

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 1941, Pages 1-3, Section 313.870, Lines
2 1-64, by deleting all of said lines and inserting in lieu thereof the following:

3
4 313.900. Sections 313.900 to 313.1020 shall be known and may be cited as the "Missouri
5 Daily Fantasy Sports Consumer Protection Act".

6 313.910. As used in sections 313.900 to 313.1020, the following terms shall mean:

7 (1) "Adjusted gross receipts", the amount of all entry fees or cash equivalents a licensed
8 operator or authorized internet website requires to participate in a daily fantasy sports game that is
9 not paid out for prizes in that game;

10 (2) "Authorized internet website", an internet website or any platform operated by a
11 licensed operator;

12 (3) "Commission", the Missouri gaming commission;

13 (4) "Daily fantasy sports game", a game of any duration conducted on the internet or any
14 platform in which a registered player does all of the following:

15 (a) Competes against other registered players or a target score as the owner or manager of
16 an imaginary or simulated team of athletes in an imaginary or simulated game;

17 (b) Uses the statistics accumulated by the athletes in real-world sporting events to determine
18 the scores of the imaginary or simulated game;

19 (c) Plays for a predetermined prize;

20 (d) Pays a charge or fee or anything of value to the licensed operator providing the game in
21 order to participate;

22 (5) "Fund", the daily fantasy sports fund established by section 313.980;

23 (6) "Gross receipts", the amount of all entry fees or cash equivalents a licensed operator or
24 authorized internet website requires to participate in a daily fantasy sports game;

25 (7) "Licensed operator", a person or entity licensed pursuant to section 313.920 to offer
26 daily fantasy sports games for play on an authorized internet website;

27 (8) "Registered player", a person registered pursuant to section 313.940 to participate in a
28 daily fantasy sports game on an authorized internet website.

29 313.920. 1. A person or entity shall apply for and receive a license from the commission
30 prior to offering a daily fantasy sports game for play in Missouri.

31 2. It is the burden of the applicant to show by clear and convincing evidence their suitability
32 as to character, experience, and other factors as may be deemed appropriate by the commission.

33 3. The commission may issue a license to a person or entity to offer daily fantasy sports
34 games for play in Missouri if the applicant satisfies the requirements for licensure as determined by
35 the rules of the commission.

36 313.930. 1. In order to ensure the protection of registered players, an authorized internet

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1 website shall identify the person or entity that is the licensed operator.

2 2. A licensed operator shall ensure that daily fantasy sports games on its authorized internet
3 website comply with all of the following:

4 (1) An imaginary or simulated sports team in the game shall not be based on the current
5 membership of an actual team that is a member of an amateur or professional sports organization;

6 (2) A prize or award offered to the winning registered player or players shall be established
7 and made known to the participating registered players in advance of the contest;

8 (3) The value of a prize or award offered to the winning registered player or players shall
9 not be determined by the number of participating registered players or the amount of any charges
10 paid by those participating registered players to the licensed operator;

11 (4) The winning outcome of the game shall not be either of the following:

12 (a) Based on the score, point spread, or performance of any single real-world team or any
13 combination of real-world teams;

14 (b) Based solely on the single performance of an individual athlete in a single real-world
15 sporting event.

16 3. A licensed operator shall hold the funds of a registered player in a registered players
17 account in trust for that registered player.

18 4. A licensed operator shall implement, and prominently display on its authorized internet
19 website, procedures that accomplish all of the following:

20 (1) Prevent unauthorized withdrawals from a registered player's account, including, but not
21 limited to, withdrawals by the licensed operator and other individuals;

22 (2) Prevent commingling of funds in a registered player's account with other funds,
23 including, but not limited to, the licensed operators funds;

24 (3) Establish procedures for a registered player to report complaints to the licensed operator
25 regarding whether his or her account has been misallocated, compromised, or otherwise mishandled,
26 and a procedure for the licensed operator to respond to those complaints.

27 5. A licensed operator shall not issue credit to a registered player.

28 6. A licensed operator shall not allow a registered player to establish more than one account
29 or user name on its authorized internet website.

30 313.940. 1. A person shall register with a licensed operator prior to participating in daily
31 fantasy sports games on an authorized internet website.

32 2. A licensed operator shall ensure that an individual is eligible to play daily fantasy sports
33 games on an authorized internet website, and implement appropriate data security standards to
34 prevent access by a person whose state of residence and age have not been verified in accordance
35 with this section.

36 3. A licensed operator shall ensure that an individual provides their state of residence before
37 participating in daily fantasy sports games on an authorized internet website.

38 4. A licensed operator shall ensure that an individual is of legal age before participating in
39 daily fantasy sports games on an authorized internet website. In Missouri, the legal age to
40 participate shall be twenty-one years of age.

41 5. (1) The licensed operator shall develop (1) an online self-exclusion form and a process to
42 exclude from play any person who has filled out the form, and any person whose name has been
43 placed on the disassociated persons list or the involuntary exclusion list that is maintained by the
44 commission.

45 (2) A licensed operator shall retain each online self-exclusion form submitted to it in order
46 to identify persons who want to be excluded from play. A licensed operator shall exclude those
47 persons and any person whose name has been placed on the disassociated persons list or the
48 involuntary exclusion list from play.

1 (3) A licensed operator shall prominently display a link to the commission's problem
2 gaming website page and the online self-exclusion form described in subdivision (1) of this
3 subsection when either of the following occurs:

4 (a) A person registers as a registered player;

5 (b) Each time a registered player accesses the authorized internet website prior to playing.

6 6. A licensed operator shall not advertise daily fantasy sports games in publications or other
7 media that are aimed exclusively or primarily at persons under twenty-one years of age. A licensed
8 operator's advertisement shall not depict persons under twenty-one years of age, students, or settings
9 involving a school or college.

10 7. A licensed operator shall not advertise daily fantasy sports games to an individual by
11 phone, email, or any other form of individually targeted advertisement or marketing material if the
12 individual has self-excluded himself or herself pursuant to this section, if the individual has been
13 placed on the disassociated persons list, if the individual has been placed on the involuntary
14 exclusion list, or if the individual is otherwise barred from participating in daily fantasy sports
15 games.

16 313.950. 1. This section applies to all of the following persons:

17 (1) An officer of a licensed operator;

18 (2) A director of a licensed operator;

19 (3) A principal of a licensed operator;

20 (4) An employee of a licensed operator; and

21 (5) A contractor of a licensed operator.

22 2. A person listed in subsection 1 of this section shall not play any daily fantasy sports
23 game.

24 3. A person listed in subsection 1 of this section shall not disclose proprietary or nonpublic
25 information that may affect the play of daily fantasy sports games to any individual authorized to
26 play daily fantasy sports games.

27 4. A licensed operator shall make the prohibitions in this section known to all affected
28 individuals and corporate entities.

29 313.960. 1. Each licensed operator shall comply with all applicable federal, state, local
30 laws, and regulations including without limitation laws and regulations applicable to tax
31 withholdings and laws and regulations applicable to providing information about winnings and the
32 withholding to taxing authorities.

33 2. Each licensed operator shall withhold for state income tax purposes from any prizes
34 awarded of twelve hundred dollars or more an amount equal to four percent of the prize.
35 Withholdings made pursuant to this section shall be subject to the withholding tax provisions in
36 sections 143.191 to 143.261, including section 143.261.

37 313.970. Prior to operating an authorized internet website, the person or entity wishing to
38 operate an authorized internet website shall apply with the commission for a license and shall remit
39 to the state treasurer a nonrefundable fee of fifty thousand dollars or fifteen thousand dollars for
40 each person to be investigated, whichever amount is greater. The applicant shall be responsible for
41 the total cost of the investigation. If the cost of the investigation exceeds the total amount of fees
42 filed by the applicant in this subsection, the commission may assess additional fees as it deems
43 appropriate. The initial license and first subsequent license renewal of an operator shall be for a
44 period of one year. Thereafter, license renewal periods shall be four years. However, the
45 commission may reopen licensing hearings at any time. The commission shall assess an annual fee
46 for licensed operators pursuant to this subsection in an amount to be set by the commission with a
47 minimum of twenty-five thousand dollars. All application and renewal fees shall be deposited in the
48 state treasury to the credit of the gaming commission fund to be administered pursuant to the

1 provisions of section 313.835.

2 313.980. 1. A tax is imposed on the adjusted gross receipts received from daily fantasy
3 sports games authorized pursuant to sections 313.900 to 313.1020 calculated at the rate of twenty-
4 one percent from all adjusted gross receipts received from registered players who are residents of
5 the state of Missouri.

6 2. A licensed operator shall collect adjusted gross receipts, on an individual basis, at the
7 time the registered player enters a daily fantasy sports game and shall ensure that the same amount
8 of adjusted gross receipts is taken from each registered player participating in a given daily fantasy
9 sports game.

10 3. The adjusted gross receipts tax shall be deposited monthly in the state treasury to the
11 credit of the "Fantasy Sports Fund" which is hereby created in the state treasury. Moneys deposited
12 in this fund shall be kept separate from the general revenue fund as well as any other funds or
13 accounts in the state treasury, and shall be used solely for funding public schools in the state of
14 Missouri.

15 313.990. A licensed operator shall contract annually with a certified public accountant to
16 perform a financial audit of the licensed daily fantasy sports game operations to ensure compliance
17 with sections 313.900 to 313.1020 and any rule governing sections 313.900 to 313.1020. The game
18 operator shall pay for the audit and submit the results of the audit to the commission.

19 313.1000. 1. Notwithstanding any applicable statutory provision to the contrary, all
20 investigatory, proprietary, or application records, information, and summaries in the possession of
21 the commission or its agents may be treated by the commission as closed records not to be disclosed
22 to the public; except that the commission shall, on written request from any person, provide such
23 person with the following information furnished by an applicant or licensee:

24 (1) The name, business address, and business telephone number of any applicant or
25 licensee;

26 (2) An identification of any applicant or licensee, including, if an applicant or licensee is not
27 an individual, the state of incorporation or registration, the corporate officers, and the identity of all
28 shareholders or participants. If an applicant or licensee has a pending registration statement filed
29 with the federal Securities and Exchange Commission, the names of those persons or entities
30 holding interest must be provided;

31 (3) An identification of any business, including, if applicable, the state of incorporation or
32 registration in which an applicant or licensee or an applicant's or licensee's spouse or children have
33 an equity interest. If an applicant or licensee is a corporation, partnership, or other business entity,
34 the applicant or licensee shall identify any other corporation, partnership, or business entity in
35 which it has an equity interest, including, if applicable, the state of incorporation or registration.
36 This information need not be provided by a corporation, partnership, or other business entity that
37 has a pending registration statement filed with the federal Securities and Exchange Commission;

38 (4) Whether an applicant or licensee has been indicted, convicted, pleaded guilty or nolo
39 contendere, or forfeited bail concerning any criminal offense under the laws of any jurisdiction,
40 either felony or misdemeanor, except for traffic violations, including the date, the name and location
41 of the court, arresting agency and prosecuting agency, the case number, the offense, the disposition,
42 and the location and length of incarceration;

43 (5) Whether an applicant or licensee has had any license or certificate issued by a licensing
44 authority in this state or any jurisdiction denied, restricted, suspended, revoked, or not renewed and
45 a statement describing the facts and circumstances concerning the denial, restriction, suspension,
46 revocation, or nonrenewal, including the licensing authority, the date each such action was taken,
47 and the reason for each such action;

48 (6) Whether an applicant or licensee has ever filed or had filed against it a proceeding in

1 bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise
2 work out the payment of any debt, including the date of filing, the name and location of the court,
3 and the case and number of the disposition;

4 (7) Whether an applicant or licensee has filed or been served with a complaint or other
5 notice filed with any public body regarding the delinquency in the payment of, or a dispute over, the
6 filings concerning the payment of any tax required under federal, state, or local law, including the
7 amount, type of tax, the taxing agency, and time periods involved;

8 (8) A statement listing the names and titles of all public officials or officers of any unit of
9 government, and relatives of such public officials or officers who, directly or indirectly, own any
10 financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument
11 issued by, or hold or have any interest in any contractual or service relationship with, an applicant or
12 licensee;

13 (9) Whether an applicant or licensee has made, directly or indirectly, any political
14 contribution, or any loans, donations, or other payments of one hundred dollars or more, to any
15 candidate or office holder within five years from the date of filing the application, including the
16 amount and the method of payment;

17 (10) The name and business telephone number of the attorney representing an applicant or
18 licensee in matters before the commission.

19 2. Notwithstanding any applicable statutory provision to the contrary, the commission shall,
20 on written request from any person, also provide the following information:

21 (1) The amount of the tax receipts paid to the state by the holder of a license;

22 (2) Whenever the commission finds an applicant for a license unsuitable for licensing, a
23 copy of the written letter outlining the reasons for the denial; and

24 (3) Whenever the commission has refused to grant leave for an applicant to withdraw his
25 application, a copy of the letter outlining the reasons for the refusal.

26 313.1010. The commission shall have full jurisdiction over and shall supervise all licensed
27 operators and authorized internet websites governed by sections 313.900 to 313.1020. The
28 commission shall have the following powers to implement sections 313.900 to 313.1020:

29 (1) To investigate applicants and determine the eligibility of applicants for a license;

30 (2) To license operators and any other occupation the commission deems appropriate, and
31 adopt standards for licensing including establishing fees;

32 (3) To investigate alleged violations of sections 313.900 to 313.1020 or the commission's
33 rules, orders, or final decisions;

34 (4) To assess any appropriate administrative penalty against a licensee for violations of
35 sections 313.900 to 313.1020 or the commission's rules, orders, or final decisions, including, but not
36 limited to, suspension, revocation, and penalties of an amount as determined by the commission up
37 to three times the highest daily amount of gross receipts received from registered players who are
38 residents of Missouri during the previous twelve months;

39 (5) To issue subpoenas for the attendance of witnesses and subpoenas duces tecum for the
40 production of books, records, and other pertinent documents, and to administer oaths and
41 affirmations to the witnesses, when, in the judgment of the commission, it is necessary to enforce
42 sections 313.900 to 313.1020 or the commission rules;

43 (6) To take any other action as may be reasonable or appropriate to enforce sections 313.900
44 to 313.1020 and the commission rules.

45 313.1020. The commission shall have power to adopt and enforce rules and regulations to
46 regulate and license the management, operation, and conduct of daily fantasy sports games and
47 participants therein and to properly administer and enforce the provisions of sections 313.900 to
48 313.1020. Any rule or portion of"; and

1 Further amend said bill, Page 4, Section 572.010, Lines 14-15, by deleting all of said lines and
2 inserting in lieu thereof the following:

3
4 "to 313.840 does not constitute advancing gambling activity. The offering or operating of a daily
5 fantasy sports game as defined in this section is advancing gambling activity, unless the person or
6 entity offering or operating such game is licensed under sections 313.900 to 313.1020;"; and
7

8 Further amend said bill, page and section, Lines 22-32, by deleting all of said lines and inserting in
9 lieu thereof the following:

10
11 "(4) "Daily fantasy sports game", a game of any duration conducted on the internet or any
12 platform in which a participant does all of the following:

13 (a) Competes against other registered players or a target score as the owner or manager of
14 an imaginary or simulated team of athletes in an imaginary or simulated game;

15 (b) Uses the statistics accumulated by the athletes in real-world sporting events to determine
16 the scores of the imaginary or simulated game;

17 (c) Plays for a predetermined prize;

18 (d) Pays a charge to the licensed operator providing the game in order to participate;"; and
19

20 Further amend said bill, page and section, Lines 43-44, by deleting all of said lines and inserting in
21 lieu thereof the following:

22
23 "games which are covered by sections 313.800 to 313.840. Participating in a daily fantasy sports
24 game as defined in this section is gambling, unless the person participating is registered under
25 sections 313.900 to 313.1020;"; and
26

27 Further amend said bill, Page 6, Section 572.010, Lines 14-15, by deleting all of said lines and
28 inserting in lieu thereof the following:

29
30 "does not constitute advancing gambling activity. The offering or operating of a daily fantasy sports
31 game as defined in this section is advancing gambling activity, unless the person or entity offering
32 or operating such game is licensed under sections 313.900 to 313.1020;"; and
33

34 Further amend said bill, page and section, Lines 22-32, by deleting all of said lines and inserting in
35 lieu thereof the following:

36
37 " (4) "Daily fantasy sports game", a game of any duration conducted on the internet or any
38 platform in which a participant does all of the following:

39 (a) Competes against other registered players or a target score as the owner or manager of
40 an imaginary or simulated team of athletes in an imaginary or simulated game;

41 (b) Uses the statistics accumulated by the athletes in real-world sporting events to determine
42 the scores of the imaginary or simulated game;

43 (c) Plays for a predetermined prize;

44 (d) Pays a charge to the licensed operator providing the game in order to participate;"; and
45

46 Further amend said bill and section, Page 7, Lines 43-44, by deleting all of said lines and inserting
47 in lieu thereof the following:

48

1 "by sections 313.800 to 313.840. Participating in a daily fantasy sports game as defined in this
2 section is gambling, unless the person participating is registered under sections 313.900 to
3 313.1020;"; and

4
5 Further amend said bill by amending the title, enacting clause, and intersectional references
6 accordingly.
7