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SENATE BILL NO. 863

Offered January 8, 2025

Prefiled January 3, 2025

1 A BILL to amend and reenact § 59.1-557 of the Code of Virginia, relating to Fantasy Contests Act; minimum
 2 age requirement.

3 Patron—Reeves

4 Referred to Committee on General Laws and Technology

5 Be it enacted by the General Assembly of Virginia:

6 1. That § 59.1-557 of the Code of Virginia is amended and reenacted as follows:

7 § 59.1-557. Registration of fantasy contest operators required; application for registration; issuance
 8 of registration certificate; penalty.

9 A. No fantasy contest operator shall offer any fantasy contest in the Commonwealth without first being
 10 registered with the Department. Applications for registration shall be on forms prescribed by the Department.
 11 Any registration issued by the Department shall be valid for one year from the date of issuance.

12 B. The application for registration submitted by a fantasy contest operator shall contain the following
 13 information:

14 1. The name and principal address of the applicant; if a corporation, the state of its incorporation, the full
 15 name and address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to
 16 do business in the Commonwealth; if a partnership or joint venture, the name and address of each officer
 17 thereof;

18 2. The address of any offices of the applicant in the Commonwealth and its designated agent for process
 19 within the Commonwealth. If no such agent is designated, the applicant shall be deemed to have designated
 20 the Commissioner of the Department. If the operator does not maintain an office, the name and address of the
 21 person having custody of its financial records;

22 3. The place where and the date when the applicant was legally established and the form of its
 23 organization;

24 4. The names and addresses of the officers, directors, trustees, and principal salaried executive staff
 25 officer;

26 5. The name and address of each principal stockholder or member of such corporation; and

27 6. Such information as the Department deems necessary to ensure compliance with the provisions of this
 28 chapter.

29 C. Every registration filed under this chapter shall be accompanied by a nonrefundable, initial application
 30 fee set by the Department.

31 D. As a condition of registration, a fantasy contest operator shall submit evidence satisfactory to the
 32 Department that the operator has established and will implement procedures for fantasy contests that:

33 1. Prevent him or his employees and relatives living in the same household as the operator from
 34 competing in any public fantasy contest offered by such operator in which the operator offers a cash prize;

35 2. Prevent the sharing of confidential information that could affect fantasy contest play with third parties
 36 until the information is made publicly available;

37 3. Verify that any fantasy contest player is 18 years of age or older;

38 4. Ensure that players who are the subject of a fantasy contest are restricted from entering a fantasy
 39 contest that is determined, in whole or part, on the accumulated statistical results of a team of individuals in
 40 which such players are participants;

41 5. Allow individuals to restrict themselves from entering a fantasy contest upon request and take
 42 reasonable steps to prevent those individuals from entering the operator's fantasy contests;

43 6. Disclose the number of entries a single fantasy contest player may submit to each fantasy contest and
 44 take reasonable steps to prevent such players from submitting more than the allowable number; and

45 7. Segregate player funds from operational funds in separate accounts and maintain a reserve in the form
 46 of cash, cash equivalents, irrevocable letter of credit, bond, or a combination thereof in an amount sufficient
 47 to pay all prizes and awards offered to winning participants.

48 E. If the registration forms are filed online using a website approved by the Commissioner of the
 49 Department, the operator shall follow the procedures on that website for signing the forms.

50 F. Any operator that allows its registration to lapse, without requesting an extension of time to file, shall
 51 be required to resubmit an initial registration. An extension may be granted by the Department upon receipt
 52 of a written request.

53 2. That the provisions of § 59.1-557 of the Code of Virginia, as amended by this act, shall not apply to

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59 any individual between the ages of 18 and 21 who created a fantasy contest account with a registered
60 fantasy account operator prior to July 1, 2025.