

**Title 11—DEPARTMENT OF PUBLIC SAFETY**  
**Division 45—Missouri Gaming Commission**  
**Chapter 40—Fantasy Sports Contests**

**ORDER OF RULEMAKING**

By the authority vested in the Missouri Gaming Commission (MGC) under section 313.955, RSMo Supp. 2016, the commission adopts a rule as follows:

11 CSR 45-40.100 is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on October 3, 2016 (41 MoReg 1323–1324). Changes have been made to the text of the proposed rule, so it is reprinted here. This proposed rule becomes effective thirty (30) days after publication in the *Code of State Regulations*.

**SUMMARY OF COMMENTS:** A public hearing was held on this proposed rule on November 2, 2016. One person commented on this proposed rule at the public hearing and also submitted those comments in writing.

**COMMENT #1:** Sean Ostrow, on behalf of FanDuel, suggested “the audit be required to be submitted *within 30 days of its completion by the 3rd party auditor, but under no circumstances later than one year from the end of the fiscal year in question.*”

**RESPONSE:** Section 313.940, RSMo requires the results of the annual financial audit be submitted to the commission by March first of each year. The Missouri Gaming Commission does not have the authority to alter or vary from the provisions of the statute. No changes will be made as a result of this comment.

**COMMENT #2:** The MGC noted that the Revisor of the *Missouri Revised Statutes* renumbered the sections of the statute created by HB 1941, the Missouri Fantasy Sports Consumer Protection Act (The Act).

**RESPONSE AND EXPLANATION OF CHANGE:** The Commission revised sections (2) and (3) and the authority section of this rule to reference the renumbered sections of The Act

**11 CSR 45-40.100 Audits**

(2) The annual financial and authorized internet website audit shall be conducted in accordance with generally accepted auditing standards as follows:

(A) Audit the licensed operator’s annual financial statements in order to report on the fair representation of such amounts. The C.P.A. shall reconcile these audited amounts to similar amounts on the annual financial reports and system reports;

(B) Audit the annual total entry fees, entry fees from Missouri residents, resident percentage calculation, winnings paid, net revenue, and the annual operation fee from the most recently filed Annual Operation Fee report, in order to report on the fair representation of such amounts. The C.P.A. shall reconcile these audited amounts to similar amounts on the annual financial reports and system reports; and

(C) Audit the licensed operator and its authorized internet website for compliance with each requirement set forth in sections 313.900 to 313.955, RSMo and Chapter 11 CSR 45-40.

(3) The C.P.A. shall prepare an audit report which shall be submitted to the commission by March 1 of each year following the close of the licensed operator's fiscal year. The report shall contain the C.P.A.'s assessment of the accuracy of the financial statements and the Annual Operation Fee report. In addition, the report shall include the licensed operator's compliance with each requirement set forth in sections 313.900 to 313.955, RSMo and Chapter 11 CSR 45-40.

*AUTHORITY: sections 313.910, 313.915, 313.940, 313.950, and 313.955, RSMo 2016.*

*Emergency rule filed August 29, 2016, effective Sept. 8, 2016, expires March 6, 2017. Original rule filed Aug. 29, 2016.*