



Sports Betting

Objectives



- I. Identify what sports betting is generally
- II. Discuss how IGRA categorizes sports betting
- III. Review models of sportsbook operations in tribal casinos
- IV. Explore examples of provisions in sportsbook agreements that raise concerns

What is sports betting generally?



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- Generally excludes pari-mutuel wagering on horse and dog races, which are usually governed by separate pari-mutuel wagering statutes and rules.

How does IGRA categorize sports betting?




Class I




Class I = social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations

Class II



Class II = bingo and non-banked card games



Class III



Class III = all other forms and types of gaming

- Banked card games like blackjack (21);
- Slot machines; Keno; Craps; Roulette; Raffles
- AND wagering on sporting events
 - NIGC regulations specifically include sports betting as a Class III game (25 C.F.R. § 502.4)



IGRA applies to all gaming activities that occur on Indian lands which include:

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All lands within an Indian reservation; and Trust lands and restricted lands over which an Indian tribe exercises governmental power

So.....

if sports betting occurs, either partially or entirely on Indian lands, IGRA applies.

3 Requirements for Class III gaming



1


Tribe must have an ordinance that permits Class III gaming and is approved by the NIGC Chairman.

3 Requirements for Class III gaming 

2 Gaming must be located in a state that permits "such gaming" for any purpose.

3 Requirements for Class III gaming 

3 Gaming is conducted pursuant to tribal-state compact that is in effect.



Models of sportsbook operations in tribal casinos

Handout #1 (Bulletin 2020-1)

MODEL 1
Tribe operates the sportsbook

MODEL 2
Tribe receives recommendations from a 3rd party vendor

MODEL 3
Tribe enters into a management contract with a management company

MODEL 4

Tribe licenses an individually-owned sportsbook operation




Examples of sportsbook provisions
Handout #2 (Contract Provisions)



Conclusion

- Sports betting is a Class III game under IGRA.
- Keep in mind IGRA's Indian lands requirements.
- Comply with IGRA's Compact requirements if offering sports betting.
- Think about what model you want to deploy, if adding sports betting to your gaming floor.
- Submit unexecuted contracts to OGC for declination letter reviews.
 - While negotiating contracts, be proactive about preventing management provisions that could creep into the contracts.



Questions
