NASPL
North American Association
of State & Provincial Lotteries

NASPL Headquarters
7757 Auburn Rd. Unit #7
Concord, OH 44077
(440) 361-7962

www.naspl.org

POSITION PAPER

NASPL Statement on Prediction Markets – July 2026

For more than a century, public policy and laws have defined and provided for the regulation of gambling, consumer protection, and generation of public revenues.

Now, advancing technology has given rise to an attempt to create a new type of gambling and conceal its true identity as "prediction markets."

The result of failing to establish appropriate regulatory parameters will have a negative impact on the integrity of the very games (sports as well as lottery) that prediction markets target, compromise consumer protection and responsible gaming efforts nationwide, undermine public benefit funding efforts, and compound the challenges law enforcement faces in combatting tax evasion, money laundering and racketeering. The same gaps in the legal and regulatory infrastructure that allow this type of activity also make it difficult to identify, correct and prevent harmful ulterior motives from being enacted by bad actors.

If the outcome of any event or situation results in a loss or gain of some kind of value (based on an assumption made relative to that event or situation), that meets the definition of "gambling" according to many legal standards.

"Gambling," historically, has meant paying money, or some other sort of consideration, for the random chance to win a prize. Even if there is some element of skill involved in the wager, the fact that chance can play a primary role in the outcome of the wager makes the event a "gamble."

Predictions rely on an event or condition expected to happen in the future. In this case, even though a participant may claim there is an element of skill involved in making their "prediction," the overwhelming elements of chance involved in the outcome of that "prediction" in fact make it a "wager" and therefore a probable illegal gamble.

The World Lottery Association has issued a position paper titled **"Prediction Markets: Unlicensed Betting by Another Name - Threats to Sports Integrity, Consumer Protection, and the Lottery and Betting Sector."** It discusses the variety of threats posed by prediction markets as a surreptitious effort to undo established policy by blurring functional distinctions. That paper states, “This has created increasing tension with gambling regulation and sports integrity frameworks, highlighting the need for clarity regarding the legal qualification of prediction markets and their treatment under gambling law.”

NASPL joins the WLA in calling for “…urgent regulatory clarification in all jurisdictions where prediction markets offer or even plan to offer sports events or other event contracts. The applicable test must be functional and economic: If a product offers a financial return contingent on the outcome of an event—sporting, political, or otherwise—then it constitutes a wager or bet. It must be licensed and regulated as such, irrespective of the operator’s preferred label.”

Considerations for the lottery industry and all of its stakeholders include the importance of definition consistency, operational transparency and guidelines, financial transaction accountability, and means of enforcing compliance. These are the conditions that sanctioned gaming operates with daily, on behalf of the public.

Lotteries are the most impactful gaming activity, born of the public policy process under which we and our beneficiaries and sanctioned competitors operate. NASPL members have a responsibility and a key opportunity to be a resource for that process as it works to understand and address prediction markets.

About NASPL
The North American Association of State and Provincial Lotteries was founded in 1971. Evolving from an informal exchange of information among three pioneering lottery directors, the organization has grown into an active association representing 53 lottery organizations. NASPL’s basic mission is to advocate for state and provincial lottery organizations on matters of general lottery policy and leverage collaboration, communication, education, and information for the betterment of the industry.