

Florida Targets Fantasy Sports Companies Over 'Prohibited' Wagers

PrizePicks, Underdog, Betr draw ire of Florida gaming regulators

Former attorney general's opinion may provide an out for operators

Fantasy sports crackdown would benefit Seminoles sports betting

Tension between state gambling regulators and operators of pick 'em fantasy-sports games is escalating after Florida's regulator demanded an immediate halt to solicitation of alleged sports wagers by PrizePicks and other fantasy companies.

"Your failure to comply will result in the Florida Gaming Control Commission taking any and all appropriate action, including referring this matter to the Attorney General's Office of Statewide Prosecution," commission executive director Louis Trombetta said in a [letter](#) dated September 19 to PrizePicks.

"Under Florida law, betting or wagering on the result of contests of skill, such as sports betting, including fantasy sports betting, is strictly prohibited and constitutes a felony unless such activity is otherwise exempted by statute," Trombetta wrote.

Accordingly, in Florida, sports betting may be lawfully conducted only pursuant to a gaming compact, he added.

The commission sent cease-and-desist letters on the same day to rival fantasy-sports operators [Underdog Fantasy](#) and [Betr](#), but apparently not to DraftKings and FanDuel, which do not offer pick 'em-style fantasy games. The letters were first reported on Friday (September 22) by Florida Regulatory Watch.

PrizePicks, an Atlanta-based company that is now the No. 1 operator of fantasy-sports games in various states, responded by saying it would participate in the commission's "regulatory review"

of paid fantasy sports operators.

“We are eager to meet with the executive director, and the commission, to discuss our skill-based gaming platform,” a PrizePicks spokesperson said in a prepared statement.

“At this time, there is no change to our business operations within the state. We are committed to ensuring that our valued members continue to enjoy their right to play the fantasy sports games they love.”

The rapid rise of PrizePicks, surpassing DraftKings and FanDuel through its offering of so-called pick 'em contests, has already [drawn the attention of gambling regulators](#) in other major states outside Florida.

Regulators in both Michigan and New York are preparing to adopt formal rules to expressly ban fantasy games that mimic proposition sports bets.

Regulators in Massachusetts have also committed to examining the lines between fantasy games and sports betting, while officials in Maine and Wyoming recently sent letters of concern to operators regarding pick 'em contests.

In his letter, Trombetta warned PrizePicks, Underdog and Betr against “promoting and conducting an illegal lottery” via their fantasy-sports games.

However, a January 1991 [opinion](#) on fantasy sports by the Sunshine State’s then-attorney general Robert Butterworth said: “Contests in which the skill of the contestant predominates over the element of chance, such as in certain sports contests, do not constitute prohibited lotteries.”

Michelle Cohen, a partner with the Ifrah Law firm in Washington, D.C., said the fantasy sports companies might have a good case if they challenge the Florida commission in court.

“This was a particularly aggressive letter by the commission, considering daily fantasy sports appear to have an exemption in Florida,” Cohen told Vixio GamblingCompliance.

There also may be a nexus between the crackdown in Florida on fantasy sports and the landmark [gambling compact](#) negotiated in 2021 between Republican Governor Ron DeSantis and the Seminole Tribe, which granted the tribe exclusive rights to operate mobile sports wagering in Florida.

Opponents of the compact have asked the U.S. Circuit Court of Appeals in Washington, D.C. to delay Seminoles sports-betting operations in Florida while they prepare an appeal to the Supreme Court.

But the Seminoles are not legally restrained from resuming sports betting, and stand to benefit from the elimination of competition from fantasy sports companies in the Florida market.

Jurisdictions

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United States

Sectors

Fantasy Sports

Sports Betting

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