

## Little known fact: fantasy sports illegal in Arizona

By Jonathan T. Hasebe



As I type this article, I have a keen eye focused on the Yankees-Blue Jays game taking place across the country. Not because I'm a fan of either team (quite the opposite), but because I happen to have Edwin Encarnacion, the Blue Jays' clean-up hitter, on the roster of my fantasy baseball team. I, like millions of Americans, participate in the billion-dollar fantasy sports industry. For the uninitiated, fantasy sports are games where participants act as "managers" of a team and "draft" players at the beginning of each season to build a team that will compete against the teams of other managers. A team's success is determined on the statistics of the drafted players. Oftentimes, participants will pay a league entry fee at the beginning of each season, which will then be awarded to the winners of the league. What may surprise many Arizonans who also partake in a fantasy sports league is that doing so may be illegal under Arizona law.

On the federal level, there is no prohibition on the participation in fantasy sports. In 2006, President Bush signed the Unlawful Internet Gaming Enforcement Act (UIGEA). The main goal of this law was to prohibit banks from making transactions to online gambling sites, effectively halting the online poker industry. The law also included specific carve out language exempting fantasy sports from this prohibition.

While participation in fantasy sports is legal under federal law, Arizona is one of the few states in which participation in a paid fantasy sports league remains illegal. Under Chapter 33 of Title 13 of the Arizona Revised Statutes benefitting from a "game of chance" is prohibited by the statutes. At their core,

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winning a fantasy league still requires some element of chance. A fantasy manager can spend weeks preparing for a draft, run through numerous mock drafts, have what they believe to be a perfect draft, and then watch it all fall apart due to injuries (believe me, I know). Because there is some element to chance in winning a fantasy league, participation in a paid league falls under the definition of "gambling" according to Arizona law.

Earlier this year, Senate Bill 1468 was introduced to exempt "fantasy competitions" from the Arizona gambling statutes. Despite having widespread support in the Senate, the bill was ultimately killed in committee. Until a similar law is passed, the large number of Arizonans who participate in leagues with prizes or money at stake may potentially be putting themselves in jeopardy. While the enforcement of the gambling statutes is likely a low priority for the state (there have been no reported arrests against fantasy sports participants), Arizonans who do participate in such paid leagues should know that they are technically committing a Class 5 felony.

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