Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Representative C. Brown

A BILL for an Act to direct the legislative management to contract for a study relating to the prediction market and event contract industry; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT TO CONTRACT FOR CONSULTANT - PREDICTION MARKET AND EVENT CONTRACT INDUSTRY.

1. The legislative management shall contract for a study of the prediction market and event contract industry to obtain objective information regarding consumer protection, advertising, regulatory authority, enforcement options, and impacts on the existing gaming environment. The study must include an analysis of:
   a. The prediction market and event contract industry, including the availability of these products in the state.
   b. Consumer protection concerns, including financial risks, consumer losses, transparency, fees, disclosure, account protections, and dispute resolution.
   c. Advertising, marketing, sponsorships, promotional offers, bonuses, and other methods used to encourage participation, including potentially deceptive practices; and an analysis of how these practices target minors, young adults, and potentially vulnerable consumers.
   d. Age and identity verification and geolocation practices.
   e. Responsible gaming and problem gambling considerations.
   f. The nature and volume of prediction-market transactions involving individuals in the state.
   g. The relationship between prediction markets and federal commodities regulation, state gaming laws, and state consumer protection laws.

h. State authority to regulate prediction markets and related advertising, marketing, consumer transactions, and related activities.

i. Potential economic and regulatory effects of prediction markets on charitable gaming conducted in the state.

j. Potential impacts on federally recognized Indian tribes sharing geography with the state, tribal sovereignty, Indian gaming, and tribal-state gaming compacts.

k. Laws and regulations enacted and adopted by or being considered in other states, including consumer protection requirements, advertising standards, age requirements, registration or licensing, taxation, responsible gaming requirements, enforcement authority, and civil penalties.

l. Litigation involving prediction-market operators.

2. a. The study must be conducted by an independent third-party consultant, which may be a research organization, academic institution, or other qualified entity.

b. The legislative council shall issue a request for proposal for consulting services to complete the study.

c. Priority must be awarded to consultants with expertise in gaming regulation, consumer protection, economics, financial or commodities markets, responsible gaming, federal and state regulatory policy, digital advertising, and tribal gaming.

d. Interested consultants shall disclose financial and other interests related to prediction-market operators, gaming operators, industry associations, or other entities likely to be affected by the study.

3. The study must include input from stakeholders, including the attorney general and other relevant state agencies, federally recognized Indian tribes sharing geography with the state, consumer protection organizations, responsible gaming organizations, gaming industry representatives, prediction-market operators, gaming operators, and industry associations.

4. The consultant shall submit a report of its findings and recommendations, including any proposals for legislation, to the legislative council for consideration by the seventieth legislative assembly.

SECTION 2. EFFECTIVE DATE. This Act becomes effective upon its filling with the secretary of state.