



ADMINISTRATIVE RULES OF MONTANA

8.22.3903 FANTASY SPORTS PARIMUTUEL NETWORK DUTIES -- LICENSE REQUIREMENTS

- (1) The board may issue parimutuel network licenses to qualified applicants. A licensed fantasy sports parimutuel network shall perform the following duties:
 - (a) provide the parimutuel fantasy sports system or service directly related to the reconciliation of a common fantasy sports parimutuel pool and transfer of funds among the participating fantasy sports parimutuel facilities and the board;
 - (b) contract with the parimutuel hub selected and licensed by the board and provide equipment to connect into the parimutuel hub, as per the hub requirements;
 - (c) ensure all takeout amounts are collected and distributed to the board as per the reports from the hub;
 - (d) utilize an information service approved by the fantasy sports coordinator to gather statistics on professional team and individual performances and calculate point totals for professional players or teams based on previously-defined rules for award of points;
 - (e) utilize an information service approved by the fantasy sports coordinator to create rosters or programs of available professional sports players and teams and distribute fantasy sports league rosters to parimutuel facilities;
 - (f) compile and distribute periodic point totals to parimutuel facilities;
 - (g) manage statewide parimutuel pools on fantasy sports leagues;
 - (h) solicit nonexclusive sites for the network, and contract with all parimutuel facilities which have been licensed by the board;
 - (i) advertise, promote, and select propositions or official league rules for fantasy sports wagering;
 - (j) ensure compliance with all board statutes and rules;
 - (k) create and keep the records and reports required by the board in such a manner and using such forms as the board may require. Records shall be preserved for at least five years after they are made. The board may at any time examine and copy the records; and
 - (l) other duties as required by the board or its designee.
- (2) A network applicant must be physically located within the state of Montana. The network applicant's equipment must be located in Montana.

- (3) An application to operate as a fantasy sports parimutuel network must be filed on a form provided by the board, and must include a proposed operating plan, a proposed board payment contract, and the appropriate application fee.
- (4) The application must include the following information:
 - (a) the applicant's legal name;
 - (b) if the applicant is a corporation, the names, addresses, dates of birth of its shareholders, directors, managers, and officers;
 - (i) if a shareholder is a corporation, the date of incorporation, the place of incorporation, and the names, addresses, and dates of birth of its shareholders, directors, and officers must be provided.
 - (c) if the applicant is a partnership, the names, addresses, dates of birth of the partners;
 - (i) if a partner is a corporation, the date of incorporation, place of incorporation, and the names, addresses, and dates of birth of its shareholders must be provided.
 - (d) if the applicant is a corporation ultimately owned by a not-for-profit entity without any shareholders, or is a publicly traded corporation, the information required in (4)(b) and (c) shall be required from the directors of the membership organization, or the directors and officers of the publicly traded corporation, in lieu of the shareholders;
 - (e) financial information from the applicant that demonstrates whether the applicant has the financial resources to install and operate or contract with a hub;
 - (f) a detailed budget showing anticipated revenue, expenditures, and cash flows by month, from the network's operation during the license period;
 - (g) the number of days the applicant is planning to operate the network during the calendar year in which the applicant seeks to be licensed;
 - (h) a list of all network personnel containing the name, position, job location, any gaming license number, and expiration date issued by any jurisdiction. All current gaming licenses should be listed, regardless of jurisdiction;
 - (i) a chart illustrating the organizational structure, including reporting lines;
 - (j) a list of states where the network is operating;
 - (k) documentation of proper filing that the network applicant is physically located in Montana, physically operating in Montana, and is registered to do business in the state of Montana; and
 - (l) sufficient identifying information to allow the board to conduct a criminal background check on all principals within the network applicant's organization.
- (5) An applicant shall submit a detailed proposed operating plan in a format and containing such information as required by the board. The operating plan shall include:
 - (a) the manner in which the proposed fantasy sports parimutuel network will operate;
 - (b) the process for handling wagers when wagering pools cannot be merged with the wagering pools of other fantasy sports parimutuel facilities;

- (c) the process for fulfilling all duties as required by this rule; and
 - (d) any other issues as required by the board.
- (6) An applicant shall submit a detailed proposed board payment contract in a format and containing such information as required by the board.
 - (7) The board or its designee shall conduct investigations or inspections or request additional information from the applicant as it deems appropriate in determining whether to approve the license application.
 - (8) The correct initial license application fee must accompany an application. The fee is nonrefundable.
 - (9) A parimutuel network license shall be in effect from January 1 to December 31 of each year and shall be renewed annually unless otherwise rescinded by the board.

Authorizing statute(s): 23-4-104, 23-4-202, MCA

Implementing statute(s): 23-4-201, MCA

History: NEW, 2008 MAR p. 1806, Eff. 8/29/08; TRANS, from 32.28.2203, 2015 MAR p. 2252, Eff. 12/25/15.