



### Legal Sports Betting Imminent After Supreme Court Decision

By **James White**, BrownWinick Attorney  
[white@brownwinick.com](mailto:white@brownwinick.com)

The U.S. Supreme Court's decision in *Murphy v. National Collegiate Athletic Assn.*, issued May 14, 2018, has opened the doors for states to legalize and regulate sports betting. The decision declared the Professional and Amateur Sports Protection Act (PASPA) unconstitutional. PASPA itself did not ban sports betting. Rather, it prohibited states from regulating or taxing sports betting. The Supreme Court, in a 6-3 decision, ruled that PASPA violated the 10th Amendment. The Court held that while Congress is free to regulate sports betting itself, it is a constitutional violation for Congress to control the states' policies on sports betting. As a result, each state is free to regulate sports betting as it sees fit.

As it relates to Iowa, the Iowa legislature considered a bill on sports betting prior to adjourning in early May 2018. The bill, House Study Bill 592, was contingent upon the U.S. Supreme Court striking down PASPA. The bill would have allowed Iowans to create and deposit money into accounts at casinos, and then place bets using the money from that account. While the bill was tabled, Iowa legislators are expected to introduce proposals when the legislature convenes in January 2019. Thus, no decision on sports betting in Iowa will be made until 2019, at the earliest.

Until then, Iowa and other states will most likely monitor the nationwide response to this decision. A few states passed laws and created systems for betting that were awaiting a favorable Supreme Court ruling. Those states are New Jersey, West Virginia, Delaware, and Mississippi, and they could have sports betting available in less than two months. Those four states would join Nevada, which was granted an exception under PASPA, as the only states to have legal sports betting operations. Other states have sports betting bills pending and are still in session. The large majority of states are like Iowa and will make no decision on the issue until at least 2019.

At the federal level, the major sports leagues are expected to lobby Congress into legislating. Congress could decide to outright ban sports betting, or it could create a federal system for sports betting that would preempt the states' individual plans. The major sports leagues seem to prefer the latter option, as it would allow for one unified system across all states, and would give the leagues easier access to a share of the money related to sports gambling. Congress is not expected to act quickly, but the issue could become more pressing if there are significant variations in the state-created systems.

***A Firm Commitment to Business™***

The Supreme Court's decision is a huge step forward for proponents of sports betting. However, it is only the beginning. The sports betting landscape is set to change significantly across the country in what should be an exciting few years for those interested in the issue.

666 Grand Avenue, Suite 2000  
Des Moines, IA 50309  
515-242-2400  
[www.brownwinick.com](http://www.brownwinick.com)

***A Firm Commitment to Business™***