



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

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Dear Members of the House Judiciary Committee:

We urge the federal government to leave questions on sports betting to the states.

The Supreme Court ruling on the Professional and Amateur Sports Protection Act was correct. There is no need for federal regulation in the area of sports betting. States have historically regulated various types of betting and are more than capable of formulating their own rules and regulations in this area without federal government intervention.

The 1992 law that banned states from regulating and taxing sports betting except in Nevada and three other states with more limited betting – Oregon, Delaware and Montana – effectively said ‘some states are more equal than others.’ **The Court ruled instead that all 50 states have to be treated the same, and that the federal government cannot tell the states what to legalize or ban.** While gambling can be a contentious issue, this makes it even more appropriate for states to decide, rather than a one-size-fits-all federal approach.

Congressmen and Senators should not cast a shadow over this good news for self-government by suggesting that Washington should regulate what they can no longer ban—betting on sports. That includes the threat of a government mandated payout to the NFL, NHL, and NCAA at the expense of fans coyly called an “integrity fee.”

The so-called integrity fee is classic rent seeking behavior – asking the government for economic resources from another business without benefits to wealth creation. The various leagues and sports betting businesses are more than capable of setting up their own agreements in the free market. We have already seen one such agreement between MGM and the NBA.

Meanwhile, a May 17 study by Oxford Economics predicts that **legalizing sports betting nationwide would create more than 200,000 jobs and increases the Gross Domestic Product by \$22 billion each and every year.** Further, an estimated \$4.5 billion was spent on legal sports betting in Nevada in 2017. By comparison experts think more than 20 times that amount was spent on illegal sports betting in the same year. Adding a federally mandated integrity fee would detract from wealth creation and inhibit legal enterprise.

The Judiciary Committee should be able to clearly see that the court decision restores the Constitution, federalism, and the equality of the states. Meanwhile, the free market is allowed to take its course, and wealth is created within the states.

Onward,

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