



COALITION FOR

FANTASY SPORTS

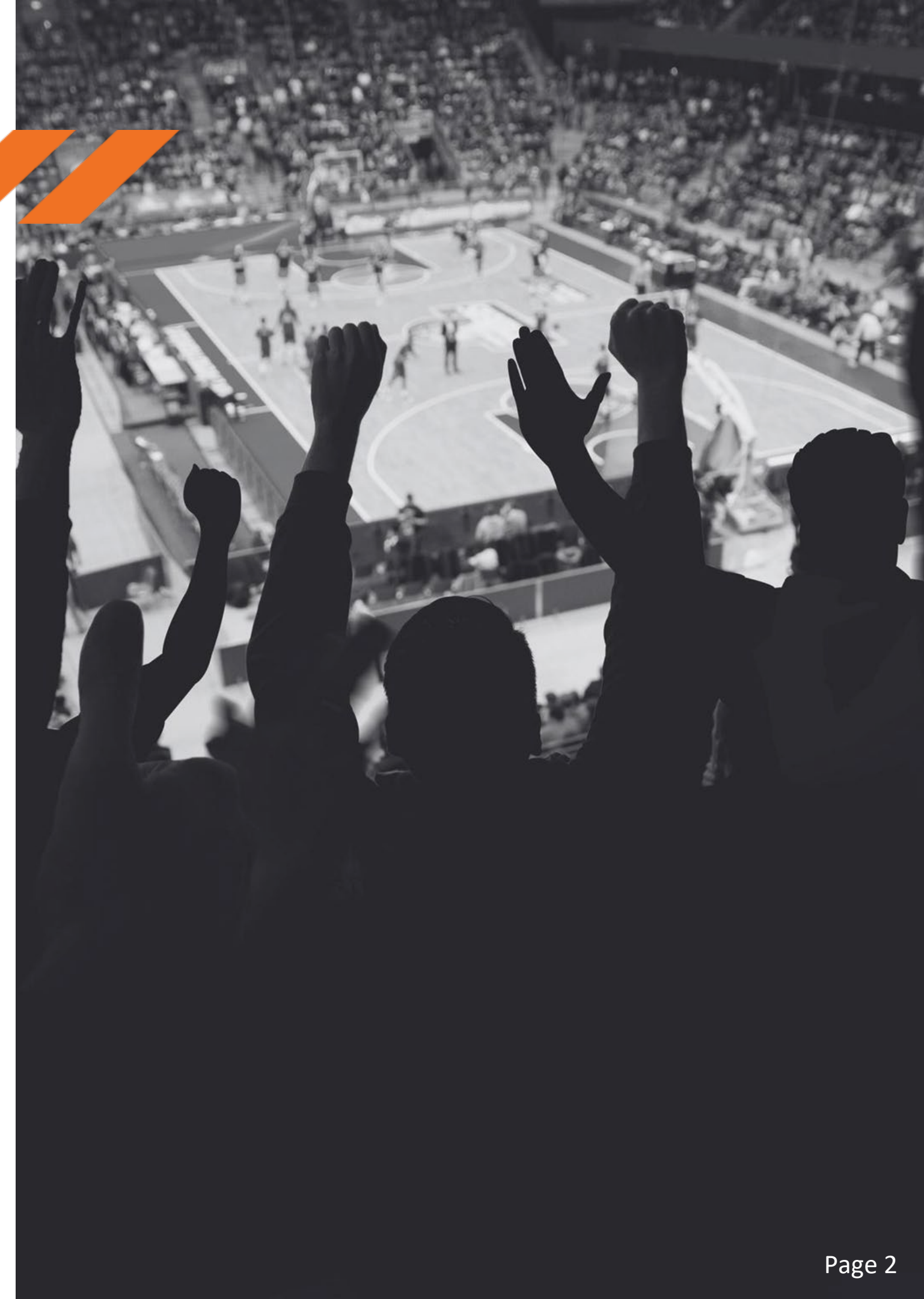
Virginia Fantasy Sports Future Outlook and
Regulatory Considerations

August 21, 2024



FIRST IN THE NATION

- In 2016, Virginia passed the Fantasy Contest Act – becoming the first state in the nation to legalize Daily Fantasy Sports (DFS) (*see* Va. Code Ann. § 59.1-556).
- VA passed legislation in response to an onslaught of negative national attention on DFS and at the urging of the FSGA (nee FSTA) and industry leaders DraftKings and FanDuel.
- Fantasy Sports in VA remain regulated by the Office of Charitable and Regulatory Programs (part of VDACS); no regulations promulgated to date.
- No changes in statute since passage. In 2016, there were approx. 15 million DFS players in the US; in 2023 that number eclipsed 50 million.





Current VA Daily Fantasy Sports Landscape

DFS = Daily Fantasy Sports

- Real-Money, Short time frame
- **5 factors:** Multiple players/teams, entry fee, prize, knowledge, no single team/outcome/player
- Many, evolving forms of DFS

As of April 1, 2024, OCPR has licensed 17 DFS operators

- Pick 'Em, Salary Cap, Best Ball, and on and on

Total Active Users	Handle	Prizes Paid
150,000+	\$200M+	\$150M+



Coalition Members are Licensed in Virginia

Coalition members Underdog and PrizePicks both hold VA Fantasy Contest licenses.

- Underdog: licensed since July 2020
- PrizePicks: licensed since April 2022

On June 17, this Committee heard from the Fantasy Sports Alliance.

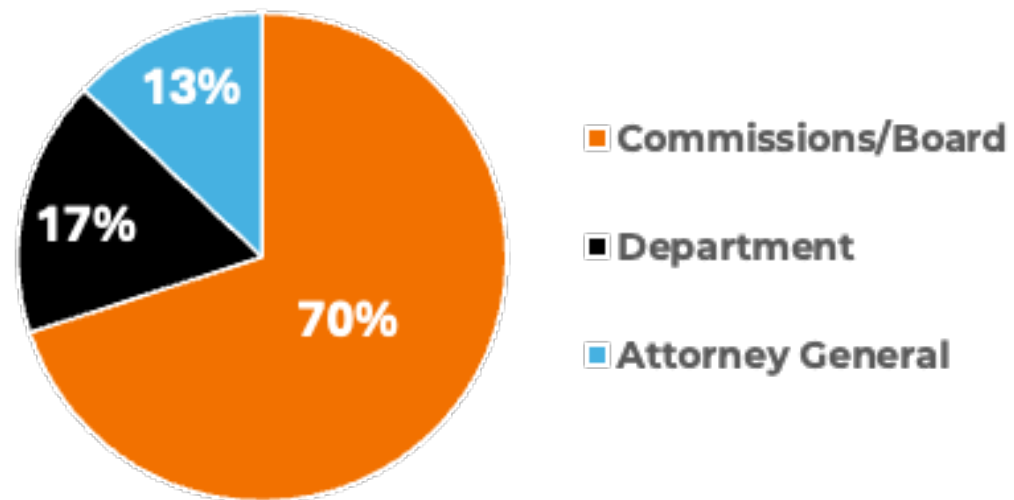
- Presentation wrongly focused on new standard for DFS licensing.
- **New standard would exclude >50% of currently licensed operators.*
- The operators named in that presentation ARE currently licensed and in good standing.

CFS WELCOMES A DFS SPACE FOR ALL

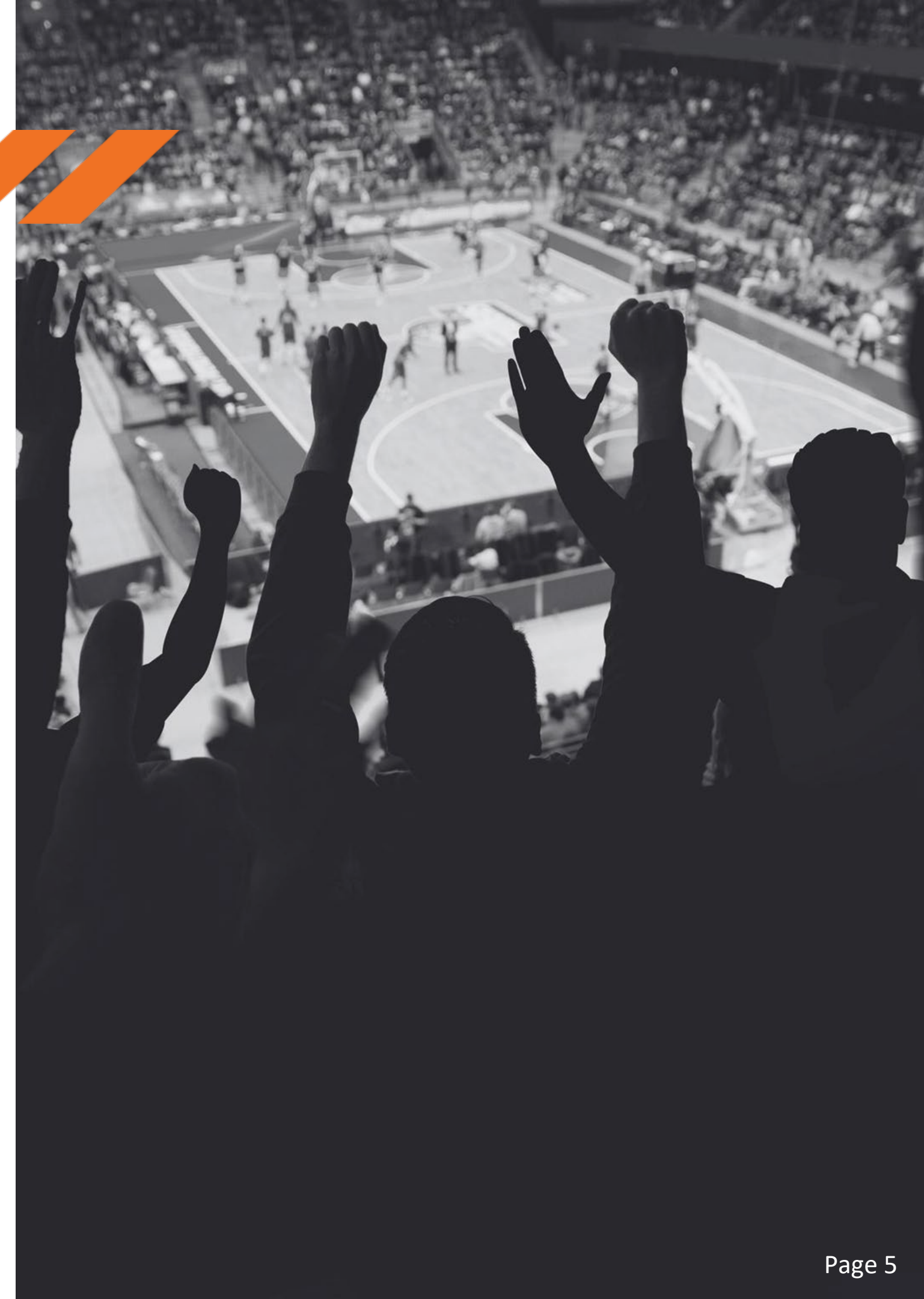
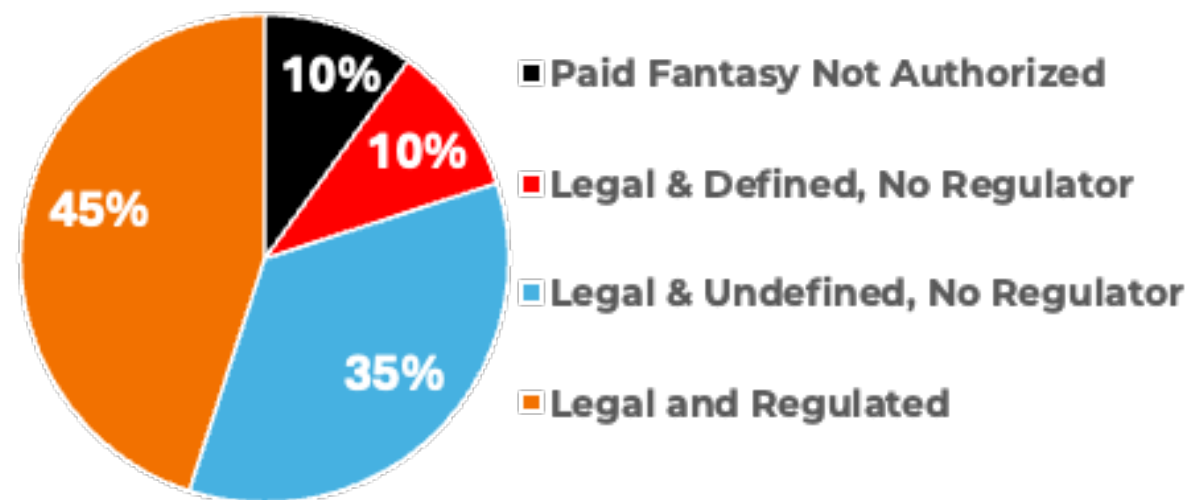


DFS Regulation Nationwide

Regulated States (23)



50 States + D.C.





Modernizing Virginia DFS Regulatory Regime

State	Fee	Renewal	Tax (% of Revenue)	Avg. Length
VA	\$8,300	\$8,300	0.0%	1 year
All (avg.)	\$28,171	\$23,967	10.17%	1.5 years

National Regulatory Landscape (Aug. 2024)

- **23** states regulate/license fantasy sports contests
- **18** of **23** states that license DFS (including Virginia) have an initial licensing fee
- **18** of **23** states have a renewal fee
- **17** of **23** states tax DFS operator gross gaming revenues
- **9** of **23** states offer variable fee and/or tax structures based on operator size
- **17** of **23** states set the DFS eligible age at 18.



Responsible Gaming (RG)

Coalition Operators Go Above and Beyond to Provide RG Tools and Protect Consumers:

- Spending and budgeting tools and limits
- Income checks
- Cooling-off periods
- Self-exclusion
- Kindbridge partnership
- Live 24/7 Customer Service
- Staff training and recognition
- RG tool innovation and investment (e.g. GuardDog)





Modernizing the Fantasy Contest Act

Coalition members would most likely not exist today if it was not for the VA General Assembly's trailblazing Fantasy Contest Act. The fantasy sports landscape has evolved since 2016 and now is the time to modernize the Act to better align with the fantasy consumers and industry of today and tomorrow.

Legislative Priorities:

- Introduce taxation on Revenues
- Allocate tax funds to Problem, Treatment and Support Fund
- Strengthen RG requirements and consumer protections
- Ensure continued competition and consumer choice



THANK YOU

COALITION FOR FANTASY SPORTS

Executive Director - J.T. Foley

jtfoley@coalitionforfantasysports.com

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www.coalitionforfantasysports.com

