

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/Senate Bill No. 30, Page 1, Section TITLE, Line 4,

2 by striking "sports wagering" and inserting in lieu thereof
 3 the following: "gaming"; and

4 Further amend said bill, page 7, Section 313.842, line
 5 31, by inserting after all of said line the following:

6 "313.905. As used in sections 313.900 to 313.955, the
 7 following terms shall mean:

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

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

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

15 (4) "Fantasy sports contest", any fantasy or simulated
 16 game or contest with an entry fee in which:

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

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

25 (c) No winnings outcomes are based on the score, point
 26 spread, or any performance of any single actual team or

27 combination of teams or solely on any single performance of
28 an individual athlete or player in any single actual event.

29 The term "fantasy sports contest" shall also include peer-to-
30 peer fantasy sports contests;

31 (5) "Fantasy sports contest operator", any person,
32 entity, or division of a corporate entity that offers a
33 platform for the playing of fantasy contests, administers
34 one or more fantasy contests with an entry fee, and awards a
35 prize of value;

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

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

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

42 (7) "In-game outcome", the result of any play,
43 performance, or other aspect of an athletic or sporting
44 event occurring during the course of such event that is
45 unrelated to the event's outcome;

46 (8) "Licensed operator", a fantasy sports contest
47 operator licensed pursuant to section 313.910 to offer
48 fantasy sports contests for play on an authorized internet
49 website in Missouri;

50 [(8)] (9) "Location", the geographical position of a
51 person as determined within a degree of accuracy consistent
52 with generally available internet protocol address locators;

53 [(9)] (10) "Location percentage", for all fantasy
54 sports contests, the percentage, rounded to the nearest one-
55 tenth of one percent, of the total entry fees collected from
56 registered players located in the state of Missouri at the
57 time of entry into a fantasy contest, divided by the total
58 entry fees collected from all players, regardless of the
59 players' location, of the fantasy sports contests;

60 [(10)] (11) "Minor", any person less than eighteen
61 years of age;

62 [(11)] (12) "Net revenue", for all fantasy sports
63 contests, the amount equal to the total entry fees collected
64 from all participants entering such fantasy sports contests
65 less winnings paid to participants in the contests,
66 multiplied by the location percentage;

67 (13) "Peer-to-peer fantasy sports contest", any
68 fantasy or simulated game or contest with an entry fee in
69 which one registered player places a wager with one or more
70 registered players based on the outcome of the contest.
71 Peer-to-peer fantasy sports contests shall include any
72 contest in which:

73 (a) Winning outcomes reflect in part the relative
74 knowledge and skill of the participants and are determined
75 predominantly by the accumulated statistical results of the
76 performance of individuals, including athletes in the case
77 of sports events, and in which no winning outcomes are based
78 on the score, point spread, or any performance of any single
79 actual team or combination of teams or solely on any single
80 performance of an individual athlete or player in any single
81 actual event; or

82 (b) Winning outcomes are based on the score, point
83 spread, any performance of any single actual team or
84 combination of teams, any single performance of an
85 individual athlete or player in any single actual event, or
86 any in-game outcome;

87 [(12)] (14) "Player", a person who participates in a
88 fantasy sports contest offered by a fantasy sports contest
89 operator;

90 [(13)] (15) "Prize", anything of value including, but
91 not limited to, cash or a cash equivalent, contest credits,
92 merchandise, or admission to another contest in which a

93 prize may be awarded. Such term shall also include winnings
94 from wagers placed in peer-to-peer fantasy sports contests;

95 [(14)] (16) "Registered player", a person registered
96 pursuant to section 313.920 to participate in a fantasy
97 sports contest;

98 [(15)] (17) "Script", a list of commands that a
99 fantasy-sports-related computer program can execute to
100 automate processes on a fantasy sports contest platform.

101 313.915. 1. In order to ensure the protection of
102 registered players, an authorized internet website shall
103 identify the person or entity that is the licensed operator.

104 2. A licensed operator shall ensure that fantasy
105 sports contests on its authorized internet website comply
106 with all of the following:

107 (1) All winning outcomes are determined by accumulated
108 statistical results of fully completed contests or events,
109 and not merely any portion thereof, except that fantasy
110 participants may be credited for statistical results
111 accumulated in a suspended or shortened contest or event
112 which has been called on account of weather or other natural
113 or unforeseen event;

114 (2) Registered players shall not select athletes
115 through an autodraft that does not involve any input or
116 control by a registered player, or to choose preselected
117 teams of athletes;

118 (3) A prize shall not be offered to or awarded to the
119 winner of, or athletes in, the underlying competition
120 itself; and

121 (4) Fantasy sports contests shall not be based on the
122 performances of participants in high school or youth
123 athletics.

124 3. (1) In addition to the provisions of subsection 2
125 of this section, a licensed operator shall ensure that

126 wagers placed by registered players in peer-to-peer fantasy
127 sports contests on the licensed operator's authorized
128 internet website shall comply with any limits placed on such
129 wagers by the licensed operator.

130 (2) In addition to the entry fee for a peer-to-peer
131 fantasy sports contest, a licensed operator shall ensure
132 that wagers placed on such peer-to-peer fantasy sports
133 contest are remitted in advance of the contest, except that
134 wagers placed on in-game outcomes shall be remitted in
135 advance of the in-game outcome on which the wager is
136 placed. Such wagers shall be kept segregated from player
137 funds and operational funds as provided under subsections 5
138 and 6 of this section.

139 (3) A licensed operator shall deposit any wager won by
140 a registered player into such registered player's account as
141 other prizes are deposited under subdivision (4) of
142 subsection 4 of this section.

143 4. A licensed operator shall have procedures approved
144 by the commission before operating in Missouri that:

145 (1) Prevent unauthorized withdrawals from a registered
146 player's account by the licensed operator or others;

147 (2) Make clear that funds in a registered player's
148 account are not the property of the licensed operator and
149 are not available to the licensed operator's creditors;

150 (3) Segregate player funds from operational funds as
151 provided under subsections [4] 5 and [5] 6 of this section;

152 (4) Ensure any prize won by a registered player from
153 participating in a fantasy sports contest is deposited into
154 the registered player's account within forty-eight hours or
155 mailed within five business days of winning the prize except
156 as provided under section 313.917;

157 (5) Ensure registered players can withdraw the funds
158 maintained in their individual accounts, whether such

159 accounts are open or closed, within five business days of
160 the request being made, unless the licensed operator
161 believes in good faith that the registered player engaged in
162 either fraudulent conduct or other conduct that would put
163 the licensed operator in violation of sections 313.900 to
164 313.955, in which case the licensed operator may decline to
165 honor the request for withdrawal for a reasonable
166 investigatory period until its investigation is resolved if
167 it provides notice of the nature of the investigation to the
168 registered player. For the purposes of this provision, a
169 request for withdrawal will be considered honored if it is
170 processed by the licensed operator but delayed by a payment
171 processor, credit card issuer or by the custodian of a
172 financial account;

173 (6) Allow a registered player to permanently close
174 their account at any time for any reason; and

175 (7) Offer registered players access to their play
176 history and account details.

177 [4.] 5. A properly constituted special purpose entity
178 shall be approved by the commission as a sufficient means of
179 segregating player funds from operational funds and wagers
180 placed in peer-to-peer fantasy sports contests. A properly
181 constituted special purpose entity shall:

182 (1) Have a governing board that includes one or more
183 corporate directors who are independent of the fantasy
184 sports contest operator and of any corporation controlled by
185 the fantasy sports contest operator;

186 (2) Hold, at a minimum, the sum of all authorized
187 player funds held in player accounts for use in fantasy
188 sports contests;

189 (3) Reasonably protect the funds against claims of the
190 operator's creditors other than the authorized players for

191 whose benefit and protection the special purpose entity is
192 established;

193 (4) Distribute funds only for the following purposes:

194 (a) For player account balance withdrawals or partial
195 balance withdrawals made upon the specific request of the
196 player;

197 (b) For income earned on the account, and owed to the
198 fantasy sports operator, calculated as the remainder of all
199 entry fees paid by users for fantasy sports contests minus
200 all user winnings and cash bonuses paid or owed to users,
201 payable to the fantasy sports contest operator;

202 (c) To the Missouri gaming commission in the event
203 that the fantasy sports operator's license expires, is
204 surrendered, or is otherwise revoked. The Missouri gaming
205 commission may interplead the funds in the Cole County
206 circuit court for distribution to the authorized players for
207 whose protection and benefit the account was established and
208 to other such persons as the court determines are entitled
209 thereto, or shall take such other steps as necessary to
210 effect the proper distribution of the funds, or may do both;
211 or

212 (d) As authorized in writing in advance by any
213 agreement approved by the Missouri gaming commission;

214 (5) Require a unanimous vote of all corporate
215 directors to file bankruptcy;

216 (6) Obtain permission from the Missouri gaming
217 commission prior to filing bankruptcy or entering into
218 receivership;

219 (7) Have corporate governance requirements which
220 prohibit commingling of funds with that of the fantasy
221 sports contest operator except as necessary to reconcile the
222 accounts of players with sums owed by those players to the
223 fantasy sports contest operator;

224 (8) Be restricted from incurring debt other than to
225 fantasy sports players under the rules that govern their
226 accounts for contests;

227 (9) Be restricted from taking on obligations of the
228 fantasy sports contest operator other than obligations to
229 players under the rules that govern their accounts for
230 contests; and

231 (10) Be prohibited from dissolving, merging, or
232 consolidating with another company without the written
233 approval of the Missouri gaming commission while there are
234 unsatisfied obligations to fantasy sports contest players.

235 [5.] 6. The commission, at its discretion, may approve
236 other commercially reasonable approaches to segregation of
237 funds so long as they adequately protect Missouri player
238 accounts.

239 [6.] 7. A licensed operator shall establish procedures
240 for a registered player to report complaints to the licensed
241 operator regarding whether his or her account has been
242 misallocated, compromised, or otherwise mishandled, and a
243 procedure for the licensed operator to respond to those
244 complaints.

245 [7.] 8. A registered player who believes his or her
246 account has been misallocated, compromised, or otherwise
247 mishandled should notify the commission. Upon notification,
248 the commission may investigate the claim and may take any
249 action the commission deems appropriate under subdivision
250 (4) of section 313.950.

251 [8.] 9. A licensed operator shall not issue credit to
252 a registered player.

253 [9.] 10. A licensed operator shall not allow a
254 registered player to establish more than one account or user
255 name on its authorized internet website."; and

256 Further amend the title and enacting clause accordingly.