

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2150 Session of 2015

INTRODUCED BY DUNBAR, DIAMOND, A. HARRIS, KORTZ, KOTIK, MASSER, MILLARD, NEILSON, YOUNGBLOOD, EVERETT, RAVENSTAHL AND NELSON, JUNE 9, 2016

AS REPORTED FROM COMMITTEE ON GAMING OVERSIGHT, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 15, 2016

AN ACT

1 Providing for fantasy contests; imposing duties upon the
2 Department of Revenue, the Department of Drug and Alcohol
3 Programs and the Pennsylvania Gaming Control Board; and
4 making appropriations.

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16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 CHAPTER 1

19 GENERAL PROVISIONS

20 Section 101. Short title.

21 This act shall be known and may be cited as the Fantasy
22 Sports Consumer Protection Act.

23 Section 102. Definitions.

24 The following words and phrases when used in this act shall
25 have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

27 "Board." The Pennsylvania Gaming Control Board.

28 "Conduct of gaming." The licensed placement, operation and
29 play of slot machines and table games under 4 Pa.C.S. (relating
30 to amusements) as authorized and approved by the board.

1 "Controlling interest." Either of the following:

2 (1) For a publicly traded domestic or foreign
3 corporation, a controlling interest is an interest in an
4 applicant for a fantasy contest license or a licensed
5 operator if a person's sole voting rights under State law or
6 corporate articles or bylaws entitle the person to elect or
7 appoint one or more of the members of the board of directors
8 or other governing board or the ownership or beneficial
9 holding of 5% or more of the securities of the publicly
10 traded corporation, partnership, limited liability company or
11 other form of publicly traded legal entity, unless this
12 presumption of control or ability to elect is rebutted by
13 clear and convincing evidence.

14 (2) For a privately held domestic or foreign
15 corporation, partnership, limited liability company or other
16 form of privately held legal entity, a controlling interest
17 is the holding of ~~any~~ securities OF 15% OR MORE in the legal <--
18 entity, unless this presumption of control is rebutted by
19 clear and convincing evidence.

20 "Department." The Department of Revenue of the Commonwealth.

21 "Entry fee." The cash or cash equivalent paid by a
22 participant to a licensed operator in order to participate in a
23 fantasy contest.

24 "Fantasy contest." An online fantasy or simulated game or
25 contest with an entry fee and a prize or award in which:

26 (1) The value of all prizes or awards offered to winning
27 participants is established and made known to participants in
28 advance of the contest.

29 (2) All winning outcomes reflect the relative knowledge
30 and skill of participants and are determined by accumulated

1 statistical results of the performance of individuals,
2 including athletes in the case of sports events.

3 (3) No winning outcome is based on the score, point
4 spread or performance of a single actual team or combination
5 of teams or solely on a single performance of an individual
6 athlete or player in a single actual event.

7 "Fantasy contest account." The formal electronic system
8 implemented by a licensed operator to record a participant's
9 entry fees, prizes or awards and other activities related to
10 participation in the licensed operator's fantasy contests.

11 "Fantasy contest adjusted revenues." For each fantasy
12 contest, the amount equal to the total amount of all entry fees
13 collected from all participants entering the fantasy contest
14 minus prizes or awards paid to participants in the fantasy
15 contest, multiplied by the in-State percentage.

16 "Fantasy contest license." A license issued by the board
17 authorizing a person to offer fantasy contests in this
18 Commonwealth in accordance with this act.

19 "Fantasy contest terminal." A physical, land-based
20 computerized or electronic terminal or similar device that
21 allows participants to:

- 22 (1) register for a fantasy contest account;
- 23 (2) pay an entry fee;
- 24 (3) select an imaginary team;
- 25 (4) receive winnings; or
- 26 (5) otherwise participate in a fantasy contest.

27 "Gaming floor." Any portion of a licensed facility where
28 slot machines or table games have been installed for use or
29 play.

30 "Gaming service provider." As defined in 4 Pa.C.S. § 1103

1 (relating to definitions).

2 "In-State participant." An individual who ~~resides within~~ <--
3 ~~this Commonwealth and~~ participates in a fantasy contest
4 conducted by a licensed operator AND PAYS A FEE TO A LICENSED <--
5 OPERATOR FROM A LOCATION WITHIN THIS COMMONWEALTH. The term
6 includes an individual who pays an entry fee through a fantasy
7 contest terminal within a licensed facility.

8 "In-State percentage." For each fantasy contest, the
9 percentage, rounded to the nearest tenth of a percent, equal to
10 the total entry fees collected from all in-State participants
11 divided by the total entry fees collected from all participants
12 in the fantasy contest.

13 "Key employee." An individual who is employed by an
14 applicant for a fantasy contest license or a licensed operator
15 in a director or department head capacity and who is empowered
16 to make discretionary decisions that regulate fantasy contest
17 operations as determined by the board.

18 "LICENSED ENTITY REPRESENTATIVE." A PERSON, INCLUDING AN <--
19 ATTORNEY, AGENT OR LOBBYIST, ACTING ON BEHALF OF OR AUTHORIZED
20 TO REPRESENT THE INTEREST OF AN APPLICANT, LICENSEE OR OTHER
21 PERSON AUTHORIZED BY THE BOARD TO ENGAGE IN AN ACT OR ACTIVITY
22 WHICH IS REGULATED UNDER THIS ACT REGARDING A MATTER BEFORE, OR
23 WHICH MAY BE REASONABLY BE EXPECTED TO COME BEFORE, THE BOARD.

24 "Licensed facility." As defined in 4 Pa.C.S. § 1103
25 (relating to definitions).

26 "Licensed gaming entity." As defined in 4 Pa.C.S. § 1103
27 (relating to definitions).

28 "Licensed operator." A person who holds a fantasy contest
29 license.

30 "Participant." An individual who participates in a fantasy

1 contest, whether the individual ~~resides~~ IS LOCATED in this <--
2 Commonwealth or another jurisdiction.

3 "Person." A natural person, corporation, publicly traded
4 corporation, foundation, organization, business trust, estate,
5 limited liability company, licensed corporation, trust,
6 partnership, limited liability partnership, association or any
7 other form of legal business entity.

8 "Principal." An officer, director, person who directly holds
9 a beneficial interest in or ownership of the securities of an
10 applicant for a fantasy contest license or a licensed operator,
11 person who has a controlling interest in an applicant for a
12 fantasy contest license or a licensed operator or who has the
13 ability to elect a majority of the board of directors of a
14 licensed operator or to otherwise control a licensed operator,
15 lender or other licensed financial institution of an applicant
16 for a fantasy contest license or a licensed operator, other than
17 a bank or lending institution which makes a loan or holds a
18 mortgage or other lien acquired in the ordinary course of
19 business, underwriter of an applicant for a fantasy contest
20 license or a licensed operator or other person or employee of an
21 applicant for a fantasy contest license or a licensed operator
22 deemed to be a principal by the board.

23 "Prize or award." Anything of value worth \$100 or more or
24 ~~cash~~ ANY AMOUNT OF CASH OR CASH EQUIVALENTS. <--

25 "Publicly traded corporation." A person, other than an
26 individual, that:

27 (1) has a class or series of securities registered under
28 the Securities Exchange Act of 1934 (48 Stat. 881, 15 U.S.C.
29 § 78a et seq.);

30 (2) is a registered management company under the

1 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
2 80a-1 et seq.); or

3 (3) is subject to the reporting obligations imposed by
4 section 15(d) of the Securities Exchange Act of 1934 by
5 reason of having filed a registration statement that has
6 become effective under the Securities Act of 1933 (48 Stat.
7 74, 15 U.S.C. § 77a et seq.).

8 "SCRIPT." A LIST OF COMMANDS THAT A FANTASY-CONTEST-RELATED <--
9 COMPUTER PROGRAM CAN EXECUTE THAT IS CREATED BY A PARTICIPANT OR
10 THIRD PARTY NOT APPROVED BY THE LICENSED OPERATOR TO AUTOMATE
11 PROCESSES ON A LICENSED OPERATOR'S FANTASY CONTEST PLATFORM.

12 CHAPTER 3

13 ADMINISTRATION

14 Section 301. General and specific powers of board.

15 (a) General powers.--

16 (1) The board shall have regulatory authority over
17 licensed operators, PRINCIPALS AND KEY EMPLOYEES and shall <--
18 ensure the integrity of fantasy contests offered in this
19 Commonwealth in accordance with this act.

20 (2) The board may employ individuals as necessary to
21 carry out the requirements of this act, who shall serve at
22 the board's pleasure. An employee of the board shall be
23 considered a State employee for purposes of 71 Pa.C.S. Pt.
24 XXV (relating to retirement for State employees and
25 officers).

26 (b) Specific powers.--The board shall have the following
27 powers:

28 (1) At the board's discretion, to issue, approve, renew,
29 revoke, suspend, condition or deny issuance of ~~fantasy~~ <--
30 ~~contest~~ licenses.

1 (2) At the board's discretion, to suspend, condition or
2 deny the issuance or renewal of a ~~fantasy contest~~ license or <--
3 levy fines for any violation of this act.

4 (3) To publish each January ~~in the Pennsylvania Bulletin~~<--
5 ~~and~~ on the board's publicly accessible Internet website a
6 complete list of all persons who applied for or held a
7 fantasy contest license at any time during the preceding
8 calendar year and the status of the application or fantasy
9 contest license.

10 (4) To prepare and, through the Governor, submit
11 annually to the General Assembly an itemized budget
12 consistent with Article VI of the act of April 9, 1929
13 (P.L.177, No.175), known as The Administrative Code of 1929,
14 consisting of the amounts necessary to be appropriated by the
15 General Assembly out of the accounts established under
16 section 702 required to meet the obligations under this act
17 accruing during the fiscal period beginning July 1 of the
18 following year.

19 (5) In the event that, in any year, appropriations for
20 the administration of this act are not enacted by June 30,
21 any funds appropriated for the administration of this act
22 which are unexpended, uncommitted and unencumbered at the end
23 of a fiscal year shall remain available for expenditure by
24 the board until the enactment of appropriation for the
25 ensuing fiscal year.

26 (6) To promulgate rules and regulations necessary for
27 the administration and enforcement of this act. Except as
28 provided in section 302, regulations shall be adopted under
29 the act of July 31, 1968 (P.L.769, No.240), referred to as
30 the Commonwealth Documents Law, and the act of June 25, 1982

1 (P.L.633, No.181), known as the Regulatory Review Act.

2 (7) To administer oaths, examine witnesses and issue
3 subpoenas compelling the attendance of witnesses or the
4 production of documents and records or other evidence or to
5 designate officers or employees to perform duties required by
6 this act.

7 (8) At the board's discretion, to delegate any of the
8 board's responsibilities under this act to the ~~Bureau of~~ <--
9 ~~Investigations and Enforcement or the Office of Enforcement~~
10 ~~Counsel~~ EXECUTIVE DIRECTOR OF THE BOARD OR OTHER DESIGNATED <--
11 STAFF.

12 (9) To require licensed operators and applicants for a
13 fantasy contest license to submit any information or
14 documentation necessary to ensure the proper regulation of
15 fantasy contests in accordance with this act.

16 (10) To require licensed operators to:

17 (i) annually contract with a certified public
18 accountant to conduct an independent audit in accordance
19 with standards ~~promulgated~~ ADOPTED by the ~~State Board of~~ <--
20 ~~Accountancy~~ AMERICAN INSTITUTE OF CERTIFIED PUBLIC <--
21 ACCOUNTANTS to verify compliance with the provisions of
22 this act AND BOARD REGULATIONS; <--

23 (ii) annually contract with a testing laboratory
24 approved by the board to verify compliance with the
25 provisions of this act AND BOARD REGULATIONS; and <--

26 (iii) ANNUALLY submit to the board and department a <--
27 copy of the audit report required by subparagraph (i) and
28 submit to the board a copy of the report of the testing
29 laboratory required by subparagraph (ii).

30 (11) In conjunction with the Department of Drug and

1 Alcohol Programs, to develop a process by which licensed
2 operators provide participants with a toll-free telephone
3 number that ~~refers~~ PROVIDES individuals ~~to~~ WITH INFORMATION <--
4 ON HOW TO ACCESS appropriate treatment services for
5 compulsive and problem play ~~of fantasy contests~~. <--

6 (12) At the board's discretion, to permit the placement
7 and operation of fantasy contest terminals within licensed
8 facilities and to ensure the integrity of fantasy contest
9 terminals.

10 (B.1) LICENSED ENTITY REPRESENTATIVE.-- <--

11 (1) A LICENSED ENTITY REPRESENTATIVE SHALL REGISTER WITH
12 THE BOARD, IN A MANNER PRESCRIBED BY THE BOARD. THE
13 REGISTRATION SHALL INCLUDE THE NAME, EMPLOYER OR FIRM,
14 BUSINESS ADDRESS AND BUSINESS TELEPHONE NUMBER OF BOTH THE
15 LICENSED ENTITY REPRESENTATIVE AND ANY LICENSED OPERATOR,
16 APPLICANT FOR LICENSURE OR OTHER PERSON BEING REPRESENTED.

17 (2) A LICENSED ENTITY REPRESENTATIVE SHALL HAVE AN
18 AFFIRMATIVE DUTY TO UPDATE ITS REGISTRATION INFORMATION ON AN
19 ONGOING BASIS. FAILURE TO UPDATE SHALL BE PUNISHABLE BY THE
20 BOARD.

21 (3) THE BOARD SHALL MAINTAIN A LIST OF LICENSED ENTITY
22 REPRESENTATIVES WHICH SHALL CONTAIN THE INFORMATION REQUIRED
23 UNDER PARAGRAPH (1) AND SHALL BE AVAILABLE FOR PUBLIC
24 INSPECTION AT THE OFFICES OF THE BOARD AND ON THE BOARD'S
25 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

26 (c) Exceptions.--Except as provided under section 902,
27 nothing in this section shall be construed to authorize the
28 board:

29 (1) To require background investigations for employees,
30 other than key employees and principals, of an applicant for

1 a fantasy contest license or a licensed operator.

2 (2) To require any additional permits or licenses not
3 specifically enumerated in this act.

4 (3) To impose additional conditions of licensure on
5 licensed operators or prohibitions on the operation of
6 fantasy contests not specifically enumerated in this act.

7 Section 302. Temporary regulations.

8 (a) Promulgation.--In order to facilitate the prompt
9 implementation of this act, regulations promulgated by the board
10 shall be deemed temporary regulations and shall expire no later
11 than two years following the effective date of this section. The
12 board may promulgate temporary regulations not subject to:

13 (1) Sections 201, 202 and 203 of the act of July 31,
14 1968 (P.L.769, No.240), referred to as the Commonwealth
15 Documents Law.

16 (2) The act of June 25, 1982 (P.L.633, No.181), known as
17 the Regulatory Review Act.

18 (b) Expiration.--~~The~~ EXCEPT FOR TEMPORARY REGULATIONS <--
19 CONCERNING NETWORK CONNECTIVITY, SECURITY AND TESTING AND
20 COMPULSIVE AND PROBLEM PLAY, THE authority provided to the board
21 to adopt temporary regulations in subsection (a) shall expire no
22 later than two years following the effective date of this
23 section. Regulations adopted after this period shall be
24 promulgated as provided by law.

25 Section 303. Fantasy contest license appeals.

26 An applicant may appeal any final order, determination or
27 decision of the board involving the approval, issuance, denial,
28 revocation or conditioning of a fantasy contest license in
29 accordance with 2 Pa.C.S. Chs. 5 Subch. A (relating to practice
30 and procedure of Commonwealth agencies) and 7 Subch. A (relating

1 to judicial review of Commonwealth agency action).

2 Section 304. Board minutes and records.

3 (a) Record of proceedings.--The board shall maintain a
4 record of all proceedings held at public meetings of the board.
5 The verbatim transcript of the proceedings shall be the property
6 of the board and shall be prepared by the board upon the request
7 of any board member or upon the request of any other person and
8 the payment by that person of the costs of preparation.

9 (b) Applicant information.--

10 (1) The board shall maintain a list of all applicants
11 for a fantasy contest license. The list shall include a
12 record of all actions taken with respect to each applicant.
13 The list shall be open to public inspection during the normal
14 business hours of the board.

15 (2) Information under paragraph (1) regarding an
16 applicant whose fantasy contest license has been denied,
17 revoked or not renewed shall be removed from the list after
18 seven years from the date of the action.

19 (c) Other files and records.--The board shall maintain such
20 other files and records as it may deem appropriate.

21 (d) Confidentiality of information.--

22 (1) The following information submitted by an applicant
23 for a fantasy contest license under section 502 or otherwise
24 obtained by the board as part of a background or other
25 investigation from any source shall be confidential and
26 withheld from public disclosure:

27 (i) All information relating to character, honesty
28 and integrity, including family, habits, reputation,
29 history of criminal activity, business activities,
30 financial affairs and business, professional and personal

1 associations.

2 (ii) Nonpublic personal information, including home
3 addresses, telephone numbers and other personal contact
4 information, Social Security numbers, educational
5 records, memberships, medical records, tax returns and
6 declarations, actual or proposed compensation, financial
7 account records, creditworthiness or financial condition
8 relating to an applicant.

9 (iii) Information relating to proprietary
10 information, trade secrets, patents or exclusive
11 licenses, architectural and engineering plans and
12 information relating to competitive marketing materials
13 and strategies that may include customer-identifying
14 information or customer prospects for services subject to
15 competition.

16 (iv) Information with respect to which there is a
17 reasonable possibility that public release or inspection
18 of the information would constitute an unwarranted
19 invasion into personal privacy of an individual as
20 determined by the board.

21 (v) Records of an applicant for a fantasy contest
22 license or a licensed operator not required to be filed
23 with the Securities and Exchange Commission by issuers
24 that either have securities registered under section 12
25 of the Securities Exchange Act of 1934 (48 Stat. 881, 15
26 U.S.C. § 781) or are required to file reports under
27 section 15(d) of the Securities Exchange Act of 1934 (48
28 Stat. 881, 15 U.S.C. § 78o)

29 (vi) Records considered nonpublic matters or
30 information by the Securities and Exchange Commission as

1 provided by 17 CFR 200.80 (relating to commission records
2 and information).

3 (vii) Financial OR SECURITY information deemed <--
4 confidential by the board upon a showing of good cause by
5 the applicant for a fantasy contest license or licensed
6 operator.

7 (2) No claim of confidentiality may be made regarding
8 any criminal history record information that is available to
9 the public under 18 Pa.C.S. § 9121(b) (relating to general
10 regulations).

11 (3) No claim of confidentiality shall be made regarding
12 any record in possession of the board that is otherwise
13 publicly available from a Commonwealth agency, local agency
14 or another jurisdiction.

15 (4) The information made confidential under this section
16 shall be withheld from public disclosure, in whole or in
17 part, except that any confidential information shall be
18 released upon the order of a court of competent jurisdiction
19 or, with the approval of the Attorney General, to a duly
20 authorized law enforcement agency or shall be released to the
21 public, in whole or in part, to the extent that such release
22 is requested by an applicant for a fantasy contest license or
23 licensed operator and does not otherwise contain confidential
24 information about another person.

25 (5) The board may seek a voluntary waiver of
26 confidentiality from an applicant for a fantasy contest
27 license or a licensed operator, but may not require an
28 applicant or licensed operator to waive any confidentiality
29 provided for in this subsection as a condition for the
30 approval of an application, renewal of a fantasy contest

1 license or any other action of the board.

2 (e) Notice.--Notice of the contents of any information,
3 except to a duly authorized law enforcement agency under this
4 section, shall be given to an applicant or licensee in a manner
5 prescribed by the rules and regulations adopted by the board.

6 (f) Information held by department.--Files, records, reports
7 and other information in the possession of the department
8 pertaining to licensed operators shall be made available to the
9 board as may be necessary for the effective administration of
10 this act.

11 Section 305. Reports of board.

12 (a) General rule.--~~No later than 12 months after the~~ <--
13 ~~effective date of this section and every year thereafter, the~~
14 THE annual report submitted by the board under 4 Pa.C.S. § 1211 <--
15 (relating to reports of board) shall include the following
16 information on the conduct of fantasy contests:

17 (1) Total fantasy contest adjusted revenues.

18 (2) All taxes, fees, fines and other revenue collected
19 from licensed operators during the previous year. The
20 department shall collaborate with the board to carry out the
21 requirements of this section.

22 (3) At the board's discretion, any other information
23 related to the conduct of fantasy contests or licensed
24 operators.

25 (b) Licensed operators.--The board may require licensed
26 operators to provide information to the board to assist in the
27 preparation of the report.

28 CHAPTER 5

29 LICENSURE

30 Section 501. General prohibition.

1 (a) General rule.--Except as provided for in subsection (b),
2 no person may offer or otherwise make available for play in this
3 Commonwealth a fantasy contest without a fantasy contest license
4 issued by the board.

5 (b) Existing activity.--A person who applies for or renews a
6 fantasy contest license in accordance with this act may operate
7 during the application or renewal period unless:

8 (1) The board has reasonable cause to believe the person
9 is or may be in violation of the provisions of this act.

10 (2) The board requires the person to suspend the
11 operation of any fantasy contest until the license is issued
12 or renewed.

13 Section 502. Application.

14 (a) Form and information.--An application for a ~~fantasy~~ <--
15 ~~contest~~ license shall be submitted on a form and in manner as
16 shall be required by the board. An application for a fantasy
17 contest license shall contain the following information:

18 (1) The name, Federal employer identification number and
19 principal address of the applicant; if a corporation, the
20 state of its incorporation, the full name and address of each
21 officer and director thereof, and, if a foreign corporation,
22 whether it is qualified to do business in this Commonwealth;
23 if a partnership or joint venture, the name and address of
24 each officer thereof.

25 (2) The name and address of the person having custody of
26 the applicant's financial records.

27 (3) The names and addresses of key employees.

28 (4) The names and addresses of each of the applicant's
29 principals.

30 (5) Information, documentation and assurances related to

1 financial and criminal history as the board deems necessary
2 to establish by clear and convincing evidence the financial
3 stability, integrity and responsibility of the applicant and
4 the applicant's key employees and principals.

5 (6) Information and documentation necessary to establish
6 the applicant's ability to comply with section 505.

7 (7) Any other information required by the board.

8 (b) Nonrefundable application fee.--Each application
9 submitted under this act shall be accompanied by a nonrefundable
10 application fee, which shall be established by the board, and
11 ~~shall be retained by the board~~ WHICH MAY NOT EXCEED THE AMOUNT <--
12 NECESSARY to reimburse the board for all costs incurred by the
13 board for fulfilling the requirements of this section and
14 section 503.

15 (c) Additional information.--A person applying for a fantasy
16 contest license shall have the continuing duty to provide
17 information required by the board and to cooperate in any
18 inquiry or investigation.

19 (d) Abbreviated application process.--The board, at its
20 discretion, may establish an abbreviated application process for
21 a fantasy contest license for persons that are also licensed
22 gaming entities. The abbreviated application may only require
23 information not in possession of the board that is necessary to
24 fulfill the requirements of this act.

25 Section 503. Issuance and denial of license.

26 (a) Duty to review applications.--The board shall review all
27 applications for a ~~fantasy contest~~ license and shall issue a <--
28 ~~fantasy contest~~ license to any applicant that: <--

29 (1) Has submitted a completed application and paid the
30 nonrefundable application fee as required by the board under

1 section 502.

2 (2) Has demonstrated ~~by clear and convincing evidence~~ <--
3 that the applicant has the financial stability, integrity and
4 responsibility to comply with the provisions of this act and
5 regulations established by the board.

6 (3) Has not been denied a ~~fantasy contest~~ license under <--
7 subsection (b).

8 (b) Reasons to deny applications.--The board ~~shall~~ MAY deny <--
9 an application for a ~~fantasy contest~~ license if the applicant: <--

10 (1) has knowingly made a false statement of material
11 fact or has deliberately failed to disclose any information
12 requested;

13 (2) EMPLOYS A PRINCIPAL OR KEY EMPLOYEE WHO has been <--
14 convicted of a felony, a crime of moral turpitude or any
15 criminal offense involving dishonesty or breach of trust
16 within 10 years prior to the date of the application for
17 license;

18 (3) has at any time knowingly failed to comply with the
19 provisions of this act or of any requirements of the board;

20 (4) has had a registration, permit or license to conduct
21 fantasy contests denied ~~for just cause, suspended~~ or revoked <--
22 in any other jurisdiction;

23 (5) has legally defaulted in the payment of any
24 obligation or debt due to the Commonwealth or is not
25 compliant with taxes due to the department; or

26 (6) is not qualified to do business in this Commonwealth
27 or is not subject to the jurisdiction of the courts of the
28 Commonwealth.

29 (c) Time period for review.--The board shall conclude its
30 review of an application for a fantasy contest license within 60 <--

1 120 days of receipt of the COMPLETED application. If the license <--
2 is not issued, the board shall provide the applicant with the
3 justification for not issuing such license with specificity.

4 (d) License fee.--

5 (1) Within 30 days of the board issuing a fantasy
6 contest license, an applicant shall pay to the board a
7 license fee of \$50,000 or an amount equivalent to 7.5% of the
8 applicant's fantasy contest adjusted revenues FOR THE <--
9 PREVIOUS CALENDAR YEAR, whichever is less, except that an
10 applicant who is also a licensed gaming entity shall pay to
11 the board a license fee of \$50,000.

12 (2) The license fee collected under this subsection
13 shall be deposited into the General Fund.

14 (3) If an applicant fails to pay the fee required by
15 this subsection, the board shall suspend or revoke the
16 applicant's fantasy contest license until payment of the
17 license fee is received.

18 (e) Abbreviated approval process.--The board, at its
19 discretion, may establish an abbreviated approval process for
20 the issuance of a fantasy contest license to a licensed gaming
21 entity whose slot machine license and table game certificate are
22 in good standing.

23 Section 504. License renewal.

24 (a) Renewal.--

25 (1) A ~~fantasy contest~~ license issued under this act <--
26 shall be ~~renewed on an annual basis~~ VALID FOR A PERIOD OF <--
27 FIVE YEARS.

28 (2) Nothing in this paragraph shall be construed to
29 relieve a licensed operator of the affirmative duty to notify
30 the board of any changes relating to the status of its

1 fantasy contest license or to any other information contained
2 in the application materials on file with the board.

3 (3) The application for renewal of a fantasy contest
4 license must be submitted at least ~~60~~ 90 days prior to the <--
5 expiration of the license and include an update of the
6 information contained in the initial application for a
7 fantasy contest license. A fantasy contest license for which
8 a completed renewal application and fee as required under
9 subsection (c) has been received by the board shall continue
10 in effect unless and until the board sends written
11 notification to the licensed operator that the board has
12 denied the renewal of the license.

13 (b) Revocation or failure to renew.--

14 (1) In addition to any other sanction the board may
15 impose under this act, the board may at its discretion
16 suspend, revoke or deny renewal of a fantasy contest license
17 issued under this act if it receives information ~~from any~~ <--
18 ~~source~~ that:

19 (i) the applicant or any of the applicant's key
20 employees or principals are in violation of any provision
21 of this act;

22 (ii) the applicant has furnished the board with
23 false or misleading information;

24 (iii) the information contained in the applicant's
25 initial application or any renewal application is no
26 longer true and correct;

27 (iv) the applicant has failed to remit taxes or
28 assessments required under section 701, 702 or 703; or

29 (v) the applicant has legally defaulted in the
30 payment of any obligation or debt due to the

1 Commonwealth.

2 (2) In the event of a revocation or failure to renew,
3 the applicant's authorization to conduct ~~the previously~~ <--
4 ~~approved~~ fantasy contests shall immediately cease and all
5 fees paid in connection with the application shall be deemed
6 to be forfeited.

7 (3) In the event of a suspension, the applicant's
8 authorization to conduct fantasy contests shall immediately
9 cease until the board has notified the applicant that the
10 suspension is no longer in effect.

11 (c) Renewal fee.--

12 (1) Within 30 days of the board renewing a fantasy
13 contest license, the licensed operator shall pay to the board
14 a renewal fee of \$5,000.

15 (2) The renewal fee collected by the board under this
16 subsection shall be deposited into the General Fund.

17 (3) If a licensed operator fails to pay the renewal fee
18 required under this subsection, the board shall suspend or
19 revoke the licensed operator's fantasy contest license until
20 payment of the renewal fee is received.

21 Section 505. Conditions of licensure.

22 As a condition of licensure, a licensed operator shall
23 establish and implement the following procedures related to
24 conduct of fantasy contests in this Commonwealth:

25 (1) Permit only participants who have established a
26 fantasy contest account with the licensed operator to
27 participate in a fantasy contest conducted by the licensed
28 operator.

29 (2) Verify the age, location and identity of any
30 participant prior to ~~establishing~~ MAKING A DEPOSIT INTO a <--

1 fantasy contest account for a participant located in this
2 Commonwealth. No participant under 18 years of age may be
3 permitted to establish a fantasy contest account with a
4 licensed operator.

5 (3) Verify the identity ~~and location of a participant~~ <--
6 ~~prior to permitting access to~~ OF A PARTICIPANT BY REQUIRING <--
7 THE PARTICIPANT TO PROVIDE THE LICENSED OPERATOR A UNIQUE
8 USER NAME AND PASSWORD PRIOR TO ACCESSING a fantasy contest
9 account.

10 (4) Ensure rules AND PRIZES AND AWARDS established by <--
11 the licensed operator for a fantasy contest are made known to
12 a participant prior to the acceptance of any entry fee.

13 (5) Ensure that a player who is the subject of a fantasy
14 contest is restricted from entering as a participant in a
15 fantasy contest that is determined, in whole or part, on the
16 accumulated statistical results of a team of individuals ~~on~~ <--
17 IN THE LEAGUE IN which the player is a member. <--

18 (6) Allow a ~~participant~~ PERSON to restrict himself from <--
19 entering a fantasy contest or accessing a fantasy contest
20 account for a specific period of time as determined by the
21 participant and implement reasonable procedures to prevent
22 the individual from participating in the licensed operator's
23 fantasy contests.

24 (7) Allow a ~~participant~~ PERSON to restrict the total <--
25 amount of ~~entry fees~~ DEPOSITS that the participant may pay to <--
26 the licensed operator for a specific time period established
27 by the participant and implement reasonable procedures to
28 prevent the participant from exceeding the limit.

29 (8) Conspicuously post compulsive and problem play
30 notices at fantasy contest registration points and ~~designate~~ <--

1 ~~and train classes of employees that shall be responsible for~~
2 ~~providing~~ PROVIDE a toll-free telephone number to <--
3 participants who have expressed to the licensed operator
4 issues with compulsive and problem play of fantasy contests.
5 The toll-free telephone number and the compulsive and problem
6 play notice shall be approved by the board, in consultation
7 with the Department of Drug and Alcohol Programs.

8 (9) Disclose the number of entries a single participant
9 may submit to each fantasy contest and take COMMERCIALY <--
10 reasonable steps to prevent such participants from submitting
11 more than the allowable number.

12 (10) Prevent the licensed operator's employees and
13 relatives living in the same household of an employee from
14 competing in a fantasy contest offered by ~~the~~ ANY licensed <--
15 operator to the general public and in which fantasy contest
16 the licensed operator offers a prize or award.

17 ~~(11) Identify classes of employees who, by the nature of~~ <--
18 ~~their duties and employment responsibilities, could provide~~
19 ~~information that would create an unfair advantage to a~~
20 ~~participant in a fantasy contest conducted by another~~
21 ~~licensed operator and implement reasonable procedures to~~
22 ~~prevent such classes of employees and their relatives living~~
23 ~~in the same household from participating in a fantasy contest~~
24 ~~for a prize or award operated by another licensed operator.~~

25 ~~(12)~~ (11) Prevent the sharing of confidential <--
26 information that could affect fantasy contest play with third
27 parties until the information is made publicly available.

28 ~~(13) Maintain~~ (12) TAKE COMMERCIALY REASONABLE STEPS <--
29 TO MAINTAIN the confidentiality of a participant's personal
30 and financial information.

1 ~~(14)~~ (13) Segregate participant funds from operational <--
2 funds in separate accounts and maintain a reserve in the form
3 of cash, cash equivalents, security deposits held by banks
4 and processors, AN irrevocable letter of credit, PAYMENT <--
5 PROCESSOR RESERVES AND RECEIVABLES, A bond or a combination
6 thereof in an amount sufficient to pay all prizes and awards
7 offered to winning participants.

8 ~~(15)~~ (14) Provide winning in-State participants with <--
9 information and documentation necessary to ensure the proper
10 reporting of winnings by in-State participants to the
11 department.

12 ~~(16)~~ (15) Remit taxes or assessments to the department <--
13 in accordance with sections 701, 702 and 703.

14 (16) PROHIBIT THE USE OF SCRIPTS BY PARTICIPANTS AND <--
15 IMPLEMENT TECHNOLOGIES TO PREVENT THE USE OF SCRIPTS.

16 (17) MONITOR FANTASY CONTESTS FOR THE USE OF SCRIPTS AND
17 RESTRICT PLAYERS FOUND TO HAVE USED SUCH SCRIPTS FROM
18 PARTICIPATION IN FUTURE FANTASY CONTESTS.

19 (18) ESTABLISH ANY OTHER CONDITION DEEMED APPROPRIATE BY
20 THE BOARD.

21 Section 506. Prohibitions.

22 No licensed operator may:

23 (1) accept an entry fee from or permit a natural person
24 under 18 years of age to become a participant in a fantasy
25 contest;

26 (2) offer a fantasy contest based, in whole or in part,
27 on collegiate OR HIGH SCHOOL athletic events or ~~collegiate~~ <--
28 players;

29 (3) permit a participant to enter a fantasy contest
30 prior to establishing a fantasy contest account;

- 1 (4) establish a fantasy contest account for a person who
2 is not an individual;
- 3 (5) alter rules established for a fantasy contest after
4 a participant has entered the fantasy contest;
- 5 (6) issue ~~a loan~~ CREDIT to a participant ~~for any purpose~~ <--
6 TO ESTABLISH OR FUND A FANTASY CONTEST ACCOUNT; <--
- 7 (7) KNOWINGLY directly market to a participant during <--
8 the time period in which the participant has self-excluded
9 from the licensed operators' fantasy contests;
- 10 (8) knowingly permit a participant to enter the licensed
11 operator's fantasy contests during the time period in which
12 the participant has self-excluded from the licensed
13 operators' fantasy contests;
- 14 (9) knowingly accept ~~an entry fee~~ A DEPOSIT in excess of <--
15 a limit established by a participant for the specific time
16 period established by the participant;
- 17 (10) share confidential information that could affect
18 fantasy contest play with third parties until the information
19 is made publicly available;
- 20 (11) knowingly permit an employee or relative living in
21 the same household of an employee to become a participant in
22 a fantasy contest offered by ~~the~~ ANY licensed operator in <--
23 which a licensed operator offers a prize or award;
- 24 (12) ~~knowingly permit certain classes of employees from~~ <--
25 ~~becoming participants in a fantasy contest for a prize or~~
26 ~~award offered by another licensed operator if becoming~~
27 ~~participants would create an unfair advantage;~~
- 28 ~~(13)~~ offer a fantasy contest where:
- 29 (i) the value of all prizes or awards offered to
30 winning participants is not established and made known to

1 participants in advance of the fantasy contest;
2 (ii) winning outcomes do not reflect the relative
3 knowledge and skill of participants;
4 (iii) the winning outcome is based on the score,
5 point spread or performance of a single actual team or
6 combination of teams or solely on a single performance of
7 an individual athlete or player in a single actual event;
8 or

9 (iv) the winning outcome is not based on statistical
10 results accumulated from fully completed athletic sports
11 contests or events, except that participants may be
12 credited for statistical results accumulated in a
13 suspended or shortened sports event which has been
14 partially completed on account of weather or other
15 natural or unforeseen event;

16 ~~(14)~~ (13) except as permitted under section 902, offer <--
17 or make available in this Commonwealth a fantasy contest
18 terminal; ~~and~~ <--

19 ~~(15)~~ (14) fail to remit taxes or assessments to the <--
20 department in accordance with sections 701, 702 and 703-; <--

21 (15) KNOWINGLY ALLOW A PARTICIPANT TO USE A SCRIPT
22 DURING A FANTASY CONTEST; AND

23 (16) PERFORM ANY OTHER ACTION PROHIBITED BY THE BOARD.

24 Section 507. Change in ownership or control of licensed
25 operators.

26 (a) Notification and approval.--

27 (1) A licensed operator shall notify the board upon
28 becoming aware of any proposed change of ownership of the
29 licensed operator by a person or group of persons acting in
30 concert which involves any of the following:

1 (i) More than ~~5%~~ 15% of a licensed operator's
2 securities or other ownership interests.

3 (ii) The sale other than in the ordinary course of
4 business of a licensed operator's assets.

5 (iii) Any other transaction or occurrence deemed by
6 the board to be relevant to fantasy contest license
7 qualifications.

8 (2) Notwithstanding the provisions of paragraph (1), a
9 licensed operator shall not be required to notify the board
10 of any acquisition by an institutional investor under
11 paragraph (1)(i) or (ii) if the institutional investor holds
12 less than 10% of the securities or other ownership interests
13 referred to in paragraph (1)(i) or (ii), the securities or
14 interests are publicly traded securities and its holdings of
15 such securities were purchased for investment purposes only
16 and the institutional investor files with the board a
17 certified statement to the effect that the institutional
18 investor has no intention of influencing or affecting,
19 directly or indirectly, the affairs of the licensed operator,
20 provided, however, that the institutional investor may vote
21 on matters put to the vote of the outstanding security
22 holders. Notice to the board shall be required prior to
23 completion of any proposed or contemplated change of
24 ownership of a licensed operator that meets the criteria of
25 this section.

26 (b) Qualification of purchaser and change of control.--

27 (1) A purchaser of the assets, other than in the
28 ordinary course of business, of a licensed operator shall
29 independently qualify for a fantasy contest license in
30 accordance with this act and shall pay the application fee

1 and license fee as required by sections 502 and 503~~7~~, EXCEPT <--
2 THAT IF THE PURCHASER OF ASSETS IS ANOTHER LICENSED OPERATOR,
3 THE PURCHASER OF ASSETS SHALL NOT BE REQUIRED TO REQUALIFY
4 FOR A FANTASY CONTEST LICENSE OR PAY ANOTHER APPLICATION FEE
5 AND LICENSE FEE.

6 (2) A change in control of any licensed operator shall
7 require that the licensed operator independently qualify for
8 a fantasy contest license in accordance with this act, and
9 the licensed operator shall pay a new application and license
10 fee as required by sections 502 and 503~~7~~, EXCEPT THAT IF THE <--
11 NEW CONTROLLER IS ANOTHER LICENSED OPERATOR, THE NEW
12 CONTROLLER SHALL NOT BE REQUIRED TO REQUALIFY FOR A FANTASY
13 CONTEST LICENSE OR PAY ANOTHER APPLICATION FEE AND LICENSE
14 FEE.

15 (c) Change in control defined.--For purposes of this
16 section, a change in control of a licensed operator shall mean
17 the acquisition by a person or group of persons acting in
18 concert of more than 20% of a licensed operator's securities or
19 other ownership interests, with the exception of any ownership
20 interest of the person that existed at the time of initial
21 licensing and payment of the initial fantasy contest license
22 fee, or more than 20% of the securities or other ownership
23 interests of a corporation or other form of business entity that
24 owns directly or indirectly at least 20% of the voting or other
25 securities or other ownership interests of the licensed
26 operator.

27 (d) License revocation.--Failure to comply with this section
28 may cause the fantasy contest license issued under this act to
29 be revoked or suspended by the board unless the purchase of the
30 assets or the change in control that meets the criteria of this

1 section has been independently qualified in advance by the board
2 and any required application or license fee has been paid.

3 Section 508. Penalties.

4 (a) Suspension or revocation of license.--

5 (1) After a public hearing with at least 15 days'
6 notice, the board may suspend or revoke a licensed operator's
7 fantasy contest license in any case where a violation of this
8 act has been shown by a preponderance of the evidence.

9 (2) The board may revoke a fantasy contest license if
10 the board finds that facts not known by the board at the time
11 the board considered the application indicate that such
12 license should not have been issued.

13 (b) Administrative penalties.--

14 (1) In addition to suspension or revocation of a fantasy
15 contest license, the board may impose administrative
16 penalties on a licensed operator for violations of this act
17 not to exceed \$5,000 for each violation.

18 (2) A violation of this act that is determined to be an
19 offense of a continuing nature shall be deemed to be a
20 separate offense on each event or day during which the
21 violation occurs, EXCEPT THAT THE TOTAL ADMINISTRATIVE <--
22 PENALTY FOR AN OFFENSE OF A CONTINUING NATURE MAY NOT EXCEED
23 \$25,000.

24 (3) The licensed operator shall have the right to appeal
25 administrative penalties in accordance with 2 Pa.C.S. Chs. 5
26 Subch. A (relating to practice and procedure of Commonwealth
27 agencies) and 7 Subch. A (relating to judicial review of
28 Commonwealth agency action).

29 (4) Penalties imposed under this subsection shall be
30 deposited into the General Fund.

1 (c) Civil penalties.--

2 (1) In addition to the provisions of this section, a
3 person who knowingly violates a provision of this act shall
4 be liable for a civil penalty of not more than \$1,000 for
5 each such violation.

6 (2) The civil penalty shall be recovered in a civil
7 action brought by the board and shall be paid into the
8 General Fund.

9 CHAPTER 7

10 FISCAL PROVISIONS

11 Section 701. Fantasy contest tax.

12 (a) Imposition.--Each licensed operator shall report to the
13 department and pay from its quarterly fantasy contest adjusted
14 revenues, on a form and in the manner prescribed by the
15 department, a tax of 5% of its quarterly fantasy contest
16 adjusted revenues.

17 (b) Deposits and distributions.--

18 (1) The tax imposed under subsection (a) shall be
19 payable to the department on a quarterly basis and shall be
20 based upon quarterly fantasy contest adjusted revenue derived
21 during the previous quarter.

22 (2) All funds owed to the Commonwealth under this
23 section shall be held in trust for the Commonwealth by the
24 licensed operator until the funds are paid to the department.

25 (3) The tax imposed under subsection (a) shall be
26 deposited into the General Fund.

27 (c) Penalty.--

28 (1) A licensed operator who fails to timely remit to the
29 department amounts required under this section shall be
30 liable, in addition to any liability imposed elsewhere in

1 this act, to a penalty of 5% per month up to a maximum of 25%
2 of the amounts ultimately found to be due, to be recovered by
3 the department.

4 (2) Penalties imposed under this subsection shall be
5 deposited in the General Fund.

6 Section 702. Licensed operator deposits.

7 (a) Accounts established.--The State Treasurer shall
8 establish within the State Treasury an account for each licensed
9 operator for the deposit of sums required under subsection (b)
10 to:

11 (1) recover costs or expenses incurred by the board and
12 the department in carrying out their powers and duties under
13 this act based upon a budget submitted by the board and the
14 department under subsection (c); and

15 (2) repay any loans made by the General Fund to the
16 board OR THE DEPARTMENT in connection with carrying out its <--
17 powers and duties under this act.

18 (b) Deposits.--

19 (1) The department shall determine the appropriate
20 assessment amount for each licensed operator, which shall be
21 a percentage assessed on the licensed operator's fantasy
22 contest adjusted revenues. Each licensed operator shall
23 deposit funds into its account on a quarterly basis.

24 (2) The percentage assessed shall not exceed an amount
25 necessary to:

26 (i) recover costs or expenses incurred by the board
27 and the department in carrying out their powers and
28 duties under this act based on a budget submitted by the
29 board and the department under subsection (c); and

30 (ii) repay any loans made from the General Fund to

1 the board in connection with carrying out its powers and
2 duties under this act.

3 (c) Itemized budget reporting.--

4 (1) The board and the department shall jointly prepare <--
5 and annually submit to the chairman of the Appropriations
6 Committee of the Senate and the chairman of the
7 Appropriations Committee of the House of Representatives an
8 itemized budget consisting of amounts to be appropriated out
9 of the accounts established under this section necessary to
10 administer this act.

11 (2) As soon as practicable after submitting copies of
12 the itemized budget, the board and the department shall
13 jointly prepare and submit to the chairmen of the committees
14 analyses of and make recommendations regarding the itemized
15 budget.

16 (d) Appropriation.--Costs and expenses from accounts
17 established under subsection (a) shall only be disbursed upon
18 appropriation by the General Assembly.

19 (e) Penalty.--

20 (1) A licensed operator who fails to timely remit to the
21 department amounts required under this section shall be
22 liable, in addition to any liability imposed elsewhere in
23 this act, to a penalty of 5% per month up to a maximum of 25%
24 of the amounts ultimately found to be due, to be recovered by
25 the department.

26 (2) Penalties imposed under this subsection shall be
27 deposited into the General Fund.

28 Section 703. Responsibility and authority of department.

29 (a) General rule.--The department may administer and collect
30 taxes imposed under section 701 and interest imposed under

1 section 806 of the act of April 9, 1929 (P.L.343, No.176), known
2 as The Fiscal Code, and promulgate and enforce rules and
3 regulations to carry out its prescribed duties in accordance
4 with sections 701 and 702 ~~and subsection (e)~~, including the <--
5 collection of taxes, penalties, assessments and interest.

6 (b) Procedure.--For purposes of implementing sections 701
7 and 702 ~~and subsection (e)~~, the department may promulgate <--
8 regulations in the same manner in which the board is authorized
9 as provided in section 302.

10 ~~(c) Automatic withholding. Licensed operators shall~~ <--
11 ~~withhold and remit to the department any tax amount owed to the~~
12 ~~department by a winning in State participant under Article III~~
13 ~~of the act of March 4, 1971 (P.L.6, No.2), known as the Tax~~
14 ~~Reform Code of 1971, for prizes and awards greater than \$5,000.~~

15 CHAPTER 9

16 MISCELLANEOUS PROVISIONS

17 Section 901. Applicability of other statutes.

18 (a) Unlawful gambling.--The provisions of 18 Pa.C.S. § 5513
19 (relating to gambling devices, gambling, etc.) shall not apply
20 to a fantasy contest conducted in accordance with this act.

21 (b) Pool selling and bookmaking.--The provisions of 18
22 Pa.C.S. § 5514 (relating to pool selling and bookmaking) shall
23 not apply to a fantasy contest conducted in accordance with this
24 act.

25 (c) Lotteries.--The provisions of 18 Pa.C.S. § 5512
26 (relating to lotteries, etc.) shall not apply to a fantasy
27 contest conducted in accordance with this act.

28 (D) STATE LOTTERY LAW.--THIS ACT SHALL NOT APPLY TO A <--
29 FANTASY CONTEST OR SIMILAR PRODUCT AUTHORIZED UNDER THE ACT OF
30 AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE STATE LOTTERY

1 LAW, AND AUTHORIZED SOLELY BY THE DEPARTMENT AND THE DIVISION OF
2 THE STATE LOTTERY.

3 Section 902. Licensed gaming entities.

4 (a) Scope.--This section shall apply to a licensed gaming
5 entity that holds a fantasy contest license.

6 (b) Applicability.--

7 (1) Nothing in this act shall be construed to limit the
8 board's general and sole regulatory authority over the
9 conduct of gaming or related activities under 4 Pa.C.S.
10 (relating to amusements), including, but not limited to, the
11 certification, registration and regulation of gaming service
12 providers and individuals and entities associated with them.

13 (2) A fantasy contest terminal shall not be considered a
14 "slot machine" or "table game" under 4 Pa.C.S. § 1103
15 (relating to definitions).

16 (c) Fantasy contest terminals.--

17 (1) ~~A licensed gaming entity may petition the board, on~~ <--
18 ~~a form and in a manner as required by the board, to~~ UPON <--
19 APPROVAL OF A FANTASY CONTEST LICENSE APPLICATION, A LICENSED
20 GAMING ENTITY MAY place and operate fantasy contest terminals
21 within the licensed gaming entity's licensed facility.

22 (2) At its discretion, the board may approve the
23 placement and operation of fantasy contest terminals at a
24 location within the licensed facility, provided that fantasy
25 contest terminals shall not be placed on the gaming floor.

26 (d) Restricted contests.--A licensed gaming entity may offer
27 fantasy contests that are exclusive to participants who are at
28 least 21 years of age.

29 (e) Promotional play.--For a restricted contest under
30 subsection (d), a licensed gaming entity may offer slot machine

1 or table game promotional play to a participant who is at least
2 21 years of age as a prize or award or for participating in a
3 fantasy contest conducted by the licensed gaming entity.

4 (f) Gaming service providers.--A licensed operator who is
5 not a licensed gaming entity may, at the discretion of the
6 board, be certificated or registered as a gaming service
7 provider under 4 Pa.C.S. § 1317.2 (relating to gaming service
8 provider) in order to operate fantasy contests SUBJECT TO THE <--
9 RESTRICTIONS OF SUBSECTION (D) on behalf of a licensed gaming
10 entity.

11 Section 903. Funding.

12 (a) Appropriation.--The following amounts are appropriated:

13 (1) The sum of \$1,250,000 is appropriated to the board
14 for the fiscal period July 1, 2016, to June 30, 2017, for the
15 purpose of implementing and administering the provisions of
16 this act.

17 (2) The sum of \$500,000 is appropriated to the
18 department for the fiscal period July 1, 2016, to June 30,
19 2017, for the purpose of implementing and administering the
20 provisions of this act.

21 (b) Repayment.--The appropriations in this section shall be
22 considered loans from the General Fund and shall be repaid to
23 the General Fund quarterly through assessments on licensed
24 operators authorized under section 702 BY THE DEPARTMENT. The <--
25 total amounts appropriated to the board and department under
26 this section shall be repaid to the General Fund no later than
27 ~~five~~ 10 years from the date the board issues the first fantasy <--
28 contest license.

29 (C) UNUSED AMOUNTS.--ON JULY 1, 2017, ANY PORTION OF AMOUNTS <--
30 APPROPRIATED UNDER SUBSECTION (A) THAT IS UNEXPENDED,

1 UNENCUMBERED OR UNCOMMITTED AS OF JUNE 30 OF THE PRIOR FISCAL
2 YEAR SHALL AUTOMATICALLY BE TRANSFERRED TO THE GENERAL FUND.

3 Section 904. Effective date.

4 This act shall take effect as follows:

5 (1) Section 903 shall take effect immediately.

6 (2) This section shall take effect immediately.

7 (3) The remainder of this act shall take effect in 180
8 days.