Shakopee Mdewakanton Sioux Community

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Chairs Klein and Members of the Senate Commerce Committee,

On behalf of the Shakopee Mdewakanton Sioux Community, a federally recognized Indian tribe, we write to express our serious concerns regarding unlicensed, unregulated sports betting activity currently being offered in Minnesota by online prediction market platforms. We encourage the state legislature to immediately act on SF4511.

The regulation of gaming has always been considered the province of tribal, state, and local governments. In Minnesota, gambling activities are heavily regulated. Tribal and state regulators have worked for decades to build safe, transparent, and effective systems to license and regulate legal gambling. The tribes and the state only license gaming that is fair, controlled, and conducted responsibly with integrity monitoring safeguards required by state law and/or gaming compacts. As you may be aware, sports betting has not been authorized by the Minnesota Legislature and sports bookkeeping remains a felony under Minnesota law.

The proliferation of unlicensed sports betting, now being offered and thinly disguised as prediction markets supposedly regulated under the Commodity Exchange Act, threatens this careful and regulated system. These companies provide online exchanges that allow people to bet on the outcome of future events. Last year, these companies began offering contracts focused on the outcomes of sporting events. While these companies attempt to define their gambling activity as swaps or trading, when the winner is determined by the outcome of a sports event or game, the activity is sports wagering. If a product looks like a bet, acts like a bet, and is marketed as a bet, it should be regulated as a bet. This means that prediction market companies must answer to Minnesota law and regulators and tribal law and regulators.

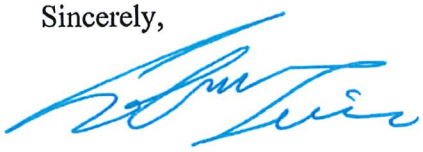
Sports betting conducted through prediction markets violates tribal, federal, and state laws. Importantly, the Indian Gaming Regulatory Act (IGRA) expressly provides tribal governments with exclusive authority to regulate gaming on Indian lands in partnership with states and the National Indian Gaming Commission. This carefully balanced framework protects tribal sovereignty, ensures regulatory integrity, and reflects decades of federal Indian policy. Conversely, to allow illegal sports betting platforms to operate outside of state and tribal regulatory systems undermines the basic, inherent sovereignty and policing authority of the Tribes and State.

Minnesota Attorney General Keith Ellison, along with 38 other state Attorneys General, has recognized the seriousness of this issue and has joined multiple briefs opposing

prediction market operators that seek to offer sports betting products outside of established law. These platforms are actively overriding state authority and tribal sovereignty while operating without the consumer protections and regulatory oversight required of lawful gaming. We take our regulatory responsibilities as a legal gaming operator seriously and remain deeply concerned about the precedent these prediction markets would set if allowed to continue operating unchecked.

Thank you again for your leadership and for your attention to this important issue.

Sincerely,



Chairman Cole W. Miller
Shakopee Mdewakanton Sioux Community