

January 15, 2025

(DKNG, FLUT, CZR, MGM) Sports Betting Policy Update

We see little positive legislative movement for the sports gambling sector [DKNG, FLUT, CZR, MGM], since we do not expect any of the 11 states that have yet to legalize the practice to make further progress this year. This is especially true in the two largest states in the country—California and Texas. In fact, from a policy standpoint on both the state and federal front, we are more likely to see headline risks rather than tailwinds.

On the federal level, we see very little chance that any materially negative legislation or regulation is *enacted* for at least the next two years, but we are likely to see the (re)introduction of measures, such as last year's bill the SAFE Bet Act from Rep. Paul Tonko (D-NY) and Sen. Richard Blumenthal (D-CT), which would create nationwide consumer protections for the sports gaming industry.

Headline risks are likely from state legislatures as well. Last year, there were threats of tax hikes on the industry from New Jersey and an actual tax increase in Illinois. We could also see more states banning prop bets on individual collegiate players.

States that Haven't Legalized Sports Betting

To date, 39 states have legalized some form of sports betting, but we think it will be an uphill battle to see any of the additional 11 states follow suit in 2025. (see table on next page)

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DraftKings Inc (DKNG)

Price:	\$40.69
52-Week High:	\$49.57
52-Week Low:	\$28.69

Flutter Entertainment plc (FLUT)

Price:	\$261.60
52-Week High:	\$284.79
52-Week Low:	\$163.00

Caesars Entertainment Corporation (CZR)

Price:	\$33.34
52-Week High:	\$47.99
52-Week Low:	\$30.78

MGM Resorts International (MGM)

Price:	\$32.86
52-Week High:	\$48.24
52-Week Low:	\$31.61

State	Comments	Enactment
Alabama	Alabama only allows gambling on electric bingo on tribal lands and horse racing. The lottery isn't even legalized. Last year the legislature tried to pass a comprehensive bill but failed and will make another attempt in 2025. Legislative session ends on May 15.	Unlikely
Alaska	Legislature has never considered sports betting and likely won't in 2025. Session ends May 21.	Very Unlikely
California	Fighting among native tribes and industry likely means sports betting will not be legal for the foreseeable future. Session is all year basically. Could see ballot measure in 2026.	Unlikely
Georgia	Largest state after CA and TX that hasn't legalized sports betting. Session ends April 3.	Unlikely
Hawaii	Another state where the lottery isn't even legal, though attempts at sports betting legalization have been attempted. Session ends May 2.	Unlikely
Idaho	The state legislature has not been open to many forms of gambling in general. Bills must be filed by February 10.	Very Unlikely
Minnesota	A deal was apparently reached among stakeholders last year for a sports betting bill but fell apart. Another attempt will be made this year. May 19 is the end of the session.	Unlikely
Oklahoma	Dispute between the governor and tribes likely means no legislation until Gov. Stitt (R) is out of office in 2027. Session ends on May 30.	Very Unlikely
South Carolina	Progress has reportedly been made on sports betting legislation but no bill has emerged. Session ends May 8.	Unlikely
Texas	Lt. Gov. Dan Patrick (R), whose term doesn't expire until 2026, is strongly opposed to sports betting. Texas legislature only meets every other year. Session runs until June 2.	Very Unlikely
Utah	Gambling in general is illegal in Utah. That won't change anytime soon. Session ends March 7.	Extremely Unlikely

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