

Analyst: Southern states most likely to approve gaming in 2022

By Richard N. Velotta Las Vegas Review-Journal

January 6, 2022 - 3:33 pm

Alabama, Georgia and Florida are best positioned to approve legalized gambling this year, a Las Vegas-based analyst told Truist Securities investors Thursday.

Brendan Bussmann, director of government affairs for Global Market Advisors, handicapped potential expansion for sports betting, internet gaming and land-based casinos in an hourlong webinar.

Bussmann also recommended keeping an eye on four sports-wagering initiatives that potentially could be on the ballot in California, but said any expansion in Texas isn't likely until 2023 after efforts in the Legislature there failed to gain any traction for 2022.

"Texas is going to sit for now," Bussmann said. "Supporters had hoped to have it on the ballot in 2022, but now it looks like a fight for 2023."

Las Vegas Sands Corp. last year hired lobbyists in a bid to convince Texas lawmakers to consider a proposal for four integrated resorts with casinos to be built across the state, but the bid failed.

Bussmann said the appetite to legalize gambling has cooled nationwide because state budgets have instead been bolstered by federal government aid during the COVID-19 pandemic. That lack of urgency for new revenue sources has paused legislative efforts to consider new gaming initiatives.

Bussmann also was critical of states that have approved “intolerable tax rates,” such as with New York sports wagering, which is expected to be in operation by Super Bowl 2022.

Earlier Thursday, the New York State Gaming Commission licensed four mobile sports wagering operators — Caesars Sportsbook, DraftKings, FanDuel and Rush Street Interactive — and allowed them to be operational by Saturday.

While sports betting has been the biggest arena for gaming expansion in recent months, there could be more ahead, particularly in California where there is potential for four different proposals to be considered by the state’s voters in November. Only one initiative has qualified for the ballot so far — a proposal submitted by a coalition of 18 Indian tribes led by the Temecula Band of Luiseño Mission Indians, submitted to the state attorney general’s office in December 2019.

Bussmann said California's lawmakers have a hard time agreeing on details, which is why initiative petitions are prevalent. He isn't convinced any of the three other proposals will qualify for the ballot, but if they do, the multiple plans could lead to voter confusion.

The qualified measure, known as the California Sports Wagering Regulation and Unlawful Gambling Enforcement Act, generally favors the state's 65 tribal casinos and a handful of horse tracks and, in addition to allowing sports betting, enables roulette and craps to be played in those casinos.

Other measures seeking qualification:

— The California Solutions to Homelessness, Public Education Funding, Affordable Housing and Reduction of Problem Gambling Act is backed by California's card rooms and the cities that are home to them and enable all gaming entities in the state to participate in sports betting. It identifies the beneficiary of the taxes generated, primarily solutions to the state's homeless and affordable housing problems.

— The California Solutions to Homelessness and Mental Health Support Act was submitted by Sacramento attorney Kurt Oneto and addresses something the first two didn't — sports wagering online. Nine companies, including daily fantasy sports provider DraftKings and regional casino giant Penn National Gaming Inc., have agreed to finance the third proposal with a \$100 million bank account to pay for the gathering of signatures.

— The Age-Verified Tribal Online and In-Person Sports Wagering & Homelessness Solutions Act. That initiative was submitted by the Rincon Band of Luiseño Indians, Wilton Rancheria, the Federated Indians of Graton Rancheria and the San Manuel Band of Mission Indians and also includes online sports wagering.

Bussmann is bullish on at least one of the initiatives passing.

Sports wagering in Florida, meanwhile, is tied up in court and whether cases are resolved in 2023 is unknown, he said.

Following the approval of a state government compact with the Seminole Tribe of Florida, sports betting occurred for about three weeks before a federal court judge struck down operations.

“Sports betting in Florida is basically back to Ground Zero,” Bussmann told investors.

Once regulators weigh in on rules in their respective states, Bussmann said sports wagering could begin in Ohio, Maryland, Nebraska and in Puerto Rico. Arizona could look at distributing more licenses since some Indian tribes were shut out of initial approvals in 2021.

In iGaming — the provision of online casinos — Bussmann suspects the approval process to be much slower because of the lack of urgency in generating revenue. He said the key to success in the development of internet casinos is for the industry to explain details of how they work to lawmakers.

The Review-Journal is owned by the family of Dr. Miriam Adelson, the majority shareholder of Las Vegas Sands Corp.

Contact Richard N. Velotta at rvelotta@reviewjournal.com or 702-477-3893. Follow [@RickVelotta](https://twitter.com/RickVelotta) on Twitter.