

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0194-26_

SPONSOR: Eugenia Charles-Newton

**TITLE: An Action Relating to an Emergency for the Navajo Nation Council;
Providing the Navajo Nation 's Position on Prediction Markets and Sport Related
Contracts**

Date posted: August 24, 2026 at 3:23PM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0194-26

DATE: August 24, 2026

TITLE OF RESOLUTION: AN ACTION RELATING TO AN EMERGENCY FOR THE NAVAJO NATION COUNCIL; PROVIDING THE NAVAJO NATION'S POSITION ON PREDICTION MARKETS AND SPORT RELATED CONTRACTS

PURPOSE: This legislation, if approved, would establish the Navajo Nation position on prediction markets and sports related contracts.

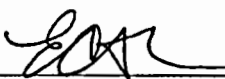
FINAL AUTHORITY: Navajo Nation Council

VOTE REQUIRED: Simple Majority

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

PROPOSED NAVAJO NATION COUNCIL RESOLUTION
25th NAVAJO NATION COUNCIL – Fourth Year, 2026

Introduced By:



(Sponsor)

Tracking No. 0194-26

AN ACTION
RELATING TO AN EMERGENCY FOR THE NAVAJO NATION COUNCIL;
PROVIDING THE NAVAJO NATION'S POSITION ON PREDICTION
MARKETS AND SPORT RELATED CONTRACTS

WHEREAS:

- A. "[M]atters constituting an emergency shall be limited to the cessation of law enforcement services, and disaster relief services, fire protection services or other direct services required as an entitlement under Navajo Nation or Federal law, or which directly threaten the sovereignty of the Navajo Nation. Such an emergency matter must arise due to the pressing public need for such resolution(s) and must be a matter requiring final action by the Council." 2 N.N.C. § 164 (A)(16).
- B. On April 2, 2026, the United States Department of Justice and the Commodity Futures Trading Commission ("CFTC") filed a complaint against the State of Arizona challenging Arizona's attempts to regulate or shut down CFTC-regulated Designated Contract Markets. On April 6, 2026, in Kalshiex, LLC v. Flaherty, the Third Circuit Court of Appeals ruled that Predication Markets sport events contracts are under federal jurisdiction. These judicial actions directly threaten the sovereignty of the Navajo Nation by threatening and intruding on the Nation's federally and state negotiated gaming compact rights. The Navajo Nation needs to immediately address the threat of prediction market sport events contracts to the Nation's sovereignty.

- 1 C. The Navajo Nation Council is the governing body of the Navajo Nation; the Navajo
2 Nation Council may address statements of policy and intergovernmental agreements
3 which are emergencies that directly threaten the sovereignty of the Navajo Nation. 2
4 N.N.C. §§ 102(A), 164(A), 164(A)(16).
- 5 D. Navajo Nation statements of policy are written statements submitted to federal, state,
6 or local governments by a Navajo Nation official stating the official position of the
7 Navajo Nation on proposed legislation or other action by that government. 2 N.N.C.
8 § 110(W).
- 9 E. Gaming by Tribal Nations is regulated by the Indian Gaming Regulatory Act, 25
10 U.S.C. § 2710 (d)(1)(c). It requires tribes to enter Tribal-State Gaming Compacts
11 with States for tribal Class III Gaming activities. In New Mexico and Arizona,
12 Gaming Compacts provide tribes sole proprietary interests and as primary
13 beneficiaries of Class III Gaming activities in each State.
- 14 F. In 2003, the Navajo Nation entered into Gaming Compacts with the States of Arizona
15 and New Mexico.
- 16 G. The Nation currently has four casinos and operates a sports betting license in the State
17 of Arizona. Gaming on the Navajo Nation is operated by the Navajo Gaming
18 Enterprise and regulated by the Navajo Gaming Regulatory Office.
- 19 H. Gaming on the Navajo Nation is a means of generating tribal revenue. Navajo Gaming
20 promotes economic development, self-sufficiency, and a strong government. Navajo
21 Gaming also provides employment, and thereby economic security, for many Navajo
22 citizens.
- 23 I. Predication Markets are online financial platforms that allow trading on the outcome
24 of real-world events on exchange-traded markets. Users purchase an event contract,
25 or swap, structured as a “yes” or “no” contract. The purchase price of the contract
26 reflects the market’s collective assessment of the probability of an event occurring,
27 and the contracts “settle” in cash, based on a verifiable outcome. Examples of
28 Prediction Market operators are Kalshi, Polymarket, Crypto.com, Robinhood
29 Derivatives, etc. Prediction Markets are regulated by the Commodity Exchange Act
30 and are overseen by the Commodity Futures Trading Commission (“CFTC”).

- 1 J. In 2024, Prediction Markets expanded to offer event contracts on sport events. In
2 recent months, sport events contracts have blurred the line between financial trading
3 and gambling. The effects of these sport events contracts have been used to
4 circumvent state-level gambling provisions and have effectively made sports betting
5 legal in all 50 states, in addition to opening sports betting to younger aged individuals
6 (18 rather than 21).
- 7 K. Prediction Markets have severe negative impacts on Navajo Nation sports betting
8 and tribal gaming operations. By obtaining CFTC registration as a derivative
9 exchange rather than seeking a state gaming license, Prediction Market operators
10 claim federal preemption that allows them to offer sports-adjacent wagering products
11 nationwide, including in states where sports betting remains illegal and in
12 jurisdictions governed by tribal-state gaming compacts that grant tribes exclusive
13 gaming rights. This regulatory arbitrage deprives states and tribes of revenue,
14 undermines responsible gaming protections including age verification and addiction
15 safeguards, and circumvents tribal exclusivity.
- 16 L. Multiple states—including Nevada, New Jersey, Arizona, New Mexico, Utah,
17 Connecticut, Massachusetts, New York, Illinois, Ohio, and Tennessee—have issued
18 cease-and-desist orders, filed lawsuits, or initiated enforcement actions against
19 prediction market operators alleging that sports-related event contracts violate state
20 gaming statutes and constitute illegal gambling.
- 21 M. In May 2026, several tribes in New Mexico filed lawsuits against Kalshi, Inc. in the
22 Federal District Court of New Mexico seeking civil penalties against Kalshi for
23 operating Class III Gaming on tribal lands in New Mexico in violation of tribal-state
24 compacts and federal and tribal gaming ordinances.
- 25 N. Federal courts remain divided on whether the Commodity Exchange Act preempts
26 state gambling laws, with some courts granting injunctions protecting Prediction
27 Market operators and others upholding state regulatory authority.
- 28 O. The Navajo Nation has a strong interest in seeing that its right to conduct Class III
29 Gaming and sports betting pursuant to its' Gaming Compacts is protected against the
30 illegal intrusion by Prediction Market operators.

1 **NOW THEREFORE, BE IT RESOLVED:**

- 2 A. The Navajo Nation hereby takes the position of opposing the use of sport-related-
3 event contracts in Predication Markets and the use of event contracts in Predication
4 Markets in any manner that would conflict with the Navajo Nation's exclusive right
5 to conduct Class III Gaming pursuant to its' State Compacts.
- 6 B. The Navajo Nation hereby requests the Commodity Futures Trading Commission to
7 prohibit the use of event contracts in any manner that resembles gambling, but
8 especially in the use of sport-related-event contracts.
- 9 C. The Navajo Nation hereby supports state regulation of sport-related-contracts and
10 the recognition of such as illegal gambling violating state criminal statutes.
- 11 D. The Navajo Nation authorizes any necessary steps, including submitting public
12 comments or participating in litigation, that will protect its right to conduct Class III
13 Gaming. The Navajo Nation directs its' Department of Justice to engage with
14 pending Prediction Market litigation in whatever manner will best protect the
15 interests of the Navajo Nation, including amicus briefs and motions to intervene.
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