

**CHAPTER 1201a. FANTASY CONTESTS GENERALLY**

Sec.

1201a.1. Scope.

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**Authority**

The provisions of this Chapter 1201a added under 4 Pa.C.S. §§ 311, 1202(b)(30) and 13F06(a), unless otherwise noted.

**Source**

The provisions of this Chapter 1201a adopted July 30, 2021, effective July 31, 2021, 51 Pa.B. 4229, unless otherwise noted.

**§ 1201a.1. Scope.**

The purpose of this subpart is to implement and govern the operation and conduct of fantasy contests in this Commonwealth as provided for in 4 Pa.C.S. Chapter 3 (relating to fantasy contests).

**§ 1201a.2. Definitions.**

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

*Applicant*—A person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under this subpart. If the applicant is a person other than an individual, the Board will determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

*Beginner*—A participant who has entered fewer than 51 contests offered by a single licensed operator or who does not meet the definition of “highly-experienced player.”

*Entry fee*—The cash or cash equivalent paid by a participant to a licensed operator to participate in a fantasy contest.

*Fantasy contest*—

(i) An online fantasy or simulated game or contest with an entry fee and a prize or award in which all of the following apply:

(A) The value of all prizes or awards offered to winning participants is established and made known to participants in advance of the contest and the value is not determined by the number of participants or the amount of any fees paid by those participants.

(B) All winning outcomes reflect the relative knowledge and skill of participants and are determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events.

(C) The winning outcome is not based on the score, point spread or performance of a single actual team or combination of teams, or solely on a single performance of an individual athlete or player in a single actual event.

(ii) The term does not include social fantasy contests.

*Fantasy contest account*—The formal electronic system implemented by a licensed operator to record a participant's entry fees, prizes or awards and other activities related to participation in the licensed operator's fantasy contests.

*Fantasy contest license*—A license issued by the Board authorizing a person to offer fantasy contests in this Commonwealth in accordance with this subpart.

*Fantasy contest terminal*—A computerized or electronic terminal or similar device within a licensed facility that allows participants to do all of the following:

- (i) Register for a fantasy contest account.
- (ii) Pay an entry fee.
- (iii) Select athletes for a fantasy contest.
- (iv) Receive winnings.
- (v) Otherwise participate in a fantasy contest.

*Highly experienced player*—

(i) Any participant who has done one of the following:

- (A) Entered more than 1,000 fantasy contests.
- (B) Won more than three fantasy contest prizes or awards valued at \$1,000 or more.

(ii) Once a participant is classified as a highly-experienced player, a player shall remain classified as a highly-experienced player.

*Key employee*—An individual who is employed by an applicant for a fantasy contest license or a licensed operator in a director or department head capacity or who is empowered to make discretionary decisions that regulate fantasy contest operations as determined by the Board.

*Licensed entity representative*—A person, including an attorney, agent or lobbyist, acting on behalf of or authorized to represent the interest of any applicant, licensee, or other person authorized by the Board to engage in any act or activity which is regulated under the provisions of this subpart regarding any matter before, or which may reasonably be expected to come before, the Board.

*Licensed facility*—

(i) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Board, to conduct table games.

(ii) The term includes any of the following:

- (A) An area of a licensed racetrack at which was previously authorized under section 1207(17) (relating to regulatory authority of board) of the act to operate slot machines prior to April 28, 2018.

(B) A Board-approved interim facility or temporary facility.

(C) An area of a hotel which the Board determines is suitable to conduct table games.

(D) An area of a licensed facility where casino simulcasting is conducted, as approved by the Board.

*Licensed operator*—A person who holds a fantasy contest license.

*Participant*—An individual who participates in a fantasy contest, whether the individual is located in this Commonwealth or another jurisdiction.

*Person*—A natural person, corporation, publicly traded corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or any other form of legal business entity.

*Principal*—An officer, director or person who directly holds a beneficial interest in or ownership of the securities of an applicant for a fantasy contest license or a licensed operator, a person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the Board.

*Prize or award*—Anything of value worth \$100 or more, or any amount of cash or cash equivalents.

*Publicly traded corporation*—A person, other than an individual, who:

(i) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78qq).

(ii) Is a registered management company under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64).

(iii) Is subject to the reporting requirements under section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.A. § 78o(d)) by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa).

*Script*—A list of commands that a fantasy contest related computer software program can execute that is created by a participant or third party not approved by the licensed operator to automate processes on a licensed operator's fantasy contest platform.

*Season-long fantasy contest*—A fantasy contest offered by a licensed operator that is conducted over an entire sports season.

*Social fantasy contest*—A fantasy contest which meets one or more of the following criteria:

(i) Nothing is offered to participants other than game-based virtual currency that cannot be redeemed for cash, merchandise or anything of value outside the context of game play.

(ii) The contest is free to all participants.

(iii) The entity offering the contest does not receive compensation other than an administrative fee for the maintenance of statistical information in connection with the contest.

(iv) The winnings offered are of no greater value than the lowest individual fee charged to a single participant for entering or participating in the contest.

(v) The contest encompasses an entire season of the activity in which the underlying competition is being conducted and the winnings offered, if any, are determined by agreement of the participants only to distribute fully the participants' contributions to a fund established to grant the winnings for the contest.

*Suspicious transaction*—A transaction between a licensed operator or an employee of a licensed operator and an individual that involves the acceptance or redemption by a person of cash or cash equivalent involving or aggregating \$5,000 or more which a licensed operator or employee of a licensed operator knows, suspects or has reason to believe:

(i) Involves funds derived from illegal activities or is intended or conducted to conceal or disguise funds or assets derived from illegal activities.

(ii) Is part of a plan to violate or evade a law or regulation to avoid a transaction reporting requirement under the laws or regulations of the United States or the Commonwealth, including a plan to structure a series of transactions to avoid a transaction reporting requirement under the laws of the United States or the Commonwealth.

(iii) Has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the licensed operator or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

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