

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2540
Version: As introduced

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Subject: Legality of Daily Fantasy Sports

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Overview

Currently, Minnesota law does not specifically address whether fantasy sports are lawful, although some of the state's illegal gambling laws – such as those defining and prohibiting “betting” and “sports bookmaking” – might impose criminal liability on persons participating in fantasy sports contests. H.F. 2540 would explicitly authorize fantasy sports in Minnesota.

Section

- 1 **Fantasy game.** Exempts fantasy sports from the sports-bookmaking tax.
- 2 **Recovery of money lost.** Clarifies that money lost playing fantasy sports is not recoverable.
- 3 **Commitments for gambling debt void.** Clarifies that void gambling debts do not include those relating to fantasy sports.
- 4 **Fantasy games.** Creates a new subdivision in the section of law authorizing certain forms of gambling and authorizes and establishes definitions for fantasy sports.

Subdivision 7, paragraph (a), clause (1), defines “fantasy game” as a simulation sports or educational game in which: the value of prizes are known to participants in advance; outcomes of the game are determined by the statistical results of the performance of individuals such as athletes; outcomes of the game are not determined by the score, point spread, or performance of a team, or on the single performance of an athlete.

Subdivision 7, paragraph (a), clause (2), defines a “game operator” as a person that offers a fantasy game for a cash prize.

Section

Subdivision 7, paragraph (b), states that a fantasy game is a bona fide contest for the determination of skill under the section of law prescribing what are not bets. This paragraph also states that a fantasy is not a lottery, bet, or sports-banking under other applicable state statutes.

Subdivision 7, paragraph (c), clarifies that the state's prohibition on certain forms of gambling does not prevent a game operator from offering a fantasy game.