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SENATE BILL NO. 474

INTRODUCED BY F. MANDEVILLE, K. BOGNER

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING GAMBLING LAWS; REVISING FANTASY SPORTS LEAGUES LAWS; REVISING THE DEFINITION OF "FANTASY SPORTS TEAM"; REQUIRING FANTASY SPORTS LEAGUES TO BE PLAYED AT CERTAIN LICENSEES UNDER THE ALCOHOL CODE; PROVIDING FOR AN ANNUAL FEE TO THE STATE LOTTERY AND SPORTS WAGERING AGENCY; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTION SECTIONS 23-5-801 AND 23-5-805, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 23-5-801, MCA, is amended to read:

"23-5-801. Fantasy sports leagues defined. As used in this part, a "fantasy sports league" means a gambling activity conducted in the following manner:

(1) A fantasy sports league consists of ~~a limited number of~~ no fewer than two persons or groups of persons who pay an entrance fee ~~for membership in the league.~~ The entrance fee may include an administrative fee.

(2) Each league member creates a fictitious team composed of athletes from a given professional sport, such as baseball, basketball, or football. ~~Player selection is conducted through random drawings, a bidding process, or by selection from a roster prepared by the parimutuel network coordinator.~~ A fantasy sports team may not be composed entirely of individual contestants who are members of the same real-world sports team.

~~(3) Except for fantasy sports leagues operated under Title 23, chapter 4, after the initial teams are selected, interim replacement of players may occur by trade or purchase. A specific fee, which may not exceed the total entrance fee, is charged for each transaction.~~

~~(4) A method, as defined by league rules, is devised to permit each team to compete against other teams in the league. Points are awarded to a team according to the performance of individual players or teams~~

1 ~~or both during a designated time period.~~

2 (3) Each winning outcome reflects the relative knowledge and skill of the fantasy sports contest
3 players and is determined by the aggregated statistical results of the performance of multiple individual
4 contestants whom each fantasy sports contest player has selected to form that player's fantasy sports contest
5 team. The individual performances of the contestants in the fantasy sports contest directly correspond with the
6 actual performances of those contestants in a real-world sporting event in which those individuals participated.

7 ~~(5)(4) A league member may be eligible to receive a payout based on the number of points~~
8 ~~accumulated. Payouts, which may be in the form of cash or prizes, are awarded according to league rules. A~~
9 ~~winning outcome is not based on the performance of a single real-world sports team.~~

10 ~~(6) The roster of eligible participants prepared by the parimutuel network must be provided to each~~
11 ~~league member.~~

12 ~~(7) Rules governing the conduct of the fantasy sports league must be provided in writing to each~~
13 ~~league member.~~

14 (5) The fantasy sports contest does not constitute or involve a slot machine or a fixed, commercial
15 electrical gaming device.

16 (6) The fantasy sports league must be:
17 (a) conducted at the premises of an all-beverages licensee under Title 16; and
18 (b) conducted through a mobile application or other digital platforms that is initiated and received
19 or otherwise made exclusively within the physical confines using location-based services of the single approved
20 all-beverages licensee."

21

22 **Section 2.** Section 23-5-805, MCA, is amended to read:
23 **"23-5-805. Payouts -- administrative fees charged by commercial establishments.** (1) Except as
24 provided in subsection (2)(b), the total value of payouts to all league members must equal the amount collected
25 for entrance, administrative, and transactions fees, minus payment for administrative expenses.
26 (2) (a) Except as provided in subsection (2)(b), if a commercial establishment charges an
27 administrative fee for conducting a fantasy sports league, the fee for each participant may not be more than
28 15% of the amount charged as a participant's entrance fee.

1 (b) The parimutuel network, as defined in 23-4-101, shall distribute all funds wagered on fantasy
2 sports leagues in any wagering pool pursuant to the requirements of 23-4-302 and 23-4-304.

3 (3) An all-beverages licensee under Title 16 may offer fantasy sports league gambling if it pays an
4 annual \$100 fee to the state lottery. The state lottery may adopt rules to implement the collection of the fee."

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- END -

AMENDED