Now that 31 of 32 owners of NFL teams voted in favor of the Oakland Raiders moving to Las Vegas and the season for our professional hockey team, the Vegas Golden Knights, will soon begin, some have questioned how the presence of professional sports in our city will fare among the presence of regulated sports wagering.

You may ask why this even matters because there are now 36 states where you can gamble at a casino, which is a striking increase from the two states that had casinos in 1978. Despite casino gaming becoming part of the entertainment landscape in America, there is only one state in the United States that offers full-scale wagering on sporting events – Nevada.

The reason our state has this near monopoly on sports wagering is a federal law referred to as PASPA, a law passed in 1992 officially known as the Professional and Amateur Sports Protection Act. 28 U.S.C. §§ 3701-3704. PASPA was enacted with the backing of former New York Knicks star turned U.S. Senator, Bill Bradley, as a means to prevent the spread of state-authorized sports wagering, including sports-based lottery products that were beginning to emerge. PASPA prohibits any government, including Native American tribes, from authorizing a sports lottery, gambling, or wagering scheme based upon competitive games in which professional or amateur athletes compete (or intend to compete) or “on one or more performances of such athletes in such games.” Id. § 3702.

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PASPA incorporates a few exceptions for states that had authorized sports wagering systems in place during certain periods of time before the bill was passed, including Nevada, Delaware, Montana, and Oregon. Id. § 3704. Of the four states with current exemptions, Delaware is the only other state besides Nevada that is offering sports wagering. However, after some legal challenges, Delaware is limited to accepting wagers on three-team parlay cards for NFL games. For clarification, a parlay is a wager on two or more events. For example, on one ticket, a bettor can select the Denver Broncos to win against the Los Angeles Chargers; the Green Bay Packers to win against the Chicago Bears; and the Cleveland Browns to win against the New England Patriots. The bettor has just entered into a three-team parlay in which all teams selected must win their games in order for the ticket to be a winner. In the case of Delaware, the three-team parlay on NFL games means that they cannot accept wagers on any other professional or college sport and can’t even take wagers on the NFL Super Bowl (because there are only two teams involved in the game).

New Jersey was given an exemption under PASPA on the condition that it enacted a state statute to permit sports wagering in casinos within one year of the enactment of PASPA. However, New Jersey was unable to enact such a statute and the PASPA exemption for New Jersey expired.
That brings us forward to 2012, when New Jersey decided to legalize sports betting with the support of a majority of state voters through referendum. This prompted a challenge from the major college and professional sports leagues, which have automatic standing to pursue an injunction under PASPA pursuant to 28 U.S.C. § 3703. See NCAA v. Gov. of N.J., 730 F.3d 208 (3d Cir. 2013), cert. denied, 134 S.Ct. 2866 (2014). After the court ruled against New Jersey’s effort to legalize and regulate sports wagering at tracks and licensed casinos, New Jersey tried a different approach by decriminalizing sports wagering (hence, not authorizing) at tracks and licensed casinos, but this was again challenged by the leagues and the federal district court of New Jersey and the Third Circuit Court of Appeals issued opinions in favor of the sports leagues once again. See NCAA v. Gov. of N.J., 832 F.3d 389 (3d Cir. 2016). New Jersey has filed a petition for certiorari with the Supreme Court of the United States, but the petition has neither been granted nor denied at the time this article was written.

So, as of right now, Nevada is the only state with full-scale sports wagering. In order to operate a sports book, a nonrestricted gaming license for a sports pool is required. NRS 463.160, NRS 463.1605. This means that the owners, officers, directors, etc., must go through the strict suitability investigation by the Nevada Gaming Control Board. A sports book is often operated in conjunction with a race book, which accepts pari-mutuel wagers on horse or greyhound racing, but a race book license is a separate license from a sports pool license.

A sports pool license authorizes the operator to accept wagers “on sporting events or other events by any system or method of wagering.” NRS 463.0193. This allows for fixed odds betting, such as point spreads or money line; parlay wagering; or pari-mutuel wagering on sports. This “other events” language provides sports books authorization to offer wagering on non-traditional activities like the World Series of Poker; esports; and the NFL Draft (with administrative approval of the Nevada Gaming Control Board). Significant press has been dedicated to “mobile sports wagering” in Nevada. However, for decades, Nevada has permitted account wagering for sports betting. Account wagering is a form of betting in which patrons put money on deposit in an account with the sports book operator and then places wagers using funds from that account from any location in the state, including within the sports book. For many years, account wagering was primarily accomplished through landline telephone calls. More recently, account wagering has evolved to include mobile devices that use GPS, cell tower data, and other communications data to ensure that wagering against an account only occurs within the borders of the state.

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Although there have been concerns expressed about the commingling of professional sports and sports wagering, such concerns are misplaced. First, sports betting is already happening in an illegal environment. In fact, the illegal sports wagering market in the United States is estimated to account for $80 billion to $380 billion in wagers per year. Will Hobson, *Sports gambling in U.S.: Too prevalent to remain illegal?*, The Washington Post (Feb. 27, 2015). Therefore, sports wagering is already a significant domestic activity despite being an illegal activity outside of Nevada, which means that it is being conducted with no consumer protections, no event integrity protections, and no tax revenue to offset the social costs of sports wagering. Meanwhile, legal regulated sports wagering in Nevada provides those benefits. Second, the United Kingdom has successfully operated a system of regulated sports wagering mixed with professional sporting events for years. In the U.K., sports teams, sports leagues, and regulated sports book operators often work together on sponsorship, game enhancement, and integrity issues.

Las Vegas has joined the big leagues with the addition of two professional sports teams. If PASPA is repealed or successfully overturned someday, we expect sports wagering to be just another highly regulated gaming entertainment option with consumer protections, integrity protections, and tax revenue that benefit the consumers, leagues, and states across the nation.