

Nevada one day may not be only place for sports betting

By Richard N. Velotta, Las Vegas Sun

Lawmakers from across the country are contemplating whether it's worthwhile to move into a domain that's been almost exclusively Nevada's since 1949 – legalized sports wagering.

But a top Las Vegas race and sports book director says that even if other states cleared the numerous legal and legislative hurdles to offer betting on sports in their states, it probably wouldn't have a big effect on Nevada.

The issue of legalizing sports wagering was a topic of a panel discussion Saturday at the three-day meeting of the National Council of Legislators from Gaming States. The organization's winter meeting at the Rio in Las Vegas is being attended by about 100 lawmakers and regulators from 21 states, a Canadian province and Washington, D.C. Representatives of several American Indian tribes that operate casinos also are attending.

New Jersey is the state most likely to move in on Nevada's territory after the state's voters overwhelmingly approved a constitutional question that would enable gamblers to place sports bets at New Jersey's horse tracks and in Atlantic City casinos.

New Jersey voters approved the measure in 2011, and Gov. Chris Christie signed a constitutional amendment in January 2012 to pave the way for sports betting this month. The state decided not to challenge a federal law enacted in 1992 that makes it illegal for people to bet on professional and amateur athletics.

The Professional Amateur Sports Protection Act gives Nevada,

Oregon, Montana and Delaware exemptions from the law. Although Nevada is the only state with legal sports books, the three others were grandfathered in because they had laws on their books to allow football betting in conjunction with lotteries and contests.

Christie said New Jersey would continue to move toward licensing sports books, and the NCAA and the four major professional sports leagues filed a suit in federal court to block New Jersey's plans.

Most of the panelists in the session of the National Council of Legislators from Gaming States supported state efforts to get into the sports book game.

Donn Mitchell, chief administrative officer of St. Louis-based Isle of Capri, said sports wagering offers another "hook" to get customers to come to a casino.

"Why does the federal government say you can't have it anywhere except Nevada?" Mitchell asked. "New Jersey is asking that question and rightfully so. It needs to be challenged."

Alan Koslow, a lawyer with the Fort Lauderdale, Fla.-based Becker & Poliakoff law firm, said while sports books don't generate a high percentage of revenue for a casino's bottom line, it does generate gross revenue in hotel rooms, food, beverages, shows and shopping.

"I talked with an executive at Wynn (Resorts) who said the biggest weekend by far at the Wynn Las Vegas properties is the Super Bowl weekend," Koslow said. "They're coming here to have a good time, and they're having a good time."

Art Manteris, who oversees the sports books at 17 Station Casinos properties in Las Vegas, said the ban on sports wagering in most states diverts money to illegal offshore Internet casinos. Manteris, who lives in Boulder City, said he has a hard time reconciling that what he does for a living is

illegal just across the Colorado River in Arizona.

He said the horse racing industry shot itself in the foot years ago when it didn't attempt to get sports wagering legalized at tracks. Today, the horse-racing industry is dying, and it lost an opportunity to bring a new generation of young gamblers to the track.

Manteris thinks that if sports wagering were legalized in other states, it wouldn't hurt Nevada's industry. He said that like the perceived threats of riverboat gaming and tribal casinos to Las Vegas in the past, legalized sports wagering elsewhere would broaden the market and attract more people to the city.

"On Super Bowl weekend, where would you rather go: Las Vegas or some other place that may have a casino that has sports betting?" Manteris said.

In 2011, Nevada's 216 sports books took \$2.9 billion in wagers, but about 95 percent of that was returned to gamblers who won. The state wins about \$10 billion in gaming a year, but of that, only about \$150 million comes from sports wagering.

Only one panelist took an opposing viewpoint on encouraging states to legalize sports betting.

Former U.S. District Attorney Michael Fagan, now of the St. Louis-based Center for Advanced Prosecution, said states should be wary of the hidden costs of any form of gambling.

"If you think it's something that can be regulated, you have to devote resources to it," Fagan said. "You'll need to be able to investigate corruption and fraud and allegations that inevitably occur with sports wagering."

Fagan said he has seen studies show that jurisdictions that allow sports wagering spend \$3 for every dollar they make from

gamblers on investigations and the social costs of problem gambling associated with sports betting.