

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

HOUSE BILL 2278

By: Wood

AS INTRODUCED

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

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

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

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

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

As used in the Oklahoma Fantasy Contests Act:

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

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

5 3. "Fantasy contest" means any fantasy or simulated game or
6 contest, in which:

7 a. the value of all prizes and awards offered to winning
8 participants are established and made known to the
9 participants in advance of the contest,

10 b. all winning outcomes reflect the relative knowledge
11 and skill of the participants and shall be determined
12 predominantly by accumulated statistical results of
13 the performance of individuals, including athletes in
14 the case of sports events, and

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

20 4. "Fantasy contest operator" means a person or entity that
21 offers fantasy contests for a cash prize to members of the public;
22 and

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

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

4 A. A fantasy contest operator offering fantasy contests in the
5 state shall implement procedures that are intended to:

6 1. Prevent employees of the fantasy contest operator and
7 relatives living in the same household as such employees from
8 competing in any fantasy contest offered by any fantasy contest
9 operator in which the operator offers a cash prize that is more than
10 Five Dollars (\$5.00);

11 2. Prevent sharing with third parties confidential information
12 that could affect fantasy contest play until the information is made
13 publicly available;

14 3. Prevent the operator from being a participant in a fantasy
15 contest he or she operates;

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

18 5. Ensure that individuals who participate or officiate in a
19 fantasy contest will be restricted from entering a fantasy contest
20 that is determined, in whole or in part, on the accumulated
21 statistical results of a team of individuals in the fantasy contest
22 in which they are a player;

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

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

8 8. Segregate player funds from operational funds and maintain a
9 reserve in the form of cash, cash equivalents, an irrevocable letter
10 of credit, a bond or a combination thereof in the amount of the
11 deposits in player accounts for the benefit and protection of
12 authorized fantasy contest players' funds held in fantasy contest
13 accounts.

14 B. A fantasy contest operator offering fantasy contests in the
15 state shall annually contract a third party to perform an
16 independent audit, consistent with the standards established by the
17 Public Company Accounting Oversight Board, to ensure compliance with
18 all of the requirements in the Oklahoma Fantasy Contests Act. The
19 fantasy contest operator shall submit the results of the independent
20 audit to the Department of Consumer Credit no later than December 31
21 of each year.

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

1 Any person, firm, corporation, association, agent or employee
2 who violates any provision of the Oklahoma Fantasy Contests Act
3 shall be liable for a civil penalty of not more than One Thousand
4 Dollars (\$1,000) for each violation, which shall accrue to the state
5 and may be recovered in a civil action brought by the Department of
6 Consumer Credit.

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

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

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

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