

DISTRICT OF COLUMBIA

Substantial reforms to the District of Columbia's regulatory regime saw total sports wagering revenue more than double to \$53.7 million in 2024.

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

0

CASINO FORMAT

N/A

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

D.C. Office of Lottery and Gaming

GROSS SPORTS BETTING REVENUE 2024

\$53.7M

SPORT BETTING TAX REVENUE 2024

\$16.1M



Market Overview

The District of Columbia has no commercial casino venues but offers sports betting via four retail sportsbooks, five mobile platforms and a network of wagering kiosks at other retail locations.

The city legalized sports betting in 2019 when the D.C. Council passed a law authorizing the D.C. Lottery to directly operate sports wagering via licensed retailers and through a mobile platform available in all parts of the city, with the exception of federal lands.

That law initially authorized Washington D.C.'s four major sports arenas to host a retail sportsbook operation and offer limited mobile wagering within a two-block radius of their facilities. Under legislation approved in 2024, commercial sportsbook operators partnered with either a professional sports team or facility are now able to obtain licenses to also offer mobile sports wagering on a districtwide basis.

In addition, bars and restaurants licensed to serve alcohol in the District of Columbia are eligible to apply for licenses to offer on-site sports betting strictly within their premises.

Sports wagering is regulated by Washington D.C.'s Office of Lottery and Gaming (OLG).

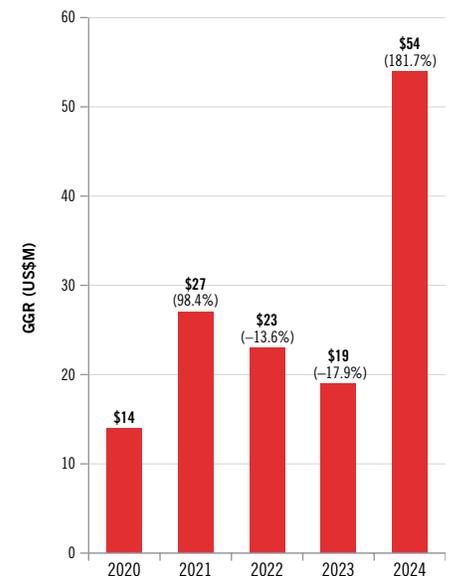
Market Performance

In 2024, total sports betting revenue in the District of Columbia reached \$53.7 million, nearly three times higher than 2023.

The growth reflected the series of reforms made to Washington D.C.'s sports betting market during the course of the year that enabled a wider range of leading commercial sports wagering operators to participate in the market on a districtwide basis.

After taking over operation of the D.C. Lottery's sports betting program in April and then later launching under its own sports wagering license, FanDuel reported total revenue of more than \$34.7 million through its mobile platform and via its retail sportsbook at D.C. United's Audi Field stadium. Other commercial sports betting operators reported revenue of more than \$16.4 million.

DISTRICT OF COLUMBIA: ANNUAL SPORTS BETTING GGR (US\$M) 2020 to 2024



SOURCE: DC Lottery

District of Columbia

The ability of commercial operators to offer mobile sports betting across the District of Columbia allowed the city to join other jurisdictions where mobile platforms account for a substantial majority of total sports wagering revenue.

Mobile sports betting accounted for an estimated 86.8 percent of total revenue in 2024, compared with less than 40 percent in 2023 when the D.C. Lottery's GambetDC platform was the only mobile sportsbook available outside of designated zones around major sports arenas. Retail sports betting revenue in 2024 was an estimated \$7.1 million, down 39.3 percent from the previous year when mobile options were more limited.

Gaming Tax Distribution

Sports betting in the District of Columbia is taxed at varying rates depending on the type of license held by the operator.

In accordance with amendments made to Washington D.C.'s sports wagering law in 2024, so-called Category A licensees affiliated with major sports arenas are required to pay a 20 percent tax on revenue earned from retail sports betting offered at the arena or from mobile sports betting offered in other parts of the city.

Category B licensees offering retail sports betting in licensed bars are required to pay a 10 percent tax. Meanwhile, Category C licensees offering mobile sports betting in Washington D.C. are subject to a tax of 30 percent. All licensed sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2024, sports betting operations in the District of Columbia generated total tax revenue of approximately \$16.1 million, a substantial increase from \$4.9 million in the previous year.

As of October 2024, the primary beneficiary of tax revenue generated by sports betting is the District of Columbia Child Trust Fund which provides income support for children in low-income communities within the city. The fund receives all sports betting tax revenue after an initial \$2.5m is set aside for a local aid fund to support investments in affordable housing, infrastructure and economic development.

Competitive Landscape

After formerly being limited to the D.C. Lottery's platform prior to a 2024 city budget law, Washington D.C.'s mobile sports betting market now features competition among several of the country's most prominent sportsbook brands that are eligible to offer wagering to players located across the city, with the exception of certain federal lands and exclusivity zones around major sports arenas.

In contrast to the city's online sports betting market, competition among retail sportsbooks diminished during 2024 when the operator of four of the city's five so-called Category B sports wagering locations stopped taking bets. Remaining retail sportsbook locations in the city also compete with those at Maryland's land-based casinos and other eligible venues.

In addition to sports betting, the District of Columbia offers traditional and online lottery games via the D.C. Lottery, charitable gaming, and electronic gaming devices that purport to be based on player skill that are permitted in bars and other licensed establishments.

Policy & Regulatory Review

Sports Betting

In July, the D.C. Council enacted a budget law that included significant amendments to the city's sports betting market.

The law repealed previous restrictions that had limited licensed operators of sports betting at designated sports arenas to offering mobile sports wagering strictly within a two-block radius of that facility, instead enabling them to offer bets to players across Washington D.C.

In addition, the law created a new category of license to allow for other operators to offer mobile sports betting in the District of Columbia subject to a partnership agreement with a local professional sports team. The legislation also instituted new tax rates for different types of sports betting licensees.

As a result of the reforms, a total of five sports betting operators became authorized to offer online sports wagering on a citywide basis prior to the end of the year. At the start of 2024, districtwide mobile sports betting was limited strictly to the D.C. Lottery's underperforming GambetDC platform.

GambetDC was withdrawn from the market even prior to the new budget law, after the D.C. Lottery's sports betting technology partner announced an agreement in April for FanDuel to take over the operation using its own platform and brand. Following the budget reforms, the D.C. Lottery also reached an agreement with another commercial operator—Caesars Entertainment—to take over its operation of retail sports wagering kiosks at various locations across the city.

Separately, in March, the District of Columbia Office of Lottery and Gaming enacted a smaller change to the city's sports wagering regulations when it published new rules to amend restrictions applied to betting on college sports.

The new rules maintained a prior ban on any wagers involving the sports teams of any colleges or universities

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based in the District of Columbia. However, an accompanying prohibition on any bets on college sports events taking place in the city was repealed.

Responsible Gaming

The annual budget law enacted in July also included provisions to establish a responsible gaming program within the District of Columbia.

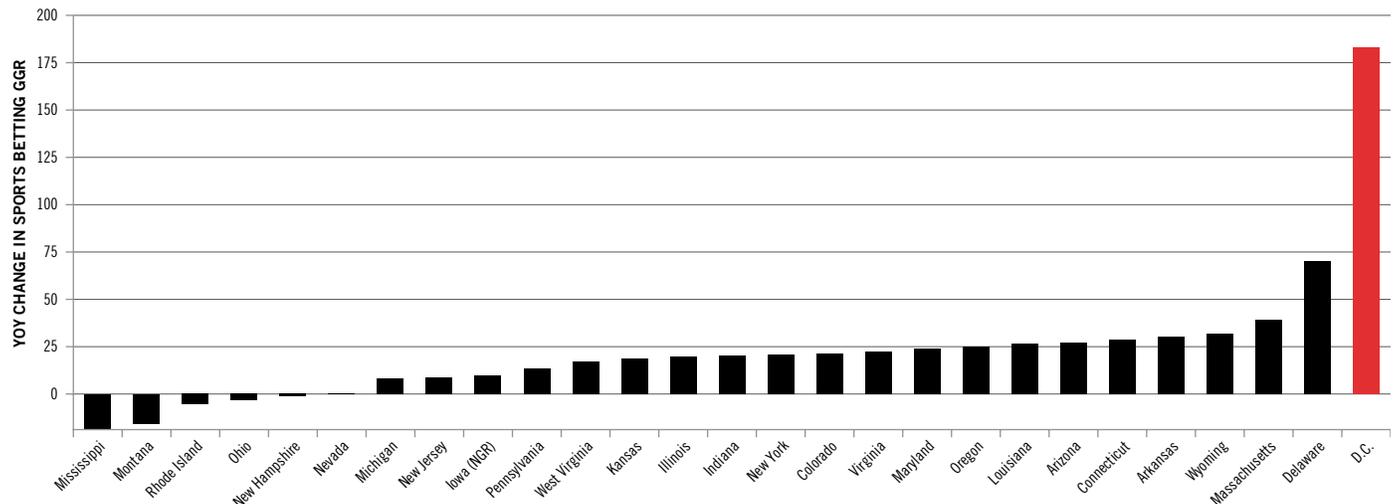
Specifically, the law appropriated \$300,000 to commission an independent evaluation of problem

gambling within the District of Columbia and recommend strategies to establish a prevention and treatment program. The evaluation is due to be submitted to the D.C. Council by the end of 2025.

In addition, the budget law requires the D.C. Department of Behavioural Health to set up a pilot program based on the recommendations of the independent evaluation, to include training of certified mental health counselors on best practices in screening, assessing and providing treatment for disordered gambling.

SELECTED STATES: YOY CHANGE IN SPORTS BETTING GGR 2024

The District of Columbia was the fastest growing sports betting market in the country in 2024, with total revenue almost tripling to more than \$53 million following a series of regulatory reforms that enabled leading commercial brands to offer mobile sports betting across the city.



SOURCE: State Gaming Regulatory Agencies