

November 15, 2024

(DKNG, CZR, FLUT, MGM, PENN) Texas Sports Gaming Update

Investors should keep an eye on whether Texas Lt. Gov. Dan Patrick (R-TX), an opponent of legalizing sports betting, is appointed to a position in the Trump administration, as some reports have speculated given his strong support for the president elect and the fact that he was chairman of the Trump Texas campaign.

The bill might still face an uphill battle even if Patrick resigns his position but having the most vocal and most powerful opponent of sports gaming in the Lone Star state out of office would at least be a step in the right direction for the industry.

The lieutenant governor of Texas has extraordinary powers for what in most states is usually a weak office. In Texas, the lieutenant governor establishes all Senate committees, appoints all members of those committees, assigns legislation to Senate committees, decides parliamentary procedures in the Senate, and essentially determines which bills will come up for a vote in Texas' upper chamber.

If Patrick, who is 74, stays in his position through 2026, there is little chance that sports gaming becomes law in Texas during his tenure. Moreover, Patrick, who won re-election in 2022 with 54% of the vote, has stated that he intends to run for re-election in 2026. Should he do so and win, that would be another negative development for sports gaming in the second-largest market in the U.S., potentially through 2030.

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DraftKings Inc (DKNG)

Price: \$41.14

52-Week High: \$49.57

52-Week Low: \$28.69

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MGM Resorts International (MGM)

Penn National Gaming Inc (PENN)

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