



SPONSOR: Rep. Lofink & Sen. Sokola & Sen. Amick;
Reps. Cathcart, Mulrooney, Oberle, Outten, Plant,
Spence, Viola

HOUSE OF REPRESENTATIVES
144th GENERAL ASSEMBLY

HOUSE BILL NO. 190

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO A SPORTS LOTTERY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend §4803, Title 29 of the Delaware Code by adding thereto a new subsection to read:

"(l) 'Sports lottery' means a lottery in which the winners are determined based on the outcome of any collegiate or professional sporting event, including racing, held within or without the State."

Section 2. Amend Subchapter I, Chapter 48, Title 29 of the Delaware Code by adding a new section to read:

"§4825. Sports lottery.

(a) The Director shall, pursuant to the authority granted under §§4805(a)(1) and 4805(b)(4) of this chapter, commence a sports lottery as soon as practicable. The Director shall, by rules and regulations, provide for the features and attributes of a sports lottery. The regulations must, in the Director's judgment, administer the sports lottery in a manner which will produce the greatest income for the State while minimizing or eliminating the risk of financial loss to the State.

(b) A sports lottery commenced pursuant to this section must be conducted exclusively at video lottery facilities owned and operated by video lottery agents licensed in the State on December 31, 2006. Licenses previously awarded to video lottery agents relative to the video lottery are considered amended to allow those agents to act as agents for the State with respect to the sports lottery.

(c) Proceeds from the sports lottery, less the amounts returned to winning players, must be added to the net proceeds of the video lottery, and, like the proceeds of the video lottery, must be applied in accordance with §§4815(b)(2) and (3) of this chapter. The Director, by regulation, shall adopt accounting procedures for the sports lottery in order to accommodate the differences between the sports lottery and the video lottery. The proceeds of the sports lottery must be, as best as practicable, applied consistently and according to §§4815(b)(2) and (3). Administrative costs and expenses of the sports lottery and costs of equipment must be allocated in a manner consistent with §§4815(b)(2) and (3).

(d) A person under the age of 21 may not purchase a sports lottery ticket, or wager on a sports lottery machine, or in any way participate in the sports lottery."

SYNOPSIS

This bill is designed to take advantage of an exemption granted to the State of Delaware under federal law, namely the Professional and Amateur Sports Protection Act, which allows the states of Delaware, Nevada, Oregon, and Montana to engage in sports betting. The bill expands the offerings of the Delaware Lottery and is intended to provide a significant additional source of revenue to the State.

Over 70% of the video lottery revenue is generated by out-of-state residents. This bill recognizes the increased gaming competition from our neighboring states, and is designed to protect the Delaware Lottery. The bill also recognizes the substantial economic contributions to the State by video lottery agents with respect to entertainment, gaming, and horse racing facilities, as well as with respect to job creation, and is designed to protect State revenues and jobs by providing a new form of lottery wagering that is allowed in Delaware under federal law, but that is not allowed to Delaware lottery competitors in neighboring states. Persons under the age of 21 will not be allowed to participate in the sports lottery.

This bill requires the Lottery Director to use his or her authority to reestablish a sports lottery, which will enhance the Delaware Lottery, protect Delaware employment, help Delaware and its lottery meet new competition, and provide additional revenues for the State.