

N.J. leads the way one year after Supreme Court allows sports betting

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No state has benefited more than New Jersey in the year since the U.S. Supreme Court overturned a federal ban on sports wagering.

The landmark ruling May 14, 2018, found the Professional and Amateur Sports Protection Act of 1992 unconstitutional and allowed states outside of Nevada to offer single-game sports betting.

The high court's decision was the result of a multi-year legal battle after five sports leagues (NCAA, NFL, NBA, NHL and MLB) sued New Jersey to prevent the state from enacting a 2012 law authorizing sports betting at racetracks and Atlantic City casinos.

“Just one year ago, I was thrilled to see the Supreme Court finally side with New Jersey and strike down the arbitrary ban on sports betting imposed by Congress decades ago,” Gov. Phil Murphy said in an emailed statement. “Between job and revenue growth, capturing this formerly underground industry has breathed new life into our racetracks and casinos.”

Through March of this year, Atlantic City casinos and their online partners have generated more than \$76 million in revenue from sports betting, according to the state Division of Gaming Enforcement.

Statewide, gamblers have legally wagered more than \$2.325 billion through the end of March.

“We knew that the U.S. Supreme Court's decision one year ago would be very meaningful to New Jersey, but in its first year, sports wagering has exceeded all expectations,” said Kevin Ortzman, president of the Casino Association of New Jersey and regional president of Caesars Entertainment Corporation's three Atlantic City properties. “It has provided a much-needed economic boost in the Garden State, Atlantic City and the casino industry and generated meaningful tax revenue.”

Eight of Atlantic City's nine casinos have invested millions of dollars to construct sportsbooks on property, spurring both increased economic activity and excitement. Caesars Atlantic City is the only one without one, but the Boardwalk property shares a common space with Bally's Wild Wild West Casino.

Casey Clark, vice president of strategic communication for the American Gaming Association, said New Jersey is a “remarkable success story.”

As the primary lobbying arm of the gaming industry, Clark said the AGA “actively supported” New Jersey's fight to legalize sports betting.

“None of this would have happened without New Jersey taking a strong stance against the failing federal sports betting prohibition,” Clark said.

U.S. Rep. Jeff Van Drew, D-2nd, sponsored a bill to legalize sports betting while serving as a member of the state Assembly nearly a decade ago.

On Monday, Van Drew said legalized sports betting eventually became an issue that garnered bipartisan support in New Jersey.

“(Sports betting) has proven to be so much of what we thought it could be,” he said. “For a while, I was out there alone and people told me it would never happen, never work and that it was just a political stunt. So, it makes me feel good, and it’s been to the betterment of the state of New Jersey, in general.”

New Jersey was the second state outside of Nevada — Delaware, which already offered multi-game (parlay) bets, was first — to offer sports betting after PASPA was overturned.

Legalized sports betting in New Jersey began June 14 when Monmouth Park Racetrack (Oceanport, Monmouth County) accepted the first wager, followed later that day by Borgata Hotel Casino & Spa in Atlantic City.

“New Jersey’s bold moves in fighting for the overturn of PASPA against seemingly long odds will earn the state a place in the history books,” said David G. Schwartz, associate vice provost at the University of Nevada-Las Vegas and former director of the school’s Center for Gaming Research.

Eight states now offer legalized sports betting with four others not yet operational. Clark said over 80% of all states have taken steps to legalize since PASPA was overturned last year.

Gambling analyst Chris Grove of Eilers & Krejcik Gaming, says it is possible that New Jersey could become the top market. Gamblers in Nevada wagered more than \$5 billion on sports last year.

“New Jersey’s population advantage, drive-in traffic from New York and superior mobile sports betting product are the primary forces driving New Jersey ahead of Nevada,” he said. “It’s not a guarantee, but it’s certainly plausible.”

Van Drew said that while the early returns from sports betting are encouraging, it was important to remain realistic about its potential. Sports betting revenue accounts for less than 5% of total gaming revenue in Atlantic City.

“A sports book by itself does not bring in that much money,” Van Drew said. “But, it’s the tangential things that goes with it. It’s an added dimension that’s part of an entire package.”