

Illinois Becomes Next State To Legalize Sports Wagering

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Last month, Governor J.B. Pritzker signed legislation significantly expanding gambling within the State of Illinois, including legalized sports gambling. Cheered by gaming operators and gamblers alike, the legislation follows last year's Supreme Court ruling, striking down the Professional and Amateur Sports Protection Act of 1992 (PAPSA), which had effectively banned legalized sports betting nationwide outside the state of Nevada.

In addition to authorizing six new land-based casinos in the state (including a Chicagoland area casino), slot machines and table games at racetracks (which operators such as Fairmont Park championed) and even the potential installation of slot machines at Illinois airports, the gambling expansion included the enactment of the Illinois Sports Wagering Act, which makes Illinois one of sixteen states (plus the District of Columbia) to legalize and regulate sports gambling since the Supreme Court's ruling last year, according to the American Gaming Association.

Among the highlights of the Illinois Sports Wagering Act ("ISWA") are:

- Individuals making sports wagers must be at least 21 years of age and physically located within the state.
- Wagers can be made on professional and major college sports. However, they are prohibited on minor league sports or on any competition involving Illinois collegiate teams. Wagers are prohibited on youth and high school sports.
- With proper licensure, sports wagering sites can be located at casinos, racetracks, defined sports facilities with more than 17,000 seats and online.
- The Illinois Gaming Board will award Master Sports Wagering Licenses pursuant to a competitive bid process.
- The Act's definition of permissible "sports wagering" includes single-game bets, teaser, parlays, pools, in-game wagering and proposition bets, but specifically excludes fantasy sports and daily fantasy sports, such as DraftKings.

As with any state legalizing and regulating sports wagering in the post-PAPSA era without federal regulation, Illinois forged its own path with multiple regulations not found in other state regulations. For instance, the ISWA distinguishes between two types of wagers: "Tier 1 Wagers," which is a bet determined solely

by the final score or outcome of a game – i.e., a win or lose proposition; and “Tier 2 Wagers,” which is a bet not determined solely by the final score of a game – e.g., a bet as to the over/under of how many yards a quarterback throws for in a football game. While the results of Tier 1 Wagers are not controversial (either a team won or lost a game), Tier 2 Wagers can be. That is why the ISWA requires that facilities utilize “official league data,” which they must obtain through agreements with the sports leagues themselves.

The IWSA is effective immediately. However, operators in Illinois are not yet taking bets. The IWSA gives the Illinois Gaming Board oversight and how quickly it issues operator licenses remains to be seen.

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