



ROBYN BLACK

CTBA LOBBYIST

## BETTING ON SPORTS WAGERING

The U.S. Supreme Court has accepted a New Jersey lawsuit that is attempting to appeal the Professional and Amateur Sports Protection Act (PASPA), which deals with sports wagering. In agreeing to review *Christie v. the NCAA* and *New Jersey Horseman's Association v. NCAA*, the court consolidated the cases. The argument is that PASPA violates the 10th Amendment protection of states' rights. Many notable scholars agree and add that the federal law has created a huge, unregulated black market.

In response to the Supreme Court action, at least 10 states—including California—have introduced legislation to address the issue. Assembly Constitutional Amendment (ACA) 18 by Assemblyman Adam Gray would place the issue before California's voters. The new ACA does not yet have much detail, but it will serve as a means of dialogue should the high court rule favorably.

The California Thoroughbred Breeders Association will strongly support this effort so long as the ACA allows only existing gaming, card rooms, race-

tracks, and tribal casinos currently licensed in California. The legislation must also limit the wagering to brick-and-mortar facilities. High-tech and software companies cannot get into the gaming space, and the new jobs created by the authorization of sports wagering must be located in California. The passage of legal sports betting has long been seen as a way to boost gaming revenue and bring bettors to existing gaming facilities.

Recent polling shows more than 60% of Americans support ending the federal prohibition, and some professional leagues are leaning more favorably to legalizing betting. According to the American Gaming Association, fans are seeking greater engagement with sports teams and the players.

Legalizing sports wagering not only would benefit racing and protect jobs, but would also protect consumers. Continuing to force bettors to turn to the black market leaves them with no protections—no protection for underage or problem gamblers, no protection for consumer privacy, and no recourse if the underground bookie disappears. The employees of these

illegal operators also lack any protection. In contrast, the pari-mutuel employees in racing have taken legal sports wagers for generations with great integrity. Expanding these protections for consumers and employees makes perfect sense.

Allowing tribes to offer sports betting under the Indian Gaming Regulatory Act (IGRA) would require tribes and states to amend their compacts or draft new ones. Current compacts do not address sports wagering. Tribes may also need to operate sports wagering as a commercial enterprise outside the IGRA, meaning they would be subject to state taxes and regulations. Tribes appear split on sports wagering, but that could change if PASPA changes. Tribes want to protect their legal and regulatory status as casinos, but they also want to attract new gamers, especially millennials, to their brick-and-mortar facilities.

Raymond Nash once said, "Horse sense is what keeps horses from betting on what people will do." As for now, sports wagering is at least in the gate. **CTB**