shall be liable for a civil penalty of not more than One Thousand  
11 Dollars (\$1,000.00) for each violation, which shall accrue to the  
12 state and may be recovered in a civil action brought by the  
13 Department of Consumer Credit.

14 SECTION 5. NEW LAW A new section of law to be codified  
15 in the Oklahoma Statutes as Section 1029 of Title 15, unless there  
16 is created a duplication in numbering, reads as follows:

17 Nothing contained in Sections 941 through 961 of Title 21 of the  
18 Oklahoma Statutes shall be applicable to a fantasy contest as  
19 defined in the Oklahoma Fantasy Contests Act.

20 SECTION 6. This act shall become effective November 1, 2016.

21  
22 55-2-8994 EK 02/09/16  
23  
24