

Gambling and the Law®
The Coming Wave
of
Sports Betting

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Responsible Gaming Association
of New Mexico

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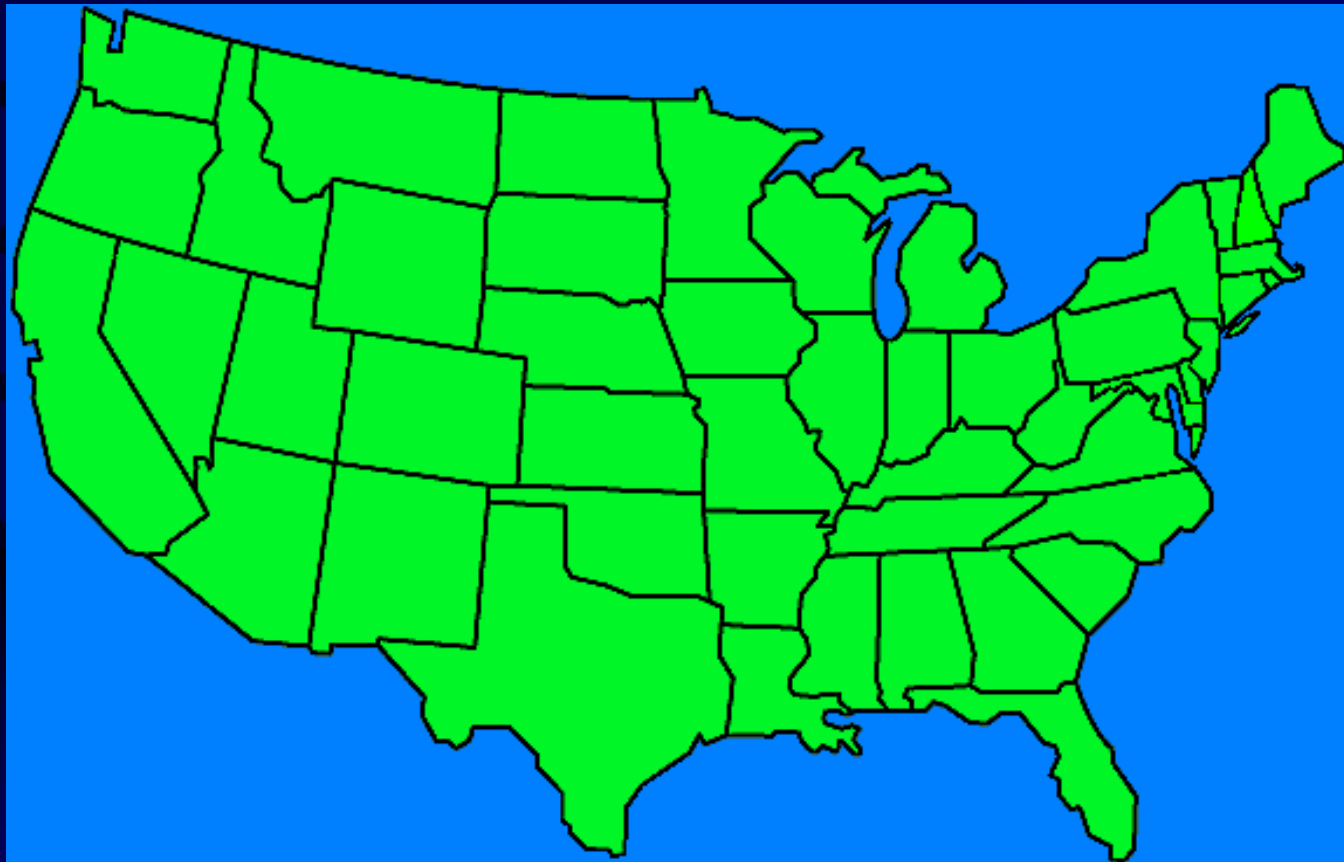
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The Three Waves of Legal Gambling

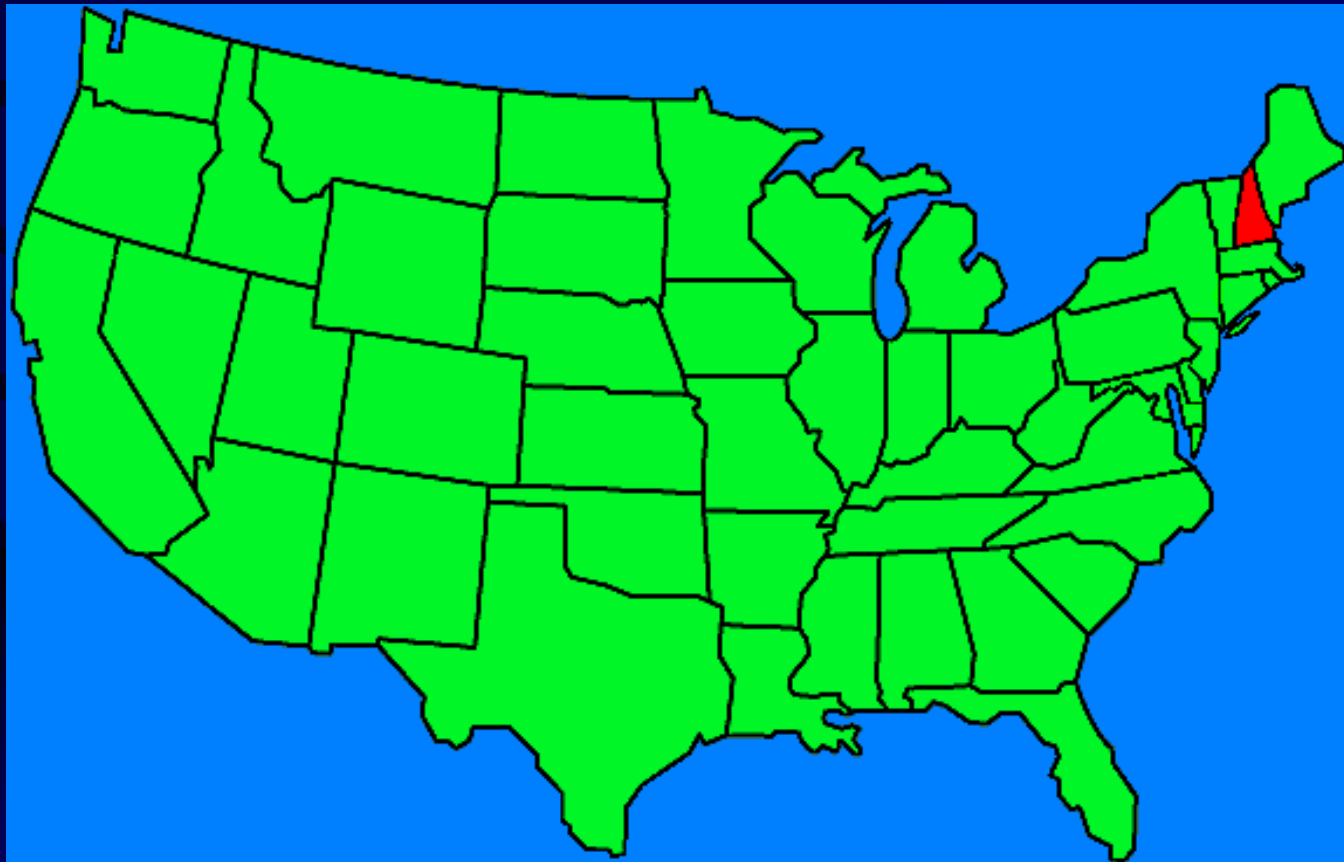
- First Wave - Colonial period to mid-19th century:
Legal Debris: “Lotteries” prohibited in state constitutions
- Second Wave - Wild West; South after the Civil War, new inventions. Crash - Victorian morality
Legal Debris: Statutes prohibit bookmaking, slot machines; U.S. federal anti-lottery laws; New Mexico told to close its casinos
- Third Wave - Depression to present:
Legal Debris: Piecemeal legalization by states, provinces

STATE LOTTERIES:

1961

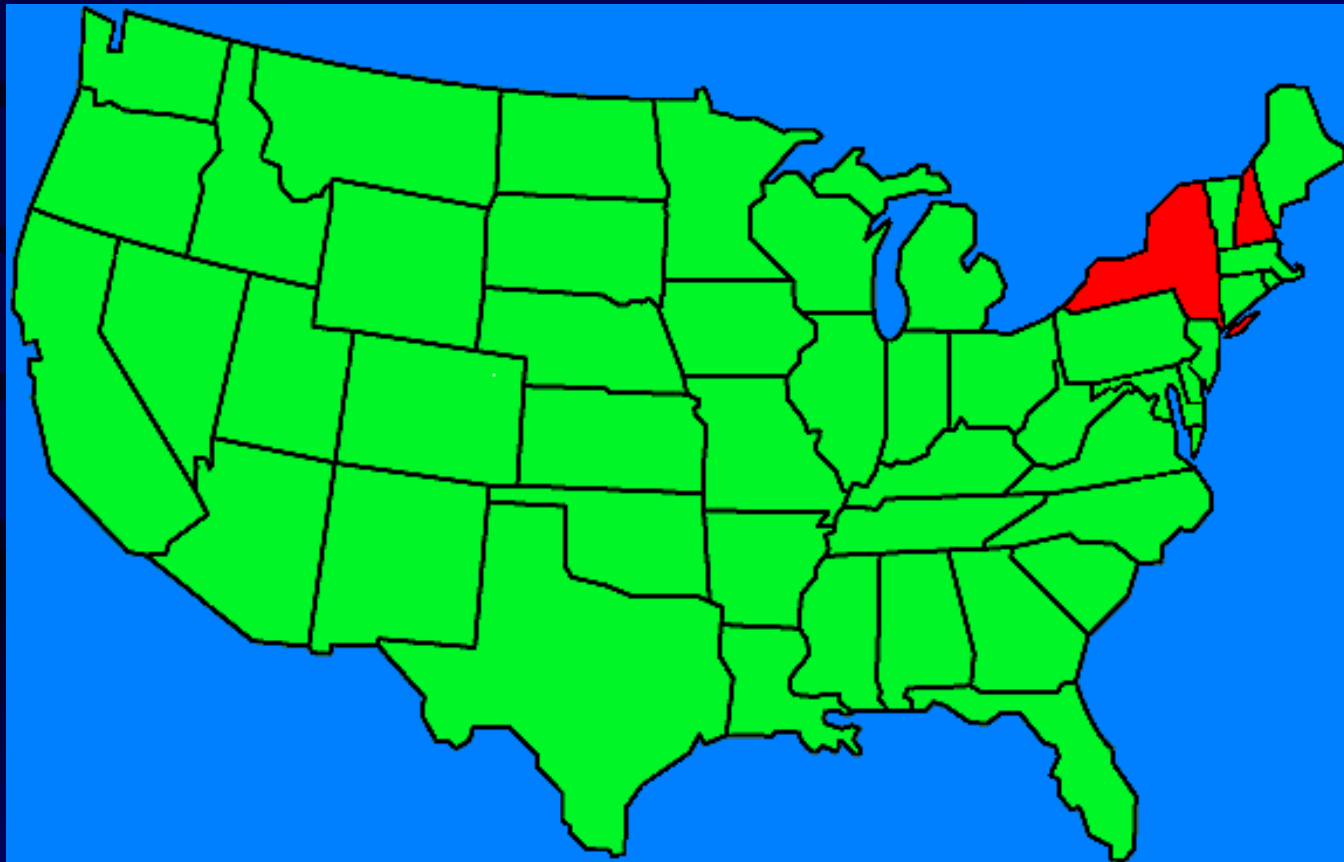


STATE LOTTERIES: 1963 - New Hampshire



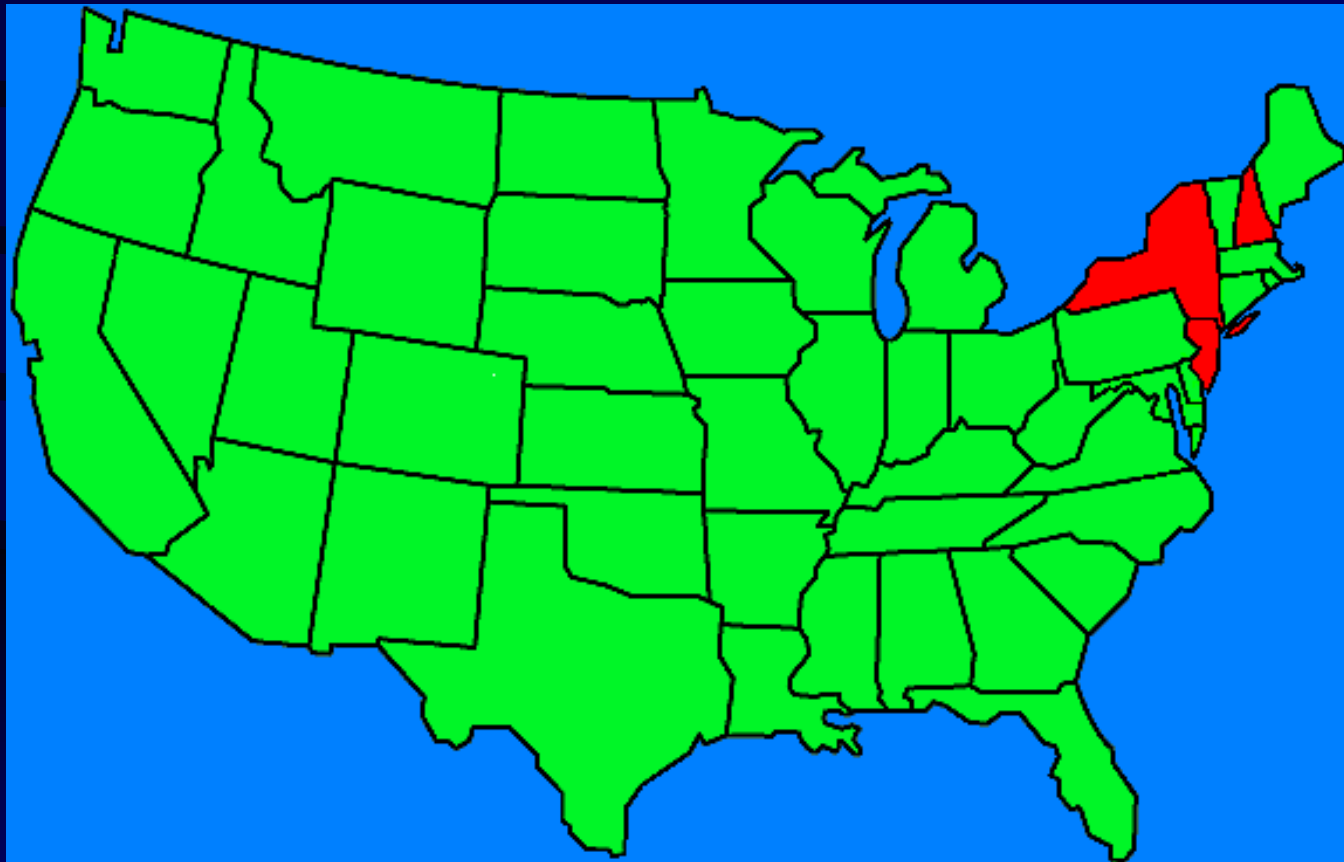
STATE LOTTERIES:

1966 - New York



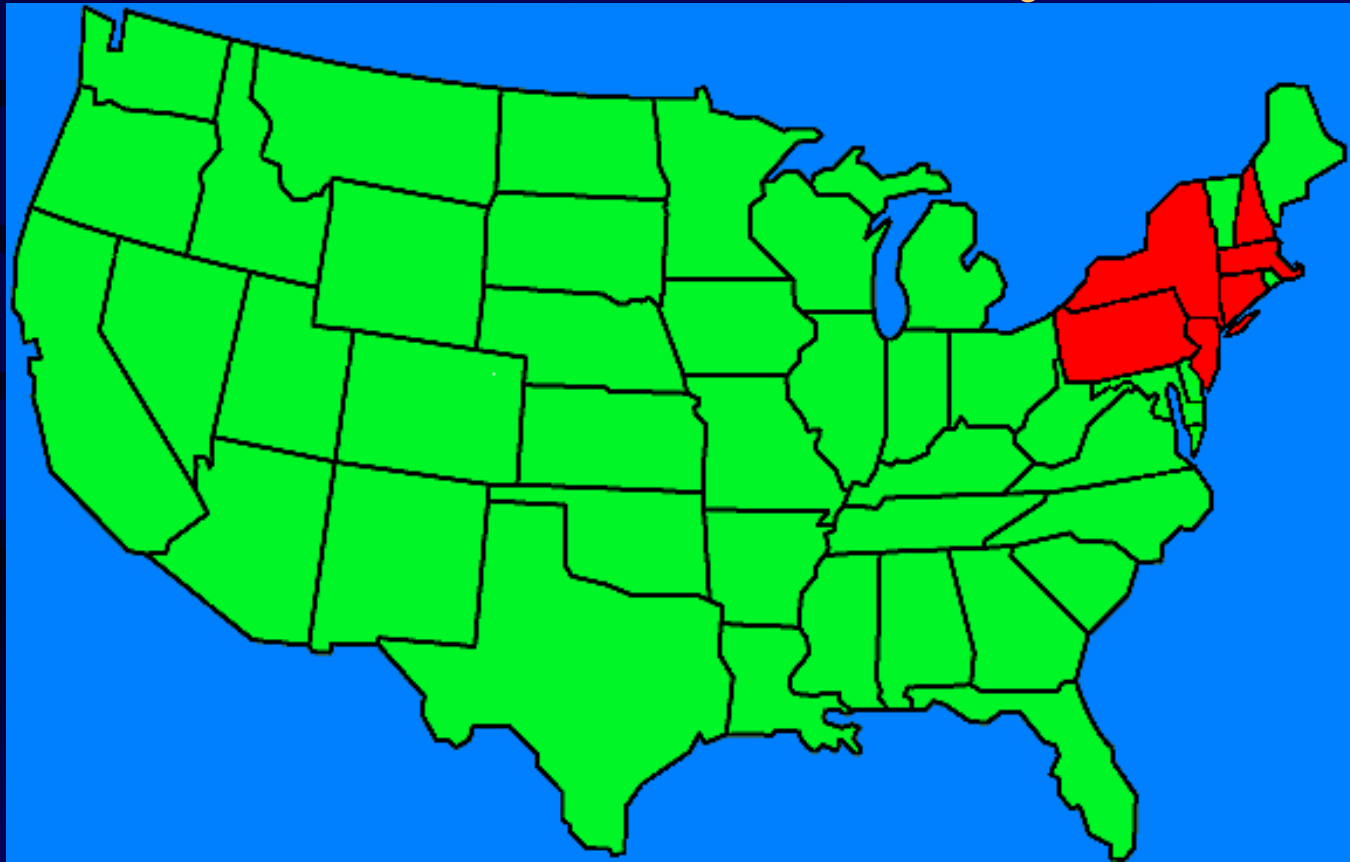
STATE LOTTERIES:

1969 - New Jersey

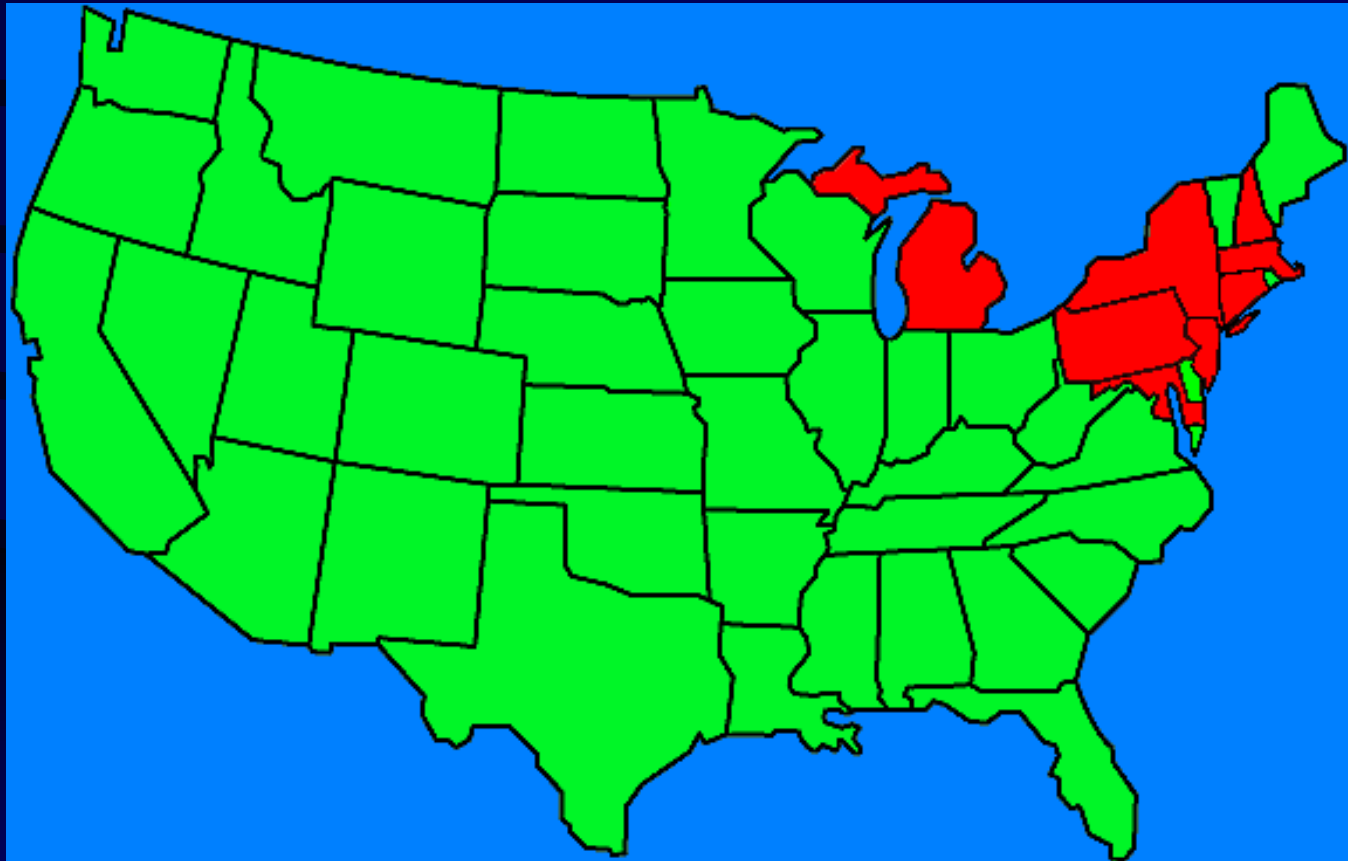


STATE LOTTERIES:

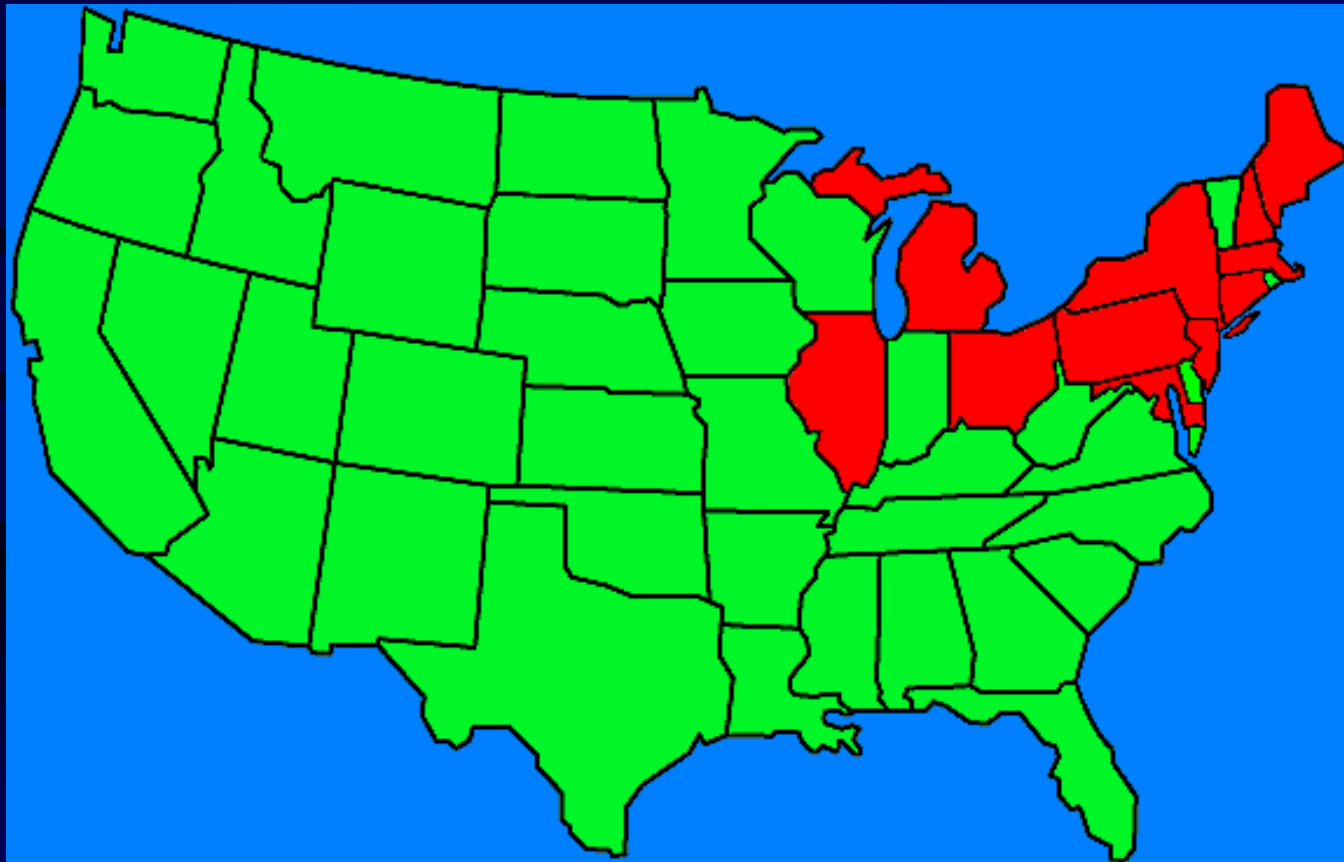
1971 – Connecticut,
Massachusetts, Pennsylvania



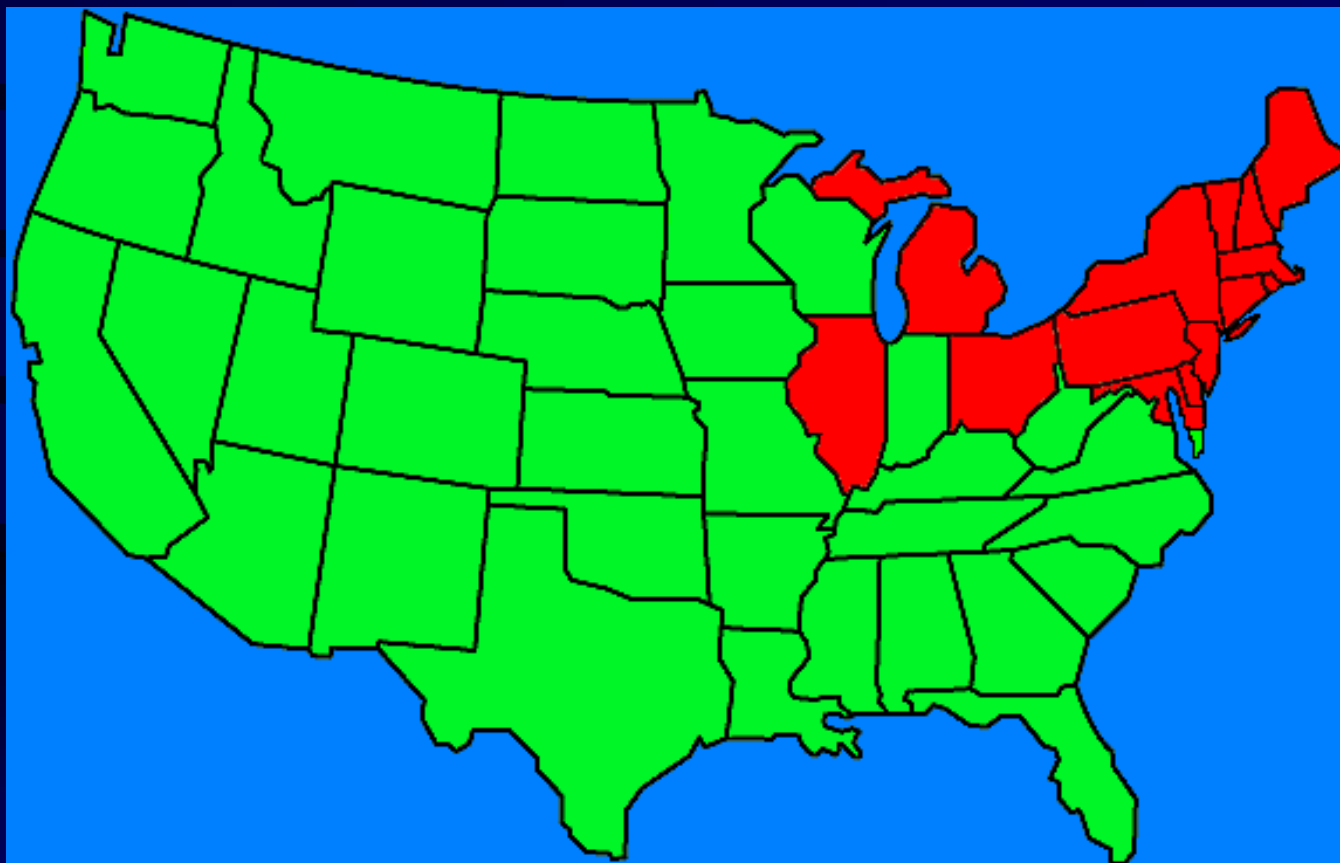
1972 - Michigan, Maryland



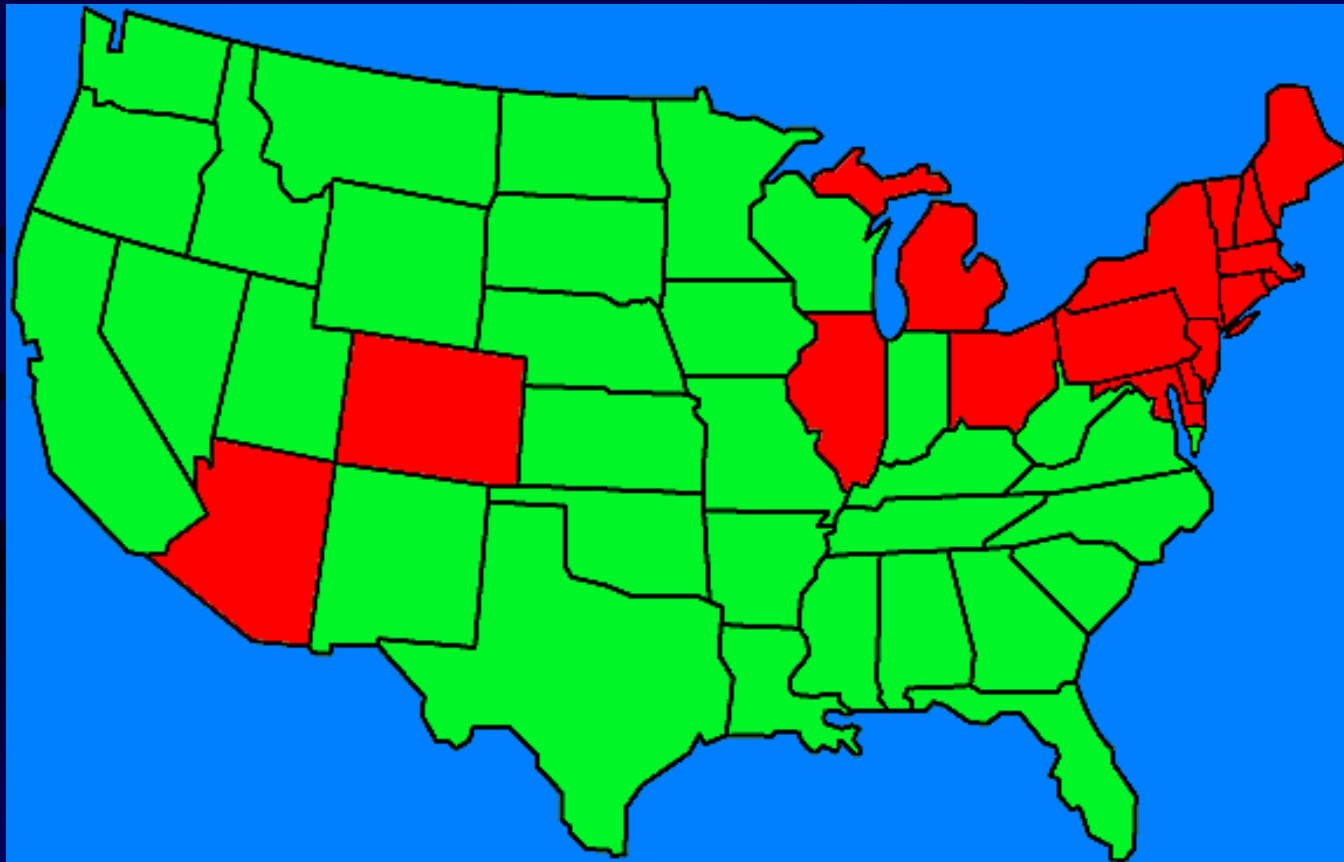
1973 - Ohio, Illinois, Maine



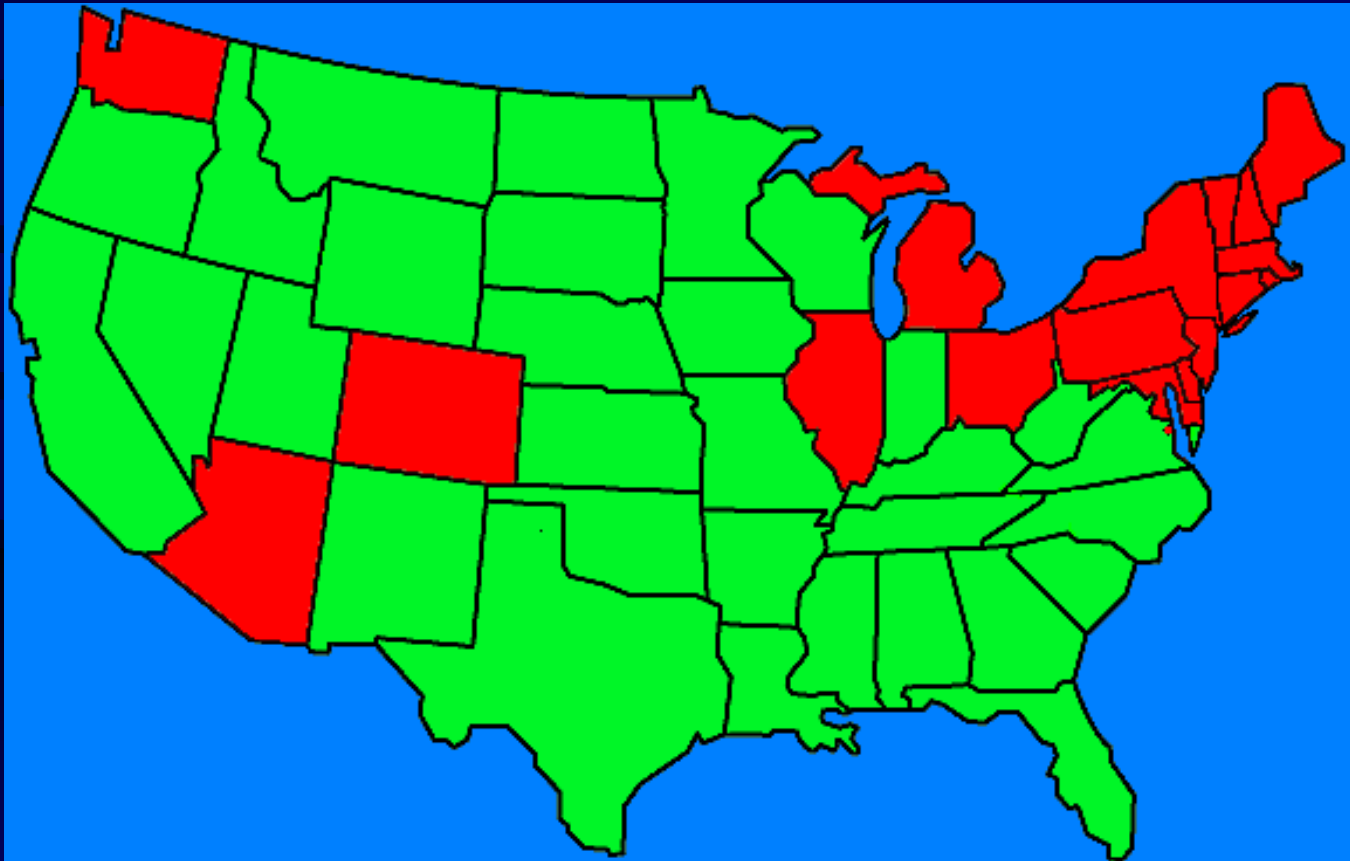
1974-76 - Rhode Island, Delaware, Vermont



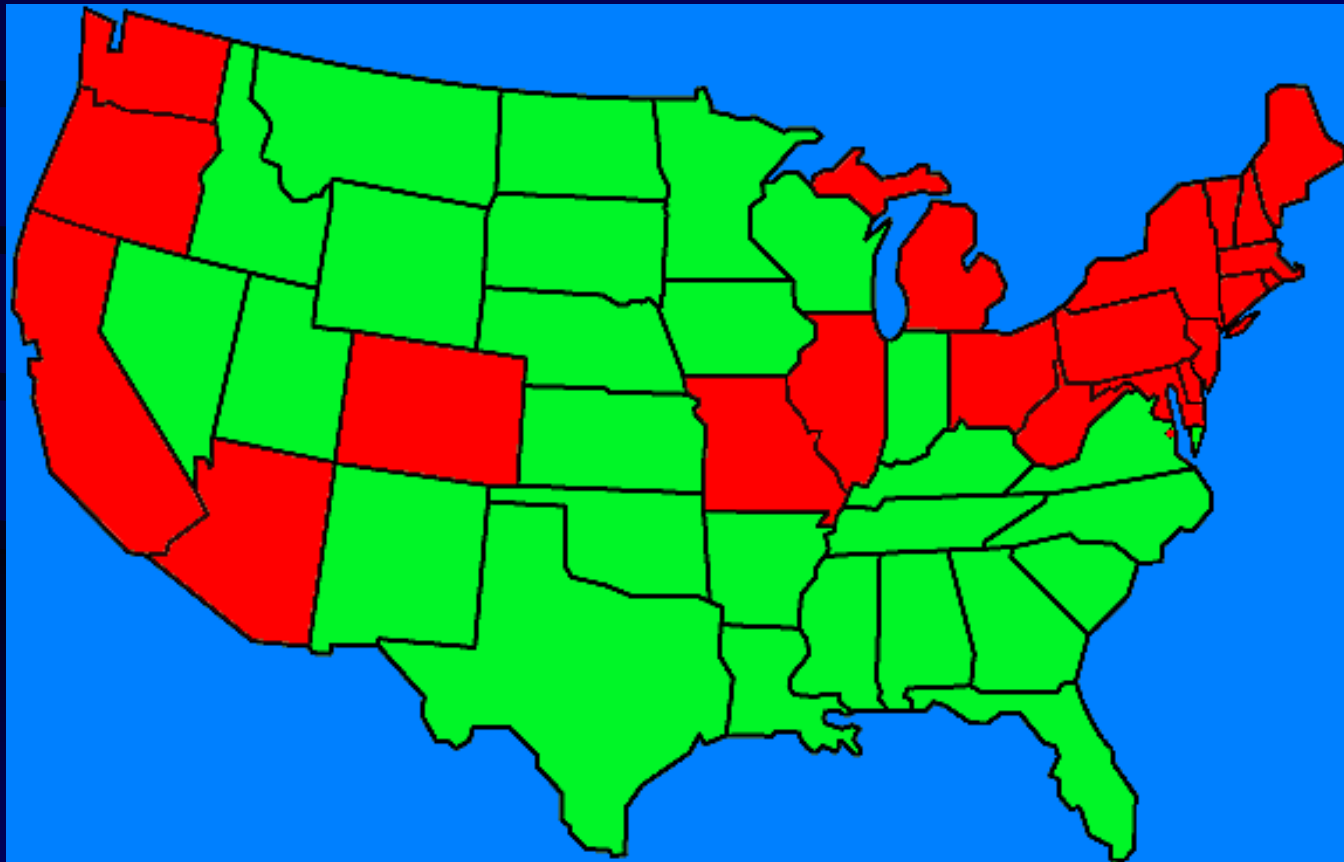
1980 - Arizona, Colorado



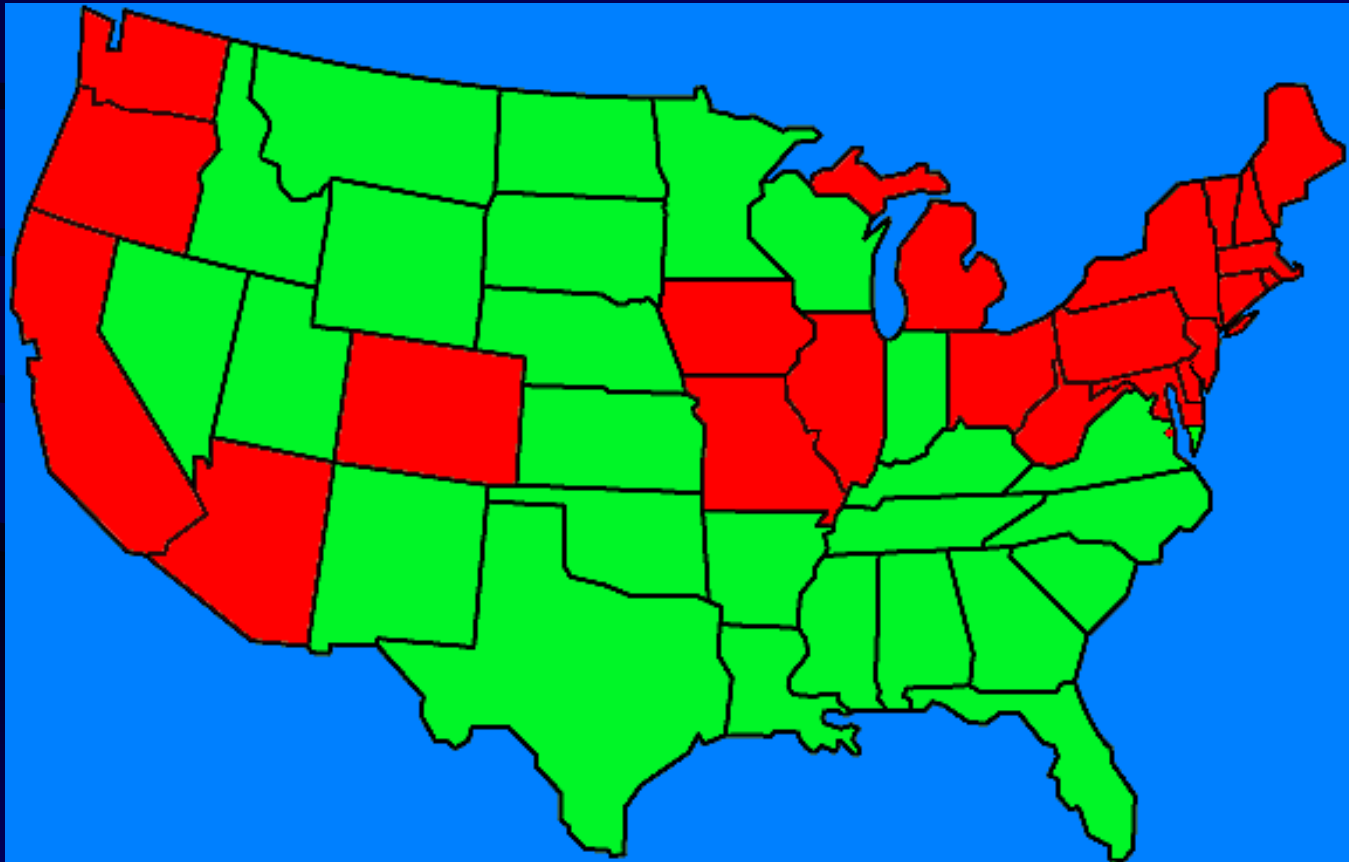
1981-82 - D.C., Washington



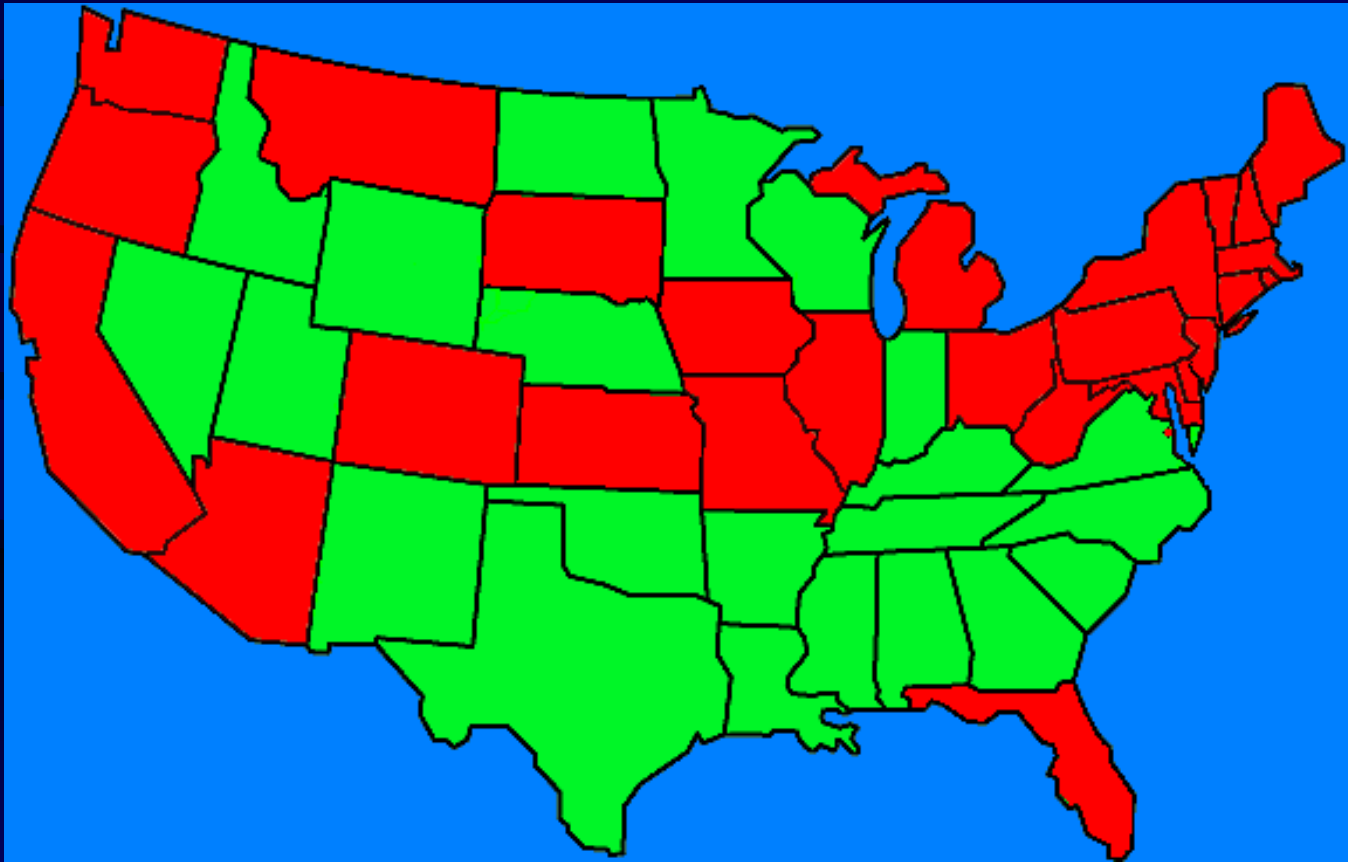
1984 - Oregon, California, Missouri, West Virginia



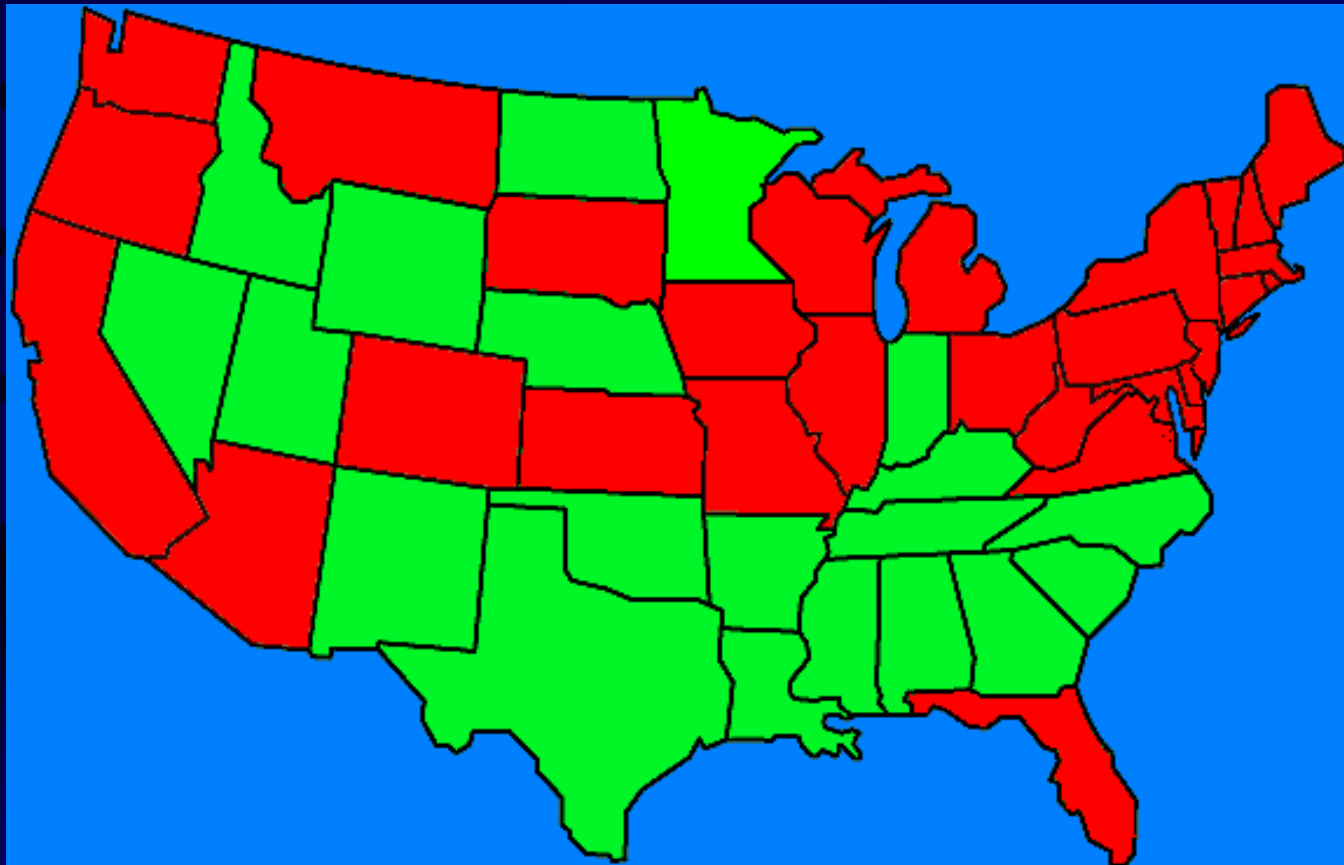
1985 - Iowa



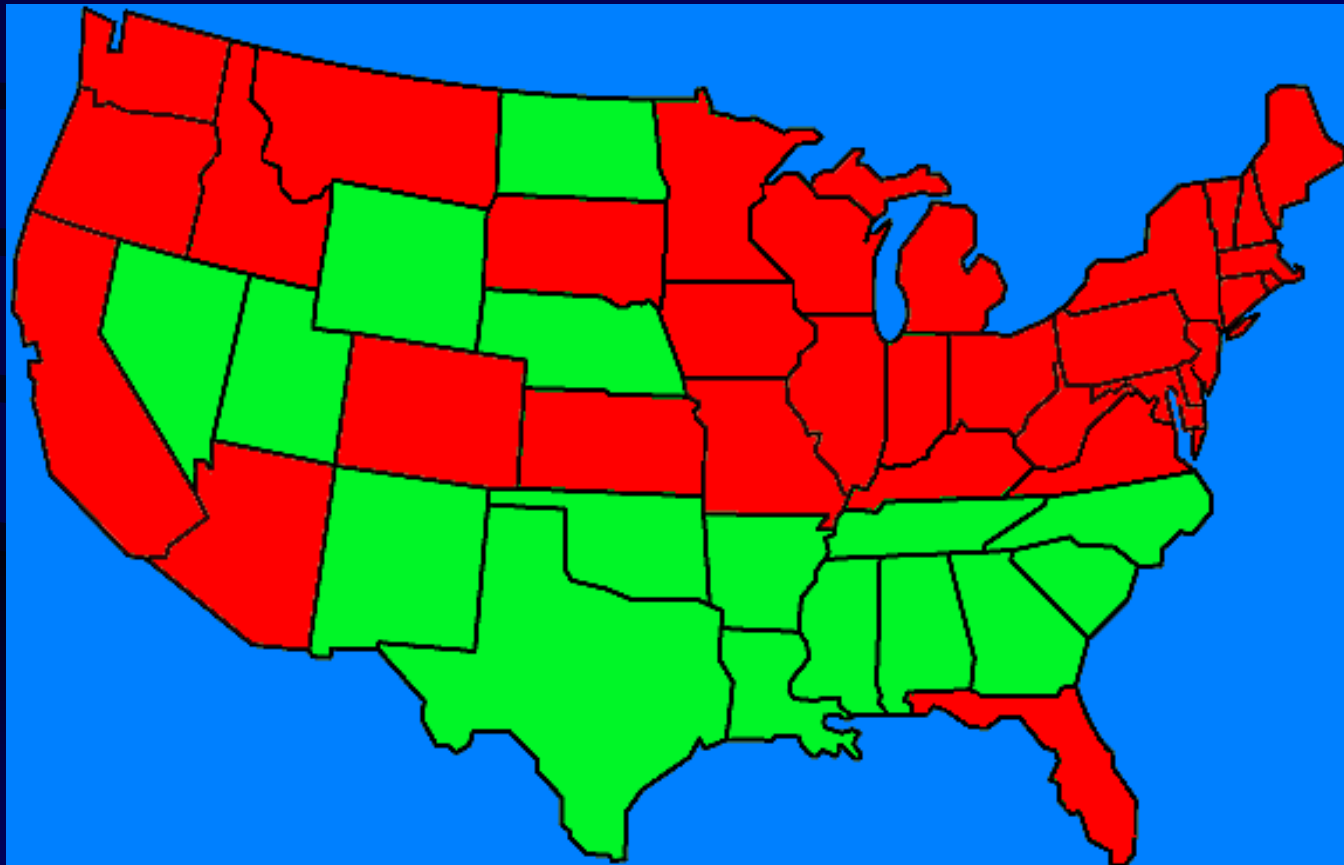
1986 - South Dakota, Kansas, Florida



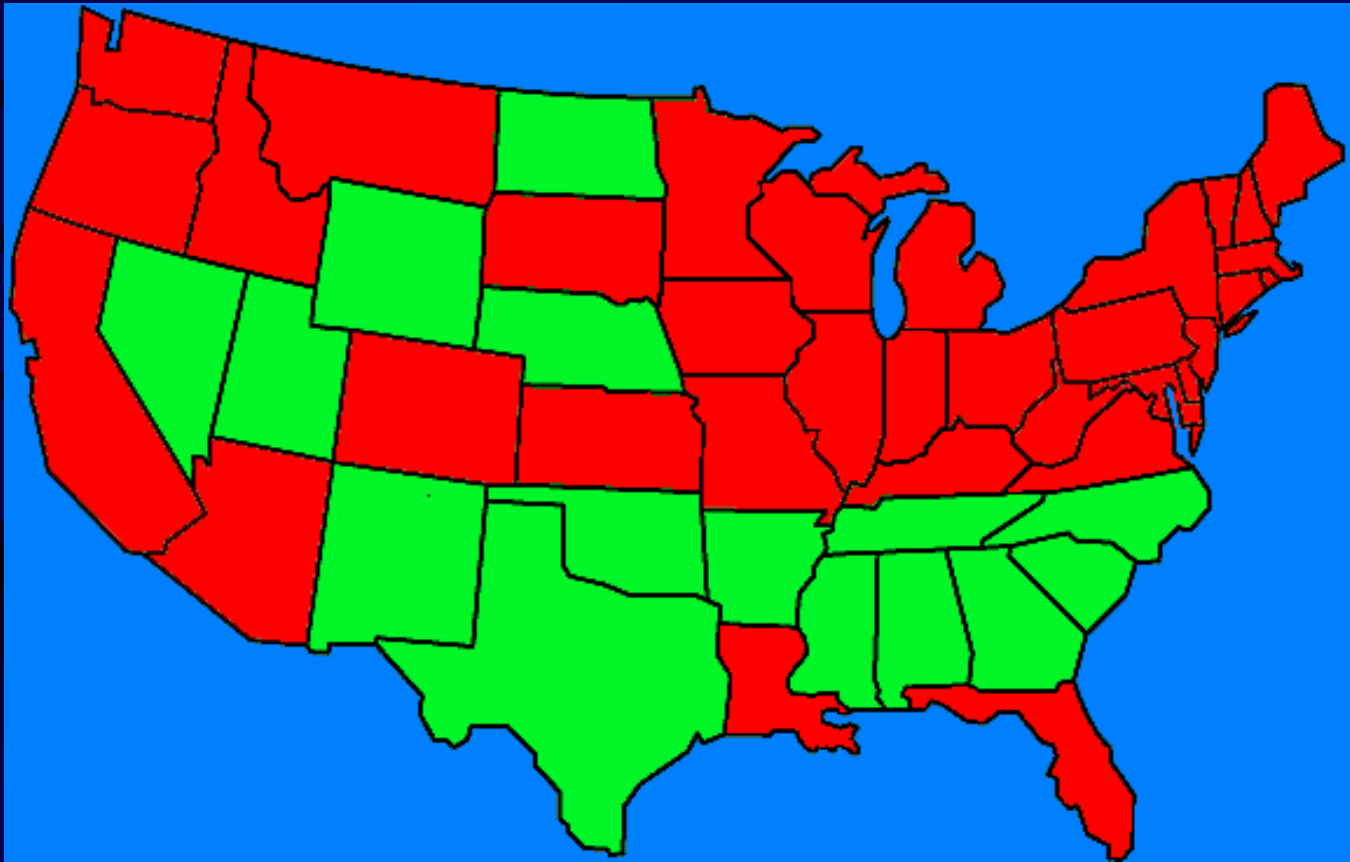
1987 - Wisconsin, Virginia



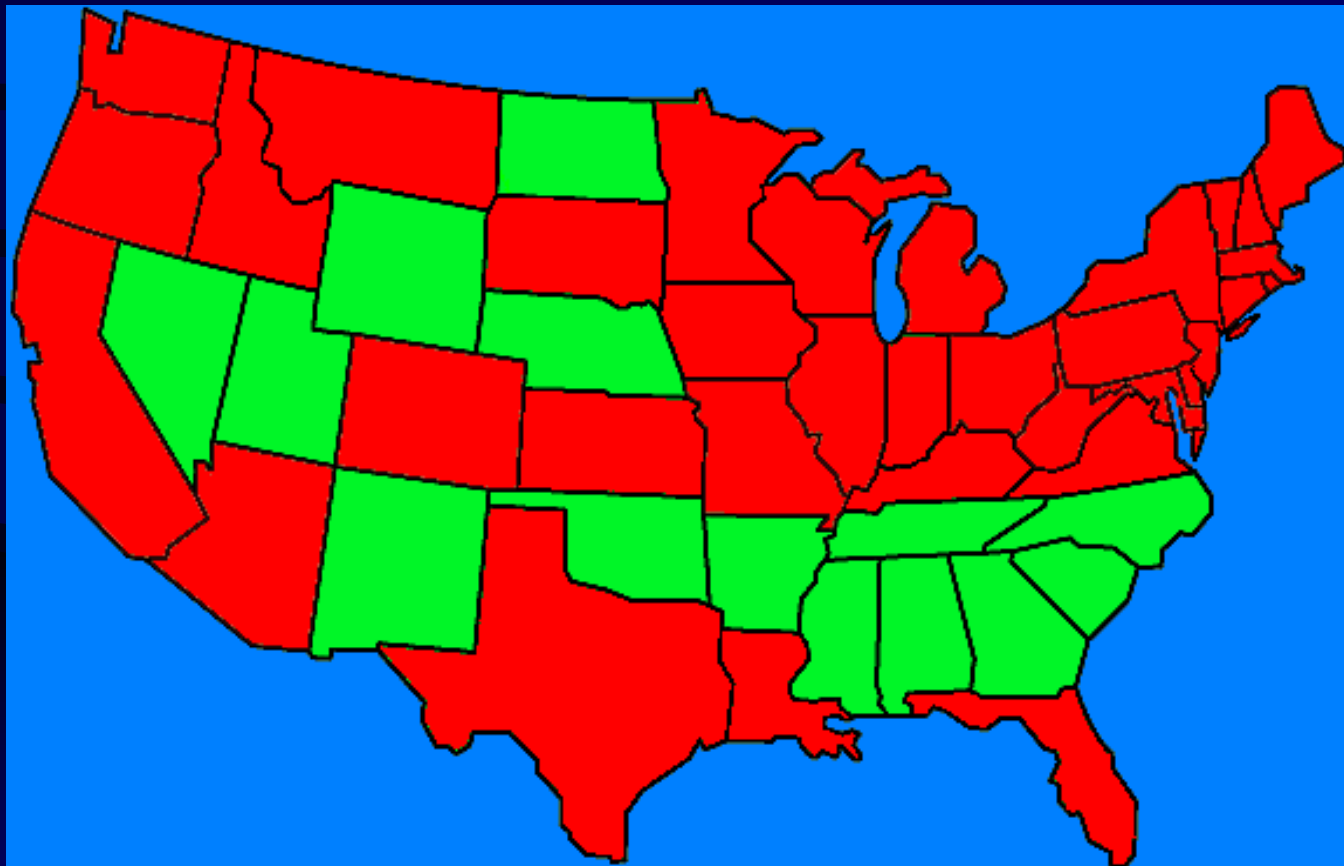
1988 - Kentucky, Idaho, Indiana, Minnesota



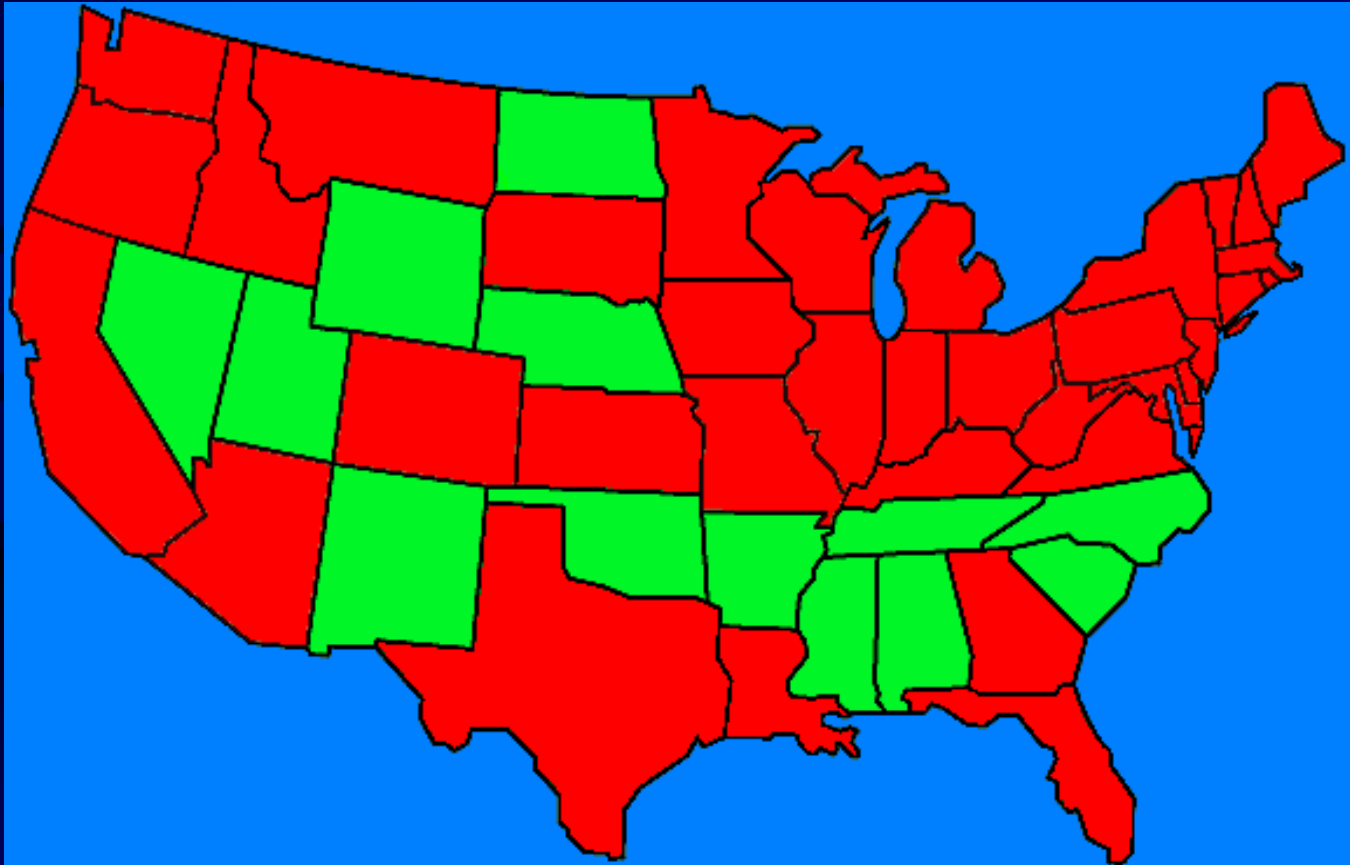
1990 - Louisiana



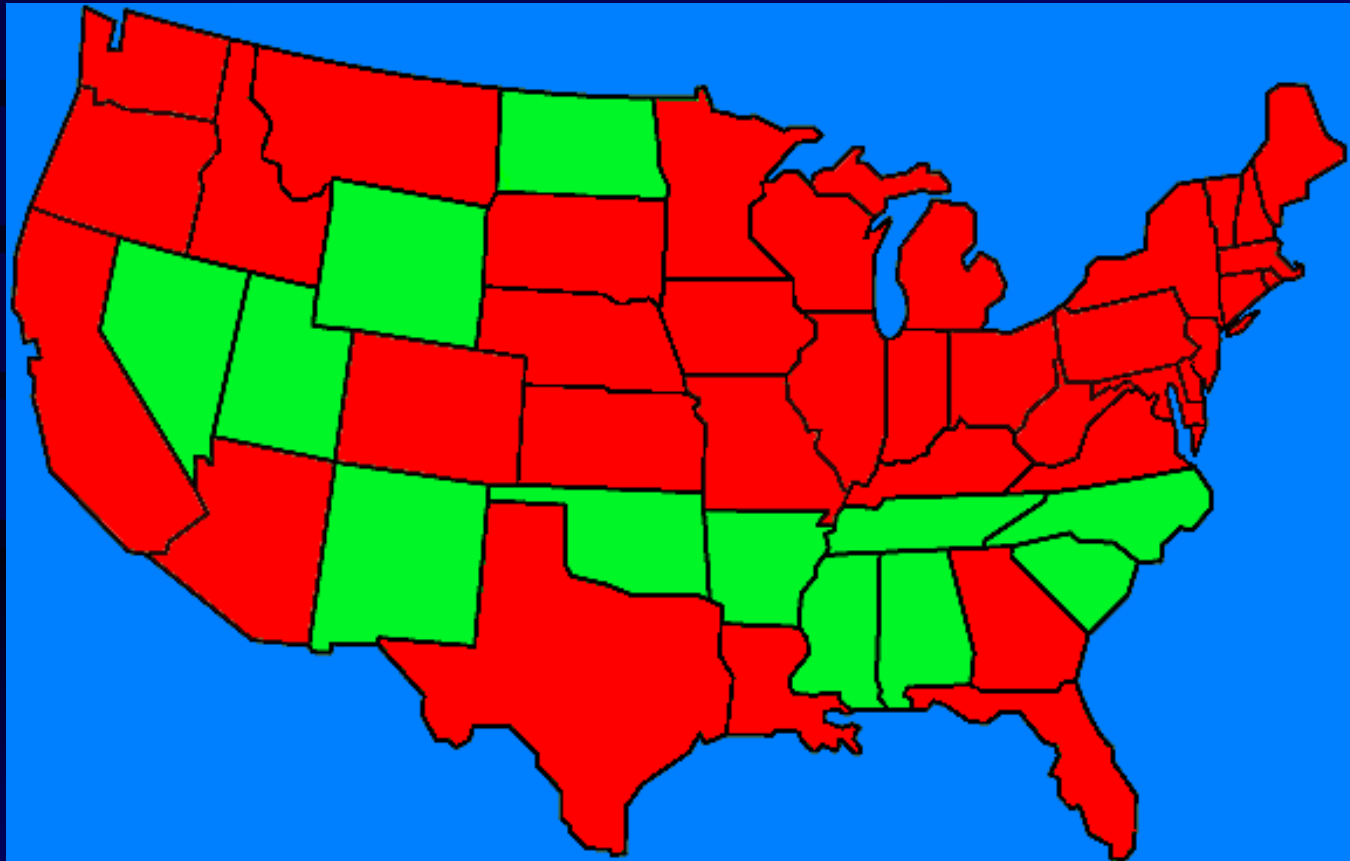
1991 - Texas



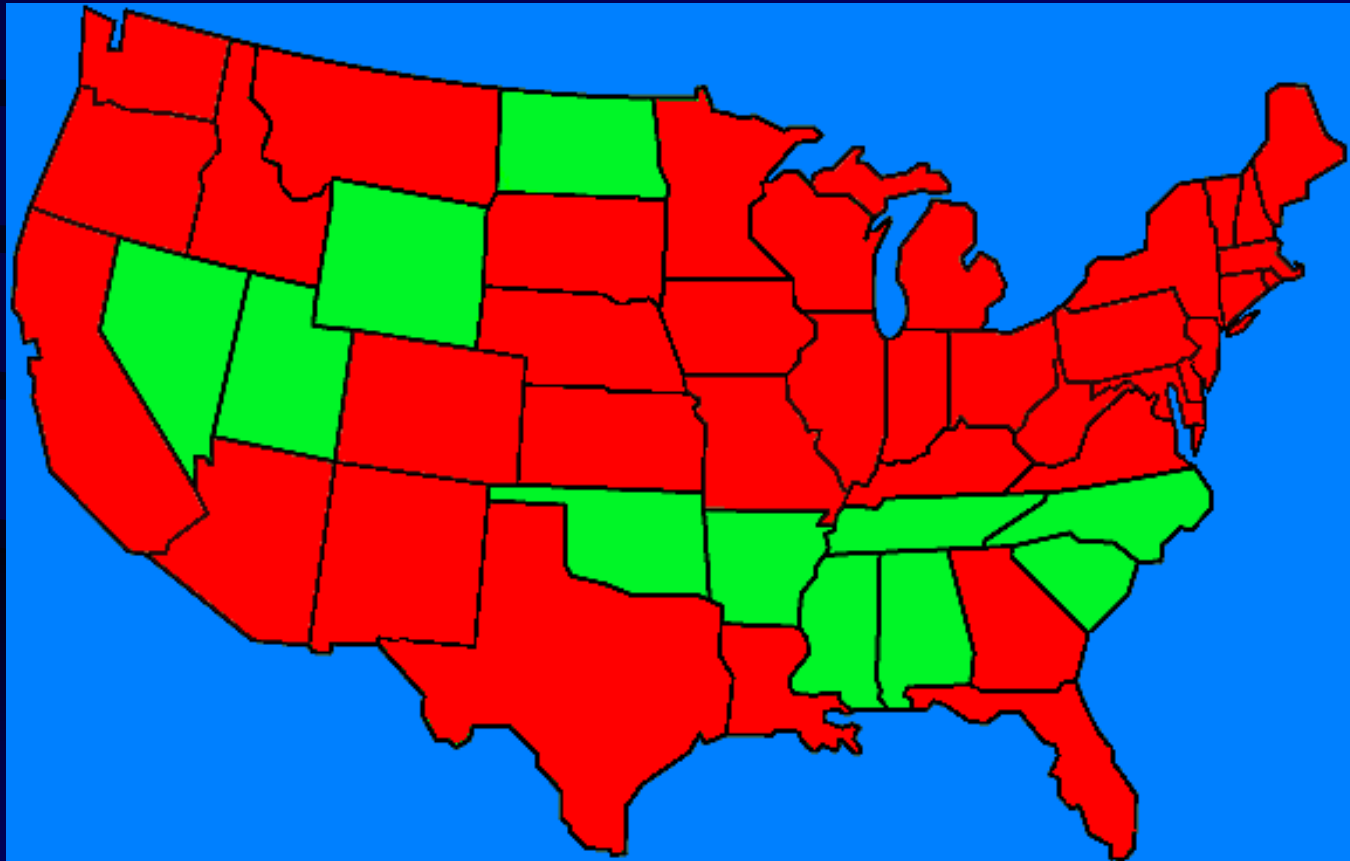
1992 - Georgia



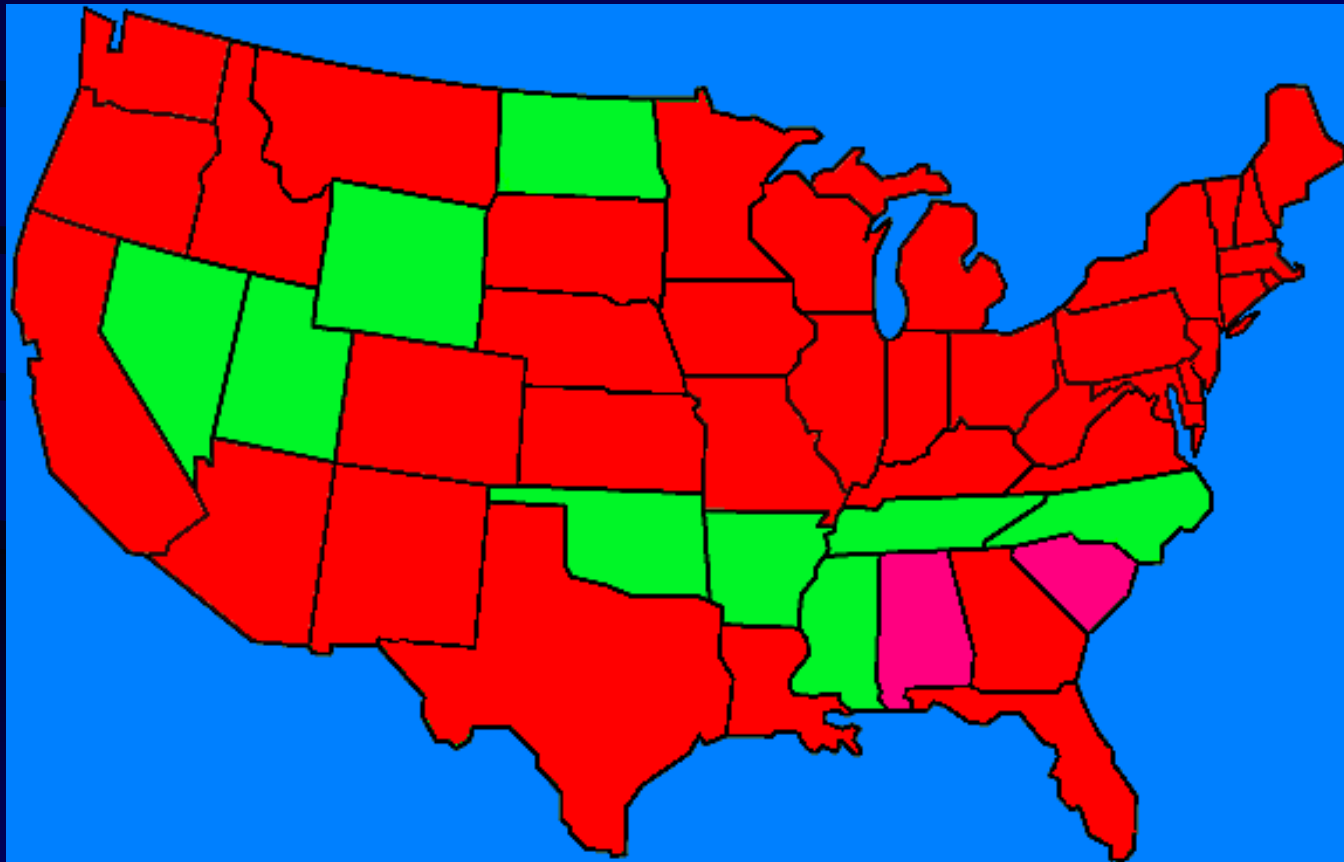
1993 - Nebraska



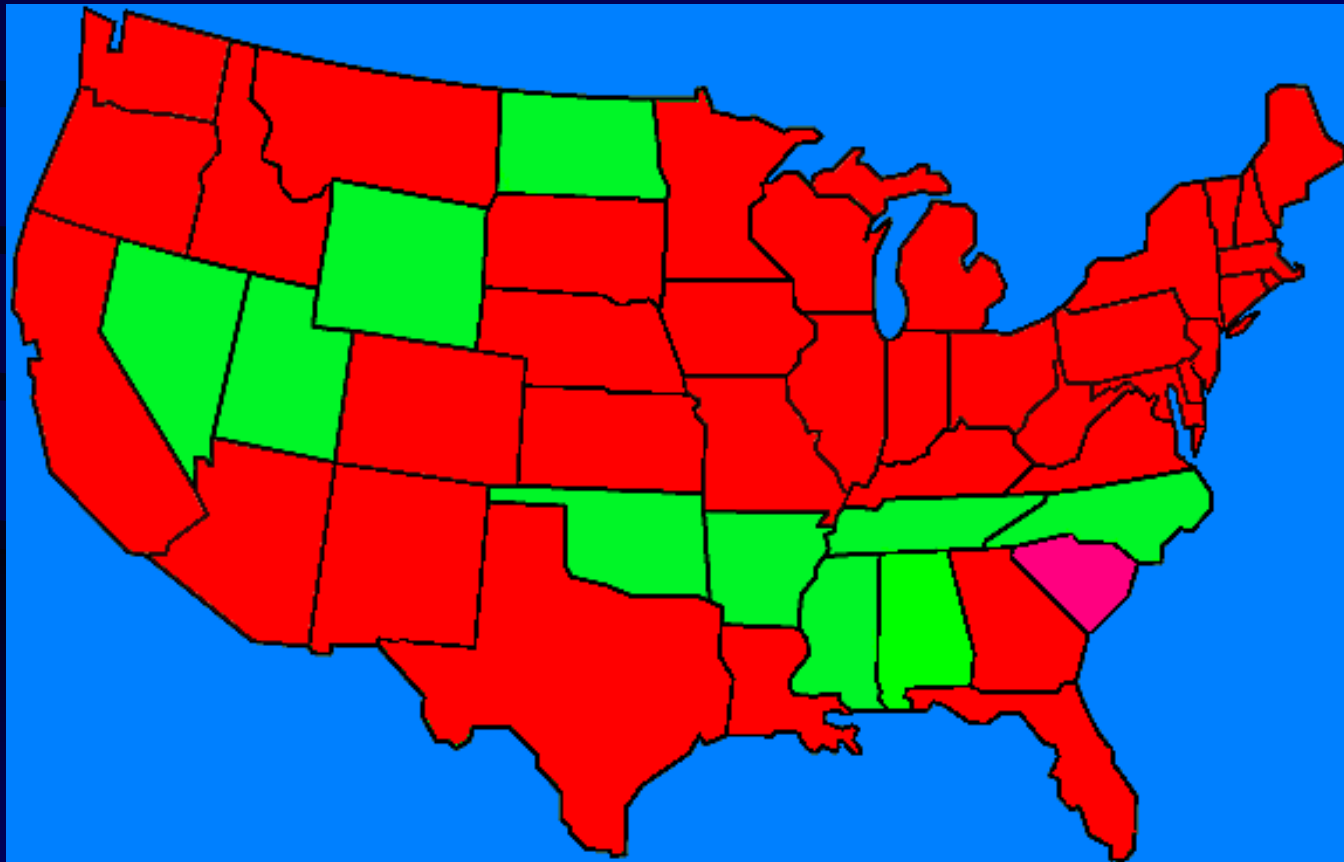
1995 - New Mexico



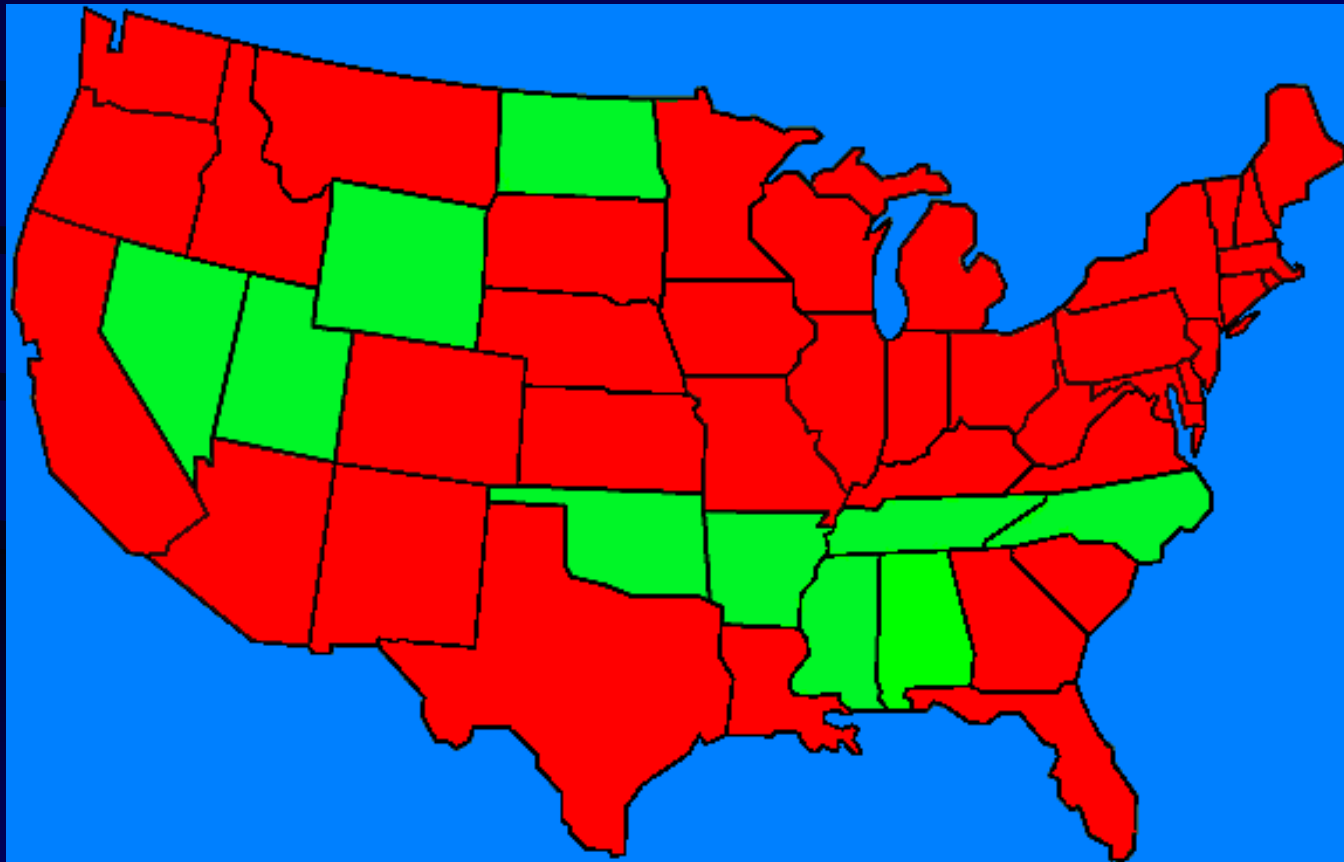
1998 Elections - Alabama & South Carolina



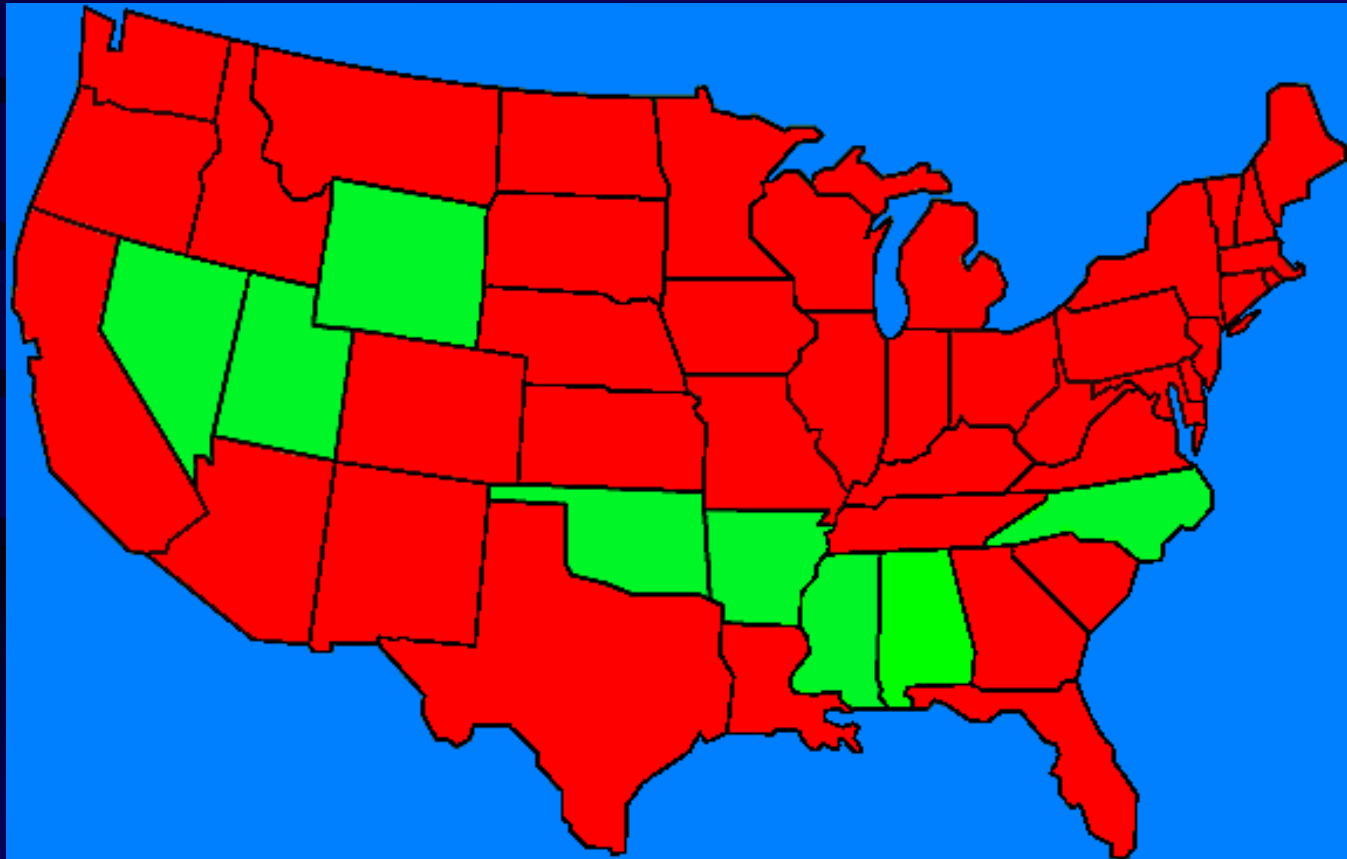
1999 Election - Alabama



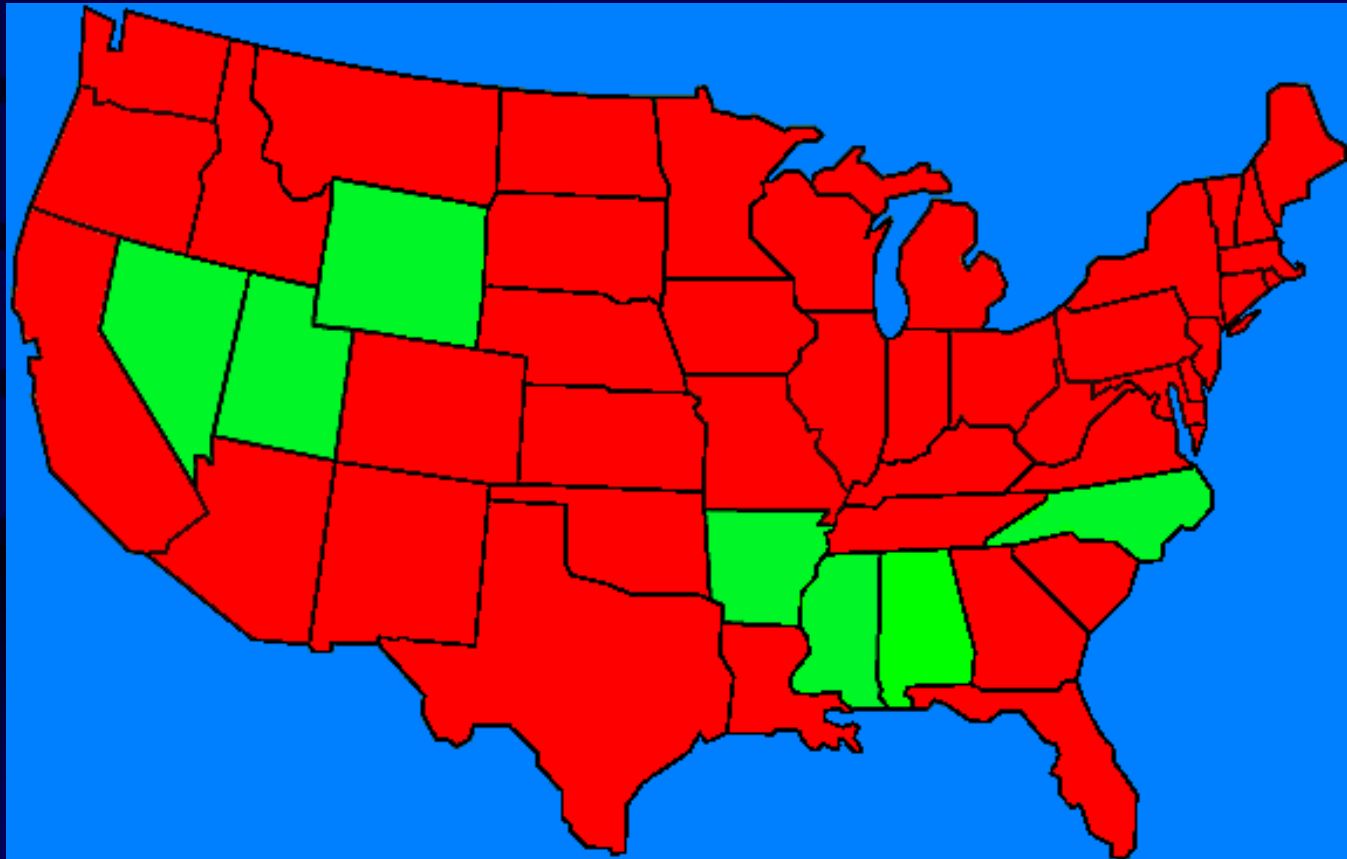
Nov. 2000 - South Carolina



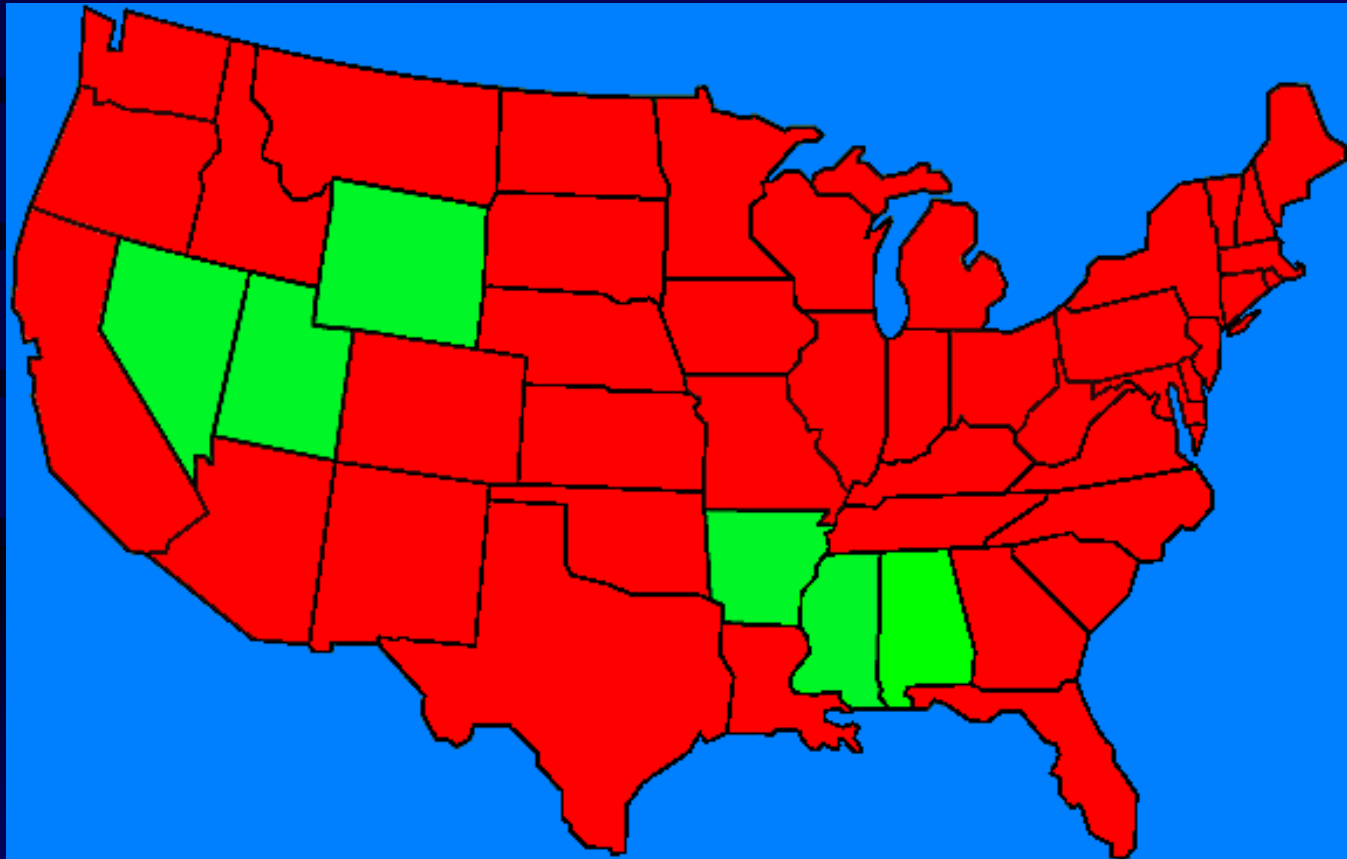
Nov. 2002 - North Dakota, Tennessee



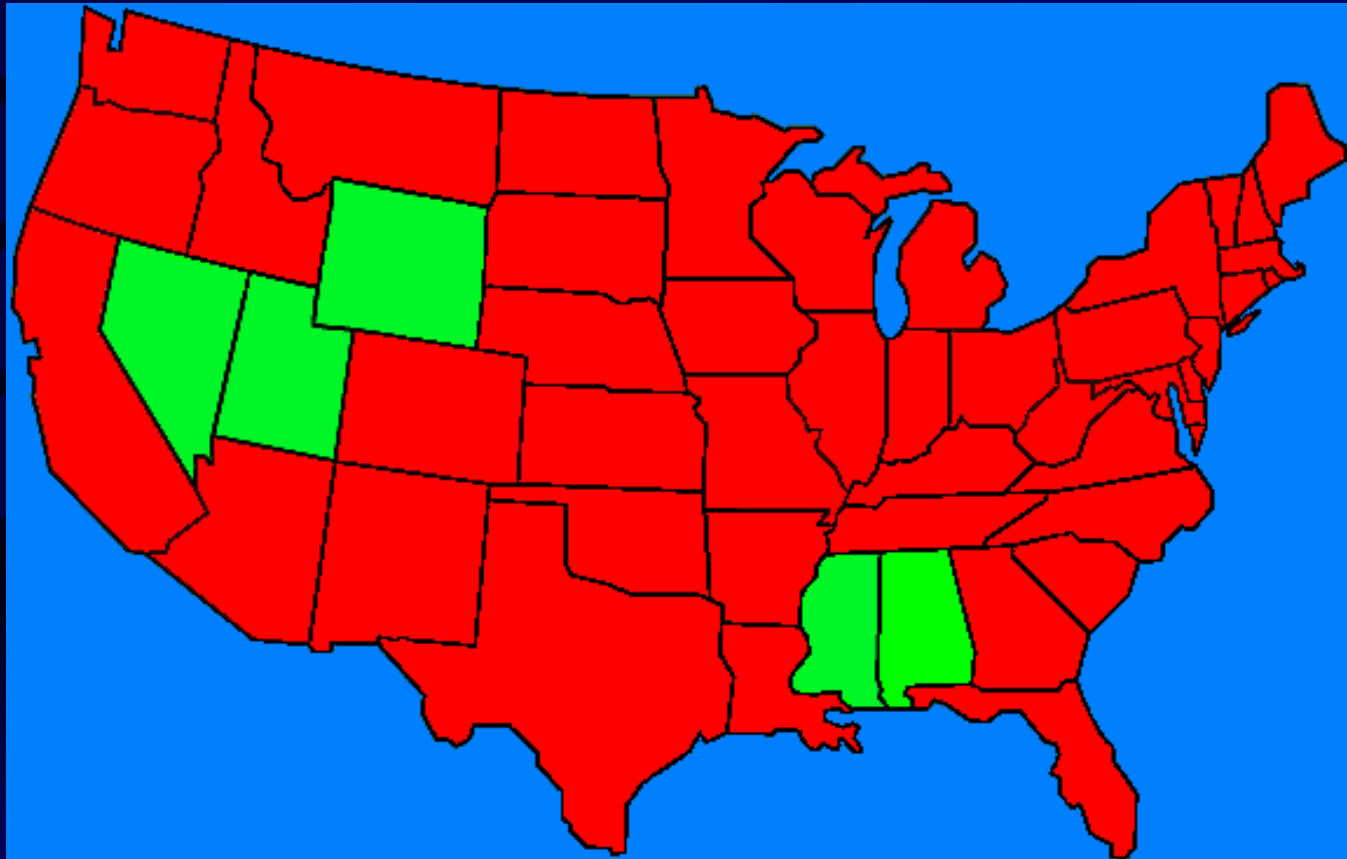
Nov. 2004 - Oklahoma



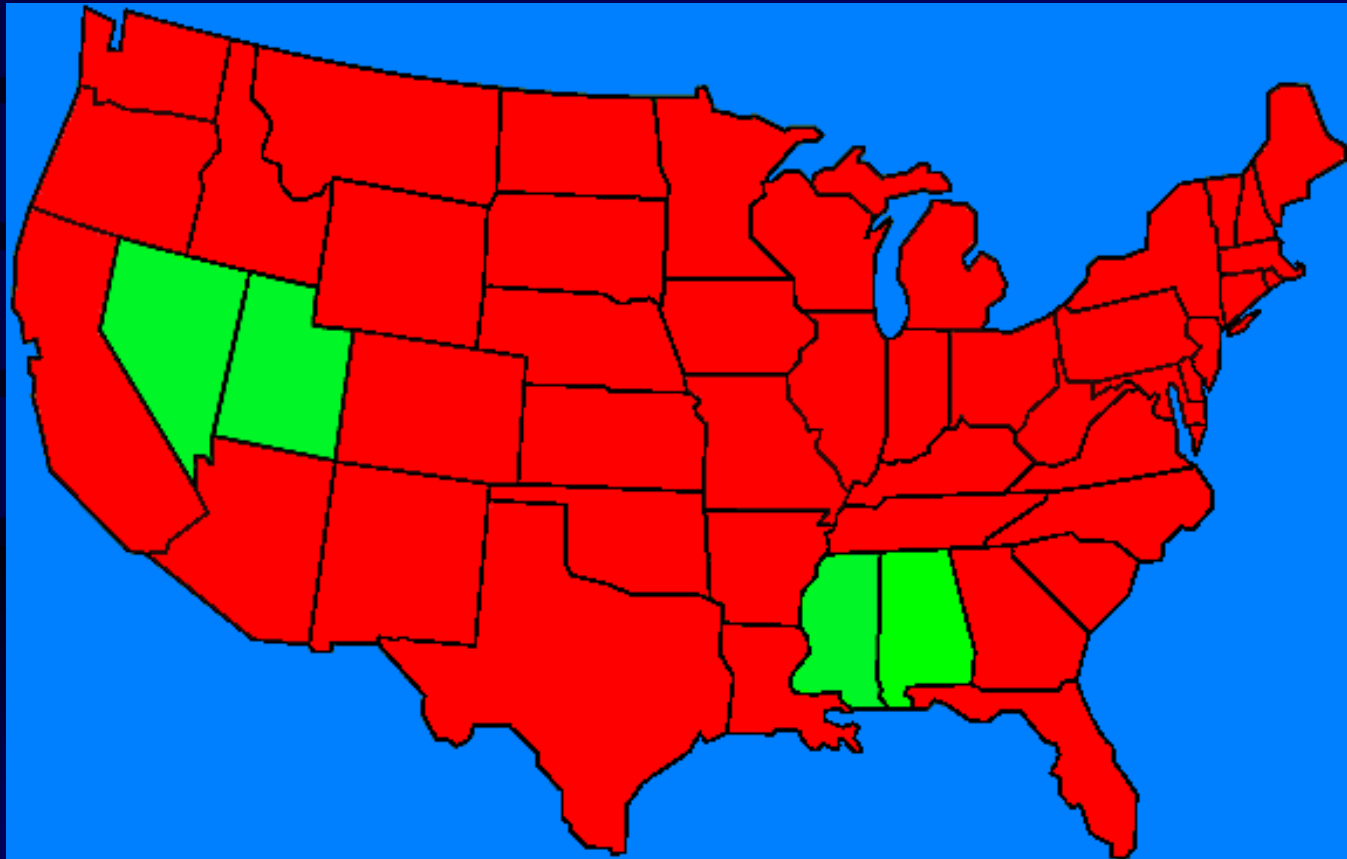
Nov. 2005 – North Carolina



Nov. 2008 – Arkansas



2013 – Wyoming



U.S. Supreme Court
Murphy v. NCAA (PASPA)

- Much more than allows states to have sports betting
- States can legalize any form of gambling
- Federal government cannot order state governments to do ANYTHING

Constitutional Law

- States were and still are sovereigns. Federal government only has power over individuals, not over states or state officials.
- States still have the power to do anything, unless they gave it up when they created the federal government.
- Federal government does not have the power to do anything, unless that power is listed in the U.S. Constitution

Winners

- Casinos, especially in Atlantic City
- Indian tribes?
- Sports leagues and teams, colleges
- Broadcasters of sports events
- Legal bookies around the world
- State politicians and lobbyists
- Internet poker operators
- Marijuana dealers and growers

Losers

- Nevada casinos and bookies?
- The State of Nevada?
- Indian tribes?
- Illegal internet sports books
- Fantasy sports
- Donald Trump – Cannot order state police to help round up illegal aliens
- A.G. Jeff Sessions – Same with pot

Questions

- Will Congress do anything?
 - Amend Wire Act to allow interstate and international sports bets?
 - Enact national regulations?
- Can territories have sports betting: Guam, Puerto Rico, USVI and CNM?
- Will the Leagues get their “Integrity fee”?

How Sports Books Make \$ and Why a 1% Integrity Fee Won't Work

- Standard bet: \$11 to win \$10. Total bet \$22
- Line Team A must win by more than 7 points
- Bettor1 bets on Team A; Bettor2 bets on Team B
- Whichever wins gets \$21
- Bookie makes \$1 before taxes and expenses
- 1% “integrity fee” = \$.22 of that \$1.00
- Actual Numbers: Nevada’s 198 sports books won \$1.2 million on \$159 million SuperBowl bets
- 1% “integrity fee” = \$1.59 million

Questions

- Which states will be first?
 - New Jersey, Pennsylvania, West Virginia
 - Delaware
- Do state constitutions have to be amended?
- Who will get the licenses, especially in states like California?
- Are there ways around the Wire Act?

Since May SCOTUS Decision

- **MGM official gaming partner of NBA & WNBA; new sports betting gaming platform**
- **Meadowland track \$3.5 million in first 9 days**
- **NM State Lottery, WV, RI, Miss., MD, etc.**
- **FanDuel bought by Paddy Power Betfair**
- **FanDuel (& DraftKing) spent \$205 million in 2015; announce TV sports betting shows**
- **English style betting begins**
- **Point-shaving & other cheating inevitable.**

END

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