



1411 K Street N.W.  
Suite 900  
Washington, D.C. 20005  
202-525-5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

Testimony from:

Robert Melvin, Northeast Region Director, R Street Institute

In SUPPORT of House Bill 6076, “Fantasy Sports Consumer Protection Act.”

May 13, 2025

House Finance Committee

Chairman Abney and members of the committee,

My name is Robert Melvin, and I am the Northeast region director at the R Street Institute (RSI), which is a nonprofit, nonpartisan public policy organization. Our mission is to engage in research and outreach to promote free markets, and limited, effective government in a variety of policy areas, including technology and innovation legislation. This is precisely why H 6076 is of particular importance to us.

Online fantasy sports is currently permitted in Rhode Island, but with no ability to generate taxes, consumer protections, or clear regulatory guidelines for operators. Much of what does exist is based on former Rhode Island Attorney General Peter Kilmartin’s legal opinion and recommendations.<sup>1</sup>

Thankfully, H 6076 will codify much of this opinion by implementing a licensing and regulatory framework in Rhode Island that stipulates that fantasy sports operators must meet requirements for consumer protection, such as age and location verification, and responsible gaming practices.<sup>2</sup> It also differentiates online fantasy sports contests, such as daily fantasy sports (DFS), by specifying that it is distinct from sports gambling.<sup>3</sup> Additionally, it imposes a ten percent tax on fantasy sports contests, and creates a voluntary self-exclusion program, as well as, standards to mitigate compulsive gaming.<sup>4</sup>

Fantasy sports aren’t some novel idea, they have been around for over one hundred and fifty years. In fact, they appear to have a uniquely American origin.<sup>5</sup> In 1871—a future President of the United States—a young Woodrow Wilson developed it, but never executed it.<sup>6</sup> Fantasy sports, as we know them today, began in 1960 when a group of friends organized the “Greater Oakland Professional Pigskin Prognosticators League.”<sup>7</sup> These contests involved participants selecting National Football League (NFL) players based on their historical performance data, with outcomes determined by the real-life game-day statistics of the chosen athletes.<sup>8</sup> These efforts established the foundational structure of the modern fantasy sports industry.

In its early days, fantasy sports primarily attracted the most ardent sports fans who were willing to compile extensive player statistics and engage in season-long competition, often vying for a player-funded cash prize or simply for bragging rights.<sup>9</sup> The emergence of personal computers and the internet

significantly streamlined participation, making the activity more accessible to a broader audience.<sup>10</sup> Nevertheless, the substantial time investment continued to be a deterrent for many potential participants.<sup>11</sup>

The emergence of DFS, propelled by advancements in digital technology, introduced more concise and adaptable formats that attracted a broader user base. In contrast to conventional fantasy leagues, DFS participants engage in contests for monetary prizes over a daily or short-term timeframe, which in turn decreases the necessary commitment.<sup>12</sup> Although some may attempt to compare online fantasy sports with internet gambling because of the potential for monetary rewards, the two remain fundamentally different. The Federal Unlawful Internet Gambling Enforcement Act of 2006 formally designated fantasy sports games of skill, which sets them apart from games of chance that define gambling.<sup>13</sup> Further reinforcing this distinction, analysis from the Massachusetts Institute of Technology has validated that success in fantasy football is determined by player expertise.<sup>14</sup> Largely as a result of this federal classification—alongside expanded internet access and continued innovation in personal computing—online fantasy sports have witnessed significant expansion.

Since 2015, fantasy sports participation has risen from 42 million players to approximately 50.4 million players in 2022.<sup>15</sup> To better accommodate Rhode Island residents, H 6076 seeks to permit single-player DFS, where individuals compete against a performance benchmark created by the fantasy contest operator.<sup>16</sup> Although expanding consumer choice is essential to maintaining a dynamic and free marketplace, ensuring public safety and accountability remains just as vital.

Protecting consumers from potential adverse consequences—such as problem gaming—is essential. Notably, H 6076 incorporates forward looking provisions designed to address these concerns, including reinforced self-exclusion safeguards. It also directs the Rhode Island Department of Business Regulation to incorporate the voluntary self-exclusion program into those it currently operates. Fantasy contest operators would be required to limit excessive play, prominently display responsible gaming resources, and offer access to support services. Research demonstrates that self-exclusion programs are effective in managing gaming-related disorders.<sup>17</sup> These provisions promote responsible play and help reduce addiction risks.

H 6076 offers key advantages for Rhode Island residents, notably by codifying the Attorney General's opinion. Doing so will help clarify the distinction between DFS and sports betting. This clarification ensures proper regulation of online fantasy sports. Additionally, the bill will help generate tax revenues for the state. It also strikes a careful balance between consumer freedom and protection, incorporating measures to prevent compulsive gambling and a voluntary exclusion program. For these reasons, we strongly urge your support of H 6076.

Thank you,

Robert Melvin  
Northeast Region State Government Affairs Director  
R Street Institute  
[rmelvin@rstreet.org](mailto:rmelvin@rstreet.org)

---

<sup>1</sup> Peter F. Kilmartin, Attorney General of Rhode Island, “Daily Fantasy Sports Legal Opinion,” February 2, 2016. <https://www.legalsportsreport.com/wp-content/uploads/2016/02/Rhode-Island-DFS-Opinion.pdf>

<sup>2</sup> Rhode Island General Assembly, 2025 Legislative Session, House Bill 6076, Last accessed May 12, 2025. <https://webserver.rilegislature.gov/Billtext/BillText25/HouseText25/H6076.htm>.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> John Thorn, “Woodrow Wilson: The First Fantasy Baseball Player,” Medium, February 24, 2014. <https://ourgame.mlblogs.com/woodrow-wilson-the-first-fantasy-baseball-player-518e802cad41>.

<sup>6</sup> Dan Wohl, “Young Woodrow Wilson was playing a form of fantasy baseball in 1871,” Major League Baseball, February 24, 2014: <https://www.mlb.com/cut4/young-woodrow-wilson-was-playing-fantasy-baseball-in-1871/c-68280614>

<sup>7</sup> Jon Wilner, “Fantasy football was born in Oakland, original league still thriving,” *The Mercury News*, August 12, 2016: <https://www.mercurynews.com/2015/09/13/fantasy-football-was-born-in-oakland-original-league-still-thriving/>

<sup>8</sup> Wayne Brough, “Fantasy Sports and Fantasy Regulation,” R Street Institute, Real Solutions, June 13, 2024: <https://www.rstreet.org/commentary/fantasy-sports-and-fantasy-regulation/>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Legal Betting USA, “The UIGEA Explained And How It Impacts US Online Betting,” December 8, 2024: <https://www.bettingusa.com/laws/uigea/>

<sup>14</sup> Jennifer Chu, “Study: There’s real skill in fantasy sports,” Massachusetts Institute of Technology, News Office, November 7, 2018: <https://news.mit.edu/2018/hosoi-study-skill-fantasy-sports-1107>

<sup>15</sup> Statista Research Department, “Number of fantasy sports players in the U.S. 2015-2022,” Statista, January 13, 2025: <https://www.statista.com/statistics/820976/fantasy-sports-players-usa/#:~:text=From%202015%20to%202022%2C%20the,of%20all%20North%20American%20players>

<sup>16</sup> Maryland General Assembly, 2025 Legislative Session, Senate Bill 470, Accessed Feb. 4, 2025: <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/SB0470>

<sup>17</sup> Igor Yakovenko and David C. Hodgins, “Effectiveness of a voluntary casino self-exclusion online self-management program,” *Internet Interventions*, Vol. 23, March 2021: <https://www.sciencedirect.com/science/article/pii/S2214782920301202>

Sally Gainsbury, “Review of Self-exclusion from Gambling Venues as an Intervention for Problem Gambling,” *Journal of Gambling Studies*, Vol 30, pp 229-251, 2014: <https://pmc.ncbi.nlm.nih.gov/articles/PMC4016676/>