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Online Sports Gambling, S688

Friends,

Last August the Senate passed this bill 26-21 and 26-19. 2/3 of the Senate Republicans were opposed to it. Would Speaker Moore bring up a bill if 2/3 of the House GOP caucus was opposed. Now the Senate sponsors are telling the House sponsors to accept no amendments. When this bill was heard in House Commerce the sponsors admitted “this bill needs a lot of work!” Why are they now trying to pass it with no amendments? That mystery may have something to do with the CPRNC poll I sent you on Monday showing that the bill is now underwater with both GOP and Democratic voters!!

Let's dig into some details.

What is the reason to limit vendors to 10 to 12 who each pay a \$500,000 "fee" to obtain a license and renew it every 5 years for another \$100,000? A license for a service provider costs \$25,000 and a supplier license costs \$15,000. These are called "barriers to entry." It is a monopolistic practice which is forbidden by Article 1 (Declaration of Rights) Section 34 of our Constitution: "Perpetuities and monopolies are contrary to the genius of a free state and shall not be allowed." Those who oppose Certificate of Need should be allergic to this kind of market manipulation. I'll send you an opinion from the NC Institute for Constitution Law that this bill violates the state Constitution.

Under 18C-910(a)(5) the Lottery Commission is to “prevent persons from placing sports wagers as agents or proxies for others”. The Commission for decades has refused to do this in connection with the Lottery. As a result, welfare recipients may collect their winnings without losing their eligibility. Child support scofflaws can avoid their obligations to pay for their child. Tax deadbeats still get to play. The Commission opposed legislation to stop this practice in 2015-2016.

Under 18C-920 one half of the tax collected goes to a Fund to entice Major Events to come to North Carolina – another slush fund/pork barrel to once again try to pick winners and losers. Advocates of free enterprise and sound economics will not agree to such a scheme.

The big boys from other states can get licenses “without further examination,” “investment funds shall be waived from information disclosures”?

Putting the state in the business of endorsing more gambling and enticing citizens to foolishly part with their money to no productive end will result in addiction or desperate behavior for some. Some will not be able to pay their just debts. Bankruptcy, poverty, crime and inadequate child support will follow, as night follows the day.

What could be wrong with betting on your favorite sports team? If sports betting was only about winning or losing it would be less damaging. This proposal allows betting on the "spread."

"We can make some money on this game. We don't have to lose. All we have to do is make sure we don't win by more than five points. Who could accuse us of throwing the game if we win? It just makes the game more exciting."

While there is some skill in knowing who might win and who might lose a game there is very little skill knowing whether the next play will be a pass or a run or whether a pass will be completed. This proposal allows for these trivial and constant interactive bets.

Similarly, video poker is designed by neuro psychologists to get players addicted and, once addicted, to push the buttons rapidly until their money runs out. This is a clear inducement to fraud, not only on their own team and its fans but also fraud on other bettors. It will happen. This will corrupt sports, especially amateur sports.

No longer can you be assured that your team will try its hardest to win. Some of the players will be trying to win – just not by too much.

Sincerely,

Paul Stam