
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 663 Session of
2015

INTRODUCED BY DUNBAR, YOUNGBLOOD, D. COSTA, DAVIS, DIAMOND,
A. HARRIS, JOZWIAK, KOTIK, MAJOR, MILLARD, MURT, NEILSON,
ORTITAY, PAYNE, READSHAW, WARD AND WARNER, FEBRUARY 2, 2016

REFERRED TO COMMITTEE ON GAMING OVERSIGHT, FEBRUARY 2, 2016

A RESOLUTION

1 Directing the Joint State Government Commission, in consultation
2 with the Pennsylvania Gaming Control Board, to conduct a
3 comprehensive study on the potential of fantasy sports as a
4 gambling product in this Commonwealth and to make a report of
5 its findings and recommendations.

6 WHEREAS, The Unlawful Internet Gambling Enforcement Act of
7 2006 (UIGEA) (Public Law 109-347, 31 U.S.C. § 5361 et seq.) is a
8 Federal law that regulates online gambling, specifically
9 prohibiting wagers and bets made on the Internet through wire
10 and other fund transfers that are not expressly provided under
11 any other Federal or state law; and

12 WHEREAS, While UIGEA does not change or authorize the
13 legality of any specific gambling activity permitted or
14 prohibited under other Federal or state laws, it does provide
15 specific exemptions to its financial transaction prohibitions,
16 including an exemption relating to fantasy sports contests that
17 meet certain criteria; and

18 WHEREAS, The exemption of certain fantasy sports contests
19 under UIGEA's definition of bet or wager relating to Internet

1 financial transactions has opened the door to varying
2 interpretations of the legality of daily fantasy sports and a
3 misconception that fantasy sports are legally authorized by
4 UIGEA; and

5 WHEREAS, This misconception has led to the proliferation of
6 fantasy sports contests, primarily daily fantasy sports contests
7 played through Internet websites across the country; and

8 WHEREAS, The Fantasy Sports Trade Association estimates that
9 57 million people play fantasy sports and bet an average of \$465
10 a year on fantasy sports contests in the United States; and

11 WHEREAS, Since UIGEA did not specifically legalize fantasy
12 sports as a gambling activity under Federal law, the legality
13 and regulation of fantasy sports, primarily daily fantasy sports
14 contests through Internet websites, has been left to the states;
15 and

16 WHEREAS, Currently, there has been little consensus among the
17 states regarding the legality of fantasy sports betting, with
18 some states ruling the activity to be illegal sports betting,
19 while others have concluded that regulating the industry as a
20 gambling product is the appropriate solution; therefore be it

21 RESOLVED, That the House of Representatives direct the Joint
22 State Government Commission, in consultation with the
23 Pennsylvania Gaming Control Board, to conduct a comprehensive
24 study on the potential of fantasy sports as a gambling product
25 in this Commonwealth; and be it further

26 RESOLVED, That the Joint State Government Commission, in
27 conjunction with the Pennsylvania Gaming Control Board, within
28 90 days of the adoption of this resolution, issue to the
29 chairperson and minority chairperson of the Gaming Oversight
30 Committee of the House of Representatives a report of its

1 findings and recommendations which includes, at a minimum, the
2 following:

3 (1) A definition of "fantasy sports."

4 (2) The structure of the different fantasy sports
5 formats and the underlying activities that may be appropriate
6 for oversight.

7 (3) Fantasy sports entities, including the roles and
8 relationships of ancillary fantasy sports businesses,
9 including host Internet sites, collegiate and professional
10 sports organizations and persons with a controlling interest
11 in fantasy sports entities, to the best of the commission's
12 ability based on available information.

13 (4) How regulation of fantasy sports would be
14 accomplished under the State's current statutory and
15 regulatory construct.

16 (5) If regulating and licensing fantasy sports in this
17 Commonwealth would violate current Federal law.

18 (6) The potential impact of authorizing and regulating
19 fantasy sports contests on compulsive and problem gambling in
20 this Commonwealth.

21 (7) The best practices to ensure the protection of
22 minors from participating in fantasy sports contests.

23 (8) Measures to ensure reasonable consumer protections.

24 (9) Safeguards to prevent financial criminal activity.

25 (10) Safeguards and mechanisms to ensure the reporting
26 of gambling winnings and facilitate the collection of
27 applicable Federal and State taxes in compliance with Federal
28 and State law.

29 (11) Recommendations for legislative action including
30 the potential of fantasy sports as a gambling product in this

1 Commonwealth.

2 (12) Any other information related to the conduct,
3 operation and potential regulation of the different formats
4 of fantasy sports contests as the commission, in consultation
5 with the Pennsylvania Gaming Control Board, may deem
6 appropriate.