



Tennessee **Sports Wagering Council**

312 Rosa Parks Avenue, 8th Floor
Nashville, Tennessee 37243

April 14, 2025

Commodity Futures Trading Commission
Acting Chair Caroline Pham

Via email to PublicRoundtables@CFTC.gov

RE: Prediction Markets Roundtable

Dear Acting Chair Pham:

The Tennessee Sports Wagering Council (SWC) is the regulator of sports wagering in the State of Tennessee and is responsible for enforcing and supervising compliance with the laws and rules relating to wagering on sporting events in this state¹. In Tennessee, it is a taxable privilege to offer sports wagering pursuant to a license issued in accordance with the Tennessee Sports Gaming Act (the Act)².

We are writing to express our concerns with the sports event contracts currently being offered in Tennessee by Commodity Futures Trading Commission (CFTC) regulated entities. We believe that these sports event contracts are Wagers under the Act and are being offered in violation of Tennessee law and regulations. The sports event contracts give consumers the option to purchase contracts corresponding to one of two outcomes of an event. In a sporting event context, a consumer is purchasing a contract that reflects which team they believe will win or lose the matchup. The ultimate result is money being won or lost based on the outcome of a game.

In Tennessee, “Interactive sports wagering” means “placing a wager on a sporting event via the internet, a mobile device, or other telecommunications platform”³. Interactive sports wagering may only be offered in Tennessee pursuant to a license issued by the SWC⁴. The Act defines “Sporting event” as “any professional sporting or athletic event, including motorsports and e-sports, any collegiate sporting or athletic event, or any Olympic sporting or athletic event

¹ Tenn. Code Ann. § 4-49-106(a).

² Tenn. Code Ann. § 4-49-104(a).

³ Tenn. Code Ann. § 4-49-102(14).

⁴ Tenn. Code Ann. § 4-49-117.

sanctioned by a national or international organization or association. ‘Sporting event’ does not include horse racing”⁵. The Act further defines “Wager” as “a sum of money that is risked by a bettor on the unknown outcome of one (1) or more sporting events, including, but not limited to, the form of fixed-odds betting, a future bet, live betting, a money line bet, pari-mutuel betting, parlay bet, pools, proposition bet, spread bet, or in any other form or manner as authorized by rule promulgated by the council”⁶. Therefore, a person or entity that accepts a sum of money risked on the outcome of a sporting event without a valid license issued by the SWC violates the Act.

Additionally, the Tennessee Legislature has put in place many requirements of its sports betting Licensees in order to protect those who choose to wager in our state. Among other protections, individuals under the age of twenty-one are not permitted to wager in Tennessee.⁷ The Act also lists persons or categories of persons who are ineligible to place a wager in Tennessee⁸ and contains responsible gaming requirements, including that licensees allow bettors to restrict themselves from placing wagers⁹. The Act prevents the use of credit cards to wager and does not allow funding an account with cryptocurrency¹⁰. The SWC regulations do not permit kiosks for the purpose of bettors establishing or accessing their wagering accounts at any physical location in Tennessee¹¹. The Act and SWC rules contain specific anti-money laundering controls¹². The Act does not permit wagering on injuries, penalties, or the actions of individual collegiate athletes, and does not permit in-game proposition bets on collegiate teams¹³. The CFTC regulated entities currently offering these sports events contracts are not compliant with these protections (or many others) mandated by the Tennessee Legislature.

As the Commission reviews these sports events contracts, we ask that you respect the policy decisions made by the Tennessee Legislature and not permit the offering of sports events contracts. We appreciate the opportunity to comment and are happy to answer any questions. If you need any additional information, please contact me at mary.beth.thomas@tn.gov.

Sincerely,



Mary Beth Thomas
Executive Director

CC: Billy Orgel
Chair, Tennessee Sports Wagering Council

⁵ Tenn. Code Ann. § 4-49-102(33).

⁶ Tenn. Code Ann. § 4-49-102(39).

⁷ Tenn. Code Ann. § 4-49-118(a); Tenn. Code Ann. § 4-49-102(19).

⁸ Tenn. Code Ann. § 4-49-112.

⁹ Tenn. Code Ann. § 4-49-119.

¹⁰ Tenn. Code Ann. §§ 4-49-118, 4-49-125(f).

¹¹ Tenn. Comp. R. & Regs. 1350-01-.03(6).

¹² Tenn. Code Ann. § 4-49-110; Tenn. Comp. R. & Regs. 1350-03-.08.

¹³ Tenn. Code Ann. § 4-49-114.