# Sports Gambling in North Carolina



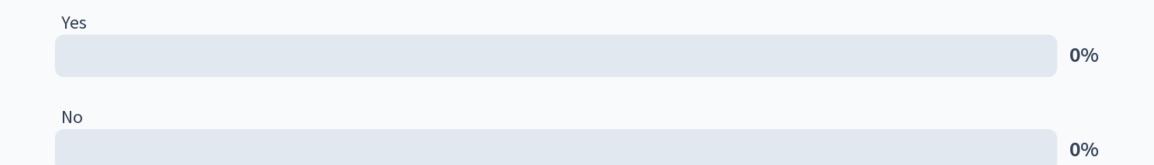
SCHOOL OF GOVERNMENT

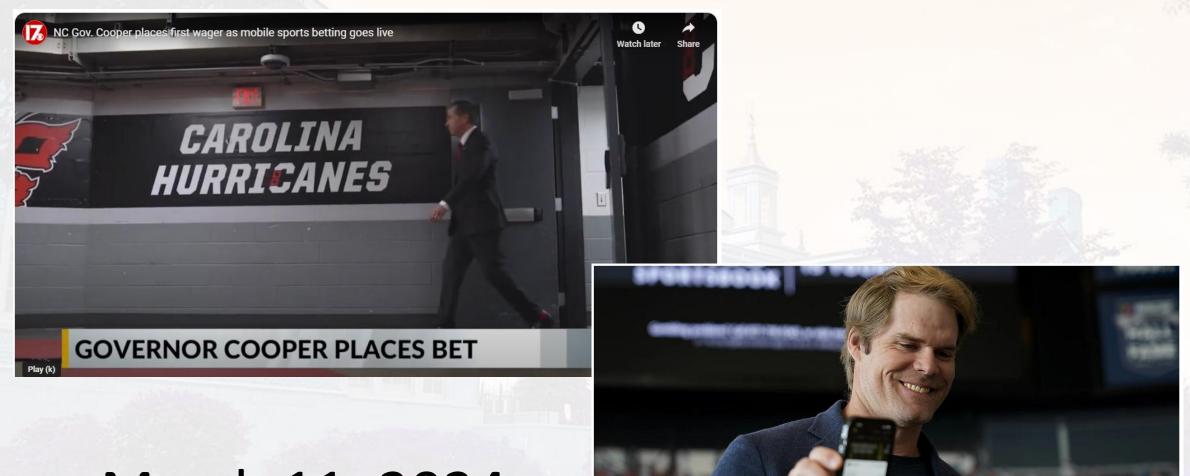
Chris McLaughlin

919-843-9167 mclaughlin@sog.unc.edu

#### Have you ever placed a (legal) bet on sports in North Carolina?

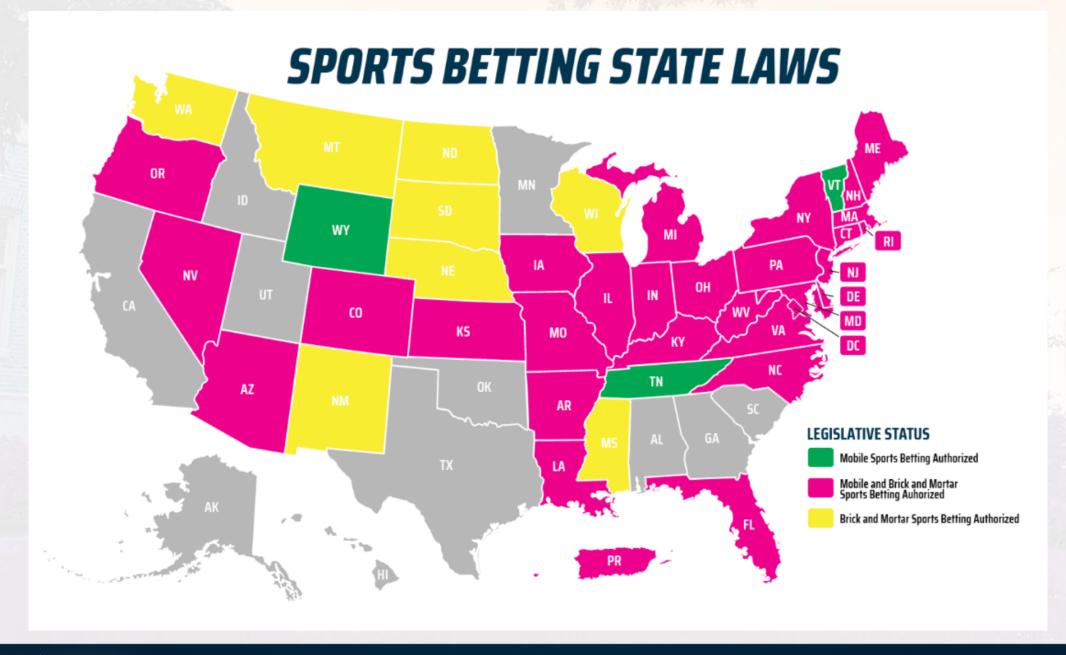






March 11, 2024







#### Sports Betting Is Taking DC Residents Across State Lines

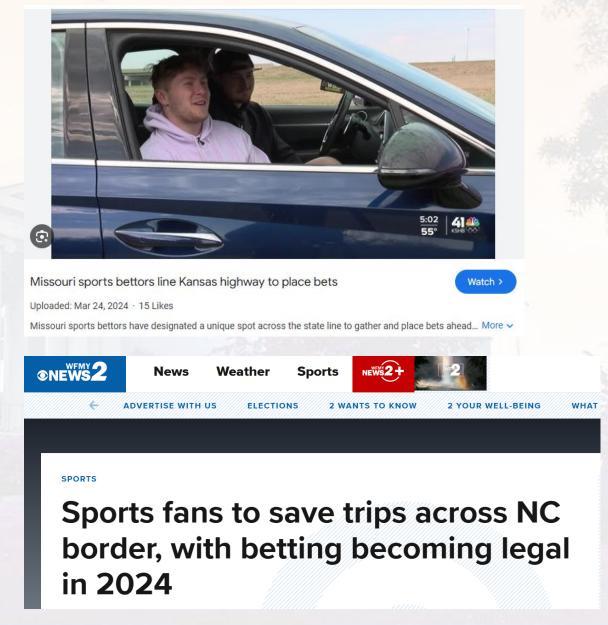
Would you go to New Jersey just to place a bet?

WRITTEN BY DANIELLA BYCK Y 🖸 🔘 | PUBLISHED ON SEPTEMBER 11, 2023

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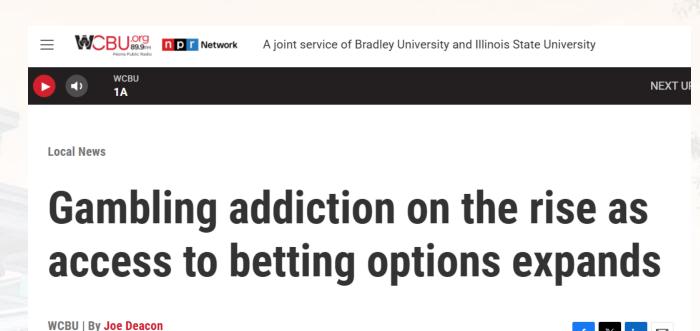






Study Reveals Surge in Gambling Addiction Following Legalization of Sports Betting







For People

Published April 22, 2024 at 12:40 PM CDT

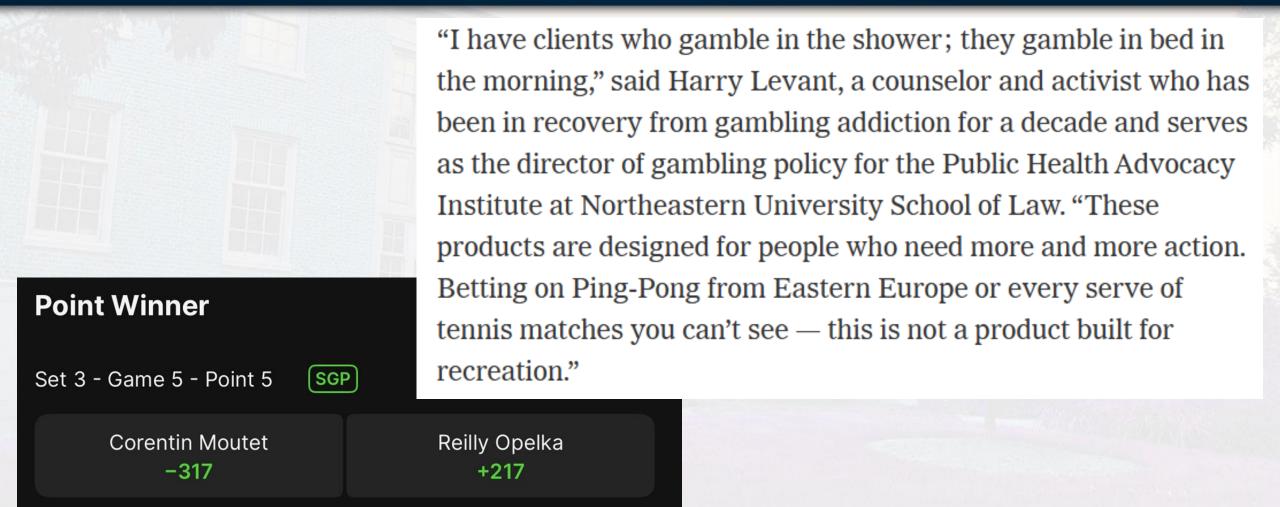
Therapists

Learning & Resources

About Us 🔻

Is America in the Middle of a College Student Gambling Addiction Crisis?

## Increased Risks with "Live" Betting



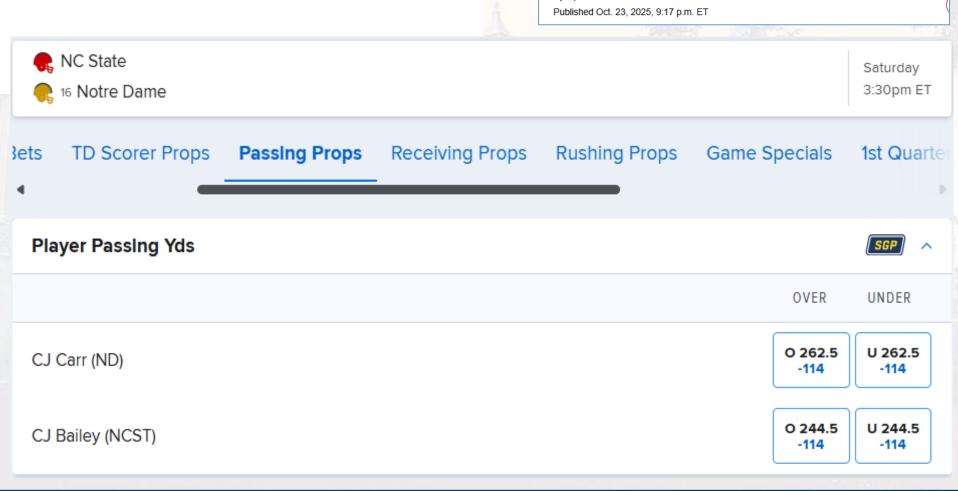


## How the explosion of prop betting threatens the integrity of pro sports





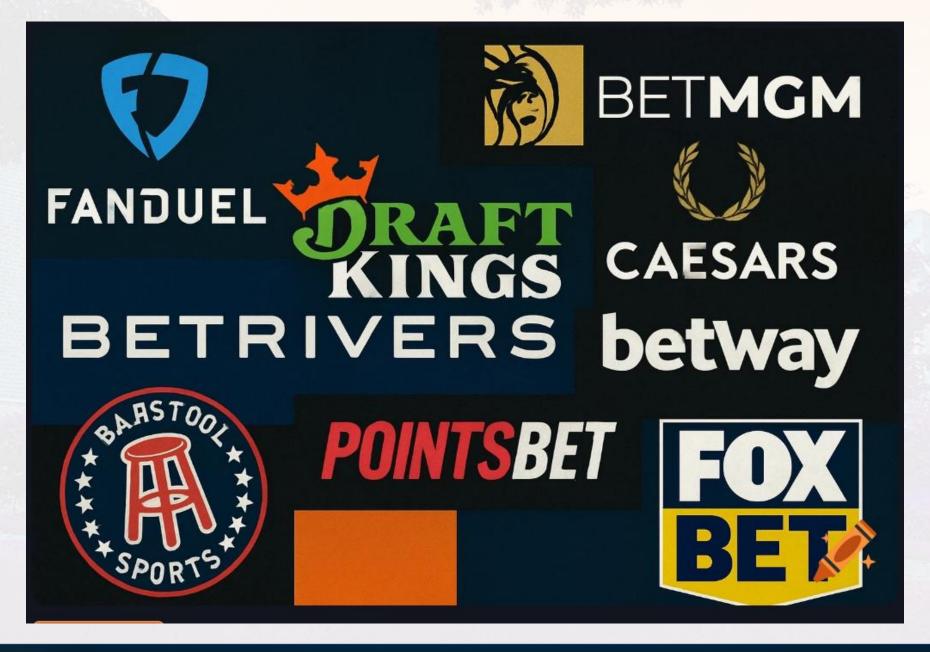
OCTOBER 28, 2025 4:00 AM





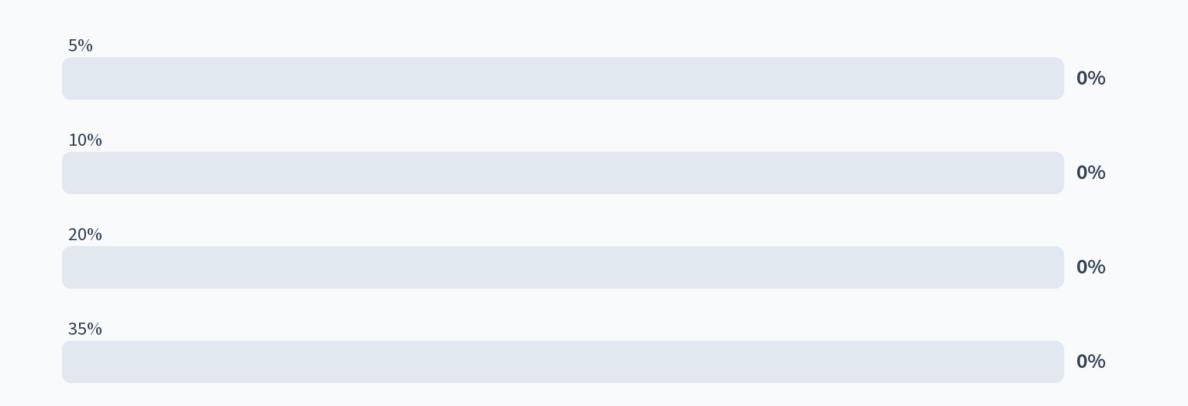






## What percentage of commercials during televised sporting events are for sports gambling websites?





#### SPORTS BETTING **ADVERTISING**

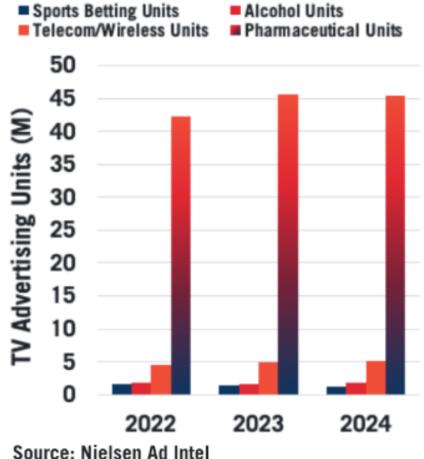
2017 TO 2024



Source: Nielsen Ad Intel

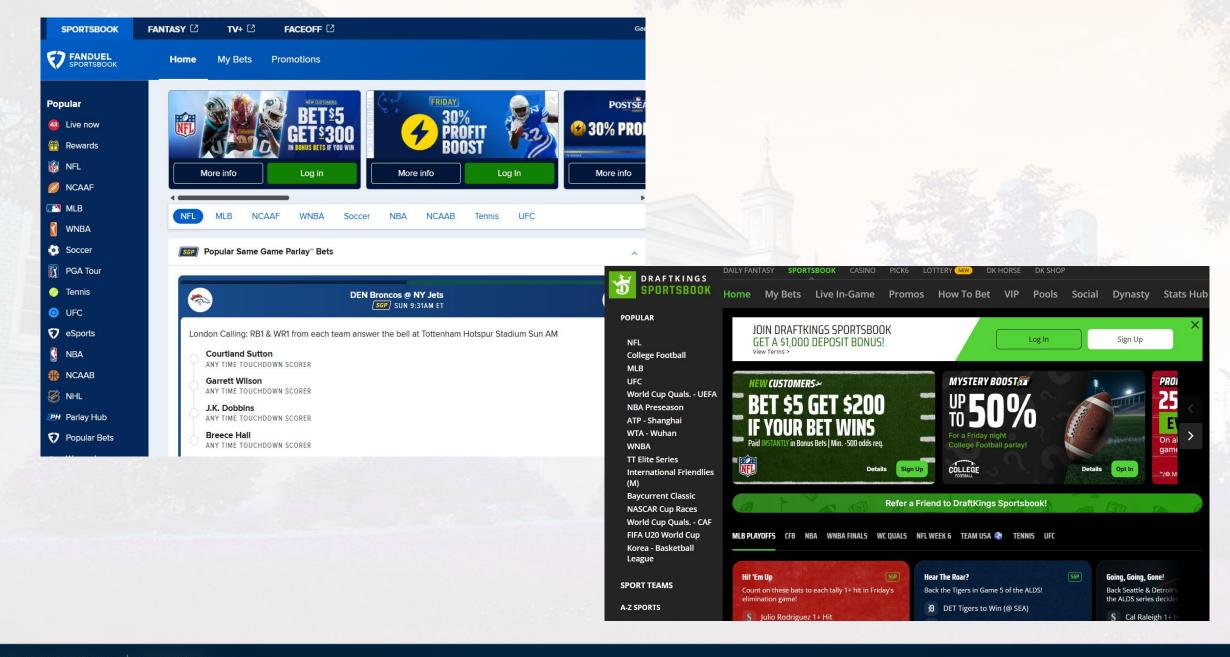
#### TV ADVERTISING VOLUME

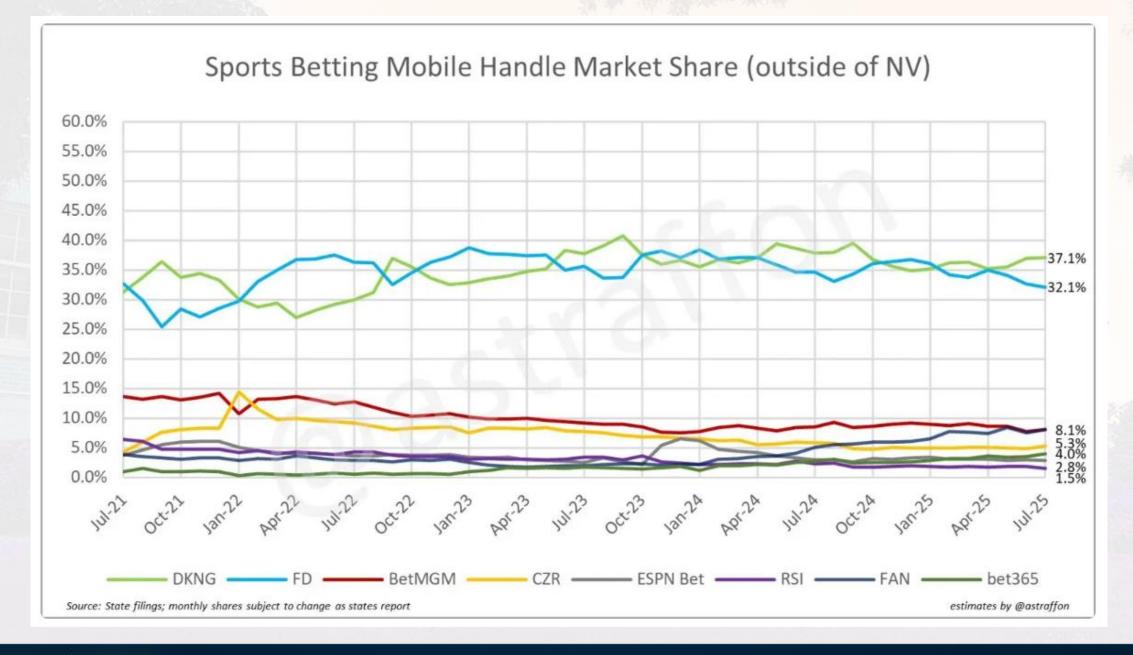
RELATED TO SELECTED **INDUSTRIES** 

















Professional & Amateur Sports Protection Act (1992)

"It shall be unlawful for a governmental entity to sponsor, operate, advertise, promote, license, or authorize [sports gambling]"



Murphy v. National Collegiate Athletic Association (2018 SCOTUS)

"anti-commandeering doctrine"

10th Amendment > PASPA





EBCI (2020)



Catawba Nation (2021)



2022

Bill permitting state-wide sports gambling fails by one vote

2024

Sports gambling begins in March

Gov. Cooper signs bill authorizing state-wide sports gambling to start within 1 year

2023

## WHY did we get here?



#### What was the total amount wagered in the first year of legal sports wagering in NC?

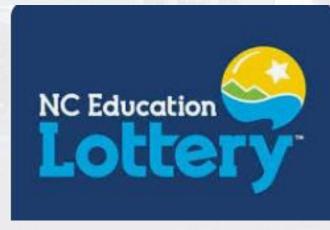


\$100 million	
	0%
\$600 million	
	0%
\$1 billion	
	0%
\$6 billion	
	0%
\$10 billion	
	0%

#### 2024-2025 Fiscal Year Total Revenue

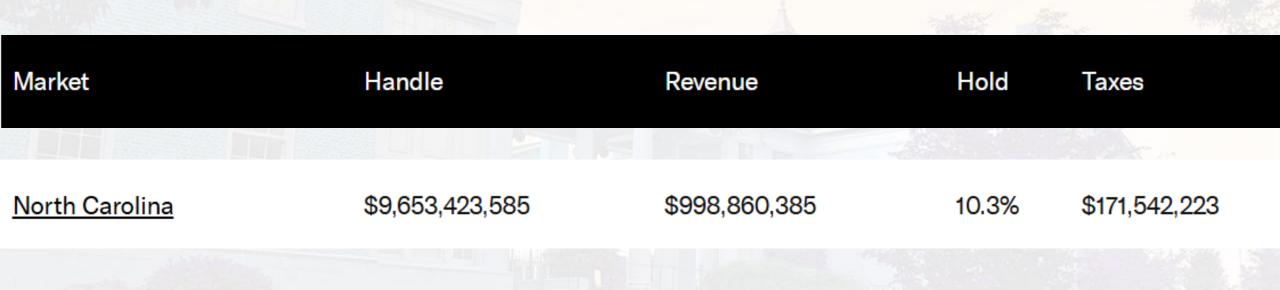


\$6.6 Billion



\$6.6 Billion





NC Tax Rate on Hold: 18%



Market	Handle	Revenue	Hold	Taxes
New York	\$74,943,314,880	\$6,733,773,065	9.0%	\$3,429,602,256
<u>New Jersey</u>	\$65,983,301,847	\$5,179,582,686	7.8%	\$734,060,602
Illinois	\$51,920,449,124	\$4,390,287,742	8.5%	\$933,633,072
<u>Nevada</u>	\$49,994,352,733	\$2,948,800,000	5.9%	\$199,044,000
<u>Pennsylvania</u>	\$40,248,096,569	\$3,443,195,968	8.6%	\$833,759,648





BETTING

# ESPN BET could shut down in 2026 after \$2 billion nightmare for Penn National

By Erich Richter

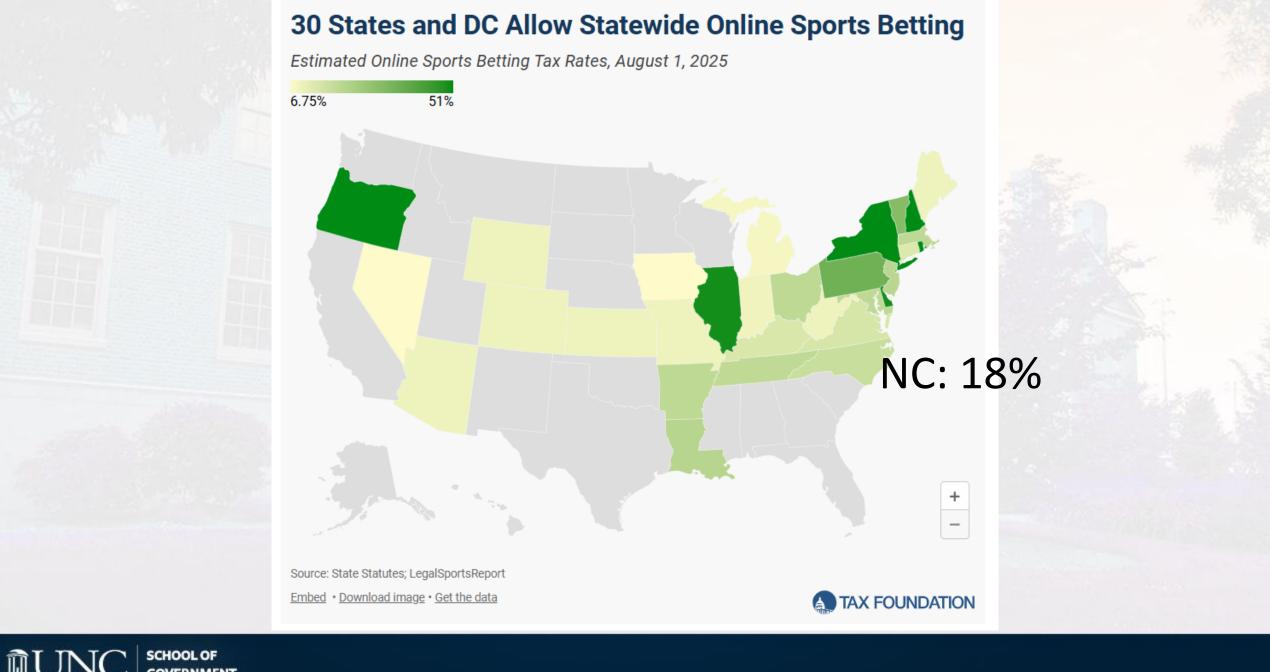
Published Feb. 28, 2025, 12:55 p.m. ET





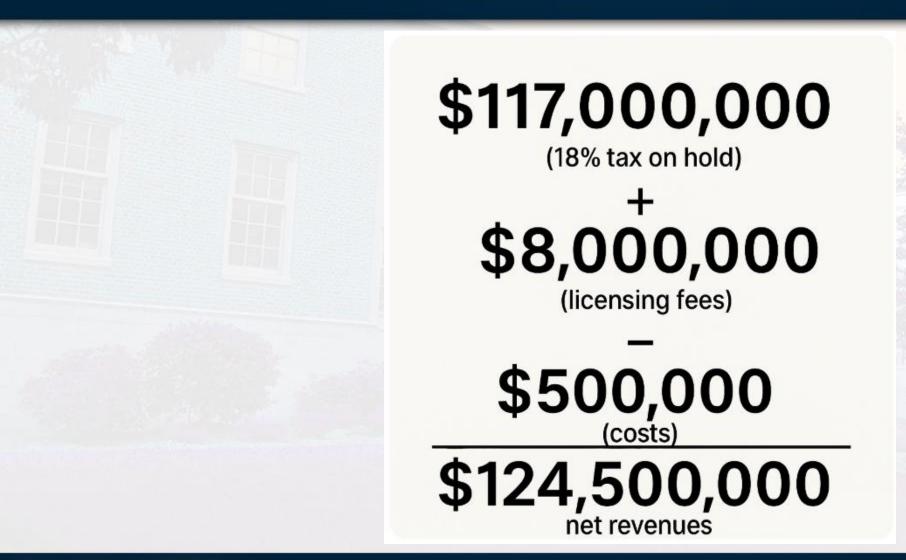
ESPN BET's day may be numbered.







#### NC Gambling Tax Revenues 2024-25





## Where does the money go?

Allocation	Annual Amount/Beneficiary
To the Department of Health and Human Services for gambling addiction education & treatment programs	\$2 million annually
To North Carolina Amateur Sports (for youth sports expansion)	\$1 million annually
To the NC Youth Outdoor Engagement Commission (grants for teams/groups, travel to events, and for hosting sporting events)	\$1 million annually
To collegiate athletic departments at 13 state universities	\$300,000 annually

\$7.9 million total in specific allocations



#### Where does the money go?

- 1. Appalachian State University
- 2. East Carolina University
- 3. Elizabeth City State University
- 4. Fayetteville State University
- 5. North Carolina Agricultural and Technical State University
- 6. North Carolina Central University
- 7. UNC Asheville
- 8. UNC Charlotte
- 9. UNC Greensboro
- 10. UNC Pembroke
- 11. UNC Wilmington
- 12. Western Carolina University
- 13. Winston-Salem State University



### Where does the money go?

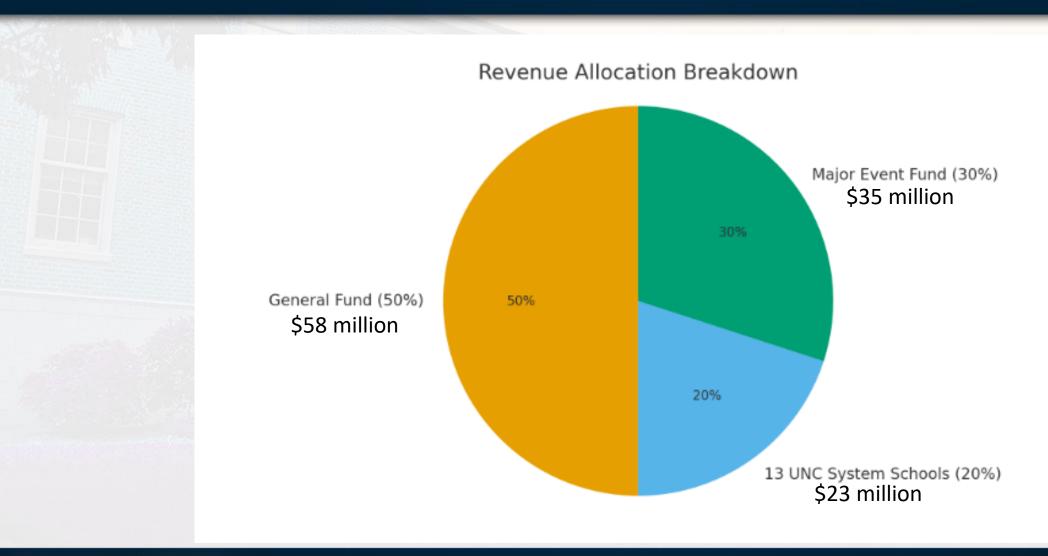
•\$124,500,000 total gambling tax revenues 2024-25

Less \$7,900,000 specific allocations

•\$116,600,000 remaining



## Where does the money go? (\$116M)





#### **Potential Changes to Gambling Taxes**

Double tax from 18% to 36%

- Add UNC-Chapel Hill & NC State to schools receiving tax \$
  - Each receive 10% of remaining \$ after required distributions
  - \$30 million per year (estimate)

#### **HOUSE SETTLEMENT APPROVED**

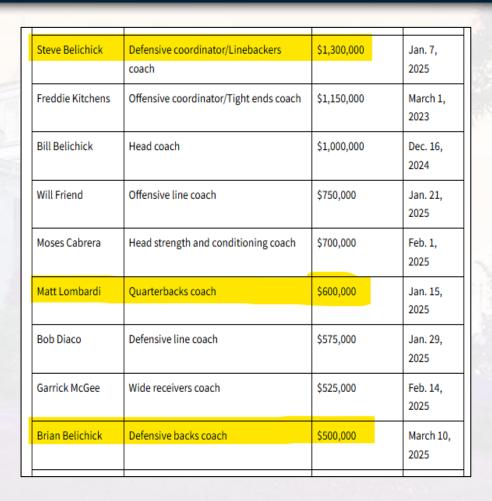
- Schools can directly pay student-athletes up to \$20.5 million
- Payments can begin July 1
- Roster limits go into effect
- ▶\$2.8 billion in backpay (2016-2024)



#### BELICHICK CONTRACT TERMS

- 5 YEARS, \$50 MILLION
- 3 YEARS GUARANTEED
- \$1.75 MILLION BONUS FOR NATIONAL CHAMPIONSHIP
- PERFORMANCE & COACH AWARDS
  - \$100K EXPENSE ALLOWANCE







## More gambling!







### A decades long saga . . .

#### **Cyber-Sweepstakes Anyone?**

#### **Categories**

Land Use & Code Enforcement

**Published: 10/12/09** 

**Author: Richard Ducker** 

#### What's Next for Video Sweepstakes?

#### **Categories**

Finance & Tax, Privilege License Taxes

**Published: 01/17/13** 

**Author: Chris McLaughlin** 

#### 2025 Video Sweepstakes Update



January 6, 2025 Jeff Welty

Print

On New Year's Eve, the North Carolina Court of Appeals issued an opinion in No Limit Games, LLC v. Sheriff of Robeson County, \_\_ N.C. App. \_\_, \_\_ S.E.2d \_\_, 2024 WL 5250431 (Dec. 31, 2024). The case represents the latest development in the long-running battle over electronic sweepstakes games in North Carolina. This post provides a brief history of the issue, summarizes the recent opinion, and discusses the evolving sweepstakes industry and legal efforts to address it.