

Congress of the United States
Washington, DC 20515

September 25, 2018

The Honorable Jim Sensenbrenner
Chairman
House Judiciary Committee
Subcommittee on Crime, Terrorism,
Homeland Security, and Investigations
2138 Rayburn House Office Building
Washington, DC 20515

The Honorable Sheila Jackson Lee
Ranking Member
House Judiciary Committee
Subcommittee on Crime, Terrorism,
Homeland Security, and Investigations
2035 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Sensenbrenner, Ranking Member Jackson Lee, and members of the House Judiciary Committee Subcommittee on Crime, Terrorism, Homeland Security, and Investigations,

We write today regarding the upcoming hearing in your subcommittee on the regulation of sports betting. As members from states that have already legalized, regulated, and opened the doors to sports betting, we have seen success of regulation at the state level and feel proposals for a federal framework should be approached with caution.

With the Professional and Amateur Sports Protection Act (PASPA) struck down and states moving to regulate sports betting within their borders, there is some discussion of a federal framework to regulate sports betting. Since the PASPA ruling, New Jersey, Delaware, Mississippi, and West Virginia have already joined Nevada to offer legal and regulated sports betting. Pennsylvania and Rhode Island are likely to launch sports betting in the coming months. Precedent for federal policy toward gambling has been to assist states in the enforcement of their own laws, prohibiting gaming activities only where it is illegal under state law, rather than to preempt state law. Most states already have some form of gaming regulatory structure which could be used to regulate sportsbooks.

Nevada, which has had legal and regulated sports betting since 1949, proves that sports wagering can be properly regulated at the state level to enshrine consumer protections, law enforcement, and wagering integrity. In Nevada, sports bettors must be 21. Operators must have self-exclusion programs for those with gambling addiction. Nevada Gaming Commission Regulation 22.040 sets reserve requirements sportsbooks must keep to be able to pay out all winning wagers. The State's licensing of 86 different sportsbooks and inclusion of mobile betting have made legal sports wagering widely available and created competition to lower house advantages, both of which help stem the illegal market. Operators, working with data companies, are required to monitor bets for instances of possible match fixing, and share evidence with the Nevada Gaming Control Board, which then investigates and determines the proper course of action. Nevada also requires oddsmakers, not just sportsbook operators, to obtain a full license to further protect wagering integrity.

An illegal market lacks consumer protections and threatens the integrity of sports we know and love. Sports betting and protecting the integrity of these games are not new; sports governing organizations have had to manage threats to integrity with the \$150 billion wagered annually in the illegal sports betting market, when states other than Nevada were prohibited from legalizing and regulating sports wagering. Calls for integrity fees paid to leagues would chip away at state revenues and already slim revenue margins for legal sportsbooks, hurting their ability to compete with offshore books and move more consumers into the regulated market.

Las Vegas has been a recent example of how leagues and legalized sports betting can successfully coexist in the same environment without threats to integrity, with the introduction of the NHL Vegas Golden Knights, WNBA Las Vegas Aces, and soon-to-be NFL Las Vegas Raiders. The Supreme Court decision has also spurred discussions and commercial contracts between operators and professional leagues, which share economic and reputational interests in ensuring fair and honest competitions and wagers. A heavy-handed federal framework could repress innovation and competition, sending more people back to the illegal market.

We hope you will keep in mind these considerations and consult our states that have already legalized sports betting as you examine the post-PASPA landscape.

Sincerely,



Dina Titus
Member of Congress



Tom MacArthur
Member of Congress