

Sports Betting Headway

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Sports betting has been at the forefront of the gaming world since New Jersey voters passed a referendum in favor of sports betting in 2011. This was the start to what many believe will be the largest change to gaming regulation nationwide since the Indian Gaming Regulatory Act (IGRA). Sports betting resurfaced again in 2015 when the Third Circuit Appellate Court ruled against New Jersey, and in 2017 former NJ governor Chris Christie took NJ's case for legalized sports betting to the Supreme Court. The case was argued in late 2017, and a decision is expected by late June. Many states have started drafting – and some states have even passed – legislation to capitalize on what many believe will be a favorable outcome.

Some states have decided to wait for the case to be decided before introducing legislation, while others have taken a more proactive approach. As of March, at least 23 states have introduced or passed sports betting legislation, and it is expected that several more will do so, likely prior to the Supreme Court ruling. Sports betting bills are even being used as a vehicle to introduce other gambling activities. Oklahoma's sports betting bill, for example, recently passed by their House and currently sitting with their Senate, has a clause to introduce "ball and dice" games to tribal casinos. This would legalize traditional roulette and craps, whereas now, only card-based table games are legal, so guests play a card-based version of the two games. With the passing of Oklahoma House Bill 3375 and a favorable Supreme Court decision, tribes will be able to operate both sports books and traditional ball and dice table games. It is worth noting that not all sports betting legislation is created equal. While many states are looking to offer full house-banked sports betting, Oklahoma has only introduced legislation regarding sports pools, which are player-banked like Oklahoma table games.

Other states have already passed legislation. New Jersey, Connecticut, Pennsylvania, Mississippi, and West Virginia have all passed bills, with West Virginia being the most recent. In March, the West Virginia House and Senate both voted to legalize sports betting at the state's five casinos in the event that the Supreme Court rules in favor of New Jersey. The bill became law without the governor's signature. The governor's family, however, also owns the Greenbrier, one of the five gaming facilities that would acquire legal sports betting. While there was widespread legislative support, some feel that West Virginia is moving too fast. Tax rates (10% of GGR) and licensing fees are lower than in some other states, and there were particular efforts from Major League Baseball (MLB) to have a version of the bill that included an integrity tax (1% of all wagers) paid to sports leagues. According to Phil Kabler, a statehouse reporter and columnist for the West Virginia Gazette, as the House was debating the bill, MLB Commissioner Rob Manfred was on a conference call with West Virginia media urging the defeat of the bill unless language was introduced to give the professional sports leagues a fee on the wagers. The bill passed in the end, and according to a report from Legal Sports Report, West Virginia may be ready to accept wagers within 90 days of the Supreme Court ruling. Surely others will enact sports wagering as quickly, establishing partnerships with European and other sports wagering enterprises to be ready to quickly launch if the decision is favorable.

Laws are changing as sports betting continues to take shape, and it will be interesting to see how the phenomenon progresses and ultimately changes the face of gaming.