

119TH CONGRESS
2^D SESSION

S. 4060

To provide national safeguards to prevent abuse and fraud in online prediction markets, prevent underage use of online prediction markets, protect consumers, and return regulatory authorities and oversight of online prediction markets to States.

IN THE SENATE OF THE UNITED STATES

MARCH 11, 2026

Mr. BLUMENTHAL (for himself and Mr. KIM) introduced the following bill;
which was read twice and referred to the Committee on the Judiciary

A BILL

To provide national safeguards to prevent abuse and fraud in online prediction markets, prevent underage use of online prediction markets, protect consumers, and return regulatory authorities and oversight of online prediction markets to States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prediction Markets
5 Security and Integrity Act of 2026”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 Congress finds that—

1 (1) online prediction markets offer services that
2 are substantially the same as betting, wagering,
3 gambling, and sports gambling;

4 (2) foreign online prediction markets have of-
5 fered to individuals in the United States unregulated
6 gambling services that violate Federal and State
7 laws;

8 (3) State regulators have historically been un-
9 derstood to regulate gambling as a matter of con-
10 sumer protection and public health;

11 (4) State regulators were never intended to be
12 precluded from enforcing State gambling laws
13 against online prediction markets; and

14 (5) in the absence of State regulations con-
15 cerning online prediction markets, several harms
16 have resulted, including—

17 (A) fixing of wagers based on insider infor-
18 mation or manipulation of outcomes, such as
19 proposition bets in sports;

20 (B) the mishandling or misuse of sensitive
21 corporate and Government information, such as
22 bets placed on the downfall of Venezuelan
23 President Nicolas Maduro prior to his capture
24 by the United States or military action against
25 Iran;

1 (C) harm to bettors' well-being as a result
2 of addictive features, such as bonus funds, and
3 a lack of safeguards, such as age restrictions;
4 and

5 (D) the availability of gambling activities
6 to people as young as 18 years of age in viola-
7 tion of laws of the various States.

8 **SEC. 3. DEFINITIONS.**

9 In this Act:

10 (1) **AMATEUR ATHLETIC COMPETITION.**—The
11 term “amateur athletic competition” has the mean-
12 ing given the term in section 220501 of title 36,
13 United States Code.

14 (2) **ANONYMIZED WAGERING DATA.**—With re-
15 spect to a wager accepted by an online prediction
16 market, the term “anonymized wagering data”
17 means—

18 (A) a unique identifier for the transaction
19 and, if available, the individual who placed the
20 wager, except that such identifier shall not in-
21 clude any personally identifiable information of
22 the individual;

23 (B) the amount, topic, and type of wager;

24 (C) the date and time at which the wager
25 was accepted;

1 (D) the location at which the wager was
2 placed, including the internet protocol address,
3 if applicable; and

4 (E) the outcome of the wager.

5 (3) GAMBLING DISORDER.—The term “gam-
6 bling disorder” means—

7 (A) gambling disorder, as the term is used
8 by the American Psychiatric Association in the
9 publication entitled “Diagnostic and Statistical
10 Manual of Mental Disorders, 5th Edition” (or
11 a successor edition);

12 (B) pathological gambling;

13 (C) gambling addiction; and

14 (D) compulsive gambling.

15 (4) GOVERNMENTAL ENTITY.—The term “gov-
16 ernmental entity” means—

17 (A) a State;

18 (B) a political subdivision of a State; and

19 (C) an entity or organization, including an
20 Indian Tribe, that has governmental authority
21 within the territorial boundaries of the United
22 States, including Indian lands.

23 (5) INDIAN LANDS.—The term “Indian lands”
24 has the meaning given the term in section 4 of the
25 Indian Gaming Regulatory Act (25 U.S.C. 2703).

1 (6) INDIAN TRIBE.—The term “Indian Tribe”
2 has the meaning given the term “Indian tribe” in
3 section 4 of the Indian Gaming Regulatory Act (25
4 U.S.C. 2703).

5 (7) INTERSTATE WAGERING COMPACT.—The
6 term “interstate wagering compact” means a com-
7 pact to offer wagering in accordance with this Act
8 between—

9 (A) 2 or more States with a State wager-
10 ing program;

11 (B) 1 or more States with a State wager-
12 ing program and 1 or more Indian Tribes; or

13 (C) 2 or more Indian Tribes.

14 (8) LISTING.—The term “listing” means the
15 listing on an online prediction market of an event
16 that may be the subject of a wager.

17 (9) MICROBET.—The term “microbet” means a
18 wager placed on an outcome or occurrence within an
19 event that may or may not be related to the ultimate
20 result of the event.

21 (10) NATIONAL SELF-EXCLUSION LIST.—The
22 term “national self-exclusion list” means the list
23 maintained under section 554 of the Public Health
24 Service Act, as added by section 8 of this Act, in co-

1 operation with State regulatory entities, under sec-
2 tion 7(b)(6)(A)(ii) of this Act.

3 (11) OFFICIAL.—The term “official” means a
4 referee, umpire, judge, reviewer, or any other indi-
5 vidual authorized to administer the rules of a sport-
6 ing event.

7 (12) ONLINE PREDICTION MARKET.—The term
8 “online prediction market” means an online plat-
9 form that allows agreements, contracts, transactions,
10 or swaps between users over the outcome of non-fi-
11 nancial events, such as sports and elections.

12 (13) PROPOSITION BET.—The term “propo-
13 sition bet” means a side wager on a part of an event
14 that does not concern the final outcome of the event.

15 (14) REASONABLE LENDER STANDARD.—The
16 term “reasonable lender standard” means applica-
17 tion of underwriting criteria that would be applied
18 by a lender that is an insured depository institution
19 (as defined in section 3 of the Federal Deposit In-
20 surance Act (12 U.S.C. 1813)) for an unsecured
21 loan extended to a consumer.

22 (15) SPORTING EVENT.—The term “sporting
23 event” means any athletic competition.

24 (16) SPORTS ORGANIZATION.—The term
25 “sports organization” means—

1 (A) a person or governmental entity that—

2 (i) sponsors, organizes, schedules, or

3 conducts a sporting event; and

4 (ii) with respect to the sporting event

5 and the participants in the sporting

6 event—

7 (I) prescribes final rules; and

8 (II) enforces a code of conduct;

9 and

10 (B) a league or association of 1 or more

11 persons or governmental entities described in

12 subparagraph (A).

13 (17) STATE.—The term “State” means—

14 (A) a State;

15 (B) the District of Columbia; and

16 (C) any commonwealth, territory, or pos-

17 session of the United States.

18 (18) STATE REGULATORY ENTITY.—The term

19 “State regulatory entity” means the governmental

20 entity—

21 (A) established or designated by a wager-

22 ing opt-in State under section 6(a)(2)(A)(ii);

23 and

24 (B) responsible, solely or in coordination

25 with 1 or more other governmental entities, for

1 the regulation of wagering in the applicable wa-
2 gering opt-in State.

3 (19) STATE WAGERING PROGRAM.—The term
4 “State wagering program” means a program admin-
5 istered and overseen by a State pursuant to an ap-
6 plication approved by the Attorney General under
7 subsection (b) or (e) of section 6.

8 (20) SUSPICIOUS TRANSACTION.—The term
9 “suspicious transaction” means a transaction or an
10 arrangement that an operator of an online prediction
11 market knows or has reason to know, as determined
12 by a director, officer, employee, or agent of the on-
13 line prediction market, is or would be if completed—

14 (A) a violation of, or part of a plan to vio-
15 late or evade, any Federal, State, or local law
16 (including any regulation); or

17 (B) wagering by or on behalf of an indi-
18 vidual described in subparagraph (C), (D), or
19 (E) of section 7(b)(4).

20 (21) SUSPICIOUS TRANSACTION REPORT.—The
21 term “suspicious transaction report” means a report
22 submitted to a State regulatory entity or a sports
23 organization under section 7(b)(13).

24 (22) WAGER.—

1 (A) IN GENERAL.—Except as provided in
 2 subparagraph (C), the term “wager” means the
 3 staking or risking by any person of something
 4 of value upon the outcome of an event, includ-
 5 ing the outcome of any portion or aspect there-
 6 of, upon an agreement or understanding that
 7 the person or another person will receive some-
 8 thing of value in the event of a certain outcome.

9 (B) INCLUSION.—With respect to an event,
 10 the term “wager” includes—

- 11 (i) a straight bet;
- 12 (ii) a teaser;
- 13 (iii) a variation of a teaser;
- 14 (iv) a parlay;
- 15 (v) a total or over-under;
- 16 (vi) a moneyline;
- 17 (vii) a betting pool;
- 18 (viii) exchange wagering;
- 19 (ix) in-game wagering, including in-
 20 game wagering on—
 - 21 (I) a final or interim game score;
 - 22 (II) statistics; or
 - 23 (III) a discrete in-game event;
 - 24 (x) a sports lottery; and
 - 25 (xi) a proposition bet.

1 (C) EXCEPTIONS.—The term “wager” does
2 not include—

3 (i) any activity excluded from the defi-
4 nition of the term “bet or wager” under
5 section 5362 of title 31, United States
6 Code; or

7 (ii) any activity that does not violate
8 a provision of the Interstate Horseracing
9 Act of 1978 (15 U.S.C. 3001 et seq.).

10 (23) WAGERING.—The term “wagering” means
11 the acceptance of a wager by an online prediction
12 market.

13 (24) WAGERING OPT-IN STATE.—The term
14 “wagering opt-in State” means a State that admin-
15 isters a State wagering program.

16 **SEC. 4. PROTECTING CONSUMERS FROM FRAUD AND MA-**
17 **NIPULATION.**

18 (a) PREVENTION OF INSIDER TRADING AND CON-
19 FLICTS OF INTEREST.—An individual or operator of an
20 online prediction market shall not—

21 (1) use material, nonpublic information for pri-
22 vate gain in wagering on an online prediction mar-
23 ket; or

1 (2) create or participate in listings or wagers on
2 an online prediction market that would present a
3 conflict of interest.

4 (b) PREVENTION OF MANIPULATION.—An individual
5 or operator of an online prediction market shall not en-
6 gage in manipulation and deceptive practices that pre-
7 determine the outcome or otherwise materially interfere
8 with the integrity and execution of listings on an online
9 prediction market.

10 (c) RESTRICTING FRAUDULENT LISTINGS.—An oper-
11 ator of an online prediction market shall not offer listings
12 that—

13 (1) are susceptible to manipulation or fraudu-
14 lent activities;

15 (2) relate to war, military action, or death;

16 (3) violate State or Federal law; or

17 (4) relate to other matters that are contrary to
18 the public interest as determined by the Attorney
19 General and established under the rules issued pur-
20 suant to subsection (e).

21 (d) ENSURING CLEAR RESOLUTION OF WAGERS.—
22 Each operator of an online prediction market shall—

23 (1) ensure all listings clearly and conspicuously
24 state the conditions under which the resolution of
25 any wager will be decided;

1 (2) be responsible for determining when a list-
2 ing has been resolved; and

3 (3) promptly remove listings that violate the
4 provisions of this section.

5 (e) REQUIRED RULES OF ONLINE PREDICTION MAR-
6 KETS.—Each operator of an online prediction market
7 shall—

8 (1) develop and publish rules for use of the on-
9 line prediction market that prohibit any use of the
10 online prediction market—

11 (A) in violation of subsections (a) and (b);

12 or

13 (B) that would otherwise constitute a pro-
14 hibited transaction described in section 4c of
15 the Commodity Exchange Act (7 U.S.C. 6e);
16 and

17 (2) enforce the rules developed under paragraph
18 (1) of this subsection with respect to the users of the
19 online prediction market.

20 (f) RULEMAKING.—Not later than 180 days after the
21 date of enactment of this Act, the Attorney General shall
22 issue rules to implement the provisions of this section, in-
23 cluding defining the term “material, nonpublic informa-
24 tion” for purposes of subsection (a)(1).

1 **SEC. 5. CONSUMER SAFEGUARDS AND STOPPING PREDATORY TACTICS.**
2

3 An online prediction market may not operate in a
4 State unless expressly authorized under a State wagering
5 program that has been approved by the Attorney General
6 under section 6(b)(1).

7 **SEC. 6. STATE WAGERING PROGRAM.**

8 (a) INITIAL APPLICATION.—

9 (1) IN GENERAL.—To request approval to ad-
10 minister a State wagering program, a State shall
11 submit an application to the Attorney General at
12 such time, in such manner, and accompanied by
13 such information as the Attorney General may re-
14 quire.

15 (2) CONTENTS.—An application under para-
16 graph (1) shall include—

17 (A) a full and complete description of the
18 State wagering program the State proposes to
19 administer under State law, including—

20 (i) each applicable State law relating
21 to wagering; and

22 (ii) an identification of the State regu-
23 latory entity; and

24 (B) an assurance from the attorney gen-
25 eral or chief legal officer of the State that the

1 laws of the State provide adequate authority to
2 carry out the proposed State wagering program.

3 (b) APPROVAL BY ATTORNEY GENERAL.—

4 (1) IN GENERAL.—Not later than 180 days
5 after the date on which the Attorney General re-
6 ceives a complete application under this section, the
7 Attorney General shall approve the application un-
8 less the Attorney General determines that the pro-
9 posed State wagering program does not meet the
10 standards set forth in section 7.

11 (2) DENIAL OF APPLICATION.—A decision of
12 the Attorney General to deny an application sub-
13 mitted under this section shall—

14 (A) be made in writing; and

15 (B) specify the 1 or more standards under
16 section 7 that are not satisfied by the proposed
17 State wagering program.

18 (c) NOTICE OF MATERIAL CHANGES.—In the case of
19 a material change to a State law relating to wagering, the
20 State regulatory entity, or other information included in
21 an application submitted pursuant to subsection (a) or (e),
22 not later than 30 days after the date on which the change
23 is made, the State shall submit to the Attorney General
24 a notice of such change.

1 (d) DURATION.—A State wagering program shall be
2 valid for a fixed 3-year period beginning on the date on
3 which the Attorney General approves the application of
4 the applicable State under subsection (a) or (e).

5 (e) RENEWAL APPLICATION AND APPROVAL.—Not
6 later than the date on which the 3-year period referred
7 to in subsection (d) ends, a State seeking to renew the
8 approval of the State wagering program may submit to
9 the Attorney General a renewal application that—

10 (1) includes the information described in sub-
11 section (a); and

12 (2) shall be subject to the approval process
13 under subsection (b).

14 (f) REVOCATION AND REVIEW.—

15 (1) EMERGENCY REVOCATION OF APPROVAL.—
16 The Attorney General shall promulgate regulations
17 that provide procedures by which the Attorney Gen-
18 eral may revoke the approval of a State to admin-
19 ister a State wagering program before the date on
20 which the 3-year term described in subsection (d)
21 expires if the Attorney General finds that the wager-
22 ing program does not meet 1 or more standards set
23 forth in section 7.

24 (2) ADMINISTRATIVE REVIEW.—The Attorney
25 General shall promulgate regulations that provide

1 procedures by which a State may seek administra-
2 tive review of any decision by the Attorney Gen-
3 eral—

4 (A) to deny an application under sub-
5 section (b)(2);

6 (B) to deny a renewal application under
7 subsection (e); or

8 (C) to revoke an approval under paragraph
9 (1) of this subsection.

10 **SEC. 7. STATE WAGERING PROGRAM STANDARDS.**

11 (a) **IN GENERAL.**—The Attorney General shall ap-
12 prove an application under section 6 unless the Attorney
13 General determines that the proposed State wagering pro-
14 gram does not meet the standards set forth in subsection
15 (b) of this section.

16 (b) **STANDARDS FOR STATE WAGERING PRO-**
17 **GRAMS.**—A State wagering program shall meet each of the
18 following standards:

19 (1) **STATE REGULATORY ENTITY.**—Establish or
20 designate a public entity in the applicable State as
21 the State regulatory entity for the purposes of regu-
22 lating online prediction markets and enforcing wa-
23 gering laws in the State.

24 (2) **PERMISSIBLE WAGERING.**—

1 (A) ONLINE PREDICTION MARKET WAGER-
2 ING.—

3 (i) IN GENERAL.—With respect to any
4 authorization of wagering on an online pre-
5 diction market, provide that such wager-
6 ing, as available, is available only to—

7 (I) individuals located in the
8 State; or

9 (II) in the case of an interstate
10 wagering compact approved by the At-
11 torney General, individuals located in
12 States and on Indian lands of Indian
13 Tribes that are party to the compact.

14 (ii) LOCATION VERIFICATION.—In-
15 clude location verification requirements
16 reasonably designed to prevent an indi-
17 vidual from placing a wager on an online
18 prediction market from a location other
19 than a location described in clause (i).

20 (B) WAGER APPROVAL.—

21 (i) IN GENERAL.—Provide that an op-
22 erator of an online prediction market shall
23 not accept a wager unless such wager or
24 class of wagers is expressly approved by
25 the State regulatory entity.

1 (ii) APPROVAL CRITERIA.—Direct the
2 State regulatory entity to establish criteria
3 for decisions with respect to the approval
4 of a wager or a class of wagers, such as
5 whether the outcome of the event or con-
6 tingency on which the wager is placed is—
7 (I) verifiable;
8 (II) generated by a reliable and
9 independent process; and
10 (III) unlikely to be affected by
11 any wager placed.

12 (C) PROHIBITION ON AMATEUR OR INTER-
13 COLLEGIATE PROPOSITION BETS.—Prohibit the
14 State regulatory entity from approving, or an
15 operator of an online prediction market from
16 accepting, a proposition bet on—

17 (i) any amateur athletic competition;
18 or
19 (ii) any intercollegiate sport (as de-
20 fined in section 2 of the Sports Agent Re-
21 sponsibility and Trust Act (15 U.S.C.
22 7801)).

23 (D) PROHIBITION OF WAGERING ON
24 SPORTING EVENTS THAT HAVE COMMENCED.—
25 Prohibit the State regulatory entity from ap-

1 proving, or an operator of an online prediction
2 market from accepting, a wager on any sporting
3 event once such event has commenced.

4 (E) PROHIBITION ON RELOAD BONUSES.—
5 Prohibit the State regulatory entity from ap-
6 proving, or an operator of an online prediction
7 market from encouraging, customers to make
8 deposits by offering financial incentives, includ-
9 ing bonus funds or gambling credits when the
10 account of a customer approaches or reaches a
11 zero balance.

12 (F) PROHIBITION ON TIER PROGRAMS.—
13 Prohibit the State regulatory entity from ap-
14 proving, or an operator of an online prediction
15 market from providing, anything of value that
16 is greater than \$5 as a form of reward or incen-
17 tive linked to the level, amount, frequency,
18 scope, pace, duration, or rate or gambling activ-
19 ity of a customer.

20 (G) PROHIBITION ON VIP PROGRAMS.—
21 Prohibit the State regulatory entity from ap-
22 proving, or an operator of an online prediction
23 market from providing—

24 (i) compensation in any form that is
25 directly or indirectly connected to the de-

1 posits, gambling activity, gambling wins,
2 gambling losses, or the level, amount, fre-
3 quency, scope, pace, duration, or rate of
4 gambling activity of a customer; or

5 (ii) cash, gambling credit, prizes,
6 gifts, merchandise, event tickets or passes,
7 or property (real or personal) connected to
8 the deposits, gambling activity, gambling
9 wins, gambling losses, or level, amount,
10 frequency, scope, pace, duration, or rate of
11 gambling activity of a customer.

12 (3) RESTRICTIONS ON WAGERING TO PROTECT
13 CONTEST INTEGRITY.—

14 (A) DEFINITION OF NECESSARY TO MAIN-
15 TAIN CONTEST INTEGRITY.—In this paragraph,
16 the term “necessary to maintain contest integ-
17 rity” means that, in the absence of a restric-
18 tion, there is a reasonably foreseeable risk that
19 the outcome of the event or contingency on
20 which the wager is placed would be affected by
21 the wager.

22 (B) CONTEST INTEGRITY.—Prohibit an on-
23 line prediction market from accepting a wager
24 in violation of a notice of restriction received by

1 the online prediction market under subpara-
2 graph (E)(i).

3 (C) REQUEST TO RESTRICT WAGERING.—

4 (i) IN GENERAL.—With respect to an
5 event sponsored, organized, or conducted
6 by any person, permit the person to submit
7 to the State regulatory entity a request to
8 restrict, limit, or exclude wagers on 1 or
9 more events if the applicable person deter-
10 mines that such restriction is necessary to
11 maintain contest integrity.

12 (ii) DEADLINES FOR SUBMISSION.—

13 Provide that the State regulatory entity
14 shall establish reasonable deadlines for the
15 submission of a request under clause (i) in
16 advance of the applicable event.

17 (D) DETERMINATION BY THE STATE REG-
18 ULATORY ENTITY.—Provide that the State reg-
19 ulatory entity shall promptly—

20 (i) approve a request described in sub-
21 paragraph (C)(i) unless the State regu-
22 latory entity determines, considering any
23 information provided by the person that
24 submitted the request and any other rel-

1 evant information, that a restriction is not
2 necessary to maintain contest integrity;

3 (ii) provide a written explanation of a
4 determination under clause (i) to approve
5 or deny a request;

6 (iii) make such written explanation
7 available to the public; and

8 (iv) provide a process by which the
9 person that submitted the request may
10 seek review of such determination.

11 (E) NOTICE OF RESTRICTION.—Provide
12 that the State regulatory entity shall establish
13 a process to—

14 (i) provide to operators of online pre-
15 diction markets prompt notice of any re-
16 striction approved by the State regulatory
17 entity; and

18 (ii) make such notice publicly avail-
19 able.

20 (4) PREVENTION OF WAGERING BY PROHIBITED
21 INDIVIDUALS.—Prohibit an online prediction market
22 from accepting wagers from any—

23 (A) individual younger than 21 years of
24 age;

1 (B) individual on the national self-exclu-
2 sion list;

3 (C) athlete, coach, official, or employee of
4 a sports organization or any club or team of a
5 sports organization, with respect to a sporting
6 event sponsored, organized, or conducted by the
7 sports organization;

8 (D) employee of a player or an official
9 union of a sports organization, with respect to
10 a sporting event sponsored, organized, or con-
11 ducted by the sports organization;

12 (E) individual who, with respect to a sport-
13 ing event sponsored, organized, or conducted by
14 a sports organization, is—

15 (i) credentialed or accredited by the
16 sports organization; and

17 (ii) prohibited from placing a wager
18 by the terms of such credential or accredi-
19 tation; or

20 (F) individual convicted of an offense
21 under subsection (a) of section 224 of title 18,
22 United States Code.

23 (5) AUTHORIZED DATA.—

24 (A) RESULT OF A WAGER.—Provide that
25 an operator of an online prediction market shall

1 determine the result of a wager only with data
2 that is obtained from a source that the State
3 regulatory entity has—

4 (i) found to provide—

5 (I) substantial speed, accuracy,
6 and consistency; and

7 (II) only data that is—

8 (aa) legally obtained; and

9 (bb) in full compliance with
10 the terms of any applicable con-
11 tract or license;

12 (ii) expressly authorized to provide
13 such data to online prediction markets;
14 and

15 (iii) identified in the application of the
16 State regulatory entity under section 6.

17 (B) OTHER PURPOSES.—Provide that the
18 statistics, result, outcome, or other data used
19 by an operator of an online prediction market
20 for a purpose other than to determine the result
21 of a wager shall be in the public domain or oth-
22 erwise legally obtained.

23 (6) CONSUMER PROTECTIONS.—

24 (A) SELF-EXCLUSION.—

1 (i) STATE SELF-EXCLUSION LIST.—
2 Provide a process by which an individual
3 may restrict himself or herself from plac-
4 ing a wager with an operator of an online
5 prediction market located in the State, in-
6 cluding by imposing wager limits.

7 (ii) NATIONAL SELF-EXCLUSION
8 LIST.—Provide, through the State regu-
9 latory entity acting in cooperation with the
10 Assistant Secretary for Mental Health and
11 Substance Use, a process by which an indi-
12 vidual may restrict himself or herself from
13 placing a wager with an operator of an on-
14 line prediction market located in any wa-
15 gering opt-in State, including by imposing
16 wager limits and placing himself or herself
17 on the national self-exclusion list.

18 (iii) REASONABLE STEPS RE-
19 QUIRED.—Provide that an operator of an
20 online prediction market may not accept a
21 wager by an individual who is—

22 (I) described in clause (i); or
23 (II) included on the national self-
24 exclusion list.

1 (B) WITHDRAWAL RESTRICTIONS.—Pro-
2 hibit an operator of an online prediction market
3 from—

4 (i) requiring an individual engaged in
5 wagering to participate in a publicity or an
6 advertising activity of the online prediction
7 market as a condition of withdrawal of the
8 winnings of the individual; and

9 (ii) imposing on any individual en-
10 gaged in wagering—

11 (I) a minimum or maximum
12 withdrawal limit for the account of
13 the individual;

14 (II) any restriction on the right
15 of the individual to make a with-
16 drawal from the account of the indi-
17 vidual based on the extent of the wa-
18 gering by the individual;

19 (III) an unreasonable deadline
20 for the provision of information relat-
21 ing to the identity of the individual as
22 a condition of withdrawal from the ac-
23 count of the individual; or

1 (IV) a dormancy charge for an
2 account of the individual that is not
3 used to place a wager.

4 (C) DISCLOSURE.—

5 (i) RESTRICTIONS OR CONDITIONS.—

6 Provide that an operator of an online pre-
7 diction market shall provide an individual
8 with adequate and clear information relat-
9 ing to any applicable restriction or condi-
10 tion before the individual opens an account
11 with the online prediction market.

12 (ii) BONUSES OFFERED.—Provide
13 that an operator of an online prediction
14 market shall provide to an individual en-
15 gaged in wagering clear, concise, and un-
16 ambiguous information relating to any
17 bonus offered, including—

18 (I) the terms and conditions for
19 awarding, receiving, or withdrawal of
20 the bonus; and

21 (II) a description of any and all
22 wagering requirements.

23 (iii) PUBLIC AVAILABILITY.—Provide
24 that the information described in clauses
25 (i) and (ii) be available to the public.

1 (iv) ACTUAL ODDS.—Provide that an
2 operator of an online prediction market
3 shall—

4 (I) before accepting a wager, pro-
5 vide an individual with adequate and
6 clear information on the actual odds
7 of winning a wager, as calculated by
8 the operator of the online prediction
9 market; and

10 (II) provide an individual placing
11 a wager with an opportunity to cancel
12 the wager without any cost or penalty,
13 and provide information to the indi-
14 vidual regarding such opportunity.

15 (D) TREATMENT AND EDUCATION FUND-
16 ING.—Provide that an operator of an online
17 prediction market shall allocate an appropriate
18 percentage of the revenue from wagering to—

19 (i) treatment for gambling disorder;

20 and

21 (ii) education on responsible gaming.

22 (E) RESERVE REQUIREMENT.—Provide
23 that an operator of an online prediction market
24 shall maintain a reserve in an amount not less
25 than the sum of—

1 (i) the amounts held by the operator
2 of the online prediction market for the ac-
3 count of patrons;

4 (ii) the amounts accepted by the oper-
5 ator of the online prediction market as wa-
6 gers on contingencies the outcomes of
7 which have not been determined; and

8 (iii) the amounts owed but unpaid by
9 the operator of the online prediction mar-
10 ket on winning wagers during the period
11 for honoring winning wagers established by
12 State law or the operator of the online pre-
13 diction market.

14 (F) AFFORDABILITY PROTECTIONS.—Pro-
15 vide that an operator of an online prediction
16 market—

17 (i) may not accept more than 5 depos-
18 its from an individual during a 24-hour pe-
19 riod;

20 (ii) may not accept deposits made
21 using a credit card; and

22 (iii) shall be required, before accepting
23 wagers from an individual in an amount
24 that is more than \$1,000 during a 24-hour
25 period or \$10,000 during a 30-day period,

1 to conduct an affordability check which
2 shall be satisfied by 1 or both of the fol-
3 lowing ways:

4 (I) Verification that the proposed
5 deposit is not greater than 30 percent
6 of the monthly income of the indi-
7 vidual.

8 (II) Verification through a rea-
9 sonable lender standard based on
10 issuance of an unsecured loan for the
11 proposed deposit through methods
12 normally used by consumer lenders.

13 (G) ARTIFICIAL INTELLIGENCE RESTRIC-
14 TION.—Provide that an operator of an online
15 prediction market may not use artificial intel-
16 ligence to—

- 17 (i) track the wagers of an individual;
18 (ii) create an offer or promotion tar-
19 geting a specific individual; or
20 (iii) create a gambling product, such
21 as a proposition bet or a microbet.

22 (7) ADVERTISING.—Provide that advertise-
23 ments for an online prediction market—

24 (A) shall—

1 (i) disclose the identity of the online
2 prediction market; and

3 (ii) provide information about how to
4 access resources relating to gambling ad-
5 diction;

6 (B) shall not recklessly or purposefully tar-
7 get—

8 (i) problem gamblers;

9 (ii) individuals suffering from gam-
10 bling disorder or individuals who have
11 placed themselves on a self-exclusion list;
12 or

13 (iii) individuals who are ineligible to
14 place a wager, including individuals young-
15 er than 21 years of age (including through
16 the placement of advertisements in loca-
17 tions where underage users are most
18 prominent);

19 (C) may not be broadcast—

20 (i) between the hours of 8:00 a.m. and
21 10:00 p.m. local time; or

22 (ii) during a live broadcast of a sport-
23 ing event; and

24 (D) may not include—

1 (i) odds boosts or similar offers, in-
2 cluding advertising that contains the
3 phrase “bonus”, “no sweat”, “bonus bet”,
4 or any other similar term; or

5 (ii) any information on how to place a
6 wager or how wagers work.

7 (8) LICENSING REQUIREMENT.—

8 (A) IN GENERAL.—Provide that an oper-
9 ator of an online prediction market located in
10 the State shall be licensed by the State regu-
11 latory entity.

12 (B) SUITABILITY FOR LICENSING.—

13 (i) IN GENERAL.—Provide that before
14 granting a license to an online prediction
15 market, the State regulatory entity shall
16 make a determination, based on a com-
17 pleted background check and investigation,
18 with respect to whether the prospective on-
19 line prediction market and any person con-
20 sidered to be in control of the prospective
21 online prediction market is suitable for li-
22 cense in accordance with suitability stand-
23 ards established by the State regulatory
24 entity.

1 (ii) ASSOCIATES OF APPLICANTS.—

2 Provide that if a prospective online pre-
3 diction market is a corporation, partner-
4 ship, or other business entity, a back-
5 ground check and investigation shall occur
6 with respect to—

7 (I) the president or other chief
8 executive of the corporation, partner-
9 ship, or other business entity; and

10 (II) any other partner or senior
11 executive and director of the corpora-
12 tion, partnership, or other business
13 entity, as determined by the State
14 regulatory entity.

15 (iii) BACKGROUND CHECK AND INVES-
16 TIGATION.—Establish standards and pro-
17 cedures for conducting the background
18 checks and investigations described in this
19 subparagraph.

20 (C) UNSUITABILITY FOR LICENSING.—

21 With respect to the suitability standards under
22 subparagraph (B)(i), provide that a prospective
23 online prediction market shall not be deter-
24 mined to be suitable for licensing as an online

1 prediction market if the operator of the pro-
2 spective online prediction market—

3 (i) has failed to provide information
4 and documentary material for a determina-
5 tion of suitability for licensing as an online
6 prediction market;

7 (ii) has supplied information which is
8 untrue or misleading as to a material fact
9 pertaining to any such determination;

10 (iii) has been convicted of an offense
11 punishable by imprisonment of more than
12 1 year;

13 (iv) is delinquent in—

14 (I) filing any applicable Federal
15 or State tax returns; or

16 (II) the payment of any taxes,
17 penalties, additions to tax, or interest
18 owed to the United States or a State;

19 (v) on or after October 13, 2006—

20 (I) has knowingly participated in,
21 or should have known the operator of
22 the prospective online prediction mar-
23 ket was participating in, an illegal
24 internet gambling activity, including—

1 (aa) taking an illegal inter-
2 net wager;

3 (bb) payment of winnings on
4 an illegal internet wager;

5 (cc) promotion through ad-
6 vertising of an illegal internet
7 gambling website or service; or

8 (dd) collection of any pay-
9 ment on behalf of an entity oper-
10 ating an illegal internet gambling
11 website; or

12 (II) has knowingly been owned,
13 operated, managed, or employed by,
14 or should have known the prospective
15 online prediction market was owned,
16 operated, managed, or employed by,
17 any person who was knowingly par-
18 ticipating in, or should have known
19 the person was participating in, an il-
20 legal internet gambling activity, in-
21 cluding an activity described in items
22 (aa) through (dd) of subclause (I);

23 (vi) has—

24 (I) received any assistance, finan-
25 cial or otherwise, from a person who

1 has, before the date of enactment of
2 this Act, knowingly accepted wagers
3 from any other person who is phys-
4 ically present in the United States in
5 violation of Federal or State law; or

6 (II) provided any assistance, fi-
7 nancial or otherwise, to a person who
8 has, before the date of enactment of
9 this Act, knowingly accepted wagers
10 from any other person who is phys-
11 ically present in the United States in
12 violation of Federal or State law;

13 (vii) with respect to any other entity
14 that has accepted a wager from any indi-
15 vidual in violation of United States law,
16 has purchased or otherwise obtained—

17 (I) such entity;

18 (II) a list of the customers of
19 such entity; or

20 (III) any other part of the equip-
21 ment or operations of such entity;

22 (viii) fails to certify in writing, under
23 penalty of perjury, that the applicant or
24 other such person, and all affiliated busi-
25 ness entities (including all entities under

1 common control), during the entire history
2 of such applicant or other such person and
3 all affiliated business entities—

4 (I) have not committed an inten-
5 tional felony violation of Federal or
6 State wagering law; and

7 (II) have used diligence to pre-
8 vent any United States person from
9 placing a wager on an internet site in
10 violation of Federal or State wagering
11 laws; or

12 (ix) operates an online prediction mar-
13 ket or other wagering service outside the
14 United States that has failed to prevent
15 any United States person from placing a
16 wager that does not comply with Federal
17 or State wagering laws.

18 (D) REVOCATION AND SUSPENSION.—Es-
19 tablish standards and procedures for sus-
20 pending or revoking the license of an operator
21 of an online prediction market.

22 (9) EMPLOYEE BACKGROUND CHECKS.—Pro-
23 vide that an operator of an online prediction mar-
24 ket—

1 (A) shall ensure that each existing and
2 newly hired employee or contractor of the online
3 prediction market undergo an annual criminal
4 history background check; and

5 (B) shall not employ or enter into a con-
6 tract with any individual who has been con-
7 victed of a Federal or State crime relating to
8 wagering.

9 (10) RECORDKEEPING REQUIREMENTS.—

10 (A) IN GENERAL.—With respect to each
11 wager accepted by an operator of an online pre-
12 diction market or attempted to be placed by an
13 individual with an operator of an online pre-
14 diction market, provide that the operator of the
15 online prediction market shall secure and main-
16 tain a record of the following:

17 (i) The name, permanent address,
18 date of birth, and social security number
19 or passport number of the individual who
20 placed, or attempted to place, the wager,
21 which the operator of the online prediction
22 market shall verify in accordance with the
23 requirements for verification of identity in
24 parts 1010.312 and 1021.312 of title 31,

1 Code of Federal Regulations (or any suc-
2 cessor regulation).

3 (ii) The amount and type of the
4 wager.

5 (iii) The date and time at which the
6 wager was placed or attempted to be
7 placed.

8 (iv) The location at which the wager
9 was placed or attempted to be placed, in-
10 cluding the internet protocol address, if ap-
11 plicable.

12 (v) The outcome of the wager.

13 (B) RECORDS RELATING TO SUSPICIOUS
14 TRANSACTIONS.—Provide that, in addition to
15 the records required to be maintained pursuant
16 paragraph (A), an operator of an online pre-
17 diction market shall be required to maintain
18 any other records relating to a suspicious trans-
19 action, including video recordings, in the pos-
20 session, custody, or control of the operator of
21 the online prediction market.

22 (C) DURATION OF RECORDKEEPING OBLI-
23 GATION.—Provide that an operator of an online
24 prediction market shall be required to maintain
25 each record required under this paragraph for

1 not fewer than 6 years after the date on which
2 the record is created.

3 (11) DATA SECURITY.—Provide that an oper-
4 ator of an online prediction market and the State
5 regulatory entity shall take reasonable steps to pre-
6 vent unauthorized access to, or dissemination of, wa-
7 gering and customer data.

8 (12) REAL-TIME INFORMATION SHARING.—Pro-
9 vide that an operator of an online prediction market
10 shall provide to the State regulatory entity and the
11 Attorney General anonymized wagering data in real-
12 time or as soon as practicable, but not later than 24
13 hours, after the time at which a wager is accepted
14 by the operator of the online prediction market.

15 (13) SUSPICIOUS TRANSACTION REPORTING.—

16 (A) REPORTING TO STATE REGULATORY
17 ENTITY.—Provide that each operator of an on-
18 line prediction market located in the State shall
19 promptly report the information described in
20 paragraph (10)(A) for any suspicious trans-
21 action to the State regulatory entity, in such
22 manner and accompanied by such additional in-
23 formation as the State regulatory entity may
24 require.

1 (B) REPORTING TO SPORTS ORGANIZA-
2 TIONS.—

3 (i) IN GENERAL.—Subject to clause
4 (ii), provide that an operator of an online
5 prediction market shall simultaneously
6 transmit to any applicable sports organiza-
7 tion, and any component of the Depart-
8 ment of Justice or other Federal law en-
9 forcement entity designated by the Attor-
10 ney General to receive such reports, any
11 suspicious transaction report submitted to
12 a State regulatory entity under subpara-
13 graph (A).

14 (ii) PERSONALLY IDENTIFIABLE IN-
15 FORMATION.—

16 (I) IN GENERAL.—Except as pro-
17 vided in subclause (II), a suspicious
18 transaction report submitted to a
19 sports organization shall not contain
20 any personally identifiable information
21 relating to any individual who placed,
22 or attempted to place, a wager.

23 (II) EXCEPTION.—A suspicious
24 transaction report submitted to a
25 sports organization shall include any

1 available personally identifiable infor-
2 mation relating to an individual de-
3 scribed in subparagraph (C), (D), or
4 (E) of paragraph (4).

5 (14) MONITORING AND ENFORCEMENT.—

6 (A) IN GENERAL.—Provide that the State
7 regulatory entity, in consultation with law en-
8 forcement, shall develop and implement a strat-
9 egy to enforce the wagering laws of the State.

10 (B) AUTHORITY TO MONITOR AND EN-
11 FORCEMENT.—Provide adequate authority to
12 the State regulatory entity and law enforce-
13 ment, as appropriate, to monitor compliance
14 with and enforce the wagering laws of the
15 State, including—

16 (i) the authority and responsibility to
17 conduct periodic audits and inspect the
18 books and records of each online prediction
19 market located or operating in the State;
20 and

21 (ii) a requirement that the State regu-
22 latory entity shall refer evidence of poten-
23 tial criminal violations to the appropriate
24 law enforcement entity.

25 (15) COOPERATION WITH INVESTIGATIONS.—

1 (A) ONLINE PREDICTION MARKETS.—Pro-
2 vide that any operator of an online prediction
3 market located or operating in the State shall
4 cooperate with any lawful investigation con-
5 ducted by—

6 (i) the State regulatory entity;

7 (ii) Federal or State law enforcement;

8 or

9 (iii) a sports organization, with re-
10 spect to a wager—

11 (I) on a sporting event spon-
12 sored, organized, or conducted by the
13 sports organization;

14 (II) placed by or on behalf of an
15 individual described in subparagraph
16 (C), (D), or (E) of paragraph (4); and

17 (III) accepted by the operator of
18 the online prediction market.

19 (B) STATE REGULATORY ENTITY.—Pro-
20 vide that the State regulatory entity shall co-
21 operate with any lawful investigation conducted
22 by—

23 (i) Federal or State law enforcement;

24 or

1 (ii) a sports organization, with respect
2 to a wager—

3 (I) on a sporting event spon-
4 sored, organized, or conducted by the
5 sports organization; and

6 (II) accepted by an online pre-
7 diction market located or operating in
8 the State.

9 (16) INTERNAL CONTROLS.—

10 (A) IN GENERAL.—Provide that each oper-
11 ator of an online prediction market shall devise
12 and maintain a system of internal controls suf-
13 ficient to provide reasonable assurances that
14 wagers are accepted in accordance with all ap-
15 plicable laws, regulations, and policies.

16 (B) MINIMUM STANDARDS.—Provide that
17 the State regulatory entity shall adopt and pub-
18 lish minimum standards for internal control
19 procedures.

20 (C) REPORT.—Provide that each operator
21 of an online prediction market shall submit to
22 the State regulatory entity not less frequently
23 than annually the written system of internal
24 controls of the online prediction market.

1 (D) AUDIT.—Provide that system of inter-
2 nal controls of an online prediction market shall
3 be evaluated on a periodic basis, but not less
4 frequently than every 3 years, by the State reg-
5 ulatory entity or an independent third-party
6 auditor.

7 **SEC. 8. NATIONAL SELF-EXCLUSION LIST.**

8 Part D of title V of the Public Health Service Act
9 (42 U.S.C. 290dd et seq.) is amended by adding at the
10 end the following:

11 **“SEC. 554. NATIONAL SELF-EXCLUSION LIST.**

12 “(a) IN GENERAL.—In cooperation with State regu-
13 latory entities, the Secretary shall maintain and admin-
14 ister—

15 “(1) a list (to be known as the ‘national self-
16 exclusion list’) of individuals who, by placing them-
17 selves on the list, restrict themselves from placing a
18 wager with an operator of an online prediction mar-
19 ket located in any wagering opt-in State, including
20 by imposing wager limits; and

21 “(2) a process by which an individual may add
22 or remove himself or herself from the national self-
23 exclusion list.

24 “(b) DEFINITIONS.—In this section, the terms ‘online
25 prediction market’, ‘wager’, and ‘wagering opt-in State’

1 have the meanings given to such terms in section 3 of the
2 Prediction Markets Security and Integrity Act of 2026.”.

3 **SEC. 9. PREVENTING MINORS FROM GAMBLING AND EN-**
4 **SURING COMPLIANCE.**

5 (a) PROHIBITION.—An operator of an online pre-
6 diction market may not allow any individual younger than
7 21 years of age to register to use the online prediction
8 market or engage in any wager using the online prediction
9 market.

10 (b) AGE, IDENTITY, AND LOCATION
11 VERIFICATION.—Each operator of an online prediction
12 market shall—

13 (1) establish and maintain a program to iden-
14 tify the full name and location and establish the age
15 of each user of the online prediction market;

16 (2) ensure that—

17 (A) each new account on the online pre-
18 diction market is verified under the program es-
19 tablished under paragraph (1); and

20 (B) each existing account on the online
21 prediction market may not be used until
22 verified under the program established under
23 paragraph (1);

24 (3) ensure that individuals who attempt to reg-
25 ister for an online prediction market are not other-

1 wise restricted from placing wagers, such as due to
2 economic sanctions, self-exclusion lists, or conflict of
3 interest rules promulgated by the Department of
4 Justice; and

5 (4) ensure that, in the event that a user of the
6 online prediction market changes locations to a dif-
7 ferent State, the operator of the online prediction
8 market complies with the regulations of the State
9 the user is located in.

10 (c) **BAN ON ADVERTISING TO INDIVIDUALS YOUNGER**
11 **THAN 21 YEARS OF AGE.**—An operator of an online pre-
12 diction market may not—

13 (1) advertise to any individual younger than 21
14 years of age;

15 (2) use branding that would target any indi-
16 vidual younger than 21 years of age; or

17 (3) place ads in online or physical locations
18 where the majority of viewers or participants would
19 be presumed to be younger than 21 years of age.

20 **SEC. 10. ENFORCEMENT.**

21 (a) **POWERS OF THE ATTORNEY GENERAL.**—

22 (1) **CIVIL ACTION.**—The Attorney General may
23 bring a civil action for injunctive relief in an appro-
24 priate district court of the United States against any

1 person who violates this Act or any regulation pro-
2 mulgated under this Act.

3 (2) CRIMINAL PENALTY.—Any person who vio-
4 lates this Act or any regulation promulgated under
5 this Act shall be fined not less than \$50,000 per vio-
6 lation, imprisoned for not more than 2 years, or
7 both.

8 (3) AUTHORITY PRESERVED.—Nothing in this
9 section shall be construed to limit the authority of
10 the Attorney General under any other provision of
11 law.

12 (b) ENFORCEMENT BY STATE ATTORNEYS GEN-
13 ERAL.—

14 (1) CIVIL ACTION.—In any case in which an at-
15 torney general of a State has reason to believe that
16 an interest of the residents of that State has been
17 or is threatened or adversely affected by the viola-
18 tion of this Act or any regulation promulgated under
19 this Act by any operator of an online prediction
20 market, the attorney general of the State may, as
21 parens patriae, bring a civil action on behalf of the
22 residents of the State in an appropriate district
23 court of the United States to enjoin such violation.

24 (2) RIGHTS OF THE ATTORNEY GENERAL.—

25 (A) NOTICE TO ATTORNEY GENERAL.—

1 (i) IN GENERAL.—Except as provided
2 in clause (iii), the attorney general of a
3 State shall notify the Attorney General in
4 writing that the attorney general of the
5 State intends to bring a civil action under
6 paragraph (1) not later than 10 days be-
7 fore initiating the civil action.

8 (ii) CONTENTS.—The notification re-
9 quired under clause (i) with respect to a
10 civil action shall include a copy of the com-
11 plaint to be filed to initiate the civil action.

12 (iii) EXCEPTION.—If it is not feasible
13 for the attorney general of a State to pro-
14 vide the notification required by clause (i)
15 before initiating an action under paragraph
16 (1), the attorney general of the State shall
17 notify the Attorney General immediately
18 upon instituting the civil action.

19 (B) INTERVENTION BY THE ATTORNEY
20 GENERAL.—The Attorney General may—

21 (i) intervene in any action brought by
22 the attorney general of a State under para-
23 graph (1); and

24 (ii) upon intervening under clause (i),
25 be heard on all matters arising in the civil

1 action and file petitions for appeal of a de-
2 cision in the action.

3 (c) **LIMITATION ON STATE ACTION WHILE FEDERAL**
4 **ACTION IS PENDING.**—If the Attorney General institutes
5 an action under subsection (a) with respect to a violation
6 of this Act or any regulation promulgated under this Act,
7 a State may not, during the pendency of that action, insti-
8 tute an action under subsection (b) against any defendant
9 named in the complaint in the action instituted by the At-
10 torney General based on the same set of facts giving rise
11 to the violation with respect to which the Attorney General
12 instituted the action.

13 **SEC. 11. PRESERVING STATE REGULATIONS AND CON-**
14 **SUMER PROTECTIONS.**

15 (a) **PROHIBITION RELATING TO EVENT CONTRACTS**
16 **UNDER THE COMMODITY EXCHANGE ACT.**—Section 5c of
17 the Commodity Exchange Act (7 U.S.C. 7a–2) is amended
18 by inserting after subsection (c) the following:

19 “(d) **PROHIBITION ON ONLINE PREDICTION MAR-**
20 **KETS LISTING EVENT CONTRACTS.**—An agreement, con-
21 tract, transaction, or swap in an excluded commodity that
22 is based upon an occurrence, extent of an occurrence, or
23 contingency shall not be listed or made available for clear-
24 ing or trading on or through an online prediction market

1 (as defined in section 3 of the Prediction Markets Security
2 and Integrity Act of 2026).”.

3 (b) NO PREEMPTION.—Nothing in this Act preempts
4 or limits the authority of a State or an Indian Tribe to
5 enact, adopt, promulgate, or enforce any law, rule, regula-
6 tion, or other measure with respect to online prediction
7 markets that is in addition to, or more stringent than, the
8 requirements of this Act, including a law, rule, regulation,
9 or other measure that prohibits an online prediction mar-
10 ket from operating in the State or Tribal jurisdiction.

11 **SEC. 12. SEVERABILITY.**

12 If a provision of this Act, an amendment made by
13 this Act, a regulation promulgated under this Act or under
14 an amendment made by this Act, or the application of any
15 such provision, amendment, or regulation to any person
16 or circumstance, is held to be invalid, the remaining provi-
17 sions of this Act, amendments made by this Act, regula-
18 tions promulgated under this Act or under an amendment
19 made by this Act, or the application of such provisions,
20 amendments, and regulations to any person or cir-
21 cumstance—

22 (1) shall not be affected by the invalidity; and

23 (2) shall continue to be enforced to the max-
24 imum extent practicable.

○