



## **Legislation Introduced to Amend Federal Sports Betting Ban**

### **Background**

The Professional and Amateur Sports Protection Act (PASPA) was enacted in 1992 and prohibits any state from initiating new forms of sports betting. Nevada, Delaware and Oregon were exempt since they offered forms of such wagering then. New Jersey was given two years, until 1994, to institute sports betting before the opportunity closed for that state. Pari-mutuel racing was exempted from the prohibitions on sports betting when the law was passed and still is.

In the last few years, New Jersey has been at the forefront of initiating sports betting in the state. In 2011, New Jersey voters amended the state constitution to allow sports betting at casinos and racetracks. The state legislature then passed a law allowing sports betting; but the federal law still prohibited it. New Jersey has filed various lawsuits in federal courts arguing that the current federal ban is unconstitutional. The Department of Justice, the professional sports leagues, and the NCAA have filed pleadings with the courts arguing that the law is constitutional. To date all the courts have upheld the constitutionality of PASPA and not allowed New Jersey to initiate sports betting.

### **Bills Introduced**

Two bills have been introduced in the new Congress to amend the federal ban on betting on professional and amateur sports. These bills were introduced in the last Congress, but no action was taken.

Congressmen Frank Pallone (D-NJ) and Frank LoBiondo (R-NJ) have each introduced legislation in the House of Representatives to provide a path for New Jersey, and possibly other states, to offer sports betting.

Mr. Pallone's bill, the New Jersey Betting and Equal Treatment Act of 2015 (H.R. 457), would amend the federal law to exclude New Jersey from the federal prohibitions and allow that state to offer sports betting, limited to New Jersey, if approved by the state legislature.

Mr. LoBiondo's bill, the Sports Gaming Opportunity Act of 2015 (H.R. 416), would open up a four-year window, from January 1, 2015 to January 1, 2019, during which any state could legalize betting on professional and amateur sports. If a state did not act, the window would close and that state could not offer such wagering.

Neither bill will affect the current activities of pari-mutuel horse racing.

## **Congressional Action**

Both bills were referred to the House Judiciary Committee and await further action.