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Gambling foes protest effort to legalize fantasy sports

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LINCOLN, Neb. (AP) — Gambling opponents are fighting a bill that would allow fantasy sports websites to operate in Nebraska, even though the industry estimates that 300,000 people in the state are already playing.

Both sides argued their case Monday to the Legislature's General Affairs Committee, which is considering a measure to formally pave the way for sites such as DraftKings and FanDuel. The bill by Sen. Tyson Larson of O'Neill would declare that the games are predominantly based on skill and not games of chance, which the state constitution bans.

"The last thing that we want to do is criminalize 300,000 Nebraskans for something they thoroughly enjoy doing," said Paul Charcian, president of the Fantasy Sports Trade Association. Derek Hein, a lobbyist for DraftKings, said fantasy sports require a degree of skill that should exclude them from the definition of gambling. Participants in a fantasy league choose real-life professional sports players for their teams and score points based on how each of their players performed in actual games. Similar to horse racing, participants often base their picks on each player's past statistics.

"This bill does nothing more than codify what is already being done," Hein said.

Hein said DraftKings has similar bills pending in 25 states. The industry does not operate in six states where local laws have effectively banned them: Arizona, Iowa, Louisiana, Montana, Nevada and Washington. In addition, attorneys general in New York, Illinois and Texas have declared that the websites represent an illegal game of chance.

Hein said the bill would allow the state to regulate the industry and protect consumers from knockoff sites that more closely resemble gambling.

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Nate Grasz, a lobbyist for the Nebraska Family Alliance, said most players on the fantasy websites lose money, and most of the winnings go to a small fraction of participants.

"Even if it were decided that fantasy contests were a game of skill, who benefits from legalizing it in Nebraska?" Grasz said. "Major fantasy contest sites would reap the benefits of taking millions of dollars away from hard-working Nebraskans every year."

Pat Loontjer, executive director of the Omaha-based Gambling with the Good Life, said the industry represents a new form of gambling that the state should ban. Loontjer questioned whether Nebraska should jump into the fray before it's resolved nationally or in other states.

"I don't think this is something we need to get into at this point," Loontjer said. "Let it work itself out. Let the other states decide. Why would we put Nebraska into the throes of this when it's so uncertain?"

Sen. Colby Coash of Lincoln said he views the bill as formally allowing an activity that's already legal and widely played. Coash said he has not yet seen evidence that fantasy sports are as destructive a habit as compulsive gambling.

"I guess I want to be a realist about this," he said. "I don't see any FanDuel addicts losing their house over this."

The bill is LB862