

**Senate Federal and State Affairs Committee
Testimony re: SB 267
Presented by Derek Hein
on behalf of
Fantasy Sports Trade Association
March 10, 2015**

Mister Chairman, Members of the Committee:

My name is Derek Hein, and I appear before you today on behalf of the Fantasy Sports Trade Association (FSTA), an organization that represents the interests of more than 120 member businesses, including ESPN, NBC, Fox Sports, CBS, NFL.com, FanDuel, Yahoo! Sports, and DraftKings.

Jeremy Kudon, who serves as outside legal counsel for the FSTA will provide more detailed information in his testimony, but I wanted to provide some background on the issue that this bill addresses. In August, during an interim committee, legislators were told that the Kansas Racing and Gaming Commission (KRGC) had included within its Frequently Asked Questions (FAQ) a determination that, “[i]f a fantasy sports league has a buy-in (no matter what it is called) ... and gives a prize, then all three elements of an illegal lottery are satisfied.”

During several interviews conducted by the press, the KRGC indicated that they did not have the power to prosecute individuals who were participating in fantasy sports, yet they did indicate that law enforcement and county prosecutors would have the authority to do so.

SB 267 would prevent 500,000 Kansas residents from being put at risk for such prosecution. The bill clarifies in state law that fantasy contests – both seasonal and daily – are a game of skill, just as they are recognized in federal law. The Unlawful Internet Gambling Enforcement Act, which was passed by Congress in 2006, made internet gambling illegal; however, it acknowledged that fantasy sports are not a game of chance, but a game of skill. The bill passed with bipartisan support in the House, receiving “Yes” votes from former Representatives Jerry Moran, Jim Ryun, and Dennis Moore.

We believe that the 500,000 Kansans who are currently participating in fantasy sports should be permitted to do so without concern about the legality of the contests that they enjoy.

We respectfully ask the committee’s support for SB 267 and I would be happy to yield to questions at the appropriate time.