

Our View

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Could a sports-betting monopoly last long?

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The issue of gambling has set off a lot of arguments this budget season. But so far, we haven't seen a lot of clear thinking on the subject.

Keep in mind that just 35 years ago, cigarette smoking was still fashionable, but gambling was against the law and widely considered a sin.


The opposite is true today. So Delaware's governor is pushing for the expansion of legalized gambling. But then, just about every other governor is doing the same thing. Only Hawaii and Utah don't have any forms of gambling. But this year, the governor of Hawaii opened the door to discuss the topic.

The quest is for money, both for the states and the gaming industries.

Years ago, states put aside questions about the morality of gambling, the effects on families or the number of gambling addicts. Right or wrong, the quest for revenue shoved the social questions out of the way.

New Jersey voters authorized casino gambling in Atlantic City in 1976. Delaware's racetracks opened their slots parlors in 1994. Racinos followed throughout the country, including in Pennsylvania and Maryland. Despite Nevada's opposition, tribal casinos soon opened throughout the country.

The creation of a gambling monopoly creates a solid revenue source for the state. But it has become a government addiction. Delaware depends on gambling for close to 8 percent of its revenues. But with more competition, the revenue "high" isn't as high as it once was.

In the biggest economic downturn  since the Great Depression, Delaware needs that money more than ever. Therefore, Gov. Jack Markell wants to use Delaware's grandfathered status as the only state east of the Mississippi exempted from a federal ban on sports betting.

Delaware's three monopoly racinos agree, but for them only. They also object to any increase in the state's take.

It's a battle between a state desperately trying to maximize revenue and a state-designated monopoly deploying a phalanx of lobbyists to hold onto its special privileges.

The assumption so far is that Delaware has no other choice. A deficit of more than \$600 million looms and a fix is needed.

But will it hold? New Jersey officials are already agitating against the sports-betting ban. The racino lobbyists may have sway here, but how long would a profitable Delaware regional monopoly last?