# OHIO SENATE FINANCE COMMITTEE PROPONENT HEARING ON HB 132

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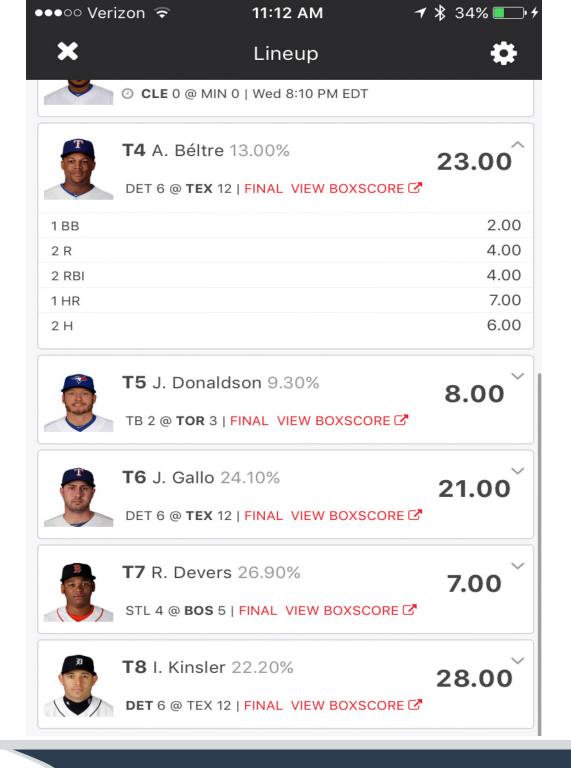


# Fantasy Sports is Our New National Pastime

- Fantasy sports have been played across the country for more than four decades.
- Today, over 53 million Americans participate in fantasy sports contests. And they do so because it is a form of entertainment that gives them a deeper appreciation of the sports that they love.
- We estimate about 1,900,000 Ohioans play fantasy sports every year.

# A Brief Primer on Fantasy Sports Contests

- Players select a team of real world athletes who accumulate points based on real life statistics in real life games.
- The outcome of the real life games have no correlation to winning or losing. Instead, it's all about individual statistics.
- Goal is to assemble a team of athletes that will attain the best statistics, which are then converted into points for your fantasy team. Highest scoring fantasy team wins.



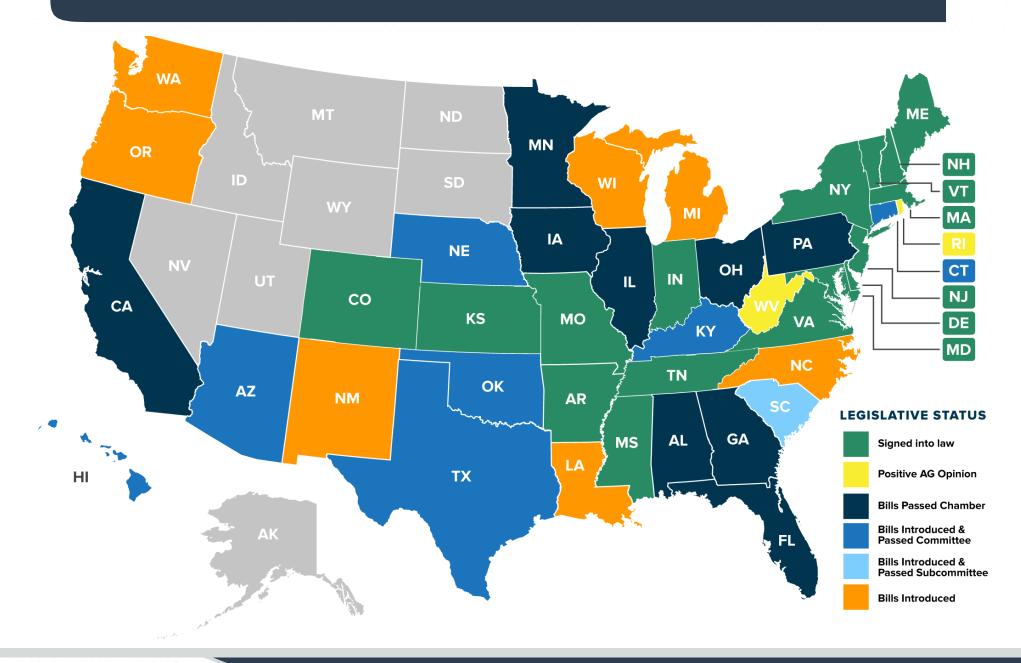


# **Fantasy Sports Legislation**

- Sixteen states have passed fantasy sports legislation:
  - Maryland (2013)
  - Kansas (2015)
  - Virginia (2016)
  - Indiana (2016)
  - Mississippi (2016)
  - Missouri (2016)
  - Tennessee (2016)
  - Colorado (2016)
  - New York (2016)
  - Massachusetts (2016)

- Arkansas (2017)
- Maine (2017)
- Delaware (2017)
- Vermont (2017)
- New Hampshire (2017)
- New Jersey (2017)

# FANTASY SPORTS LEGISLATION







## **Ohio Attorney General**

- June 30, 2016 letter from the Ohio Attorney General's office analyzes fantasy sports under Ohio Criminal Gaming statute chapter 2915.
- "It is unclear whether DFS websites, as currently operating, violate R.C. Chapter 2915. Due to this lack of clarity and the variety of laws DFS implicates, the General Assembly may want to address this issue."

#### Overview of HB 132

- Gives the Casino Control Commission jurisdiction over fantasy sports. Sec. 3772.03 (L)
- Tight definition of fantasy sports that does not allow for expansion beyond fantasy sports. Sec. 3774.01(C)
- Based on federal law passed more than ten years ago that exempted fantasy sports from the definition of internet gambling. Unlawful Internet Gambling Enforcement Act of 2006

#### Overview of HB 132

- Important consumer protections including the following mandates for operators:
  - Contests limited to 18 and over. Sec. 3774.03(2)(a)
  - Ban on employee play. Sec. 3774.03(1)
  - No college sports. Sec. 3774.06
  - Resources for responsible play. Sec. 3774.03(5)(c)
  - Must segregate player funds from operating funds. Sec. 3774.03(3)
  - Beginner games and designation of highly experienced players. Sec. 3774.03(4)



#### Overview of HB 132

 Clear statement that follows existing federal law that fantasy sports are not gambling. Sec. 3774.09

 No state legislature has passed a law defining fantasy sports as gambling.

## **Skill Predominates in Fantasy Sports**

- In fantasy sports the skill of the player predominates in who wins.
- Clear differentiation from traditional gambling:
  - No systemic element of chance.
  - Not outcome determinative.
- Small element of chance does not automatically make a contest gambling – i.e. fishing, bowling, or golf tournaments.

# **Fantasy Sports is Not Gambling**

- Here is who says fantasy sports are not gambling:
  - Federal law
  - Sixteen states that have already passed laws
  - MLB
  - NFL
  - NBA
  - NHL
  - NASCAR
  - MLS

# Fantasy Sports is Supported by Trusted Brands

- Fantasy sports is offered by among others:
  - Disney (via ESPN), Yahoo, CBSsportsline,
    NFL, MLB, DraftKings, and FanDuel
- Investors in fantasy sports companies include:
  - MLB, NBA, NHL, MLS, NASCAR
  - NFL team owners like the Patriots and Cowboys
  - Comcast, Verizon, 21<sup>st</sup> Century Fox, and Google

## Why Regulate Fantasy Sports

 Make sure 1,900,000 Ohioans who already play fantasy sports can continue to play a hobby they love in a safe and legal way.