



POSITION ON FANTASY SPORTS

Current forms of fantasy sports contests have raised concerns about the addictive potential of fantasy sports. Fantasy sports are contests in which participants assemble imaginary teams comprised of real players from professional sports and compete based on the statistical performance of the real players. Traditional fantasy sports leagues are season-long, but recently contests have been offered that are as frequent as daily. Fee-based contests, with fees ranging from twenty-five dollars to thousands, are available, and prizes have topped \$1 million. Partners and investors in companies offering fantasy sports contests include sports leagues, professional teams and their owners, as well as large public and private companies. Of the estimated 55 million fantasy sports participants in 2015, approximately 16 million competed in daily fantasy contests.

The Unlawful Internet Gaming Enforcement Act (UIGEA) provides a limited exemption for some fantasy sports contests, however, other Federal or state gambling laws may still apply. This UIGEA exemption was in regard to games such as those where a group of friends would choose teams and put their twenty dollars in a pot and at the end of the season, the winner took all. This exemption was similar to that in the State of Florida which exempts low stakes poker games among friends. Several states consider fantasy sports to be illegal while others permit it, but to date, no state regulates fantasy sports. While there is skill involved in playing fantasy sports contests, as in poker, the outcome includes chance due to highly-variable player performance in real-world situations. Fantasy sports contests that include an entry fee, chance, and monetary prizes, meet practical definitions of gambling.

The demographics of fantasy sports participants, (predominately young, male, sports enthusiasts), indicate they are at a higher risk for gambling addiction. Fantasy sports players who become preoccupied, unable to stick to limits of time and money and therefore suffer harm emotionally and/or financially may meet gambling addiction criteria. Cases of severe gambling problems stemming from daily fantasy participation have been reported, and support groups for individuals with gambling addictions has added fantasy sports play to their list of activities that constitute gambling.

Traditional fantasy sports contests with small entry fees, long seasons and minimal prizes offer little risk of gambling problems. Contests that are much more frequent, have higher fees and generally offer larger and much more frequent payouts increase the risk of gambling addiction.

Few, if any, fantasy sports operators provide customers with appropriate consumer protection features such as basic responsible gaming, age verification, data and player education provisions.

The Florida Council on Compulsive Gambling:

- Does not take a position on whether fantasy sports are legal or illegal
- Believes daily fantasy sports meets the definition of gambling, and contest participants are at high risk to, and do, develop gambling problems
- Calls on companies offering fantasy sports to develop gambling related consumer protections (marketing daily fantasy sports as a game of skill places players at a disadvantage)
- Requests policymakers in Florida considering legalizing fantasy sports require consumer protections and funding for gambling addiction services and programs
- Encourages customers of fantasy sports to recognize that fee-based fantasy sports is not a risk free activity as it relates to gambling addiction