

New York sports betting wouldn't harm Las Vegas, experts say

By [Bailey Schulz](#) Las Vegas Review-Journal
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New York is ready for mobile sports betting, according to Gov. Andrew Cuomo.

On Wednesday, the governor announced that he would propose legislation that would authorize online sports betting during next week's State of the State address.

With more than 19 million residents, New York is expected to draw in significant revenue if mobile sports betting goes live. Despite the possibility of more gambling money going into the Empire State, industry experts have said sports betting's expansion poses little threat to Nevada's gaming industry.

"People are still going to want to come to Vegas for the experience Vegas offered before the pandemic, and the experience it will offer after the pandemic," said Josh Swissman, founding partner of Las Vegas gaming and hospitality consulting firm The Strategy Organization. "The experience is much bigger than (sports betting). ... That's never going to go away."

Driving revenue back to the state

Speculation on expanded sports betting in New York have been swirling in recent weeks, ever since Cuomo said sports betting could be a potential new source of revenue during a Dec. 16 televised briefing.

The governor has resisted mobile sports wagering in the past, but on Wednesday confirmed that he would be moving forward with plans to launch the industry.

Under Cuomo's proposal, the state's gaming commission would issue a request for proposals to allow a sports operator or platform to offer mobile sports wagering. The operator would need to have a partnership with one of the existing licensed commercial casinos in New York, according to a [statement](#) on the governor's website.

More details on Cuomo's proposal are expected during his Jan. 11 address.

The move comes as states across the country are looking for ways to increase revenues amid the pandemic. New York has a roughly \$15 billion deficit.

In a Dec. 18 report, Deutsche Bank Research analyst Carlo Santarelli said a mobile wagering tax revenue of 8-13 percent would generate between \$75 million and \$125 million in annual tax revenue based on current market forecasts for the state.

Gaming consultant Sara Slane said Cuomo's embrace "immediately positions" New York to lead all other states, and believes the state would have "no problem" regularly topping \$1 billion in monthly wagers.

“We’ve consistently seen that bettors want to wager on sports and mobile, just like all other industries, is the modern mechanism for the industry to drive the most revenue back to the state,” she said in a Wednesday note.

‘A great step’ for the industry

Cuomo has indicated that he wants to offer mobile betting through the state’s lottery, which would allow the state to retain more revenue, according to a Wednesday note from Truist gaming analyst Barry Jonas.

Some industry watchers, including Jonas, believe a lottery-operator model could hurt long-term gaming revenue in the state, since lottery-run sports betting models typically lack competitive offerings found in a more open market.

“A lottery-operated model may not be competitive to neighboring state offerings ... and the illegal market,” Jonas said, adding that 20 percent of New Jersey’s revenues are believed to come from New Yorkers.

Jonas predicts New York will go live with online mobile sports betting in 2024.

Brendan Bussmann, director of government affairs for Global Market Advisors, said Nevada won’t have to worry about mobile sports betting in New York, but other states’ gaming revenues could take a hit.

“New Jersey would be the most impacted out of the gate,” he said. “You can go watch somebody cross a ferry from New York to New Jersey and they pull their phone out after they cross the Hudson and start placing bets.”

New Jersey is among the top performing sports betting markets today. Sports wagering revenue hit \$50.6 million in November, a 54 percent increase from the year prior, according to the state's division of gaming enforcement.

Swissman said Cuomo's announcement is just the latest development in sports betting's rapid expansion across the country.

"It's a great step forward for the state and the industry, and it's a bellwether for what will inevitably come in other states as well," he said.

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