Volume 17 | Issue 2 Article 1

2010

Introduction: A Closer Look at the Use of Gambling in Raising State Revenues

Yang-Ming Tham

Follow this and additional works at: http://digitalcommons.law.villanova.edu/mslj

Part of the Entertainment, Arts, and Sports Law Commons, and the Gaming Law Commons

Recommended Citation

Yang-Ming Tham, *Introduction: A Closer Look at the Use of Gambling in Raising State Revenues*, 17 Jeffrey S. Moorad Sports L.J. 269 (2010).
Available at: http://digitalcommons.law.villanova.edu/mslj/vol17/iss2/1

This Symposia is brought to you for free and open access by Villanova University School of Law Digital Repository. It has been accepted for inclusion in Jeffrey S. Moorad Sports Law Journal by an authorized administrator of Villanova University School of Law Digital Repository. For more information, please contact Benjamin.Carlson@law.villanova.edu.

Symposium
Betting on the Budget: Can State Legislatures Go All In or Will the Federal Government Force Them to Fold?

INTRODUCTION: A CLOSER LOOK AT THE USE OF GAMBLING IN RAISING STATE REVENUES

Although state taxation and regulation of gambling as a source of revenue is not a new idea, recent economic troubles have provided new incentive for State legislatures to explore and experiment with the taxation of a historically controversial source of entertainment. State taxation (and by extension, consent) of gaming and gambling, however, raises a multitude of issues, ranging from legal to ethical to economic, as states compete among themselves to attract gaming businesses and revenues.

Should states be allowed to expand programs to close budget shortfalls when the legality of gambling is not completely settled? From sports betting to online gambling, states are eying this potentially vast source of revenue to close budgetary holes which have only deepened in the wake of the global financial crisis. Courts have interpreted the decision to engage in gambling, however, to be subject to the constraints of federal law, raising interesting concepts of state sovereignty. Not only does federal law pose a potential obstacle to these policy objectives, but state constitutions may also raise significant legal concerns. While gambling programs boast hundreds of millions of dollars in revenue, will states be ale to capitalize on this source of funding, or is the federal government forcing them to fold?

The Symposium presented two panels, the first dealing with constitutional issues in state gambling programs and the federal government's involvement in their regulation. The speakers presented a diverse cross-section of state and federal issues in various fields, including internet, casino, and sports gambling. On the first panel, Anthony Cabot, Partner and Chair of the gaming law practice at Lewis and Roca LLP, and Antonia Cowan, of Catania Gaming Consultants and former Senior Attorney at the Nevada At-

Published by Villanova University School of Law Digital Repository, 2010

torney General's Office, Division of Gaming, joined Kenneth Nachbar, Partner at Morris, Nichols, Arsht & Tunnell LLP, which recently represented all of the major national professional sports leagues, including the NFL, MLB, NBA, NHL, and the NCAA, in a recent Third Circuit Court of Appeals case regarding Delaware's ability to conduct legal sports betting. The first panel was moderated by Mitch Nathanson, Associate Professor of Legal Writing of the Villanova University School of Law.

The second panel discussed the law and economics of state budgets and gambling revenues. On the second panel, Joseph Kelly, Professor of Business Law at SUNY College at Buffalo, I. Nelson Rose, Distinguished Senior Professor of Law at Whittier School of Law, Raymond Sauer, Professor and Department Chair of Economics at Clemson University, and Bill Thompson, Professor of Public Administration at the University of Nevada – Las Vegas, discussed the history, challenges, philosophy and monetary benefits and costs of legalized gambling. The second panel was moderated by David Caudill, Professor of Law and Goldberg Family Chair of the Villanova University School of Law.

What follows are five articles on the growing trends within the gaming world and its legal implications. These articles were presented at this year's annual Villanova Sports & Entertainment Law Journal Symposium, hosted at Villanova University School of Law on January 30, 2010. First, Anthony N. Cabot analyzes the problems in the legislative attempts to regulate internet gambling and submits a proposal for change. Second, Antonia Cowan offers amendments to the Indian Gaming Regulatory Act to improve and replace the current obsolete legal regime. Third, Professor Joseph Kelly proposes how states may raise gambling revenues with new casinos, licensing of Virtual Lottery Terminals, interstate and intrastate law changes and the application of taxes on skill games, among other proposals. Fourth, Professor I. Nelson Rose analyzes the cycles of legalization and prohibition in American gaming history, focusing on the current cycle of legalization in the Third Wave of Legal Gambling©. Finally, Professor Bill Thompson discusses the economic flows within gambling, from its source to its impact and inefficiencies.

Yang-Ming Tham
Editor-in-Chief