THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION SUPPORTING STATES’ RIGHTS TO REGULATE GAMING

Resolution Summary
The U.S. Department of Justice recently reinterpreted the Interstate Wire Act of 1961 giving states more sovereignty in regulating internet gaming, an activity previously banned wholly by the law. Several states started to move forward with legislation to legalize internet gaming in some form, but members of the U.S. Congress have recently considered legislation to remove or reduce state authority over internet gaming regulation. This resolution allows CSG to advocate for states’ rights to regulate this industry.

Additional Resources
• Reuters: Massachusetts Treasurer Blasts Federal-Online Gambling Bill - http://www.reuters.com/article/2012/10/31/us-usa-gambling-online-idUSBRE89U1NL20121031

CSG Management Directive
CSG staff will post the approved resolution on CSG’s Web site and work with the U.S. Congress and stakeholder coalitions to advocate for a state-focused approach to internet gaming regulation.
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WHEREAS, the Interstate Wire Act of 1961 has been interpreted as preventing states from regulating all online gaming;

WHEREAS, the U.S. Department of Justice determined in 2011 that states have the authority to regulate most online gaming, with the exception of online sports betting, under the Wire Act;

WHEREAS, with the economy still in a recession, states are looking for new ways to raise revenue that have a minimal impact on taxpayers;

WHEREAS, many states have already moved forward with sanctioned online gaming as a method of raising revenue;

WHEREAS, members of Congress have begun drafting legislation to clarify the Wire Act and make it more restrictive than the Justice Department interpretation;

WHEREAS, states should determine whether online gaming should be legal, regulated and taxed in individual states, not the federal government;

NOW, THEREFORE BE IT RESOLVED, that The Council of State Government supports state sovereignty over online gaming regulation and opposes further federal regulation;

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to appropriate members of Congress and executive officials.

Adopted this ___ Day of December, 2012, at CSG’s 2012 National Conference in Austin, Texas.