

## **BILL ANALYSIS**

H.B. 393  
By: Moody  
State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Many Texans enjoy participating in fantasy sports contests every year that offer prizes, awards, or compensation. However, some say this activity falls within the definition of the criminal offense of gambling and is subject to criminal penalties. It has been suggested that these penalties are inappropriate and that these contests are games of skill rather than games of chance. H.B. 393 seeks to decriminalize fantasy sports betting by revising the definition of "bet" in state law governing gambling offenses and establishing a definition and exemption for a fantasy or simulated game or contest.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 393 amends the Penal Code to exclude from the definition of "bet," for purposes of gambling offenses, an offer of a prize, award, or compensation to the participants in a bona fide contest for the determination of skill, speed, strength, or endurance or to the participants in a fantasy or simulated game or contest. The bill defines "fantasy or simulated game or contest" as a bona fide contest, reflecting the knowledge and skill of the participants, in which:

- participants assemble a fictional sports team composed of actual professional or amateur athletes to compete against other fictional sports teams assembled by other participants for a prize, award, or compensation;
- the value of any prize, award, or compensation is established in advance of the beginning of the game or contest;
- the outcome of the game or contest is determined by the accumulated statistical performances of the individual athletes on a participant's fictional sports team; and
- the outcome of the game or contest is not based solely on the score, point spread, or performance of a single professional or amateur team or athlete.

### **EFFECTIVE DATE**

September 1, 2021.