

**FANTASY CONTESTS CONSUMER PROTECTION ACT (EXCERPT)**  
**Act 157 of 2019**

**432.504 Fantasy contest procedures and internal controls; board approval; confidentiality.**

Sec. 4. (1) As a condition of licensure, a fantasy contest operator must submit to, and receive approval from, the board commercially reasonable procedures and internal controls intended to accomplish all of the following:

(a) Prevent the fantasy contest operator, its owners, directors, officers, and employees, and any relative of any of these individuals living in the same household, from participating in a fantasy contest other than a fantasy contest offered by the fantasy contest operator for which participation is limited to the persons described in this subdivision.

(b) Prevent the employees or agents of the fantasy contest operator from sharing protected information with third parties unless the protected information is otherwise made publicly available.

(c) Prevent participants and officials in an athletic event from participating in a fantasy contest that is based on the athletic event.

(d) Establish the number of entries a single fantasy contest player may enter in a single fantasy contest and take reasonable steps to prevent fantasy contest players from submitting more than the allowable number of entries.

(e) Identify each highly experienced player by a symbol attached to the highly experienced player's username.

(f) Offer some fantasy contests that are open only to players other than highly experienced players.

(g) Either of the following:

(i) Segregate the deposits in the fantasy contest players' accounts from operational money.

(ii) Maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination of these, the aggregate amount of which exceeds the total dollar value amount of deposits in the fantasy contest players' accounts, and which reserve must not be used for operational activities.

(h) Ensure compliance with the applicable state and federal requirements to protect the privacy and online security of a fantasy contest player and the fantasy contest player's account.

(i) Otherwise ensure the integrity of fantasy contests.

(2) A licensed fantasy contest operator shall comply with the procedures and internal controls that are submitted to the board under subsection (1) and approved by the board. A licensed fantasy contest operator may make technical adjustments to its procedures and internal controls if the adjustments are not material and it notifies the board in advance and continues to meet or exceed the standards required by this act and any rules promulgated by the board.

(3) Procedures submitted to the board under subsection (1) are confidential and privileged, are not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action.

**History:** 2019, Act 157, Imd. Eff. Dec. 20, 2019.