

By: Raymond

H.B. No. 1457

A BILL TO BE ENTITLED

AN ACT

relating to fantasy sports contests.

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

SECTION 1. Subtitle B, Title 13, Occupations Code, is amended by adding Chapter 2053 to read as follows:

CHAPTER 2053. FANTASY SPORTS CONTESTS

Sec. 2053.001. DEFINITION. In this chapter, "fantasy sports contest" means a competition in which:

(1) a participant pays money or other consideration for the opportunity to assemble a fictional team composed of professional or amateur sports athletes selected by the participant to compete against other fictional teams assembled by other competition participants;

(2) the outcome of the competition is based on the actual statistical performance of the selected athletes in sports competitions, or in a season or series of sports competitions; and

(3) a prize is awarded to the competition winner.

Sec. 2053.002. LEGISLATIVE FINDINGS. (a) The legislature finds that a participant in a fantasy sports contest is an actual contestant in a bona fide contest for the determination of the skill of the participant in assembling a fictional team of sports athletes.

(b) A person who pays an entrance fee to compete in a fantasy sports contest is not placing a bet for purposes of the application

1 of an offense under Chapter 47, Penal Code.

2 Sec. 2053.003. PARTICIPATION IN FANTASY SPORTS CONTEST. A
3 person may pay an entrance fee to participate in a fantasy sports
4 contest.

5 Sec. 2053.004. OPERATION OF FANTASY SPORTS CONTEST. (a) A
6 person may operate fantasy sports contests in this state in
7 accordance with this chapter and any applicable federal law and may
8 participate in the earnings of a business that offers fantasy
9 sports contests.

10 (b) A fantasy sports contest operator may award prizes to
11 contest participants only based on the relative knowledge and skill
12 of the contest participants and based predominantly on accumulated
13 statistical results of the performance of the athletes
14 participating in multiple professional or amateur sports
15 competitions or in a season or series of sports competitions.

16 (c) Notwithstanding Subsection (b), a fantasy sports
17 contest operator may not award a prize based:

18 (1) on the score, the point spread, or any performance
19 of a single professional or amateur sports team or any combination
20 of professional or amateur sports teams;

21 (2) solely on any single performance of an individual
22 athlete in a single professional or amateur sports competition or
23 other event; or

24 (3) on live pari-mutuel racing under the Texas Racing
25 Act.

26 Sec. 2053.005. CONSUMER PROTECTION. A fantasy sports
27 contest operator shall implement procedures for fantasy sports

1 contests that:

2 (1) prevent an employee of the operator, and any
3 relative living in the same household as the employee, from
4 competing in a fantasy sports contest in which a cash prize is
5 awarded;

6 (2) prohibit the operator from being a participant in
7 a fantasy sports contest that the operator offers;

8 (3) prevent an employee or agent of the operator from
9 sharing with third parties confidential information that could
10 affect fantasy sports contest play until the information has been
11 made publicly available;

12 (4) verify that fantasy sports contest participants
13 are 18 years of age or older; and

14 (5) restrict an individual who is a player, a game
15 official, or another participant in a professional or amateur
16 sports competition from participating in a fantasy sports contest
17 that is determined, wholly or partly, on the performance of that
18 individual, the individual's professional or amateur team, or the
19 accumulated statistical results of the sport or competition in
20 which the individual is a player, game official, or other
21 participant.

22 Sec. 2053.006. INJUNCTIVE RELIEF. (a) The attorney
23 general may institute an action for injunctive relief to restrain a
24 violation by a person who appears to be in violation of or
25 threatening to violate this chapter.

26 (b) An action filed under this section by the attorney
27 general must be filed in a district court in Travis County or the

1 county in which the violation occurred.

2 (c) The attorney general may recover reasonable expenses
3 incurred in obtaining injunctive relief under this section,
4 including court costs, reasonable attorney's fees, investigative
5 costs, witness fees, and deposition expenses.

6 (d) In an injunction issued under this section, a court may
7 include reasonable requirements to prevent further violations of
8 this chapter.

9 SECTION 2. Section 47.02(c), Penal Code, is amended to read
10 as follows:

11 (c) It is a defense to prosecution under this section that
12 the actor reasonably believed that the conduct:

13 (1) was permitted under Chapter 2001, Occupations
14 Code;

15 (2) was permitted under Chapter 2002, Occupations
16 Code;

17 (3) was permitted under Chapter 2004, Occupations
18 Code;

19 (4) was permitted under Chapter 2053, Occupations
20 Code;

21 (5) consisted entirely of participation in the state
22 lottery authorized by the State Lottery Act (Chapter 466,
23 Government Code);

24 (6) [~~5~~] was permitted under the Texas Racing Act
25 (Article 179e, Vernon's Texas Civil Statutes); or

26 (7) [~~6~~] consisted entirely of participation in a
27 drawing for the opportunity to participate in a hunting, fishing,

1 or other recreational event conducted by the Parks and Wildlife
2 Department.

3 SECTION 3. Section 47.09(a), Penal Code, is amended to read
4 as follows:

5 (a) It is a defense to prosecution under this chapter that
6 the conduct:

7 (1) was authorized under:

8 (A) Chapter 2001, Occupations Code;

9 (B) Chapter 2002, Occupations Code;

10 (C) Chapter 2004, Occupations Code; ~~or~~

11 (D) Chapter 2053, Occupations Code; or

12 (E) the Texas Racing Act (Article 179e, Vernon's
13 Texas Civil Statutes);

14 (2) consisted entirely of participation in the state
15 lottery authorized by Chapter 466, Government Code; or

16 (3) was a necessary incident to the operation of the
17 state lottery and was directly or indirectly authorized by:

18 (A) Chapter 466, Government Code;

19 (B) the lottery division of the Texas Lottery
20 Commission;

21 (C) the Texas Lottery Commission; or

22 (D) the director of the lottery division of the
23 Texas Lottery Commission.

24 SECTION 4. This Act takes effect immediately if it receives
25 a vote of two-thirds of all the members elected to each house, as
26 provided by Section 39, Article III, Texas Constitution. If this
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2017.