

119TH CONGRESS  
2D SESSION

# S. 4226

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

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## IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Mr. MERKLEY (for himself, Ms. WARREN, Mr. BLUMENTHAL, Mr. VAN HOLLEN, and Mr. WHITEHOUSE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## 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”.

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

2 Section 5c(e)(5) of the Commodity Exchange Act (7  
3 U.S.C. 7a-2(c)(5)) is amended by adding at the end the  
4 following:

5 “(D) PROHIBITION ON CERTAIN EVENT  
6 CONTRACTS.—

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

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

19 “(I) any political election or con-  
20 test;

21 “(II) subject to clause (iii), any  
22 action taken by the executive, legisla-  
23 tive, or judicial branch of the United  
24 States;

25 “(III) any sporting event or con-  
26 test; and

1                   “(IV) any military action taken  
2                   by the United States or any foreign  
3                   country.

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

11 **SEC. 3. SENSE OF CONGRESS.**

12                  It is the sense of Congress that—

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

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

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

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

5           Not later than 60 days after the date of enactment  
6 of this Act, the Comptroller General of the United States  
7 shall—

8           (1) conduct a study on—

9           (A) prediction markets, including—

10                   (i) insider trading in prediction mar-  
11                   kets; and

12                   (ii) the impacts on individuals aged 18  
13                   to 20 years old of trading in prediction  
14                   markets;

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

1           (C) means Congress can use to address il-  
2           legal acts occurring in foreign prediction mar-  
3           kets and in domestic prediction markets com-  
4           mitted by companies with a presence in a for-  
5           eign country and in the United States to pre-  
6           serve the integrity of prediction markets; and  
7           (2) make publicly available and submit to Con-  
8           gress a report describing the results of the study  
9           conducted under paragraph (1), including rec-  
10          ommendations to Congress to preserve the integrity  
11          of prediction markets.

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