



State Legislative Wrap Up
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2021 Post-Pandemic Bump for Sports Betting

Governors and state lawmakers boosted the number of **states legalizing sports betting to the highest total for any legislative season** since the Supreme Court handed down its decision in *Murphy v. NCAA* in 2018. By early July, when most states had completed their sessions, ten states had adopted legislation or announced new compacts to allow sports betting. That brought the **national total to 32 states** plus the District of Columbia.

The expansion of gambling also saw one of the nation's largest markets, **New York, approve online sports betting**. Another, **Connecticut**, became the sixth state to **approve iGaming** and legalize internet casino games. The pent-up urge to expand gambling opportunities, however, was not mirrored by an increase in funding for problem gambling services and treatment in every state. Instead, lawmakers created a **patchwork of new laws and funding** that are likely to continue to evolve as more states seek a competitive edge in attracting gambling revenues and jobs.

Fast Break

Sports betting remains the most popular of the gambling expansion among lawmakers since the adoption of lotteries in the last century. Legislators returned to state capitols or gathered on virtual platforms to consider sports betting legislation in states during the post-pandemic 2021 sessions as fiscal worries and budget shortfalls brought a focus on a potential new revenue generator. **Governors proposed new gambling measures** in their state of the state addresses and announced **compacts with tribal nations** to permit sports betting. The early momentum and lobbying by the gaming industry and professional leagues put many states in play that had traditionally not considered expanding gambling.

Four states began the year with a mandate from voters to enact sports betting legislation. **Referendums** passed in the November 2020 elections in **Louisiana, Maryland, Nebraska, and South Dakota**. In another five states, (**Arizona, Connecticut, Florida, Washington, and Wisconsin**), governors announced new **compacts with tribes** that would permit sports betting. In the nation's least populated state, **Wyoming**, legislators adopted **online sports betting**.

Setting the Pace

The record-breaking attention to gambling legislation led to some significant increases in funds for problem gambling services. **New York** led the way with an **additional \$6 million** included in the online betting measure. Both **Nebraska** and **Connecticut** boosted funds by **more than \$1 million**, while **Louisiana** added **\$500,000**, and **Wyoming** set aside the first **\$300,000** in revenue for health care in counties to address problem gambling.

Unfortunately, the issue of gambling harms received scant attention and **little funding in other states**. In **Arizona** and **Florida**, concerns about the compact agreements and a desire not to unravel negotiations led lawmakers to approve legislation without increasing funds for counseling services. In **Maryland**, a focus on expanding opportunities for more communities captured the attention of lawmakers and the only nod to gambling harms was to add unclaimed winnings from sports bets to the state's problem gambling fund.

Trailing the Pack

The end of legislative sessions didn't stop activity. In early July, Gov. Tony Evers announced a **sports betting compact** with the Oneida tribe in **Wisconsin**. **North Dakota** lawmakers failed to pass legislation in 2021, but a tribal casino-based sportsbook began accepting wagers in July. Year-round legislative sessions also mean two states, (**Massachusetts**, and **Ohio**) are still considering gambling legislation. Legislation also passed in the **North Carolina** Senate and was awaiting consideration in the House in August. Another four states (**Alabama**, **Georgia**, **Kansas**, and **Maine**) passed bills in **one chamber in 2021** and will likely be taking another look at the measures in 2022.

Alabama and **Georgia** appear to be moving to take a voter approval approach before legalizing gambling expansions. Both states considered **constitutional ballot referendums** to enact gambling proposals during the 2021 session. **California** has already approved a **voter-initiated referendum** for the November 2022 ballot. **Florida** could also see constitutional **referendums on the ballot** to allow casinos outside of tribal lands and online sports betting.

Down the Stretch

Internet casino gaming or **iGaming** proposals are also expected in 2022 after bills stalled this year. **Connecticut** was the only state to include iGaming in its legislation in 2021. iGaming provisions were taken out of the compact submitted by Gov. Ron DeSantis in **Florida** after **lawmakers balked** at their inclusion. **Illinois** legislators introduced iGaming legislation, but **no action** was taken.

The rapid growth of legal sports betting is fueling the gambling expansion into states that have given little thought to regulation or the need for services for those with a gambling addiction. An example could be found in **Tennessee** this legislative session, as lawmakers took control of sports betting oversight away from the **state lottery** and put it in the hands of **a new regulator**. The Volunteer State had no experience with gambling other than the lottery prior to the adoption of online sports betting in 2019. The result was an inexperienced operator getting a license and poor management of licensees by the lottery.

Advocates for problem gambling services will need to **speak out more loudly** in state capitols in the coming years as legal gambling continues to expand and shift away from **brick and mortar casinos** and on to **mobile devices and the internet**. The 2021 legislative sessions showed that lawmakers' interests in the prospect of new revenue and industry lobbying distracted them from the need to include **problem gambling funds** and **prevention efforts**. Lawmakers will need to be shown that the funds and prevention measures are **essential** to any **future gambling legislation**.