



General Assembly

Governor's Bill No. 5038

February Session, 2026

LCO No. 652



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Referred to Committee on GENERAL LAW

Introduced by:

Request of the Governor Pursuant
to Joint Rule 9

***AN ACT PROHIBITING PREDICTION MARKET PLATFORMS FROM
ALLOWING USE BY OR ADVERTISING TO CONSUMERS UNDER THE
AGE OF TWENTY-ONE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2027*) (a) As used in this section, and
- 2 sections 2 to 6, inclusive, of this act: (1) "Consumer" means an individual
- 3 who is a resident of the state; (2) "bid-ask format" means a format in
- 4 which parties submit offers to buy positions on a prediction market
- 5 platform at a specific price or range of prices and offers to sell positions
- 6 at a specific price or range of prices, with market prices determined
- 7 through the matching of these offers; (3) "prediction market platform"
- 8 means any platform or service that provides consumers with the ability
- 9 to open speculative positions on the outcomes of future events; and (4)
- 10 "prediction market" means any system that allows consumers to open a
- 11 speculative position on the outcome of future events, in a bid-ask
- 12 format, regardless of the mechanisms or structures used for opening
- 13 speculative positions on future events, but does not include:

- 14 (A) Sports wagering, as defined in subdivision (34) of section 12-850
- 15 of the general statutes and solely regulated pursuant to chapter 229b of
- 16 the general statutes;

17 (B) Online casino gaming, as defined in subdivision (26) of section 12-
18 850 of the general statutes and solely regulated pursuant to chapter 229b
19 of the general statutes,

20 (C) Internet games, as defined in subdivision (13) of section 12-850 of
21 the general statutes and solely regulated pursuant to chapter 229b of the
22 general statutes, or

23 (D) The purchase or sale of bid-asks based upon the continuous
24 fluctuation of a security price, commodity value, or interest rate that
25 correlates with traditional market prices or broad economic measures.

26 (b) No prediction market platform provider shall allow any consumer
27 under the age of twenty-one years to register or to open any speculative
28 position on a prediction market on such provider's platform.

29 (c) Any prediction market platform provided in the state shall
30 develop and implement a system that:

31 (1) Verifies that a consumer with an account for such platform is
32 twenty-one years of age or older and is physically present in the state
33 when placing a wager before such individual is permitted to open an
34 account and use the platform; and

35 (2) Provides a voluntary self-exclusion process under which a
36 consumer may (A) exclude himself or herself from establishing an
37 account, (B) exclude himself or herself from submitting offers to buy or
38 sell positions, or (C) limit the amount such consumer may spend using
39 such an account.

40 (d) If a prediction market platform provider has inadvertently
41 permitted a consumer under the age of twenty-one to use the provider's
42 platform and such provider discovers the error, the provider shall (1)
43 immediately suspend such consumer's account, (2) close all positions on
44 that account, (3) pay out to the consumer any funds in the account, and
45 (4) prohibit the consumer from further use of the provider's platform

46 until such consumer has attained the age of twenty-one.

47 Sec. 2. (NEW) (*Effective July 1, 2027*) (a) All advertisements for a
48 prediction market platform provider shall state that consumers shall be
49 twenty-one years of age or older to participate in the type of bid-ask
50 wagering advertised, marketed or promoted. If a direct or targeted
51 advertisement or promotion is sent to a consumer, including, but not
52 limited to, by electronic mail or text message, such advertisement shall
53 include a clear and conspicuous Internet link that allows the recipient to
54 unsubscribe by clicking on one link.

55 (b) No prediction market platform provider shall publish or cause to
56 be published any advertisement that:

57 (1) Is aimed exclusively or primarily at consumers under twenty-one
58 years of age or at college campuses;

59 (2) Directly advertises, targets or promotes prediction market bid-ask
60 wagering to specific consumers, rather than a general audience, who are
61 excluded pursuant to a self-exclusion process as described in
62 subdivision (2) of subsection (c) of section 1 of this act, through methods,
63 including, but not limited to, electronic mail, telephone calls, text
64 messages, direct messaging applications, mail and social media;

65 (3) Contains images, symbols, celebrity or entertainer endorsements
66 or language designed to appeal specifically to those under twenty-one
67 years of age;

68 (4) Contains inaccurate or misleading information that would
69 reasonably be expected to confuse and mislead consumers in order to
70 induce them to engage in prediction market platforms;

71 (5) Is published, aired, displayed or disseminated to a media outlet
72 or on social media, that appeals primarily to consumers under twenty-
73 one years or age; or

74 (6) Is placed before any audience where the majority of the viewers

75 or participants is presumed to be under twenty-one years of age.

76 Sec. 3. (NEW) (*Effective July 1, 2027*) Any prediction market platform
77 provider who violates any provision of section 1 or 2 of this act, or any
78 rule, regulation or order promulgated pursuant to this section and
79 sections 1, 2 and 4 of this act, shall be liable for a civil penalty not to
80 exceed ten thousand dollars assessed by the Attorney General for each
81 violation. If the Attorney General determines that such provider has
82 engaged in a persistent course of conduct in violation of this section, the
83 Attorney General may impose a civil penalty not to exceed fifty
84 thousand dollars for each violation.

85 Sec. 4. (NEW) (*Effective July 1, 2027*) The Department of Consumer
86 Protection shall adopt regulations in accordance with chapter 54 of the
87 general statutes to implement the provisions of sections 1 to 3, inclusive,
88 of this act.

89 Sec. 5. (*Effective July 1, 2027*) To the extent any provision of sections 1
90 to 4, inclusive, of this act are determined by a court of competent
91 jurisdiction to be preempted by conflicting federal law, such provision
92 shall not be in force and the applicable provisions of federal law shall
93 apply.

94 Sec. 6. (*Effective July 1, 2026*) (a) The Commissioner of the Department
95 of Consumer Protection, in consultation with the office of the Attorney
96 General, the Mohegan Tribe, and the Mashantucket Pequot Tribe, shall
97 conduct a study concerning the effects of prediction market platforms
98 on the residents of this state including, but not limited to, the:

99 (1) Use of prediction market platforms by persons under the age of
100 twenty-one;

101 (2) Advertisement of prediction market platforms to persons under
102 the age of twenty-one;

103 (3) Effects of prediction market platforms on problem gambling in

104 this state;

105 (4) Most frequently placed speculative positions on prediction
106 market platforms by persons in this state;

107 (5) Effects of prediction markets on revenue collected by the master
108 wagering licensees; and

109 (6) Effects of prediction markets on any payments to the state by the
110 master wagering licensees.

111 (b) Not later than February 1, 2027, the Commissioner of Consumer
112 Protection shall file a report on the study and recommendations, in
113 accordance with the provisions of section 11-4a of the general statutes,
114 with the Governor, the Office of Policy and Management, and the joint
115 standing committee of the General Assembly having cognizance of
116 matters relating to general law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2027</i>	New section
Sec. 2	<i>July 1, 2027</i>	New section
Sec. 3	<i>July 1, 2027</i>	New section
Sec. 4	<i>July 1, 2027</i>	New section
Sec. 5	<i>July 1, 2027</i>	New section
Sec. 6	<i>July 1, 2026</i>	New section

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Sec. 4	<i>July 1, 2027</i>	New section
Sec. 5	<i>July 1, 2027</i>	New section
Sec. 6	<i>July 1, 2026</i>	New section

Statement of Purpose:

To implement the Governor's budget recommendations.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]