

You Can Bet On That: Supreme Court Opens Up Sports Betting To The States

Amundsen Davis Alert
August 23, 2018

Gambling on sports is no longer reserved just for trips to Las Vegas or to your corner bookie. In *Murphy v. NCAA*, a landmark decision sure to have ripples throughout the country, the Supreme Court struck down the Professional and Amateur Sports Protection Act of 1992 (PAPSA), which had effectively banned legalized sports betting nationwide outside the state of Nevada. That prohibition is no more and states are now racing to get in on the action.

Gambling is as popular as ever in the United States. According to the American Gaming Association (AGA), prior to the Court's decision in *Murphy*, more than twenty states already had legalized commercial casino gambling. In 2016, the AGA estimated that consumer spending in American casinos was a nearly \$39 billion. This is to say nothing of the onset of daily fantasy sports, a type of fantasy sports where buyers buy-in to fantasy "contests" to compete for a share of a prize pool, which is a billion dollar industry in and of itself.

So it is easy to predict that states, always in search of new revenue sources, will be eager to legalize and begin taxing sports betting. In fact, it had already started. Prior to the Court's decision in *Murphy*, more than twenty states had legislation in the works to attempt to legalize and regulate sports betting in one way or another. Emboldened by the Court's knock-out of PAPSA, in June, Delaware became the first state to take advantage and began offering sports betting at three of its casinos. New Jersey, the state which successfully challenged PAPSA, followed suit shortly thereafter. Both Missouri and Illinois reportedly have sports betting laws in the early stages of the legislative process.

As with any new legal development, significant questions remain. What will each state's regulatory scheme look like? Which states will legalize **online** sports betting? How will organizations like the NFL and NCAA respond? Will they lobby states to resist legalization or will they try to get a cut of the action themselves?

Each of these questions remains to be answered, but one thing is certain: legalized sports betting is here and it is (probably) coming to a state near you.