

TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING
SUBTITLE E: SPORTS WAGERING
CHAPTER I: ILLINOIS GAMING BOARD
PART 1900 SPORTS WAGERING
SUBPART R: FANTASY CONTESTS

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Section 1900.1800 General

- a) This Section applies to fantasy contests and fantasy contest operators under Section 25-120 of the Sports Wagering Act. [230 ILCS 45/25-120].
- b) For the purposes of this Subpart, unless otherwise stated, any references to master sports wagering licensees and sports wagering operations under this Part, shall apply to fantasy contest operators and fantasy contest operations.

Section 1900.1810 Definitions

For purposes of this Part the following terms shall have the following meanings:

“Autopick” or “Autodraft” means any method of fantasy contest team selection or assembly that does not involve the knowledge and skill of a fantasy contest participant or is not under the input and control of a fantasy contest participant.

“Fantasy contest” means an online contest of skill between two or more participants with an entry fee. “Fantasy contest” does not include pool sports wagering conducted in accordance with subsection (i) of Section 25-25 of the Act, single-participant contests played against the fantasy operator, or contests without an entry fee.

“Licensee”: Any fantasy contest operator license holder or temporary operating permit holder.

“Prize”: Anything of monetary value provided to a participant due to the outcome of a fantasy sports activity. "Prize" may include money, competition credits, merchandise, or admission to another competition. However, for purposes of calculating adjusted gross fantasy sports revenue, "prize" shall include only money paid to a participant and shall not include competition credits, merchandise, or admission to another competition.

“Platform”: Any website, smart-phone application or other portal that provides access to an interactive fantasy contest for an entry fee.

“Script”: Commands that a fantasy contest related computer software program can execute that are created by a participant or third party not approved by the fantasy contest operator licensee to automate processes on a licensee’s fantasy contest platform.

Section 1900.1820 Duties of Licensees

- a) With regard to general duties of licensees, Section 1900.210 shall apply to all fantasy contest operator licensees.
- b) With regard to continuing duties to report information, Section 1900.220 shall apply to all fantasy contest operator licensees.
- c) In addition to all other duties and obligations required by the Act and this Part, each fantasy contest operator licensee has an ongoing duty to comply with the following:
 - 1) Have sole responsibility for the fantasy contest operation;
 - 2) Have sole responsibility for payment of tax remittance to the State, as required by the Act;
 - 3) Neither accept nor offer any prohibited fantasy contests;
 - 4) Provide the Board, upon request, an accounting of all fantasy contest activity or any subset thereof;
 - 5) Provide to the Board, any contract or agreement with suppliers, providers of affiliated marketing services, and, as required by the Board, other contracts for services necessary to the operation of fantasy contests;
 - 6) As required by the Board, obtain and install, at no cost to the State, all hardware, software and related accessories necessary to allow for remote monitoring of fantasy contests by the Board;
 - 7) Make commercially reasonable efforts to promptly notify the Board and any relevant sports governing body of any information relating to:

- A) Abnormal wagering activity or patterns that may indicate a concern with the integrity of sports events;
 - B) Any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering of which a licensee has knowledge; and
 - C) Any other conduct that corrupts a wagering outcome of sports events for purposes of financial gain, including match fixing.
- 8) Make commercially reasonable efforts to promptly notify the Board of any information relating to:
 - A) Criminal, disciplinary, or regulatory proceedings commenced against the master sports wagering licensee or affiliated person in connection with its fantasy contest operations in any jurisdiction; and;
 - B) Suspicious or illegal fantasy contest activities, including use of funds derived from illegal activity, entries to conceal or launder funds derived from illegal activity, using agents to place entries, and using false identification;
- 9) Document and investigate any report by an employee of any violation of the Act, or Part, and provide a summary of those reports and investigations to the Board upon request;
- 10) Report to the Board any facts the licensee has reasonable grounds to believe indicate a violation of the Act or this Part.

Section 1900.1830 Standards of Conduct

- a) With regard to grounds for disciplinary actions, Section 1900.310 shall apply to all fantasy contest operator licensees.
- b) With regard to economic disassociation, Section 1900.320 shall apply to all fantasy contest operator licensees.
- c) With regard to record retention, Section 1900.330 shall apply to all fantasy contest operator licensees.
- d) With regard to advertising and marketing, Section 1900.340 shall apply to all fantasy contest operator licensees.

- e) Disciplinary proceedings under this Subpart shall be conducted in accordance with Subpart I of this Part.

Section 1900.1840 Licensing Qualification

- a) To qualify for licensure under the Act, applicants must meet all requirements of 230 ILCS 45/25-120.3.
- b) In addition to the qualifications required in the Act and this Part, the Board may deny a license to an applicant if the applicant, or a key person of the applicant:
 - 1) Associates with, either socially or in business affairs, or employs a person:
 - A) Of notorious or unsavory reputation or who has extensive police records;
 - B) Who has been convicted of a disqualifying offense under Section 25-120.3 of the Act; or
 - C) Who has failed to cooperate with any officially constituted investigatory or administrative body, including, but not limited to, the Board;
 - 2) Has had a fantasy contest operator, sports wagering, or gaming-related license revoked, suspended or denied in Illinois or any other jurisdiction, or is an affiliate of a person who has had a fantasy contest operator, sports wagering, or gaming-related license revoked, suspended, or denied in any other jurisdiction.
- c) With regard to identification of Key Persons, Section 1900.530 (a) and (c)-(g) shall apply to all fantasy contest operator licensees.

Section 1900.1850 Application and Licensing Procedures

- a) With regard to submission of applications, Section 1900.710 shall apply to all applicants, except as follows:
 - 1) A large fantasy contest operator applicant shall submit a Large Fantasy Contest Operator Application as defined in the Act.
 - 2) A small fantasy contest operator applicant shall submit a Small Fantasy Contest Operator Application as defined in the Act.
- b) With regard to disclosure of ownership and control, Section 1900.715 shall apply to all applicants.

- c) With regard to other required forms, Section 1900.720 shall apply to all applicants.
- d) With regard to licensing procedures, Section 1900.730 shall apply to all applicants.
- e) With regard to issuance of a license, Section 1900.735 shall apply to all applicants, except initial licensee fees and initial term of licenses shall be as stated in the Act.
- f) With regard to renewal of licenses, Section 1900.740 shall apply to all applicants, except:
 - 1) A fantasy contest operator license may be renewed for a term as stated in the Act.
 - 2) The Board shall base its decision on an application for renewal based upon the same qualifications required for initial licensure under Section 1900.1840.
- g) With regard to withdrawal of applications and surrender of licenses, Section 1900.750 shall apply to all applicants and licensees.
- h) With regard to temporary operating permits, Section 1900.790 shall apply to all applicants except:
 - 1) Section 1900.790(b) and (d) do not apply to applicants.
 - 2) Section 25-120.3(b) of the Act shall control in all instances in which an applicant qualifies.

Section 1900.1860 Accounting, Records, Data

- a) A fantasy contest operator licensee shall keep, on a permanent basis, and provide ownership records to the Board upon fantasy contest operator licensee or its designee shall keep, in accordance with the retention schedule, and provide to the Board upon request, records that identify gross fantasy contest receipts and such other information relating to fantasy contests as deemed necessary by the Board or required by its internal control system.
- b) A fantasy contest operator licensee, unless specifically exempted by the Board, shall keep daily monthly, quarterly and annual reports of financial and statistical data and shall file reports with the Board upon request.

- c) The Board may require at any time a special audit of a holder of a fantasy contest operator license to be conducted by Board personnel or an independent certified public accountant at the operator's expense who is, or whose firm is, licensed in Illinois. The Board shall establish the scope, procedures and reporting requirements of any special audit.

Section 1900.1865 Fantasy Contest Tax/ Reserve Requirements

- a) For the purposes of this Section, "fantasy contest tax" means the tax assessment due pursuant to Section 25-120.7 of the Act. A person or entity that offers fantasy contests to members of the public in the State after July 1, 2026, and each holder of a fantasy contest operator license is subject to tax and fee liability assessment under the Act.
- b) Fantasy contest taxes shall be paid via an electronic funds transfer system employing an Automated Clearinghouse Debit method (ACH-Debit). Each fantasy contest operator licensee shall maintain an account with sufficient funds to pay, in accordance with Subsection (6), all tax and fee liabilities due under the Act. The account shall be maintained at a financial institution capable of making payments to the State under the electronic funds transfer requirements imposed by the State.
- c) The Board shall prescribe and make available to each fantasy contest operator licensee and manager forms, instructions and reporting requirements for taxes. Forms may be provided by the Board to fantasy contest operator licensees in computer-based format and include a computer program that, upon input by the licensee of requisite data, provides for the calculation of tax and fee reporting information and tax and fee liability.
- d) The Tax and Fee Schedules must be filed with the Board no later than 12:00 noon on the due date. For purposes of tax and fee schedules and tax and fee payments, the due date shall be defined as the last day of the month following the calendar month in which the adjusted gross fantasy contest receipts were received.
- e) The fantasy contest tax imposed on a fantasy contest operator licensee shall be based on adjusted gross fantasy contest receipts from fantasy contests. Adjusted gross fantasy contest receipts for a given month equal the total gross value of entry fees collected from in-State fantasy contest participants, less the pro-rata value of total cash prizes paid to in-State participants in those contests in which the outcome is determined that month, regardless of when the contest was entered. The fantasy contest tax imposed on a fantasy contest operator licensee shall be 15% of adjusted gross fantasy contest receipts.
- f) Monthly Tax and Fee Schedules shall include all information necessary for adjustments and reconciliation of tax and fee liability and shall be subject to audit by the Board and its audit agents. Adjustments to previously reported tax and fee

information shall be made by the fantasy contest operator licensee, except that no adjustment of \$25,000 or more shall be made to previously reported adjusted gross fantasy contest receipts without the prior written approval of the Board.

- g) In the event that a Tax and Fee Schedule properly reflects a net loss experienced by the fantasy contest operator licensee, an adjustment for the amount of any remaining net fantasy contest loss (negative adjusted gross fantasy contest receipts) shall be carried forward on the subsequent Tax and Fee Schedules until the loss is offset by net win (positive adjusted gross fantasy contest receipts).
- h) All Fantasy Contest Taxes paid pursuant to the requirements of the Act shall be deposited by the Board into the State Gaming Fund. On the 25th of each month, the Board shall transfer excess funds in the State Gaming Fund to the Capital Projects Fund.
- i) Failure to Comply

 - 1) A fantasy contest operator licensee's failure to comply with the provisions of this Section may subject the licensee to penalty and interest amounts pursuant to the Uniform Penalty and Interest Act [35 ILCS 735].
 - 2) The Board is authorized to waive any penalty and interest for the late filing of a tax schedule or late tax payment, if the fantasy contest operator licensee can show good cause. "Good cause" shall include, but not be limited to, detection and correction of a deficiency in filing or payment that resulted from a documented inadvertent or unintentional error that was corrected within one business day after the applicable due date.
 - 3) The fantasy contest operator licensee shall be notified by the Board in writing of any penalty or interest payable because of a late tax schedule filing or late tax payment.
 - 4) The fantasy contest operator licensee may, within 10 business days after receiving the notice, file with the Board a written request for a waiver of any penalty or interest. The Board shall act on the request for waiver and notify the fantasy contest operator licensee in writing of the decision within 15 calendar days after receiving the request. If the Board fails to act within the 15-day period, the waiver is deemed granted.
 - 5) If the Administrator denies the request for waiver, the fantasy contest operator licensee may ask the Board for a hearing. The request for hearing must be in writing and filed not later than 15 calendar days after receipt of the notice of denial.

- 6) The provisions for hearings under Subpart H shall apply to any hearing conducted under this Section. The licensee has the burden of showing good cause by clear and convincing evidence.
- j) Reserve Requirements
 - 1) For purposes of this Subpart, “cash equivalents” means all highly liquid investments with an original maturity of 3 months or less.
 - 2) A fantasy contest operator licensee shall hold funds in participants’ fantasy contest accounts in an account segregated from operational funds or maintain a reserve in cash, cash equivalents, security deposits held by banks and processors, payment processor reserves and receivables, an irrevocable letter of credit, a bond or a combination thereof, in the amount of the deposits in participants’ accounts that is at least equal to the sum of all funds held in participants’ accounts and all prizes owed or that will be owed for fantasy sports activities.
 - 3) A fantasy contest operator licensee shall maintain current reserve calculations and related reserve component documentation and provide this documentation to the Board upon request.

Section 1900.1870 Conduct of Fantasy Contests

- a) With regard to the temporary suspension of fantasy contests, Section 1900.1110 shall apply to all applicants and licensees.
- b) With regard to prohibited fantasy conduct activity, Section 1900.1120 shall apply to all fantasy contests offered by an applicant or licensee. In addition, no fantasy contest may be offered on any collegiate sport.
- c) No employee of a fantasy contest operator licensee may participate in fantasy contests offered by the fantasy contest operator licensee.
- d) With regard to requests to prohibit a type or form of a fantasy contest, Section 1900.1130 shall apply to all fantasy contests offered by an applicant or licensee.
- e) With regard to authorized events and competitions, Section 1900.1140 shall apply to fantasy contests on a specific sport, event, league or competition.
- f) All contests must be nondiscretionary.
- g) Rules for all contests must be published and available to patrons prior to entry and not subject to change during the course of a contest.

- h) Use of scripts, autopick or autodraft by participants in a contest is prohibited. Fantasy contest operators shall implement technologies to detect and prevent the use of scripts, autopick, and autodraft;
- i) Licensees shall not issue credit to patrons to fund fantasy contest accounts.
- j) Limitation on Entries
 - 1) A licensed fantasy contest operator or temporary operating permit holder shall:
 - A) Establish a limitation on the number of entries an individual participant may submit for each fantasy contest;
 - B) Clearly disclose the maximum number of entries to a fantasy contest participant before the participant pays an entry fee or participates in a fantasy contest;
 - C) Take steps to prevent a fantasy contest participant from exceeding the maximum number of entries in a fantasy contest.

Section 1900.1880 Fantasy Contests, Accounts, and Software

- a) Section 1900.1210 shall apply to all fantasy contests offered by an applicant or licensee.
- b) Except as otherwise provided, Section 1900.1220 shall apply to all fantasy contest accounts.
- c) With regard to fantasy contest software, Section 1900.1230 shall apply to all software used by a fantasy contest operator licensee.
- d) With regard to fantasy contest account suspension, Section 1900.1240 shall apply to all fantasy contest accounts.
- e) With regard to responsible gaming limits, Section 1900.1250 shall apply to all fantasy contest participants.

Section 1900.1885 Equipment and Testing

- a) With regard to fees and expenses associated with fantasy contest-related technologies incurred by the Board, Rule 1900.1400 shall apply to all applicants and licensees.

- b) All fantasy contest equipment shall be tested by the independent outside testing laboratory in accordance with 86 Ill. Adm. Code 3000.288. All fantasy contest equipment shall be tested annually and upon request by the Board.
- c) All changes to the fantasy contest platform must be recorded on a change log.
 - 1) The change log must include date, summary of change, requestor, implementer, and results.
 - 2) The change log must be made available to the Board upon request.
- d) Each fantasy contest operator licensee shall include in its internal control system information detailing the software change management process for the fantasy contest platform, internet fantasy contest system, operator's software, and any other software that is a component part of those systems.

Section 1900.1890 Internal Controls

- a) With regard to internal control systems, Rule 1900.1500 shall apply to all applicants and fantasy contest operator licensees.
- b) The internal control system shall include a detailed narrative description of the fantasy contest operator licensee's fantasy contests, administrative and accounting procedures, including without limitation separate sections comprehensively describing the specific procedures that the licensee will follow in meeting the requirements of Section 1900.1500. The procedures shall discuss at a minimum, when applicable, the topics listed in subsection (c).
- c) The Board shall develop and publish, with input from fantasy contest operator licensees, Minimum Internal Control Standards (MICS) necessary to address the requirements in Section 1900.1500. All internal control systems shall address all topics covered in the MICS.
- d) The internal control system of a large operator applicant or licensee must initially be submitted to the Board for approval prior to the commencement of fantasy contest operations. Proposed changes to the internal control system also must be submitted in writing to the Board before they go into effect.
- e) The internal control system of each applicant or fantasy contest operator licensee may be reviewed for compliance with the requirements of this Part by an independent certified public accountant selected by the Board. Each certified public accountant must be registered in the State of Illinois under the Illinois Public Act [225 ILCS 450].
- f) The Board may require an applicant or licensee to amend the internal control system.

Section 1900.1895: Self Exclusion and Responsible Play

- a) Sections 1900.1710-1900.1740 shall apply to fantasy contests.
- b) Section 1900.1250 shall apply to fantasy contests.