

**UPDATED SUMMARY
HOUSE BILL 16-1404**

Second Regular Session - Seventieth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

The bill defines a "fantasy contest" as a game or contest in which:

- ! The value of all prizes offered to winning participants is made known to the participants in advance of the contest; and
- ! Winning outcomes:
 - ! Reflect the relative knowledge and skill of the participants;
 - ! Are determined predominantly by accumulated statistical results of the performance of athletes in fully completed sporting events; and
 - ! Are not based on randomized or historical events or on the score, point spread, or any performance of any single actual sports team or combination of such teams or solely on any single performance of an individual athlete in any single actual sporting event.

University, college, high school, and youth sporting events are excluded from fantasy contests.

A person must be licensed by the ~~newly created office of fantasy contests~~ *director of the division of professions and occupations* in the department of regulatory agencies to be able to offer to conduct a fantasy contest; *except that an operator with no more than 7,500 players need only be registered with the director.* Fantasy contests may be conducted by a fantasy contest operator at licensed gaming establishments, class B horse racing tracks, and at a licensed facility at which pari-mutuel wagering may occur.

A licensed fantasy contest operator must:

- ! Submit to a fingerprint-based criminal history record check in connection with initial licensure;
- ! Not use a device that replicates or qualifies as limited gaming;
- ! Contract with a third party to annually perform an independent audit to ensure compliance and submit the results of the audit to the office; and
- ! Keep daily records of its operations and maintain the records for at least 3 years.

A fantasy contest operator who violates the act is subject to a civil penalty of not more than \$1,000 for each violation. *The director may discipline operators for violations of the act, including issuance of a cease-and-desist order.*

\$77,546 and 0.9 FTE is appropriated to the division from the division of professions and occupations cash fund to implement the act, of which amount \$9,501 is reappropriated to the department of law and \$527 is reappropriated to the department of public safety for implementation of the act.

Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.
Prepared by the Office of Legislative Legal Services.