

119TH CONGRESS
2D SESSION

S. _____

To amend the Commodity Exchange Act to prohibit certain event contracts on prediction markets, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. MERKLEY introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Commodity Exchange Act to prohibit certain event contracts on prediction markets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Trading On Pre-
5 dictions and Corrupt Bets Act of 2026” or the “STOP
6 Corrupt Bets Act of 2026”.

7 **SEC. 2. PROHIBITION ON CERTAIN EVENT CONTRACTS.**

8 Section 5c(c)(5) of the Commodity Exchange Act (7
9 U.S.C. 7a–2(c)(5)) is amended by adding at the end the
10 following:

1 “(D) PROHIBITION ON CERTAIN EVENT
2 CONTRACTS.—

3 “(i) IN GENERAL.—Notwithstanding
4 any other provision of this section, no
5 agreement, contract, transaction, or swap
6 involving any matter described in clause
7 (ii) (or any index, measure, value, or data
8 related thereto, or occurrence, extent of an
9 occurrence, or contingency based thereon)
10 may be listed or made available for clear-
11 ing or trading on or through a registered
12 entity.

13 “(ii) MATTERS DESCRIBED.—The
14 matters referred to in clause (i) are—

15 “(I) any political election or con-
16 test;

17 “(II) subject to clause (iii), any
18 action taken by the executive, legisla-
19 tive, or judicial branch of the United
20 States;

21 “(III) any sporting event or con-
22 test; and

23 “(IV) any military action taken
24 by the United States or any foreign
25 country.

1 “(iii) HEDGING.—The prohibition
2 under clause (i) with respect to any matter
3 described in clause (ii)(II) shall not apply
4 to an agreement, contract, transaction, or
5 swap that is used for hedging or mitigating
6 commercial risk, as the Commission may
7 determine by rule or regulation.”.

8 **SEC. 3. SENSE OF CONGRESS.**

9 It is the sense of Congress that—

10 (1) notwithstanding the amendment made by
11 section 2, the intent of Congress in the Commodity
12 Exchange Act (7 U.S.C. 1 et seq.) is the prohibition
13 of the conduct prohibited by that amendment;

14 (2) for the purpose of preventing a Federal reg-
15 ulatory structure that permits gambling, the Com-
16 modity Futures Trading Commission should prohibit
17 the availability for clearing or trading on or through
18 any registered entity (as defined in section 1a of
19 that Act (7 U.S.C. 1a)) any agreement, contract,
20 transaction, or swap (as defined in that section) that
21 is not used for hedging or mitigating commercial
22 risk; and

23 (3) nothing in this Act or any amendment made
24 by this Act preempts any State law that regulates or
25 prohibits gambling or gaming.

1 **SEC. 4. GAO STUDY.**

2 Not later than 60 days after the date of enactment
3 of this Act, the Comptroller General of the United States
4 shall—

5 (1) conduct a study on—

6 (A) prediction markets, including—

7 (i) insider trading in prediction mar-
8 kets; and

9 (ii) the impacts on individuals aged 18
10 to 20 years old of trading in prediction
11 markets;

12 (B) additional types of prediction markets
13 that are not prohibited by the Commodity Ex-
14 change Act (7 U.S.C. 1 et seq.) (as amended by
15 section 2) for the purpose of preventing a Fed-
16 eral regulatory structure that permits gambling,
17 including by examining any agreement, con-
18 tract, transaction, or swap (as defined in sec-
19 tion 1a of that Act (7 U.S.C. 1a)) that is not
20 used for hedging or mitigating commercial risk;
21 and

22 (C) means Congress can use to address il-
23 legal acts occurring in foreign prediction mar-
24 kets and in domestic prediction markets com-
25 mitted by companies with a presence in a for-

1 eign country and in the United States to pre-
2 serve the integrity of prediction markets; and
3 (2) make publicly available and submit to Con-
4 gress a report describing the results of the study
5 conducted under paragraph (1), including rec-
6 ommendations to Congress to preserve the integrity
7 of prediction markets.