

HOUSE BILL 374

By Marsh

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 29; Title 39; Title 47, Chapter 18 and Title 67,
relative to fantasy sports.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 16, is amended by deleting the language "secretary of state" wherever it may appear and substituting "sports wagering advisory council".

SECTION 2. Tennessee Code Annotated, Section 47-18-1606, is amended by deleting the language "compiled in part 1 of this chapter" and substituting "compiled in title 47, chapter 18, part 1".

SECTION 3. Tennessee Code Annotated, Title 4, is amended by redesignating chapter 49 as chapter 49, part 1.

SECTION 4. Tennessee Code Annotated, Title 4, Chapter 49, Part 1, is amended by deleting the language "This chapter" wherever it may appear and substituting "This part" and by deleting the language "this chapter" wherever it may appear and substituting "this part".

SECTION 5. Tennessee Code Annotated, Title 47, Chapter 18, Part 16, is amended by transferring the part to title 4, chapter 49, as a new part 2.

SECTION 6. Tennessee Code Annotated, Section 4-3-1016(j)(47), is amended by deleting the subdivision and substituting:

(j) Sports wagering advisory council, fantasy sports fund, created or referenced in chapter 49, part 2 of this title;

SECTION 7. Tennessee Code Annotated, Section 39-17-501(2)(D), is amended by deleting the subdivision and substituting:

(D) A fantasy sports contest conducted in accordance with the Fantasy Sports Act, compiled in title 4, chapter 49, part 2.

SECTION 8. Tennessee Code Annotated, Section 67-4-902, is amended by deleting the section and substituting:

As used in this part:

(1) "Adjusted revenues" means, for each fantasy sports contest, the amount equal to the total entry fees collected from all participants entering the fantasy sports contest less winnings paid to participants in the contest, multiplied by the resident percentage;

(2) "Commissioner" means the commissioner of revenue;

(3) "Entry fees" has the same meaning as defined in § 4-49-202;

(4) "Fantasy sports contest" has the same meaning as defined in § 4-49-202;

(5) "Fantasy sports operator" has the same meaning as defined in § 4-49-202;

(6) "Player" has the same meaning as defined in § 4-49-202;

(7) "Resident percentage" means, for each fantasy sports contest, the percentage, rounded to the nearest tenth of a percent (0.1%), of the total entry fees collected from Tennessee consumers divided by the total entry fees collected from all players, regardless of the players' location, of the fantasy sports contest; and

(8) "Tennessee consumer" has the same meaning as defined in § 4-49-202.

SECTION 9. Tennessee Code Annotated, Section 67-4-905(3), is amended by deleting the subdivision and substituting:

(3) Ten percent (10%) must be allocated to the fantasy sports fund established by § 4-49-207; and

SECTION 10. A license or permit issued by the Secretary of State under Tennessee Code Annotated, Section 47-18-1603, prior to the effective date of this act, remains valid on and after the effective date of this act, and is deemed to be a license issued by the Sports Wagering Advisory Council on and after the effective date of this act. Until emergency or permanent rules are adopted by the Sports Wagering Advisory Council, existing rules governing fantasy sports adopted by the Secretary of State remain in full force and effect.

SECTION 11. The Tennessee Code Commission is requested to revise internal cross-references and citations throughout Tennessee Code Annotated to reflect the redesignation of Title 4, Chapter 49, as Title 4, Chapter 49, Part 1, and the transfer of Title 47, Chapter 18, Part 16, to Title 4, Chapter 49, Part 2, as provided for in this act.

SECTION 12.

(a) The secretary of state and its office shall assist and facilitate the transfer of its duties and powers to the Sports Wagering Advisory Council beginning on the effective date of this act.

(b) Upon the promulgation of emergency or permanent rules by the Sports Wagering Advisory Council, the Secretary of State shall transfer all remaining funds collected for the administration of the Fantasy Sports Act, compiled in Title 47, Chapter 18, Part 16, to the Sports Wagering Advisory Council for the administration of the Fantasy Sports Act, compiled in Title 4, Chapter 49, Part 2, on and after July 1, 2023.

(c) Contracts executed by the Secretary of State under Tennessee Code Annotated, Title 47, Chapter 18, Part 16, prior to the effective date of this act, including, but not limited to, for purposes of regulating fantasy sports and providing related services, remain valid on and after the effective date of this act, and are assigned to the

Sports Wagering Advisory Council upon the promulgation of emergency or permanent rules by such Council. Such contracts remain in full force and effect until such time as the contracts expire by their original terms, at which time the contracts may be renewed with the Sports Wagering Advisory Council at the discretion of the parties.

SECTION 13. This act takes effect upon becoming a law, the public welfare requiring it, for purposes of promulgating rules and carrying out administrative duties as necessary to effectuate the provisions and intent of this act. For all other purposes, this act takes effect July 1, 2023, the public welfare requiring it.