

### Gambling Alert - December 30, 2020



### **DraftKings marketing deal with Video Gambling operator turns sour**

Illinois gambling regulators want to impose a \$5m penalty against video gaming terminal (VGT) operator Accel Entertainment for violating state regulations in the firm's now-scrapped deal with sports betting operator DraftKings.

Accel emailed its host venues detailing "incentives for your establishment," explaining how venues could receive payments from Accel of \$100 for each customer they convinced to sign up with DraftKings.

Accel reps then fanned out across the state, pitching venues that didn't yet host its VGTs on the potential benefits of promoting DraftKings, while also offering "social media marketing as incentives or inducements to enter a future use agreement." By December 1, Accel had made 211 betting-related payments to host venues. Read

#### Anyone betting IL lottery tickets will help education would lose

The lottery itself pushes that narrative, with a caveat: "Twenty-five cents of every dollar spent on the lottery goes to fund public education, infrastructure projects, and other special causes." A closer look shows that is a disingenuous claim. Lottery money never really makes it to the classroom. Instead, those revenues are more than eaten up by annual contributions to education pensions.

Lawmakers sealed the deal on this broken promise in 2009 when they capped the amount of lottery money that would be deposited into the Common School Fund. All proceeds above 2009 funding levels are now diverted to capital projects. Read

## **Quincy Plan Commission recommends video gambling parlor** request

The plan calls for the building, which is a single-family residence with residential zoning, to be renovated into a gambling parlor. A neighboring building, which is owned by the petition is a laundromat with gambling machines. City staff recommended the denial of the permit due in part to its proximity to residential areas and the possibility that more residential areas will seek to convert to commercial. Read

#### Decatur to transfer video gambling machine fees to operators

Each of the 440 or so gaming machines in the city is subject to a \$500 fee, paid by the establishments that house the terminals. The members of the City Council have now agreed to transfer these taxes to the gaming machines' operators themselves, which are often based outside Decatur. Read more

#### Sports betting on TV broadcasts will appeal to video gamers

The CEO of Fox Sports Wisconsin's new owner predicts the company's planned introduction of sports-betting during NBA and Major League Baseball games will appeal to 18-to-34-year olds who otherwise wouldn't sit through a live broadcast.

"What we want to move to is **making watching sports as entertaining as playing a video game," an experience with interactivity, visually stunning graphics and rewards** - either real or virtual - Sinclair Broadcast Group Inc. president and CEO Chris Ripley told the Baltimore Sun. <u>Read</u>

#### Psychiatrist Organization Recommends Outright Ban on Gambling Ads - Ireland

Social isolation creates more gambling opportunities for vulnerable individuals who are forced to work from home. Combined with the high volumes of gambling advertising, this could further exacerbate the problem of addiction. One of the key authors of the paper, Professor Colin O'Gara, insisted the connection between gambling addiction and the copious betting ads can no longer go unnoticed.

Advertisements of such products are everywhere, from television to the jerseys of sports players and sideline banners. This causes people to associate the enjoyment of sports with wagering, which, in turn, leads to the normalization of gambling. Read more

#### IL 'Sin Taxes' among the nation's highest

A 2019 study from the nonpartisan Tax Foundation found Illinois captured the sixth-highest amount per capita in excise taxes during fiscal year 2016. Excise taxes are a "tax on a specific good or activity" and include "sin taxes" such as those on alcohol, tobacco, gambling and marijuana.

Not only has taxing Illinoisans' appetites failed to rescue the state from its fiscal plunge, it's also hurt those with the least. Read more

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Anita Bedell & ILCAAAP Staff

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