

New Jersey lawmaker seeks to regulate daily fantasy sports

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A lawmaker plans to introduce a bill that would regulate daily fantasy sports in the state, putting an agency widely considered the toughest gambling regulator in the country in charge of it.

Sen. Jim Whelan, a Democrat and former Atlantic City mayor, said Monday he'll introduce a bill after conferring with the state Division of Gaming Enforcement, which would oversee daily fantasy sports play in New Jersey.

His plans come after Gov. Chris Christie ridiculed the concept during last week's Republican presidential debate. Christie said again on Monday the government has more important priorities given that terrorists are on the march overseas and financial woes abound in the United States and abroad. He said a fantasy team he manages with one of his sons has a 6-1 record and he doesn't play for money.

Whelan's plan also comes as gambling regulators or legislators in several states are moving to regulate daily fantasy sports or considering doing so, saying they amount to gambling. Nevada gambling regulators last month required companies offering daily fantasy sports to obtain state gambling licenses. States including Pennsylvania, Massachusetts and Georgia have considered enacting their own rules. On Friday, a New York state assemblyman introduced a bill to add fantasy sports to the state's gambling code regulations.

Whelan said he doesn't believe the government should "impede one's enjoyment of fantasy sports."

"However, we have an obligation to ensure that fantasy sports competition is fair, impartial, and transparent to everyone," he wrote in a letter to David Rebeck, director of the Division of Gaming Enforcement.

Daily fantasy sports allows people to deposit money in accounts, create fantasy rosters of sports teams by selecting real players and then compete against other contestants based on the statistical performances of those players to win money. Proponents say it's a game of skill, not chance, and shouldn't be regulated the way casinos are.

Whelan's draft legislation has elements the industry favors, including an explicit declaration daily fantasy sports is a game of skill. It also would allow casinos to partner with fantasy sports providers, accepting entry fees and paying winners.

But it would subject providers to strict scrutiny of their operations and backgrounds and would require them to obtain permits from the state with fees covering the cost of investigating the companies.

To keep from running afoul of a federal ban on sports betting in all but four states, Whelan's bill would require that daily fantasy sports wagering not be based solely on the performance of one athlete or on the score, point spread or performance of one real team or combination of real teams.

It would allow collegiate players to be included in daily fantasy sports wagering, something that drew opposition from the NCAA, which is fighting New Jersey's efforts to overturn the sports betting ban in federal court.

"Sports wagering threatens both the integrity of the game and the well-being of student-athletes," the association said in a statement Monday. "NCAA members have defined sports wagering as putting something at risk — such as an entry fee — with the opportunity to win something in return, which includes fantasy league games."

The Division of Gaming Enforcement declined to comment.

Also Monday, the group Stop Predatory Gambling issued a report highly critical of the daily fantasy sports industry and expressed pessimism government regulation will do much good.

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