

Delaware House Passes Sports Betting Bill

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(Photo: MGN)

DOVER, Del. (WBOC/AP)- Delaware moved one step closer to sports betting on Friday as House lawmakers resurrected and revised a bill that failed to win approval earlier this week amid opposition from the casino industry.

After hours of closed-door negotiations, lawmakers convened early Friday morning to rescind Tuesday's roll call and vote on an amended bill, which won overwhelming approval.

The 30-4 vote came after several hours of talks between Gov. Jack Markell and his staff and Republican and Democratic leaders in the House.

"I don't think anybody's totally happy with what we have before us, but the fact of the matter is we have, I think, a better bill," said Republican Minority Leader Richard Cathcart, who had accused Markell of trying to pass the legislation without input from the GOP.

The proposed sports lottery and the money it would bring are key components in Markell's plan to balance next year's state budget.

Because of a brief and unsuccessful experiment with a sports lottery in the late 1970s, Delaware is one of only four states, along with Nevada, Montana and Oregon, grandfathered under a 1992 federal law that bans sports gambling. Delaware's status as the only state east of the Mississippi River that can offer sports betting could provide an economic buffer against slot machine competition in neighboring Pennsylvania and Maryland.

The NFL and other professional sports leagues, as well as the NCAA, remain opposed to any sports betting in Delaware, saying it would tarnish the image of athletics and lure young people into gambling.

Lawmakers acknowledged Friday that enactment of a sport betting could bring a legal challenge from one or more of the sports leagues.

Delaware's three slot machine casinos have sought sports betting for years, but they opposed Markell's plan because it also gives the state a larger share of casino revenue.

In negotiations that lasted more than seven hours and stretched late into the night Thursday, the administration agreed to reduce the increased percentage of casino revenue that would go to the state. Officials also agreed to work with the casinos on introducing table games as soon as possible, subject to legislation addressing licensing fees and the distribution of proceeds.

The bill calls for state officials and the casino industry to submit an initial proposal on table games within 75 days of enactment of the sports betting legislation, which still must win approval in the state Senate.

As part of the negotiations, the administration also agreed to reduce the annual licensing fee to be paid by the three casinos for sports betting from \$4.5 million to \$4 million.

Even with the changes, Markell said the legislation should bring in at least \$52 million in the fiscal year starting July 1, close to the \$55 million expected from his earlier proposal. The advent of table games late in the year should bring in even more money to the state's general fund, he said.

"We had a lot of good ... give and take," the governor said.

Cathcart spent much of the night shuttling between Markell's office and Republican offices to update members of the GOP caucus before briefing casino representatives on the final agreement.

"It wasn't pretty," he said.

While not happy with the increased share of slot machine revenue going to the state, the casinos were able to force Markell to back off his initial proposal, which called for up to three new slot machine and sports betting casinos, as well as sports betting at up to 10 non-casino venues, such as sports bars. The administration also agreed to move from studying table games to working with casinos to implement them as soon as possible.

Markell cautioned earlier in the week that the state must not rush into table games, lest it make the same mistake it made in authorizing slot machines 15 years ago and grant the casinos too large a share of the proceeds.

Even with the accelerated timetable, Markell said he is confident that the state will get table games right.

"We're going to get the smartest people in the world who really understand this industry to advise us," he said.