



## Sports Betting

### How the U.S. Supreme Court's May 14, 2018, decision affects Pennsylvania.

#### Background

The U.S. Supreme Court struck down the federal Professional and Amateur Sports Protection Act, which prohibited states (except Nevada) from allowing sports wagering. *Murphy v. National Collegiate Athletic Assn.*, 584 U. S. \_\_ (2018)

In October 2017, Pennsylvania passed into law a gambling expansion bill (Act 42 of 2017) to allow for iGaming, satellite casinos, fantasy sports, etc. and sports wagering (when federal prohibitions were lifted). Under Act 42, the first step requires the Pennsylvania Gaming Control Board (PGCB) to publish a notice in the Pennsylvania Bulletin notifying the public of the change in law. Once completed, the PGCB will vote to approve regulations governing sports wagering. Then, the state's licensed casino companies will be able to apply for permits.

#### Timeline

It's unclear when sports betting will be available to the public. The Gaming Control Board must first issue temporary regulations and establish the licensing process, which could take several months. Once a casino files a petition for sports wagering, the Gaming Control Board has 120 days to consider that request for a certificate, and the casino has another 60 days to pay the fee before taking its first sports wager.

#### Taxes and Fees

The one-time certificate fee is \$10 million. The tax rate on sports wagering revenue is 34 percent. All sports wagering taxes and fees will be deposited into the General Fund. The local share assessment is two percent of sports wagering revenue, which will be deposited into a restricted account in the Commonwealth Financing Authority for grants for projects in the public interest in the commonwealth. Projects are not restricted to the host county or municipality of the casino.

#### Who, What, Where

Only casinos with slot machine licenses may purchase a sports wagering certificate and conduct sports betting in Pennsylvania. Sports wagering may only happen inside the casino or in a temporary facility that is physically connected to, attached, or adjacent to the casino.

Casinos will be allowed to use internet websites and mobile applications to accept wagers. The person placing a bet must be physically located within Pennsylvania.

Sports wagering is prohibited for persons under 21 years of age.

Sporting events that can be included in wagering include professional and collegiate sports or athletic and motor race events.

## Transfers

Act 42 requires 0.2 percent of gross sports wagering revenue be transferred each year to the Compulsive and Problem Gambling Treatment Fund. Additionally, 0.2 percent of revenues shall be transferred annually to the Department of Drug and Alcohol Programs for drug and alcohol addiction treatment services, as well as compulsive and problem gambling treatment services.

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