

Rhode Island HB 6076, the Fantasy Sports Consumer Protection Act

SUPPORTING TESTIMONY

May 13, 2025

**Rhode Island General Assembly
House Finance Committee**

Dear Chair Abney, Vice-Chair Slater and members of the House Finance Committee:

NetChoice¹ is a trade association of leading e-commerce and online companies promoting the value, convenience, and choice of internet business models. Our mission is to make the internet safe for free enterprise and for free expression.

We work to promote the integrity and availability of the global internet and are significantly engaged in issues in the states, in Washington, DC, and in international internet governance organizations.

I want to thank the Chair, and the committee, for allowing NetChoice to provide our point of view on fantasy competitions and address the current ambiguity in Rhode Island law. NetChoice supports HB 6076 and respectfully asks that you support the legislation, because it:

- Clarifies that daily fantasy sports (DFS) are games of skill
- Supports consumer choice and innovation by allowing small and mid-size operators to participate fairly, and allowing for single-player and peer-to-peer games
- Enhances consumer protections

Daily fantasy sports (DFS) is not the same as sports betting

Fantasy sports is an industry that's growing like almost no other. The industry in 2023 was \$28 billion and will grow to more than \$50 billion by 2028. Nearly 20% of Americans aged 18+ currently participate in fantasy sports. That's 1 of every 5 American adults.

As with all growing industries, innovation is vital to continued success. But with innovation and growth comes the concern of misguided regulation. Wise regulation brings certainty while providing

¹ NetChoice is a trade association of e-Commerce and online businesses, at www.netchoice.org. The views expressed here do not necessarily represent the views of every NetChoice member company.

a means for continued value to consumers. Of course, innovation is the lifeblood of Rhode Island and the U.S. economy. A thriving state economy depends on a healthy and pervasive innovation ecology across all industries. So too then modernizing Rhode Island's law is imperative.

Computing and sports gaming have a long history of intertwined innovation, with computers being used beginning in the early 1960s. More recently, fantasy sports have become increasingly mobile as the computing power that used to take up an entire room can now fit in the palm of our hand. The entire industry has evolved to become one oriented around ease of use, intuition, and convenience.

Sports gambling has grown enormously over the last few decades as, again, technology and innovation have made it more accessible and easier to bet on your favorite team or coin toss. Advertisements for these games of chance, depending predominantly on randomness and luck, are ubiquitous. The gamblers have little to do with the outcome. That uncertainty is the thrill and the appeal. In its simplest form, think of betting lunch with a colleague on the outcome of Monday Night Football.

Such gambling at first blush may seem similar, but is inherently different from DFS.

Fantasy sports require skill, insight, assessment, research, knowledge, and strategy on the player's part. The skill of the player directly affects the outcome. Spotting factors that others do not is the thrill of this game, not randomness or luck. The industry's growth, the continuation of innovation, and the build out of new companies with new ideas has led to an explosion of new players in this space who want to get in on the action.

To protect this innovation, and this form of entertainment, the appropriate regulations should apply and be designed to allow for participation of small and midsize operators. This legislation ensures that fantasy sports in Rhode Island does have the correct oversight, making clear that regulations on other similar sounding or looking products are not incorrectly imposed.

Support Single-Player and Peer-to-Peer DFS

The intertwining of sports, entertainment and communications continues on a path begun decades ago. Over that time consumer preferences have changed, with modern players appreciating the freedom of choice and often preferring single player gaming. For example, second screening, watching television while also using a phone or laptop, has become commonplace. Various online platforms now enable a fan to interact with dozens or even hundreds of others during the game, enhancing the experience even while they compete in their own personal contests.

The contests at issue represent a cultural shift in how Americans enjoy sports. The rise of fantasy play and cutting-edge data analytics has transformed passive viewers into engaged fans. Individuals are attracted by its knowledge-based skills and social connections. The model centers on building fan expertise through steady play, not risky bets. Users gain a deeper appreciation of athletes, teams, and sports strategy by picking optimal player lineups over an entire season. In fact, this individual, passion-driven engagement is why major sports leagues once embraced fantasy providers as partners.

HB 6076 meets that growing trend by overtly clarifying that contests include those where participants compete against each other and contests where a single participant competes against a target score set by a fantasy operator. Such an option allows those who may not have the time or desire to participate in a season-long, intensely monitored fantasy team setting to play smaller, more individualized games that provide greater entertainment value to them.

The explicit inclusion of target score contests within the statutory definition provides legal certainty for operators offering these increasingly popular formats, allowing them to operate confidently within a regulated framework. Without this specific language, operators offering these modern contest formats might face legal ambiguity or exclusion from the regulated market entirely.

Enhanced Consumer Protections

As important as it is for Rhode Island to allow for innovation to flourish and Rhode Islanders to enjoy their chosen entertainment, consumer protections in this space are also warranted. HB 6076 appropriately enhances consumer protections.

The legislation requires the Rhode Island Department of Business Regulation to create a voluntary exclusion list to empower individuals who wish to self-exclude themselves from participating in fantasy competitions. That would mean that operators of fantasy competitions would be prohibited from allowing self-excluded individuals to open accounts, participate in contests, or claim prizes. Fantasy competition operators would also be required to develop programs to mitigate compulsive play and prominently display resources for individuals seeking help with gaming-related issues.

This legislation benefits Rhode Island by allowing innovation and competition to flourish and customers to enjoy sports in a more modern way, even while providing additional consumer protections. Fantasy competition operators gain needed clarity, responsible gaming programs are supported and Rhode Islands' regulatory framework will align with evolving industry standards and other state laws

NetChoice respectfully urges the committee to support this important legislation. HB 6076 brings clarity for the law, fairness for the industry and protection for consumers. Thank you again for the opportunity to share our perspective on this critical issue.

We look forward to continuing this important dialogue. As always we offer ourselves as a resource to discuss any of these issues with you in further detail, and we appreciate the opportunity to provide the committee with our thoughts on this important matter.

Sincerely,

Bartlett D. Cleland
General Counsel and Director of Strategic Initiatives
NetChoice