



# Sports Gambling: Who is licensed & regulated?

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# Sports Betting Terms

**Book** – An establishment that accepts bets on the outcome of sporting events.

**Future** – Odds that are posted well in advance on the winner of major events

**Esports** - a multiplayer video game played competitively for in-person and online spectators.

**Geo-fence** - a virtual geographic boundary, defined by GPS or RFID technology, that enables software to trigger a response when a mobile device enters or leaves a particular area.

# Sports Betting Terms

**Handle** – The total amount of bets taken.

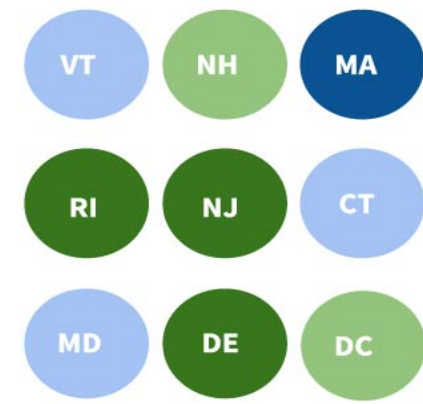
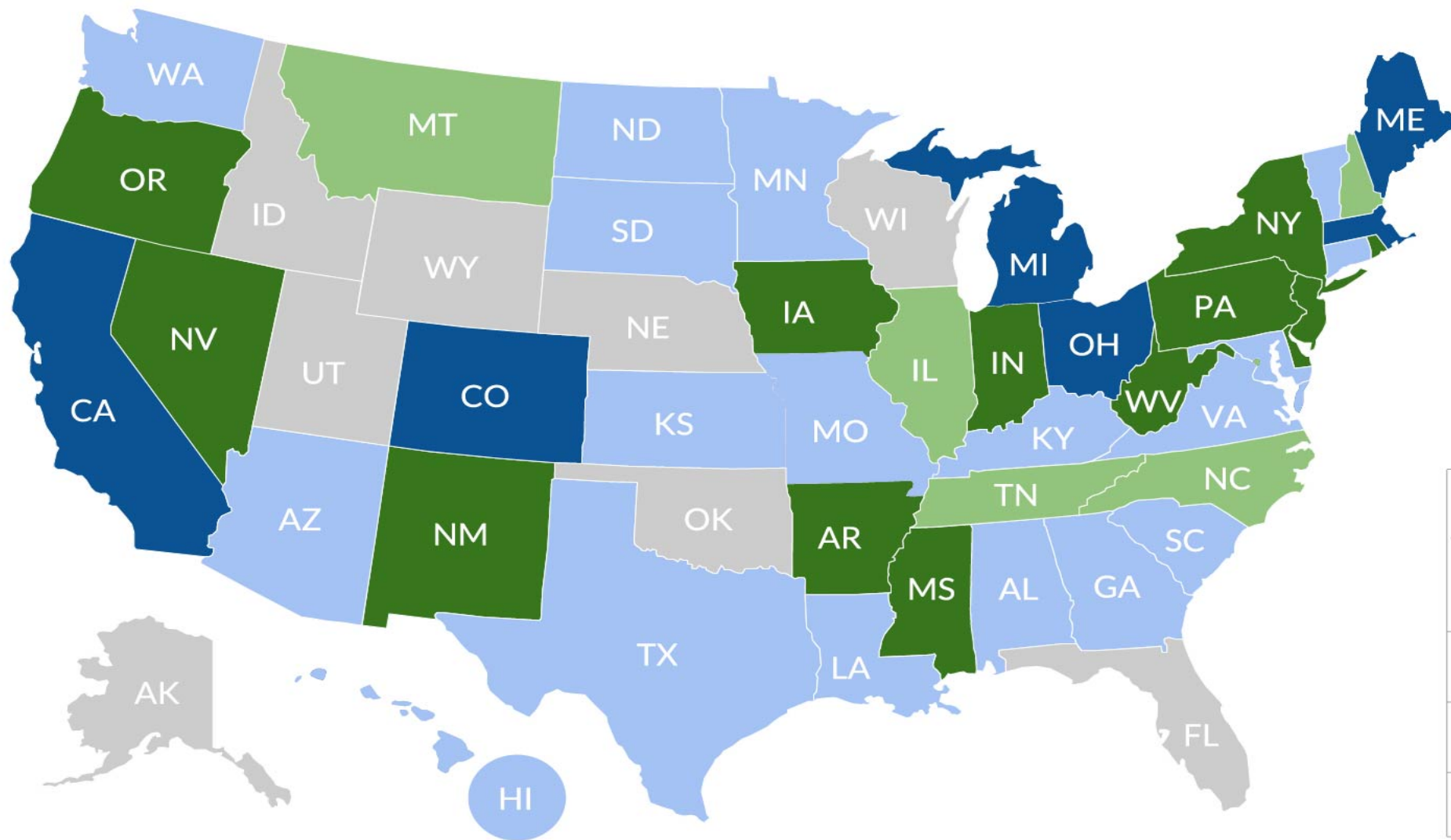
**Hold** – The percentage the house wins.

**Juice/Vig** – The bookmaker's commission, most commonly the 11 to 10 bettors lay on straight point spread wagers.

**Kiosk** – Self-service electronic devices that facilitate wagering.

**In-play wagering** - Opportunity to place bets during a sporting event





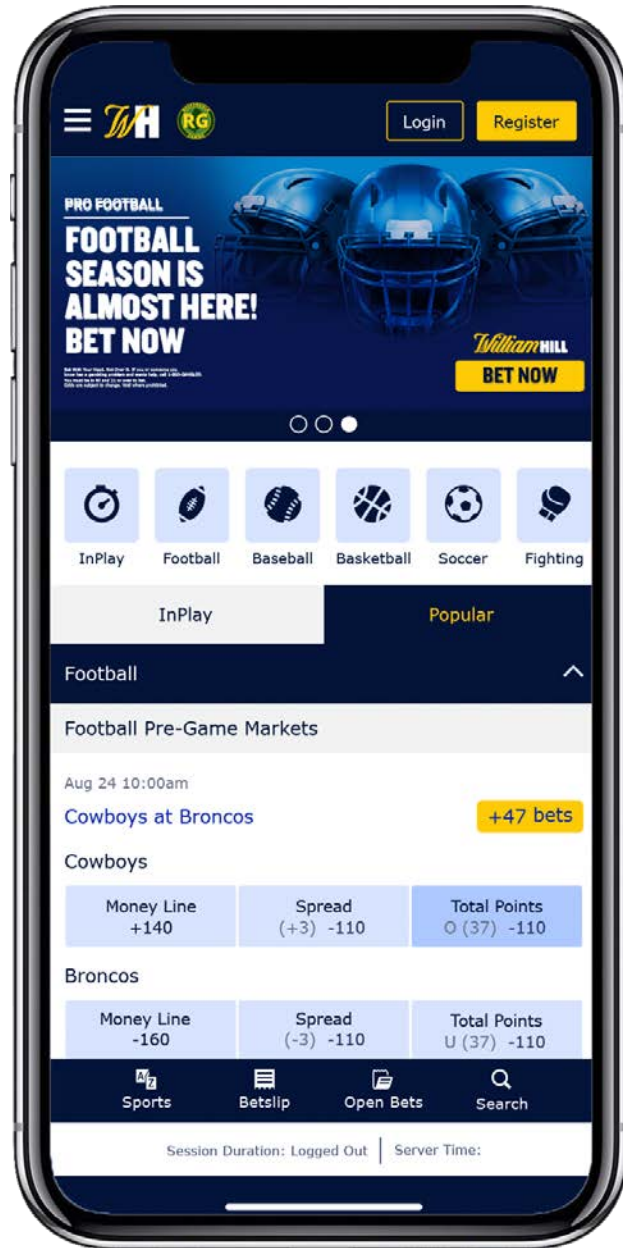
<b>Green</b>	Live Legal Single Game Sports Betting (13 states)
<b>Lt. Green</b>	Authorized Sports Betting, but Not Yet Operational (5 states + DC)
<b>Blue</b>	Active 2019 Sports Betting Legislation/Ballot (6 states)
<b>Lt. Blue</b>	Dead Sports Betting Legislation in 2019 (18 states)
<b>Gray</b>	No Sports Betting Bills in 2019 (8 states)













# Possible Operational Models



Sports Book



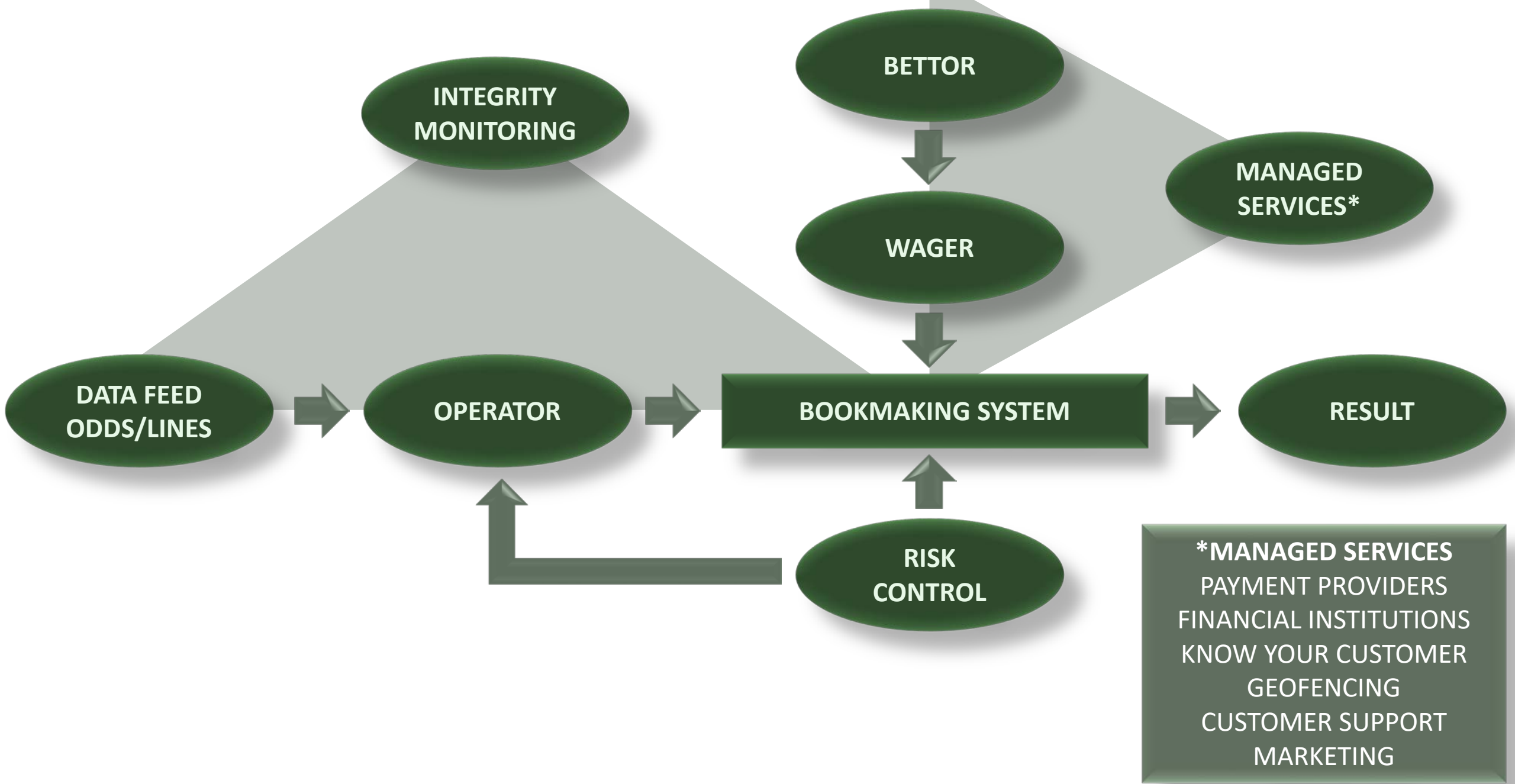
Kiosk



Mobile



Internet



# Data Feeds

Odd setting information

Historical Event Data

Game, Player & Play-by-play Statistics

Records all data from event

Resulting, bet clearing, post-match analysis

Can include official league data



# Sports Betting Operators

Accept wagers from players

Brick-n-mortar, website, mobile app

Review internal & external info to set lines/odds

Move lines/odds based on wagering activity and event info

Segment players and analyze wagers

Ensure book makes money: monitor vig, juice or commission built into bet spreads



# Bookmaking System

Software provides wagering information, accepts wagers & processes payments



# Risk Control

Data analytics used to review operations

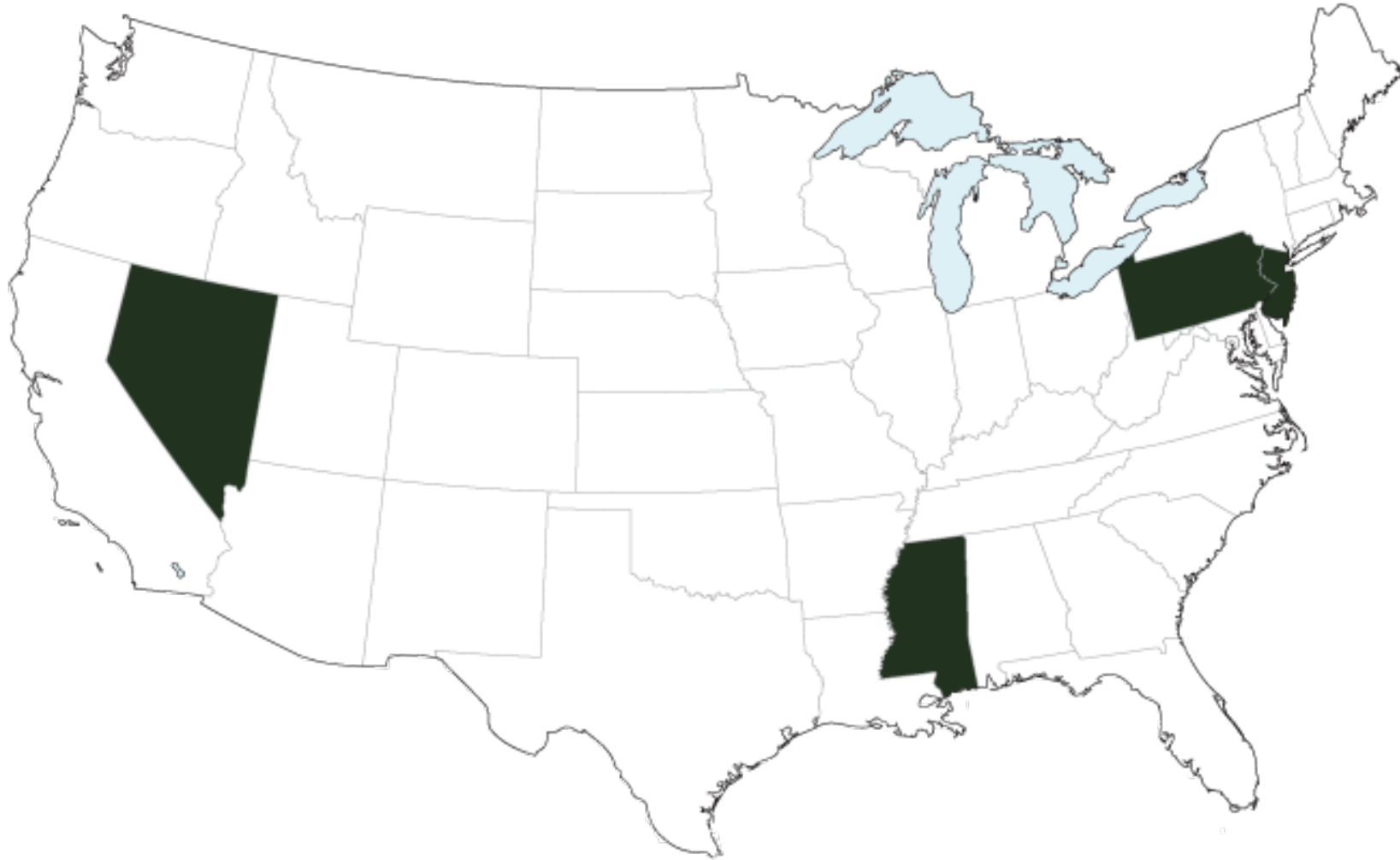
Institutes automated decision-making where possible

Customer management – Monitor for unusual wagering activity

Customer data analysis



# State Examples



# Upfront Licensing Fees & Tax Rates

	Upfront Licensing Fee	Effective Tax Rate
Mississippi	\$1,000 - \$5,000	11-12%
Nevada	\$50,000 - \$500,000	6.75%
New Jersey	\$100,000	9.57% (Land-based) 14.25% (Online)
Pennsylvania	\$10,000,000	36%

*\*Source: "US Sports Betting Tracker", July 2019, by Gaming Compliance*



# New Jersey

	Application Fee	License Term	Resubmission	Types of Services Provided
Sports Wagering License	\$100,000 & \$250,000 retainer for start-up regulatory costs	1 year	\$100,000	Operates sportsbook
Casino Service License	\$5,000*	Does not expire	Every 5 years	Providers of internet gaming to the casinos; manufacturers of gambling equipment
Ancillary Casino Services License	\$2,000*	Does not expire	\$2,000 every 5 years	Provides critical services but not operators such as Geolocation and KYC
Vendor Registration	No fee	Does not expire	No resubmission	All vendors of goods and services to the casino

\* Must pay actual cost of investigation and lab review

# Nevada

	Application Fee	License Term	Renewal	Types of Services Provided
Operator of Interactive Gaming License	\$500,000	2 years	\$250,000	Operates interactive gaming systems, including servers and databases running the games, storing game and gaming account information
Manufacturer of Interactive Gaming Systems License	\$125,000	1 year	\$25,000	Manufactures, assembles or produces an interactive gaming system
Manufacturer of Equipment Associated with Interactive Gaming License	\$50,000	1 year	\$25,000	Sells, transfers or offers equipment associated with interactive gaming

# Nevada

	Application Fee	License Term	Renewal	Types of Services Provided
Interactive Gaming Service Provider License	\$1,000	1 year	\$1,000	Acts on behalf of an establishment licensed to operate interactive gaming
Operator of Mobile Gaming System License	\$500	1 year	\$500	Consideration is paid for the right to place a mobile gaming system, to engage in the business of placing and operating a mobile gaming system within a licensed gaming establishment and who is authorized to share in the revenue from the mobile gaming system
Operator of an Information Service License	\$6,000	1 year	\$6,000	Sells and provides information to a licensed sports pool that is used primarily to aid the placing of wagers on events of any kind. Includes: line, point spread or odds

# Mississippi

	Application Fee	License Term	Renewal	Types of Services Provided
Casino	\$5,000	1 year	\$5,000	Authorized to offer sports wagering on premises only
Manufacturer	\$1,000	1 year	\$1,000	Provides operational, technical or other associated support with sports wagering at the casino

# Pennsylvania (Interactive Gaming)

	Initial Fee	Application Fee	License Term	Renewal	Types of Services Provided
Certificate Holder	\$10,000,000	\$5,000	5 years	\$250,000	Slot machine licensee authorized to offer interactive gaming
Operator	\$1,000,000	\$5,000	5 years	\$100,000	Operates the interactive gaming platform on behalf of the interactive gaming certificate holder
Manufacturer	\$10,000	\$5,000	5 years	\$10,000	Manufactures interactive gaming devices & associated equipment
Supplier	\$10,000	\$5,000	5 years	\$10,000	Provides products or services related to the interactive gaming devices
Service Supplier	\$5,000	\$2,500	5 years	\$5,000	Not required to be licensed but provides goods or services to the interactive gaming certificate holder or operator for the operation of interactive gaming
Registration	\$2,500	\$500	5 years	\$2,500	Provides goods or services for the operation of sports wagering but not required to hold another type of license

# Pennsylvania (Sports Wagering)

	Initial Fee	Application Fee	License Term	Renewal	Types of Services Provided
Operator	\$50,000	\$5,000	5 years	\$50,000	Licensed to operate mobile sports wagering on behalf of the slot machine licensee
Manufacturer	\$50,000	\$5,000	5 years	\$50,000	Manufacturers sports wagering device or equipment used to operate sport wagering
Supplier	\$10,000	\$5,000	5 years	\$10,000	Provides products or services related to sports wagering or associated equipment to a licensee



# Questions?

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