
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1197 Session of
2015

INTRODUCED BY DUNBAR, CALTAGIRONE, COHEN, DAVIS, DIAMOND,
HEFFLEY, KOTIK AND WARNER, MAY 13, 2015

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, MAY 13, 2015

AN ACT

1 Amending Title 4 (Amusements) of the Pennsylvania Consolidated
2 Statutes, in gaming, providing for fantasy sports
3 tournaments.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 4 of the Pennsylvania Consolidated Statutes
7 is amended by adding a chapter to read:

8 CHAPTER 13B

9 FANTASY SPORTS TOURNAMENTS

10 Sec.

11 13B01. Definitions.

12 13B02. Fantasy sports tournaments.

13 13B03. Regulation and enforcement by board.

14 13B04. Application for license.

15 13B05. Board consideration of application.

16 13B06. Licensing fee.

17 13B07. Fantasy sports tournament tax.

18 § 13B01. Definitions.

1 The following words and phrases when used in this chapter
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Fantasy sports tournament." A fantasy or simulated sports
5 game or contest involving athletic events in which a participant
6 owns or manages an imaginary sports team and competes against
7 other participants or a target score for a predetermined prize.

8 "Fantasy sports tournament license." A license issued by the
9 board under this chapter that authorizes a licensed gaming
10 entity to offer fantasy sports tournaments, accept entry fees
11 from participants and award prizes.

12 "Gross tournament revenue." The total of all fees or cash
13 equivalents paid by participants to a licensee in order to
14 participate in a fantasy sports tournament minus:

15 (1) The total of cash or cash equivalents paid out to
16 participants as prizes.

17 (2) The cash equivalent value of any merchandise
18 included in the fantasy sports tournament and distributed to
19 participants.

20 (3) Cash or cash equivalents paid to purchase annuities
21 to fund prizes payable to participants over a period of time
22 as a result of participating in the fantasy sports
23 tournament.

24 "Licensee." A licensed gaming entity that holds a fantasy
25 sports tournament license.

26 "Mobile application." An application or program that is
27 capable of being downloaded or installed onto a portable
28 electronic device.

29 "Participant." A person that participates in a fantasy
30 sports tournament held by a licensee.

1 "Prize." Cash, cash equivalents or merchandise.

2 "Tournament vendor." A person who partners or otherwise
3 contracts with a licensee to offer a service with respect to
4 fantasy sports tournaments.

5 § 13B02. Fantasy sports tournaments.

6 (a) License required.--A licensed gaming entity that holds a
7 valid fantasy sports tournament license from the board may
8 operate fantasy sports tournaments.

9 (b) Conditions.--A fantasy sports tournament operated by a
10 licensee shall be subject to the following conditions:

11 (1) The imaginary sports team owned or managed by
12 participants may not be based on the current membership of an
13 actual team that is a member of an amateur or professional
14 sports organization.

15 (2) All prizes offered to winning participants shall be
16 established and made known to the participants in advance of
17 the fantasy sports tournament and the value of the prizes is
18 not determined by the number of participants or the amount of
19 any fees paid by the participants.

20 (3) All winning outcomes shall reflect the relative
21 knowledge and skill of the participants and be determined
22 predominantly by accumulated statistical results of the
23 performance of athletes in multiple real-world athletic
24 events.

25 (4) A winning outcome may not be based:

26 (i) on the score, point spread or performance of any
27 single real world team or any combination of teams; or

28 (ii) solely on any single performance of an
29 individual athlete in any single real-world athletic
30 event.

1 (5) The minimum age for a participant in the fantasy
2 sports tournament shall be 21 years of age.

3 (6) The licensee shall comply with 31 U.S.C. Ch. 53
4 Subch. IV (relating to prohibition on funding of unlawful
5 Internet gambling).

6 (c) Location.--

7 (1) A fantasy sports tournament operated by a licensee
8 shall be conducted within the licensed facility.

9 (2) Entry into a fantasy sports tournament, selection of
10 imaginary sports teams and payment of associated fees by
11 participants shall be conducted within the licensed facility.

12 (3) Prizes shall be awarded to participants within the
13 licensed facility.

14 (d) Online access.--Notwithstanding subsection (c), a
15 licensee may develop an Internet website or mobile application
16 to permit participants to view standings and accumulated points
17 of imaginary sports teams.

18 (e) Tournament vendors.--A licensee may partner or otherwise
19 contract with one or more tournament vendors to operate fantasy
20 sports tournaments within the licensed facility. Tournament
21 vendors shall be licensed by the board.

22 § 13B03. Regulation and enforcement by board.

23 (a) General rule.--The board shall promulgate regulations
24 for the operation of fantasy sports tournaments by licensees and
25 tournament vendors and shall enforce the regulations.

26 (b) Powers and duties.--The board shall:

27 (1) Authorize licensees and tournament vendors to
28 conduct fantasy sports tournaments, subject to the provisions
29 of this chapter and other applicable provisions of law.

30 (2) Develop standards for evaluating and approving

1 fantasy sports tournaments.

2 § 13B04. Application for license.

3 Ninety days after the effective date of this section, a
4 licensed gaming entity may apply for a fantasy sports tournament
5 license under this chapter. The application shall include:

6 (1) The name, business address and contact information
7 of the applicant.

8 (2) Identification of and a detailed description of the
9 qualifications of any proposed tournament vendors. Detailed
10 information shall be provided describing the specific
11 operational responsibilities of tournament vendors and the
12 nature of the economic relationship with the tournament
13 vendors.

14 (3) Identification and a description of fantasy sport
15 tournaments the applicant proposes to make available,
16 including prizes to be awarded to winning participants.

17 (4) Other information as the board, in its discretion,
18 determines to be necessary.

19 § 13B05. Board consideration of application.

20 (a) Suitability.--A holder, or an affiliate of a holder, of
21 a slot machine license and table game operation certificate,
22 whose license and certificate are in good standing, shall be
23 considered suitable to be issued a fantasy sports tournament
24 license by the board without additional investigation.

25 (b) Tournament vendors.--The board shall determine the
26 suitability of a tournament vendor, consistent with the
27 requirements of this chapter.

28 (c) Qualifications.--A review of the suitability of a person
29 to hold a license as a licensee or tournament vendor shall
30 include the review and determination of whether:

1 (1) The person possesses the requisite experience and
2 skill to perform the functions consistent with the
3 requirements of this chapter.

4 (2) The applicant is a person of good character, honesty
5 and integrity.

6 (3) The applicant is a person whose prior activities,
7 criminal record, if any, reputation, habits and associations
8 do not:

9 (i) pose a threat to the public interest or to the
10 effective regulation and control of fantasy sports
11 tournaments; or

12 (ii) create or enhance the dangers of unsuitable,
13 unfair or illegal practices, methods and activities in
14 the conduct of fantasy sports tournaments or in the
15 carrying on of the business and financial arrangements
16 incidental to fantasy sports tournaments.

17 (d) Issuance of order.--

18 (1) The board may issue an order granting or denying an
19 application for a license as a licensee or tournament vendor
20 within 120 days of the date on which a properly completed
21 application and any additional information that the board may
22 require is filed.

23 (2) If the board approves an application, it may impose
24 reasonable conditions of licensure consistent with the
25 requirements of this chapter.

26 § 13B06. Licensing fee.

27 If the board grants an application under section 13B04
28 (relating to application for license) within 60 days of entry of
29 the board's order, the successful applicant shall pay a
30 licensing fee of \$50,000, if a licensee, or \$10,000, if a

1 tournament vendor.

2 § 13B07. Fantasy sports tournament tax.

3 (a) Imposition.--Each licensee shall report to the
4 department and pay from its monthly gross tournament revenue, on
5 a form and in the manner prescribed by the department, a tax of
6 5% of its monthly gross tournament revenue.

7 (b) Deposits and distributions.--

8 (1) The tax imposed under subsection (a) shall be
9 payable to the department on a monthly basis and shall be
10 based upon gross tournament revenue derived during the
11 previous month.

12 (2) All funds owed to the Commonwealth under this
13 section shall be held in trust for the Commonwealth by the
14 licensee until the funds are paid to the department. Unless
15 otherwise agreed to by the board, a licensee shall establish
16 a separate bank account into which gross tournament revenue
17 shall be deposited and maintained until such time as the
18 funds are paid to the department under this section.

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

21 Section 2. This act shall take effect in 60 days.