

119TH CONGRESS
2D SESSION

S. 4226

To amend the Commodity Exchange Act to prohibit certain event contracts on prediction markets, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Mr. MERKLEY (for himself, Ms. WARREN, Mr. BLUMENTHAL, Mr. VAN HOLLEN, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Commodity Exchange Act to prohibit certain event contracts on prediction markets, and for other purposes.

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 “Stop Trading On Pre-
5 dictions and Corrupt Bets Act of 2026” or the “STOP
6 Corrupt Bets Act of 2026”.

1 **SEC. 2. PROHIBITION ON CERTAIN EVENT CONTRACTS.**

2 Section 5c(c)(5) of the Commodity Exchange Act (7
3 U.S.C. 7a-2(c)(5)) is amended by adding at the end the
4 following:

5 “(D) PROHIBITION ON CERTAIN EVENT
6 CONTRACTS.—

7 “(i) IN GENERAL.—Notwithstanding
8 any other provision of this section, no
9 agreement, contract, transaction, or swap
10 involving any matter described in clause
11 (ii) (or any index, measure, value, or data
12 related thereto, or occurrence, extent of an
13 occurrence, or contingency based thereon)
14 may be listed or made available for clear-
15 ing or trading on or through a registered
16 entity.

17 “(ii) MATTERS DESCRIBED.—The
18 matters referred to in clause (i) are—

19 “(I) any political election or con-
20 test;

21 “(II) subject to clause (iii), any
22 action taken by the executive, legisla-
23 tive, or judicial branch of the United
24 States;

25 “(III) any sporting event or con-
26 test; and

1 “(IV) any military action taken
2 by the United States or any foreign
3 country.

4 “(iii) HEDGING.—The prohibition
5 under clause (i) with respect to any matter
6 described in clause (ii)(II) shall not apply
7 to an agreement, contract, transaction, or
8 swap that is used for hedging or mitigating
9 commercial risk, as the Commission may
10 determine by rule or regulation.”.

11 **SEC. 3. SENSE OF CONGRESS.**

12 It is the sense of Congress that—

13 (1) notwithstanding the amendment made by
14 section 2, the intent of Congress in the Commodity
15 Exchange Act (7 U.S.C. 1 et seq.) is the prohibition
16 of the conduct prohibited by that amendment;

17 (2) for the purpose of preventing a Federal reg-
18 ulatory structure that permits gambling, the Com-
19 modity Futures Trading Commission should prohibit
20 the availability for clearing or trading on or through
21 any registered entity (as defined in section 1a of
22 that Act (7 U.S.C. 1a)) any agreement, contract,
23 transaction, or swap (as defined in that section) that
24 is not used for hedging or mitigating commercial
25 risk; and

1 (3) nothing in this Act or any amendment made
2 by this Act preempts any State law that regulates or
3 prohibits gambling or gaming.

4 **SEC. 4. GAO STUDY.**

5 Not later than 60 days after the date of enactment
6 of this Act, the Comptroller General of the United States
7 shall—

8 (1) conduct a study on—

9 (A) prediction markets, including—

10 (i) insider trading in prediction mar-
11 kets; and

12 (ii) the impacts on individuals aged 18
13 to 20 years old of trading in prediction
14 markets;

15 (B) additional types of prediction markets
16 that are not prohibited by the Commodity Ex-
17 change Act (7 U.S.C. 1 et seq.) (as amended by
18 section 2) for the purpose of preventing a Fed-
19 eral regulatory structure that permits gambling,
20 including by examining any agreement, con-
21 tract, transaction, or swap (as defined in sec-
22 tion 1a of that Act (7 U.S.C. 1a)) that is not
23 used for hedging or mitigating commercial risk;
24 and

1 (C) means Congress can use to address il-
2 legal acts occurring in foreign prediction mar-
3 kets and in domestic prediction markets com-
4 mitted by companies with a presence in a for-
5 eign country and in the United States to pre-
6 serve the integrity of prediction markets; and
7 (2) make publicly available and submit to Con-
8 gress a report describing the results of the study
9 conducted under paragraph (1), including rec-
10 ommendations to Congress to preserve the integrity
11 of prediction markets.

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