Legalization of Sports Betting Could Spread Across America

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By Amanda Ciccatelli March 31, 2017



In 1949, Nevada legalized sports betting, and it remains the only state where betting on single games is legal. While some states like Delaware and New Jersey have attempted to expand into sports betting, they have faced a lot of legal challenges. However, signs are now pointing towards the legalization of sports betting across America.

Inside Counsel sat down with Dennis Gutwald of McDonald Carano's Gaming & Administrative Law Group to discuss the key factors leading to the legalization of sports betting on a national level and what other states can learn from Nevada's experience and success.

"America loves sports. Betting on sports and sports go together like peanut butter and jelly," he said. "The ubiquitous nature of office pools, billions of dollars of illegal internet gaming, growth of DFS and the 'Las Vegas Line' being posted in all forms of media, all demonstrate this. Because of its relation to sports, betting on sports is part of our language and part of our culture. No other form of gambling is as closely associated to something so ingrained into our society."

Today, most states don't have legalized gambling statewide because a large portion of the population still believes that the social ills that accompany most forms of gambling outweigh statewide legalization.

"Those portions are likely to continue to shrink as the spread of gaming introduces gaming to more individuals and gambling is viewed more and more as just another form of entertainment," he said.

So, why is Nevada the only state where sports betting is legal? According to Gutwald, it's because the U.S. passed the Professional and Amateur Sports Protection Act of 1992 (PASPA) that limited states to the legal sports betting they had at that time. Only four states (Nevada, Montana, Oregon and Delaware) had sports betting, and only Nevada had sports books and betting on single games. There have been many legal challenges that other states, such as Delaware and New Jersey, have faced to expand to this gaming segment.

In fact, PASPA prevents any state from adding or augmenting sports betting beyond what the state had in 1992. Since Nevada had fully operational sports books taking virtually every kind of bet in 1992, PASPA gives it a monopoly on legal sports betting in the U.S. for now. According to Gutwald, unless PASPA is overturned in U.S. courts, or amended or repealed by Congress, the barrier for sports betting in states besides Nevada will continue to exist.

So, could sports betting soon be legal across America?

Given the momentum for legal sports betting nationwide, PASPA's repeal seems inevitable, according to Gutwald. If PASPA is overturned or repealed, look for expansion of sports betting on a state-by-state basis, like how the spread of traditional gaming occurred, but at an accelerated rate. Unlike the spread of traditional gaming throughout the U.S., there are a lot of companies with experience running sports betting operations in Nevada that are positioned throughout the country already advocating for and ready to introduce legal sports betting very quickly.

"More and more leagues, team owners, players, Indian tribes and a majority of U.S. citizens support legal sports betting, the billions of dollars spent on illegal sports betting, the popularity of Nevada sports books and the growth of DFS all indicate a growing hunger in the U.S. for legal sports betting," he explained. "Nevada and its sports betting companies have been demonstrating the regulatory and operational expertise to very successfully conduct legal sports betting for 60 years."