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Tristate Area Wastes No Time Getting a Piece of the Sports Betting Action

Client Advisories

06.08.2018

It has been less than a month since the United States Supreme Court paved the way for legalized sports gambling throughout the county. In that short time, the states in the tristate area have moved quickly to seize the opportunity.

On June 5, 2018, Delaware, which had been exempted from the federal law recently struck down by the United States Supreme Court, was the first state (besides Nevada) to implement full sports betting, with Governor Carney winning a $10 bet on the Philadelphia Phillies. The state reports that sports betting took in over $322,000 on the first day. While these numbers are unlikely to remain this high, especially as neighboring states follow Delaware's lead, legal sports betting presents a tantalizing opportunity for states to raise funds, giving them an incentive to act quickly.

Meanwhile, in Pennsylvania, casinos and racetracks are now permitted to submit applications for sports betting. However, none of them have chosen to do so yet, no doubt due to the steep taxes and $10 million application fee.

Finally, in the Garden State, the Assembly and the Senate each unanimously passed A.B. 4111, which allows casinos and racetracks to accept sports bets on their premises or on the Internet. The bill now awaits Governor Murphy's signature.

While the newly passed New Jersey bill is fairly comprehensive, at its core it permits casinos, racetracks, and certain former racetracks to open sports wagering lounges and kiosks on their premises, and accept online sports bets. Betting is allowed for all professional sports and collegiate sports (except for college events that take place in New Jersey or feature a New Jersey team). Revenues from in-person betting are subject to an 8.5 percent tax and a 1.25 percent fee to the communities where the betting takes place, and revenues from online bets are subject to a 13 percent tax.

In addition to the above, this legalized sports betting legislation, if signed into law by Governor Murphy, contains a number of other complex provisions/restrictions and empowers the New Jersey Division of Gaming

Enforcement to enact regulations to implement the law. We will keep a close eye on these developments, as well as those in Pennsylvania and Delaware, and we will provide updates when appropriate. In the meantime, if you have any questions about how these recent developments in legalized sports betting in the tristate area may affect you or your business, we are here to help. Please contact **Deborah A. Hays** at (856) 354-3089, **William J. Caruso** at 856-673-3915, or any member of Archer's **Business Counseling** or **Government Affairs** Practice Groups.

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Related Services

- Business Counseling
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Attachments

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