

Thank you Mr. Chairman and members of the committee, I am John Rustin, president of the NC Family Policy Council

Despite what this bill attempts to say, Daily Fantasy Sports is gambling! The way these games are structured, an incredible number of variables beyond the participant's control or ability to predict determine whether he or she wins or loses money. **The elements of chance predominate over the elements of skill**, and that's exactly how gambling is defined in North Carolina statute (G.S. 14-292) and by North Carolina courts (*Joker Club v. Hardin*, NCCOA, May 1, 2007).

HB 929 does not **"regulate"** Daily Fantasy Sports, as the title suggests, it simply requires these commercial gambling operations to **register** with the new state "Gaming Commission" established by the bill. A registration under this bill lasts for 5 years, as do subsequent renewals, and once a registration is approved, there is no active monitoring, oversight or enforcement required by the bill.

In fact, the most striking part of the bill appears on Page 10, Lines 20-25 where it states, ***"Fantasy contests conducted pursuant to this Article do not constitute gambling, lotteries, gaming, or any activity or enterprise subject to or prohibited by Chapter 14, 16, or 19 of the General Statutes, or any other provision of law."*** As I read it, this provision would completely exempt Daily Fantasy Sports gambling from the authority of all of these statutes, including the entirety of North Carolina's Criminal Code in Chapter 14. Furthermore, If Daily Fantasy Sports is not gambling—or gaming—then why would it be added under the oversight of a Gaming Commission?

The only risk a Fantasy Sports gambling operator would face for a violation of the law is to have their registration revoked and possibly pay a civil fine of \$1,000 per violation, not to exceed \$10,000 for a continuing violation. Just to put this into perspective, according to *Forbes*, FanDuel and DraftKings spent a combined total of over \$500 million on advertising alone in 2015!

Online sports gambling and sports wagering in general is particularly addictive, especially among youth, and this bill would bring with it a myriad of economic and social problems for individuals, families and communities in our state.

For these reasons, we respectfully ask that you reject the Daily Fantasy Sports portion of this bill.

Thank you!