

Strong States, Strong Nation



Sports Betting Legalization Landscape

Jackson Brainerd

NCSL Fiscal Analysts Seminar



NATIONAL CONFERENCE *of* STATE LEGISLATURES



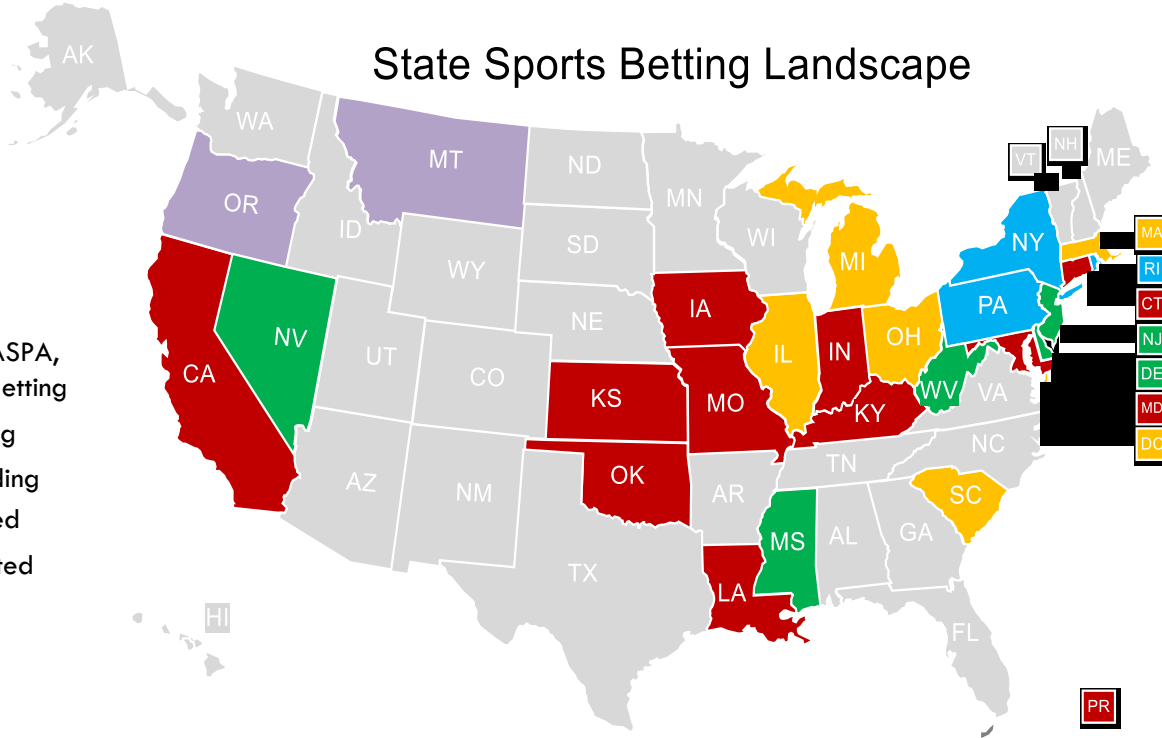
Murphy v. NCAA: Sports Betting Moves Forward





State Sports Betting Landscape

- Grandfathered by PASPA, Not Offering Sports Betting
- Offering Sports Betting
- 2018 Legislation Pending
- 2018 Legislation Failed
- 2018 Legislation Enacted





Policy Concerns

- ❑ Regulatory Authority
- ❑ Authorized Operators and Platforms
- ❑ Administrative Costs
- ❑ Betting-Eligible Events
- ❑ Age Limits
- ❑ Tribal-State Compacts
- ❑ Gambling Addiction
- ❑ Online/Mobile Betting
- ❑ Integrity Fees
- ❑ Tax Rates
- ❑ Revenue Impact
- ❑ Revenue Use

College Sports?



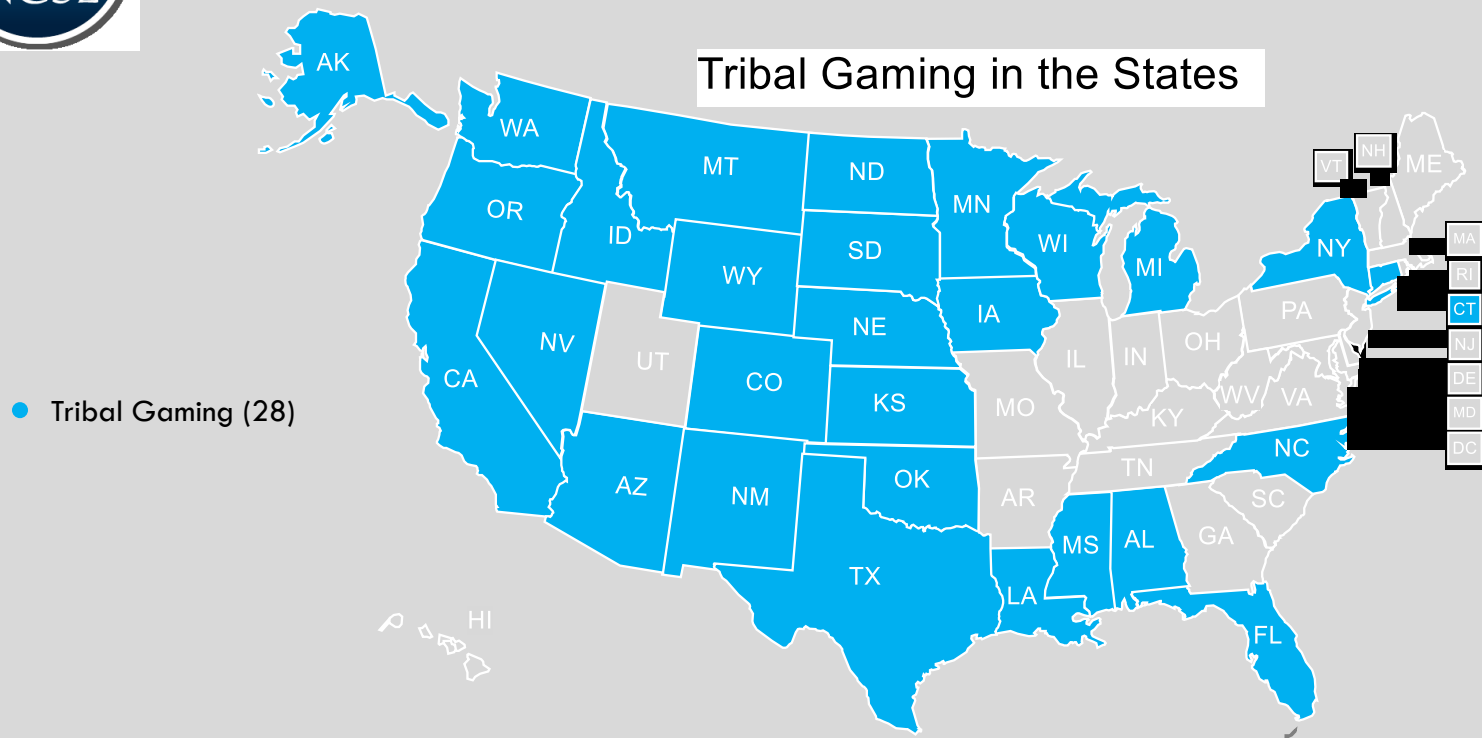
Yes: Delaware, Mississippi, Nevada, Pennsylvania, West Virginia

Yes, but only on out-of-state colleges/events: New Jersey, Rhode Island

No: New York



Tribal Gaming Industry Concerns



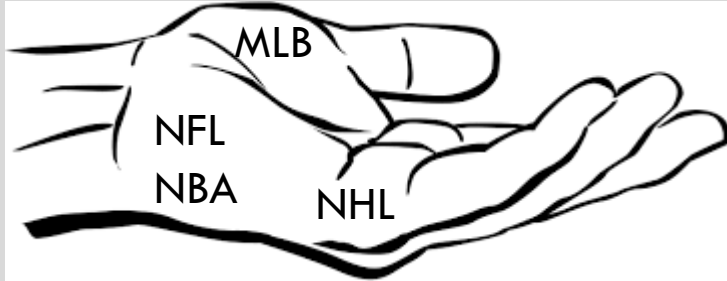


Mobile Betting and Kids These Days...





Integrity Fees





How Sportsbooks Make Money



\$100
+\$10 (vig)

\$110

\$100
+\$10 (vig)

\$110

\$10 profit

\$220

\$210 to winner



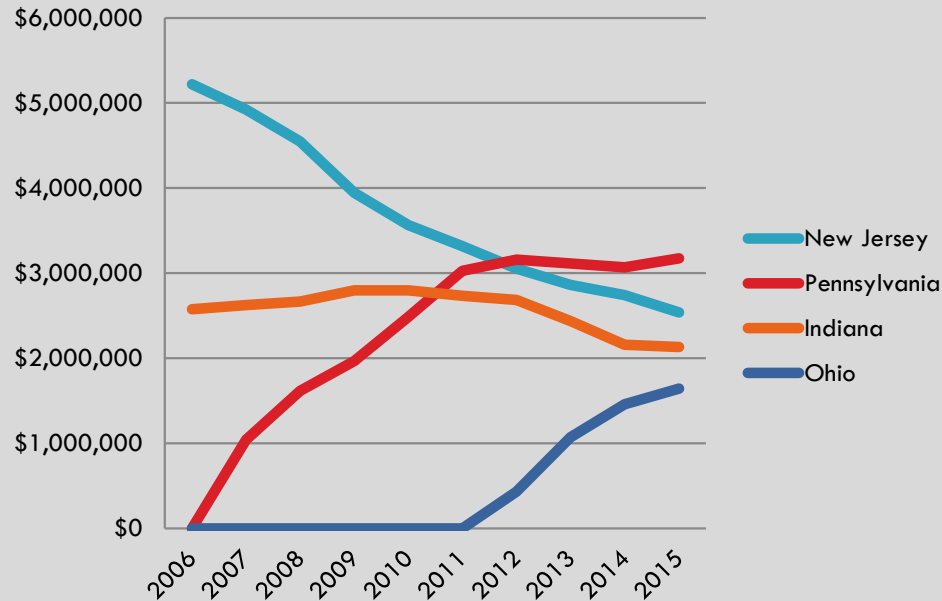
Tax Rates

State	Tax Rates
Delaware	State receives 50 percent of total win
Mississippi	12 percent gaming tax (8% state/4% local)
New Jersey	8.5 percent of gross sports pool revenues, 14.25 percent of casino-run online sports betting revenues, 14.25 percent of racetrack run online sports betting revenues.
Nevada	6.75 percent of gross revenue of licensee
Pennsylvania	34 percent tax with a 2 percent local assessment
Rhode Island	51 percent of sports wagering revenue
West Virginia	10 percent of licensee's adjusted gross sports wagering receipts



Cannibalization Illustrated

**Casino Revenue for Selective
Neighboring States**
(In thousands)





Nevada Sports Betting Revenue

2017 Gaming Revenues After Paying Winners





Sports Betting Contributions to State Funds

State	Dedication of Proceeds
Delaware	General Fund
Mississippi	Casino gaming tax revenue is allocated to the General Fund, with \$3 million distributed to a separate state highway construction fund monthly
New Jersey	Casino Revenue Fund, General Fund, Atlantic City Marketing/Promotion
Nevada	Gaming revenue goes to gaming funds in state aid education, local government, the state General Fund, and problem gambling
Pennsylvania	General Fund
Rhode Island	General Fund
West Virginia	First \$15 million to the Lottery Fund, additional revenue directed to the Public Employees Insurance Agency Financial Stability Fund

*Proposed Legislation



Gambling Addiction Services/Awareness



Federal Preemption?





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