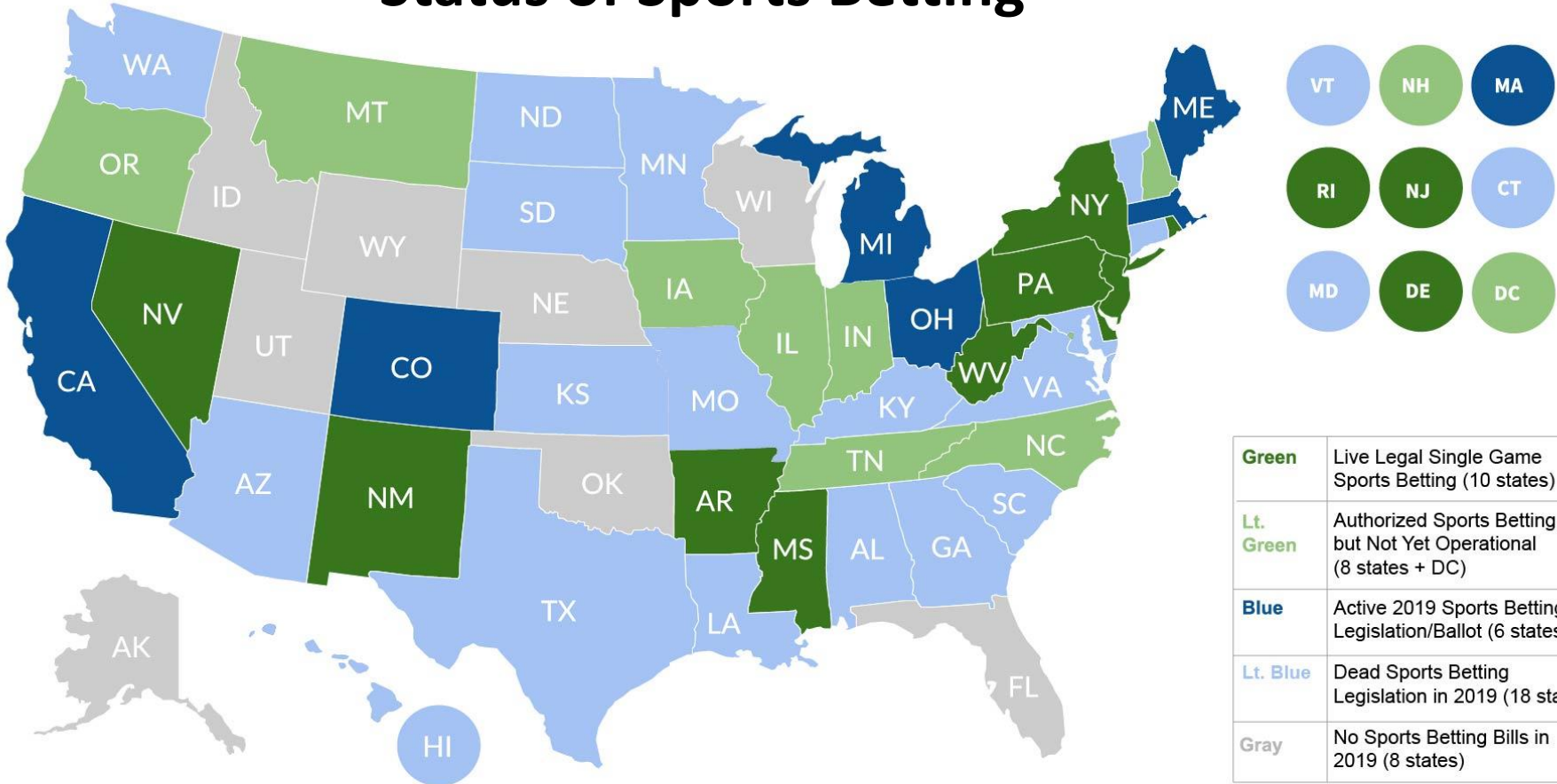

SHOW ME THE (SPORTS BETTING) MONEY

NCSL SALT TASK FORCE 2019 LEGISLATIVE SUMMIT PRECONFERENCE



Status of Sports Betting



SPORTS BETTING LEGALIZATION AND TAXATION

State	Sports Betting Tax Rate
Arkansas	13-20%
DC	10%; revenue minus expenses for state online lottery operations
Delaware	50%
Illinois	15%
Indiana	9.5%
Iowa	6.75%
Mississippi	12% (8% state/4% local)
Montana	Collects revenue minus expenses

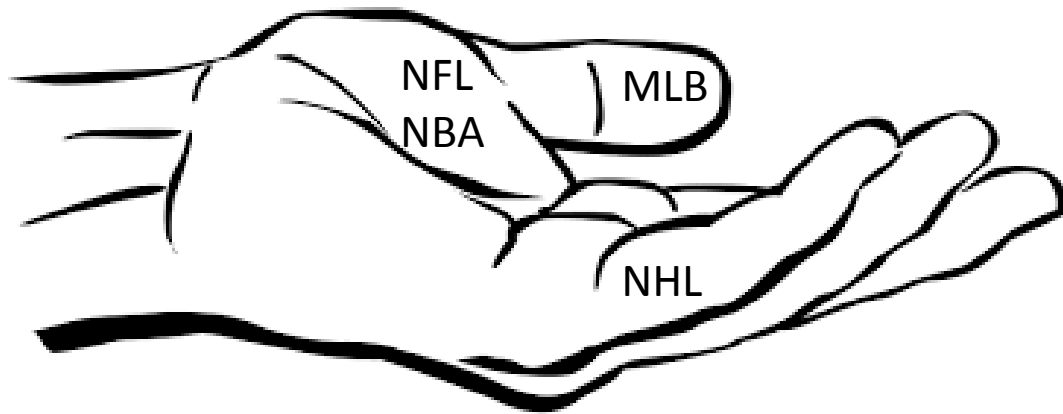
State	Sports Betting Tax Rate
Nevada	6.75%
New Jersey	9.75% in-person/14.25% online
New Hampshire	Not Yet Specified
Pennsylvania	34%
Rhode Island	51%
Tennessee	20%
West Virginia	10%

LICENSING FEES

State	Fee
Arkansas	No more than \$250,000 annually
Delaware	No additional fee for sports wagering
Illinois	5% of AGR from prior year, not to exceed \$10 million; \$1 million renewal every four years
Indiana	\$100,000 initial fee; \$50,000 annual renewal
Iowa	\$45,000 initial fee; \$10,000 annual renewal
Mississippi	No additional fee for sports wagering

State	Sports Betting Tax Rate
Montana	\$1,000 annual fee for platform operators; \$100 fee per kiosk
New Jersey	\$100,000 annual fee
Pennsylvania	\$10 million one-time fee
Rhode Island	No additional fee for sports wagering
Tennessee	\$750,000 annual fee
West Virginia	\$100,000 fee; renewed every 5 years

INTEGRITY FEES AND OFFICIAL LEAGUE DATA



TRIBAL GAMING INDUSTRY CONCERNS

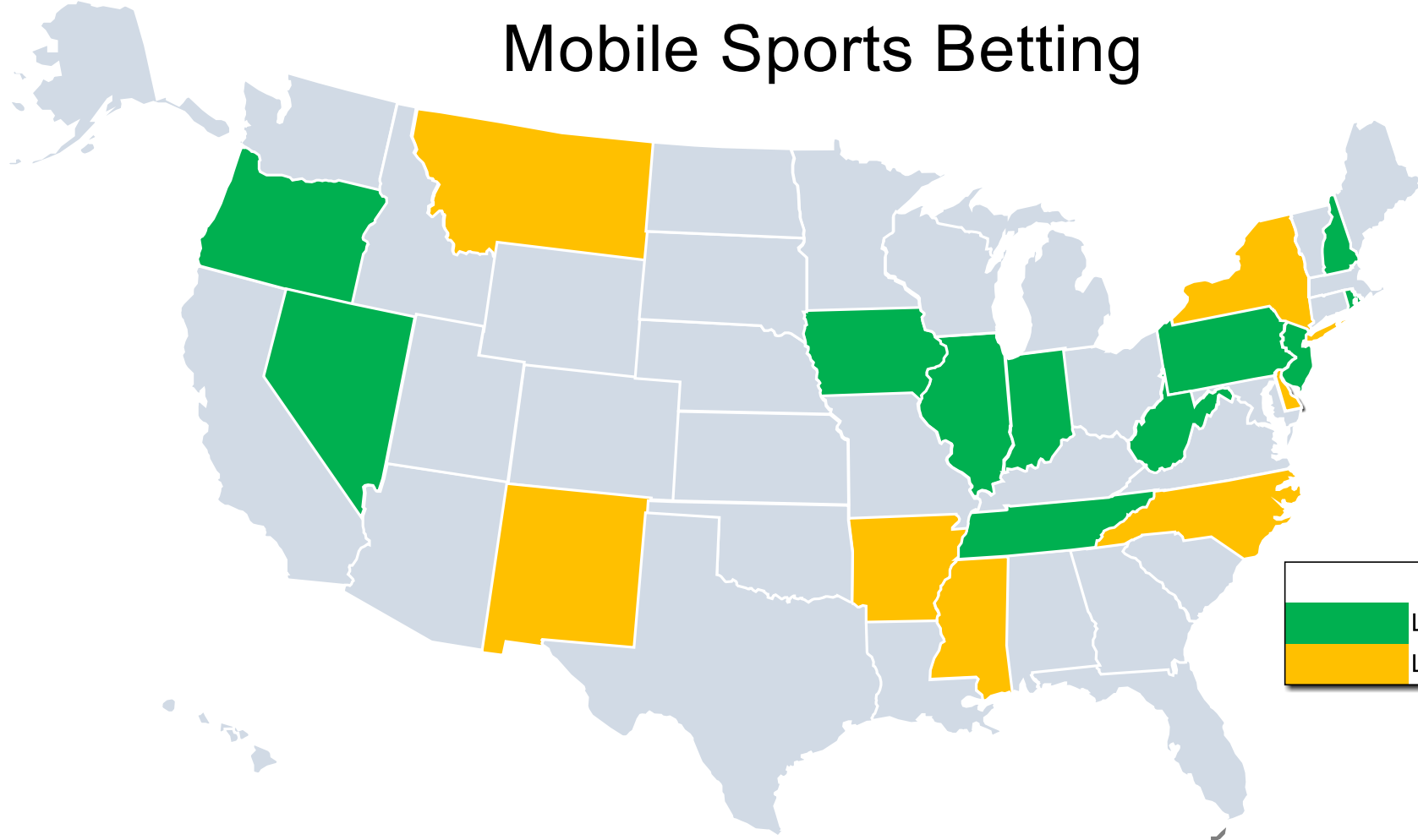
Tribal Gaming in the States



MOBILE BETTING AND KIDS THESE DAYS...



Mobile Sports Betting



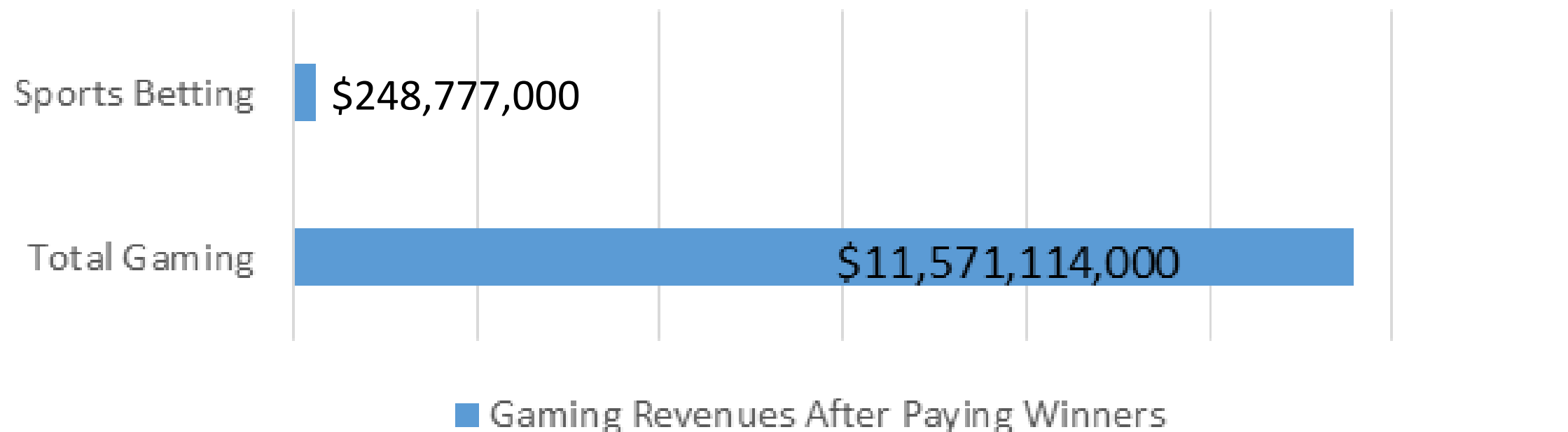
LEGEND

- Legalized; Mobile Gaming Allowed
- Legalized; No Mobile Gaming



IS THE REVENUE IMPACT OF SPORT BETTING OVERHYPED?

2017 Nevada Gaming Revenues After Paying Winners



SPORTS BETTING REVENUE ESTIMATES (STATES W/RECENT ENACTMENTS)

State	Estimate
Colorado	Tax Revenue: \$1.3-1.5 million in FY 2020; \$8.9-10.4 million in FY 2021 Total Revenue: \$6.4-6.5 million in FY 2020 and \$9.7-11.2 million FY 2021
Indiana	Tax Revenue: \$8.9 million in FY 2020; \$11.9 million in FY 2021 Fee Revenue: \$1.6 million in FY 2020 and \$0.8 million in FY 2021
Iowa	Tax Revenue: \$630,000-\$1.8 million Fee Revenue: \$855,000
Illinois	Governor's office estimated \$200 million in licensing fees and tax revenue
Maine	\$1.3 million in year one, up to \$5.2 million in year three.
Montana	Lottery officials estimated \$3.7 million in the first year
New Hampshire	\$1.5-7.5 million in FY 2021; \$2.1-10.75 million in FY 2022; \$2.8-13.5 million in FY 2023
Tennessee	\$2.975 million in FY 2020; \$5.95 million in FY 2021-22.

TAX REVENUES REALIZED (STATES W/ACTIVE OPERATIONS)

States	
Delaware	\$2,063,372 from Jan.- May, 2019
Mississippi	~\$1.23 million from Jan.- June, 2019
Nevada	\$7,822,035 from Jan.- May, 2019
New Jersey	\$12,028,857 from Jan.- June, 2019 (87% attributable to online)
Pennsylvania	\$8,233,232 from Jan.- June, 2019
Rhode Island	Book revenue was \$5,837,859 from Jan. - June 2019 (state receives 51% of this after operating expenses and commissions)
West Virginia	\$1,205,925 Jan. - July, 2019

SPORTS BETTING OFFERINGS (AS OF MAY 2019)

- **Delaware** had active sportsbooks at three state lottery owned casinos
- **New Jersey** had 10 active retail sportsbooks and 13 online sportsbooks
- **Mississippi** had 23 sportsbooks at commercial casinos and three at tribal casinos
- **West Virginia** had three retail sportsbooks in operation
- **Pennsylvania** had active sportsbooks at six casinos/racinos and two OTB locations in May. One online sportsbook was in operation.
- **Rhode Island** had two active retail sportsbooks operated by Twin Rivers.
- **Nevada** had 197 licensed sportsbooks in May, including eight mobile apps.

Source: American Gaming Association

SPORTS BETTING CONTRIBUTIONS TO STATE FUNDS

State	Dedication of Proceeds
Delaware	General Fund
Illinois	Capital Projects Fund (improvements to roads, bridges, mass transit, schools, universities)
Indiana	General Fund, cities and counties, gambling addiction services
Mississippi	Casino gaming tax revenue is allocated to the General Fund, with \$3 million distributed to a separate state highway construction fund monthly
Montana	First \$12.4 million goes to the General Fund; excess directed to STEM scholarship fund
New Jersey	Casino Revenue Fund, General Fund, Atlantic City Marketing/Promotion, compulsive gambling
New Hampshire	Education Trust Fund, gambling addiction services
Pennsylvania	General Fund
Rhode Island	General Fund
West Virginia	First \$15 million to the Lottery Fund (dedicated to education, seniors, and tourism) additional revenue directed to the Public Employees Insurance Agency Financial Stability Fund

SPORTS BETTING TRENDS

- Low or high tax rates?
- Market takes time to stabilize
 - Supply vs. demand issue
 - Difficult to forecast
- States tend to earmark these revenues



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