

Dear Federal Policymaker:

Last Monday, the U.S. Supreme Court struck down the Professional and Amateur Sports Protection Act (PASPA) of 1992. The decision now allows states and tribes to decide whether to legalize and regulate sports betting within their borders.

This positive outcome is supported by a diverse array of groups, including those representing law enforcement, tribal, state and local elected officials, who see this as a decisive victory for states' rights. Most importantly, legal sports betting operations may soon have the opportunity to supplant the illegal market run by offshore websites and corner bookies, which has grown to an estimated \$150 billion annually.

Much has changed since 1992 when PASPA was enacted. Support for legal, state and tribal-regulated sports betting has increased dramatically among the American public, law enforcement and policymakers who recognize the status quo was not working. Even the professional sports leagues that pushed for PASPA have now embraced a legal sports betting environment to help drive fan engagement and diminish the risk to game integrity posed by the illegal market.

Should Congress Regulate Sports Betting?

In the wake of the Court's ruling, some have called for Congress to enact a federal framework to regulate sports betting. AGA believes this is unwise, unnecessary and out of step with public sentiment indicating 7 in 10 Americans think this decision should be left to each state and tribe, not the federal government.

The gaming industry is already one of the most-regulated in the country, and state and tribal regulators have decades of experience effectively overseeing gaming operations within their jurisdictions. Some form of regulated gaming and/or lottery now exists in 48 states, and in FY 2015 alone, the 24 commercial gaming states spent more than \$600 million at agencies committed to ensuring the probity and integrity of casinos' operations and in 2015, 251 tribal governments in 28 states spent almost \$822 million on the overall regulation of tribal gaming. The regulations currently in place in every jurisdiction already address issues like age restrictions, record keeping requirements and licensing and suitability determinations, among others. On top of that, the gaming industry is already subject to stringent federal anti-money laundering regulations and has a strong record of compliance in that area and Tribal Governments are also subject to the National Indian Gaming Commission's regulatory oversight, which also has a positive history of compliance.

We also need not look any further than Nevada – where sports wagering has been legal since 1949 – to see this activity can be effectively regulated by the states. In Nevada, operators, regulators and sports leagues have worked together to ensure integrity for both betting operations and professional and collegiate sports.

States and tribes have proven to be effective gaming regulators in the 26 years since Congress passed PASPA. As Congress has refrained from regulating lotteries, slot machines, table games and other gambling products, it should similarly refrain from engaging on sports wagering barring an identifiable problem that warrants federal attention.

For now, the reality is that sports betting has been occurring nationally on a massive scale in this country for decades in an illegal market that provides zero protections for consumers or sports' integrity. The result of bringing betting activity into a legal market, under state and tribal regulatory oversight, will enable increased transparency, integrity and consumer protections, while creating jobs and additional tax revenues.

What Comes Next?

If our shared goal is stamping out the massive illegal sports betting market, industry stakeholders and policymakers at all levels of government must work together to ensure sound policies enable legal operations to compete. To that end, I wanted to share AGA's list of [policy priorities](#) and commitments we believe are critical to empowering a robust legal market.

For its part, one notable example where Congress can make an immediate impact is reexamining the federal excise tax currently levied on sports wagers. This 1951 tax was originally intended to serve as an enforcement tool against illegal gambling, but instead hinders the ability of the legal market to compete with illegal operations that do not pay any taxes.

AGA is unwavering in our commitment to continuing a constructive dialogue on sports betting with all stakeholders. We hope you will look to us as a resource, and I would encourage you to contact [Chris Cylke](#) or [Eloy Martinez](#) with any questions or concerns.

Sincerely,



Geoff Freeman  
President & CEO  
American Gaming Association