

Senate Bill 352

By: Senators Unterman of the 45th, Jeffares of the 17th, Mullis of the 53rd, Hufstetler of the 52nd, Kirk of the 13th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling
2 and other trade practices, so as to provide consumer protection requirements for fantasy
3 contest operators; to provide for definitions; to provide for state registration of fantasy
4 contest operators with the Attorney General; to authorize the Attorney General to promulgate
5 rules and regulations; to provide civil and criminal penalties for violations; to provide for
6 related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

9 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other
10 trade practices, is amended by adding a new article to read as follows:

11 ARTICLE 35

12 10-1-930.

13 As used in this article, the term:

14 (1) 'Attorney General' means the Attorney General of this state or his or her designee.

15 (2) 'Confidential information' means information related to the play of a fantasy contest
16 by fantasy contest players obtained as a result of or by virtue of a person's employment.

17 (3) 'Entry fee' means cash or cash equivalent that is required to be paid by a fantasy
18 contest player to a fantasy contest operator to participate in a fantasy contest.

19 (4) 'Fantasy contest' means a fantasy or simulated game or contest with an entry fee and
20 offered to the general public in which:

21 (A) The value of all prizes and awards offered to winning players is established and
22 made known to the players in advance of the contest;

23 (B) All winning outcomes reflect the relative knowledge and skill of the players and
 24 are determined predominantly by accumulated statistical results of the performance of
 25 individuals, including athletes in the case of sporting events; and

26 (C) Winning outcomes are not based on the score, point spread, or any performance
 27 of any single actual sports team or combination of such teams or solely on any single
 28 performance of an individual athlete in any single actual sporting event.

29 (5) 'Fantasy contest operator' means a person that offers fantasy contests for a profit for
 30 a cash prize to more than 750 members of the general public in this state.

31 (6) 'Fantasy contest player' or 'player' means an individual who participates in a fantasy
 32 contest offered by a fantasy contest operator.

33 (7) 'Person' means an individual, partnership, corporation, association, or any other
 34 entity.

35 10-1-931.

36 (a) A fantasy contest operator shall implement procedures for fantasy contests that are
 37 intended to:

38 (1) Prevent the fantasy contest operator, the officers and employees of the fantasy contest
 39 operator, and relatives living in the same household as such officers and employees from
 40 participating in fantasy contests offered by any fantasy contest operator;

41 (2) Prevent sharing of confidential information that could affect fantasy contest play with
 42 third parties until the information is made publicly available;

43 (3) Verify that a fantasy contest player is 18 years of age or older;

44 (4) Ensure that individuals who participate, compete, or officiate in a game or contest
 45 that is the subject of a fantasy contest will be restricted from entering such a fantasy
 46 contest that is determined, in whole or in part, on the accumulated statistical results of a
 47 team of individuals in a game or contest in which he or she is a player or an official;

48 (5) Allow individuals to restrict themselves from participating in a fantasy contest upon
 49 request and provide reasonable steps to prevent the person from participating in any
 50 fantasy contests offered by the fantasy contest operator;

51 (6) Disclose the number of entries that a fantasy contest player may submit to participate
 52 in each fantasy contest and provide reasonable steps to prevent players from submitting
 53 more than the allowable number;

54 (7) Segregate fantasy contest player funds from operational funds of the fantasy contest
 55 operator and maintain a reserve in the form of cash, cash equivalents, an irrevocable letter
 56 of credit, a bond, or a combination thereof, in the amount of the deposits made to the
 57 accounts of fantasy contest players for the benefit and protection of the funds held in such
 58 accounts; and

59 (8) Verify that all prizes and awards are in fact paid out as advertised or described by the
 60 fantasy contest operator.

61 (b) A fantasy contest operator offering fantasy contests in this state shall contract with a
 62 third party to annually perform an independent audit to ensure compliance with this article
 63 and submit the results of such audit to the Attorney General.

64 (c)(1) A fantasy contest operator shall register with the Attorney General. The initial
 65 registration fee shall be \$50,000.00 and the annual renewal fee shall be \$10,000.00.

66 (2) The registration shall be valid upon receipt of a registration application and payment
 67 of the registration fee, except that a renewal registration shall not be valid upon receipt
 68 if the Attorney General determines that the fantasy contest operator is not in substantial
 69 compliance with this article.

70 (3) All amounts collected under the provisions of this subsection shall be paid into the
 71 general fund of the state treasury and are intended to be used for the Lottery for
 72 Education Account.

73 10-1-932.

74 The Attorney General is authorized to promulgate any rules and regulations necessary or
 75 convenient to carry out the provisions and purposes of this article. Chapter 13 of Title 50,
 76 the 'Georgia Administrative Procedure Act', shall apply to the promulgation of rules and
 77 regulations of the Attorney General pursuant to this Code section.

78 10-1-933.

79 (a) Any person who violates this article shall be subject to a civil penalty of not more than
 80 \$1,000.00 for each violation, which shall accrue to the state and may be recovered in a civil
 81 action brought by the Attorney General.

82 (b) Any violations under this article shall be exempt from damages provided in Part 2 of
 83 Article 15 of this chapter, the 'Fair Business Practices Act of 1975.'

84 (c) Any person violating the provisions of this article by operating a fantasy contest
 85 without a valid registration shall be guilty of a misdemeanor.

86 10-1-934.

87 Fantasy contests of any form, whether public or private, for profit or not for profit, shall
 88 not qualify as a bet or be considered gambling under Article 2 of Chapter 12 of Title 16 or
 89 any other provision of law."

90 **SECTION 2.**

91 All laws and parts of laws in conflict with this Act are repealed.