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Research Paper

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Sports Betting and Regulations in New Jersey

Since the Supreme Court's decision in *Murphy v. NCAA* in 2018 to legalize sports betting in New Jersey, the state's economic landscape and regulatory environment have changed significantly. The new laws started as permitting betting in casinos and racetracks but quickly evolved into the sports betting industry. The New Jersey Division of Gaming Enforcement (DGE) and the Casino Control Commission (CCC) took control of the state regulatory framework. They ensured a fair and clear betting environment through strict licensing and ongoing oversight. The legislative efforts have also been further refining these regulations to prevent any conflict of interest and irresponsible gambling from happening. Major betting operators like Bet365 and DraftKings have become highly competitive in using promotions and advertising to draw in their customers, but the state's strong compliance measures do include advertising guidelines and advanced monitoring technology to help maintain the betting operations integrity. The impact betting has had on the New Jersey economy is substantial, serving as a model for other states with significant state revenue and new jobs while demonstrating the importance of balancing economic benefits with consumer protection and ethical standards.

Before the legalization of sports betting in 2018, there was a struggle against federal prohibitions and a desire to revitalize its gaming industry. The state was largely affected by the Professional and Amateur Sports Protection Act (PASPA) of 1992, which prohibited most states

from legalizing sports betting. Despite this, New Jersey tried to carve a path for sports wagering, by the potential economic benefits it could bring. In 2011, New Jersey legislation aimed at allowing sports betting in its casinos and racetracks. This decision met immediate resistance from major sports leagues, including the NFL, NBA, and NCAA, which filed lawsuits against the state to block the implementation of sports betting. But, New Jersey still believed that legal sports betting could give a boost to the dying gaming industry. As highlighted in an article by *NJ.com*, the state's casinos faced significant competition from neighboring states, forcing New Jersey to seek innovative ways to attract visitors and increase revenue. In July 2018, the New Jersey Division of Gaming Enforcement (DGE) issued regulations for sports betting, establishing guidelines for the licensing and operations of sportsbooks. This regulatory framework ensured that both online and in-person sports betting could be conducted legally and safely. By August 2018, the first online sports betting platforms launched in New Jersey, expanding the reach of sports wagering and allowed bettors to place bets from their mobile devices. *Forbes* reported that the combination of in-person and online betting would significantly enhance the state's gaming revenue potential. By 2019, the sports betting market in New Jersey experienced explosive growth, with the American Gaming Association reporting nearly \$5.3 billion wagered in the first year of legalization. This success showed other states that they should consider similar legislation, effectively making New Jersey a model for sports betting regulation across the country. Moving into 2021 and beyond, New Jersey continued to refine its regulations to promote responsible gambling while keeping the integrity of the betting market. The state introduced measures to address concerns about problem gambling, such as self-exclusion programs and partnerships with organizations focused on gambling addiction.

The proactive approach in recent New Jersey legislative developments on regulating sports betting comes from the concerns of partnerships between sportsbooks and education institutions. Bill A4113 has been advanced by the New Jersey Assembly Higher Education Committee to prevent and prohibit public universities from having any partnerships with sports books because of the growing concerns about gambling addictions and betting risks among students and college sports. Assemblyman Benji Wimberly states in a Sportsbooks review article “On both sides of the aisle, we realize that we have to put guards up to protect our residents,” followed by saying “One illegal situation is one too many ... I think we all would agree that we should head things off before they get to a point that it becomes an issue.” If Governor Phil Murphy signs the new legislation it would restrict sportsbooks and all affiliated entities from marketing to students on public university campuses, but certain partnerships would be allowed to provide experiential learning opportunities for educational purposes. “Allowing this balance in terms of ensuring that our students remain as safe as possible but at the same time recognizing that this could be a valuable career for them is the proper balance,” commented Jennifer Maloney of the New Jersey Association of State Colleges and Universities. This legislative development is set against the backdrop of national discussions surrounding college sports and betting. The Council on Compulsive Gambling of New Jersey has reported a 277% increase in calls to its 100-Gambler support line since online/mobile sports betting was released in 2018. This dramatic rise just shows the risks associated with easy access to gambling right from your mobile device and the increase in calls indicates the growing awareness and willingness to ask for help among individuals. NCAA President Charlie Baker is also an advocate for the nationwide ban on college player prop bets and the risks associated with it as well being that a lot of the sports

betting users are starting as soon as they turn 21. Creating an unhealthy addiction at a young age that carries on and comes with the adrenaline and dopamine rush that happens when a bet hits.

The media's role in shaping the public's attitude towards sports betting is influenced by how gambling is perceived across all audiences. Since the legalization of sports betting in New Jersey social media has become the main source where bettors get their information on the team's performance, player injuries, and betting trends. The nonstop flow of information creates a lot of narratives around sporting events and is often caught glamourizing the excitement of betting and making it a mainstream activity. CNN reports how coverage of major sporting events like the Superbowl has made betting a cultural phenomenon and generally appealing to the public through advertisements. Media narratives also impact the betting behavior and odds because if a high-profile player receives a lot of coverage for whatever reason bettors will often react quickly causing fluctuations in the odds. The Journal of Gambling Studies published that the framing of player injuries or team dynamics in the media can lead bettors to make very impulsive decisions, which influences the odds offered by sports books. This response can create a self-fulfilling prophecy where the hype generated by media coverage leads to increased betting activity shaking the market in ways that prioritize the public sentiment over statistical analysis. However, the glamorization of gambling in the media poses significant risks. It promotes and romanticizes easy wealth and happiness. According to the Council on Compulsive Gambling in New Jersey portraying gambling as a thrilling pastime without discussion of the risks can encourage impulsive behavior in the younger audience. The Washington Post discusses how advertisements often neglect to address the addictions and financial harm leading to these increased rates and should learn how to balance the excitement with a focus on responsibility to protect consumers by providing healthy betting environments.

In conclusion, the legalization of sports betting in New Jersey has changed both its economic landscape and regulatory framework, serving as a model for other states. The state's approach, characterized by strong regulatory oversight from the New Jersey Division of Gaming Enforcement and the Casino Control Commission, has balanced economic growth with consumer protection. While sports betting has created substantial revenue and created jobs, New Jersey has proactively addressed concerns around responsible gambling, specifically of increased risks associated with easy access to betting through online platforms. New legislative efforts, such as Bill A4113, reflect a commitment to safeguarding vulnerable populations, including students, by limiting potentially harmful partnerships between sportsbooks and educational institutions. As the sports betting industry continues to grow, media coverage and advertising have played a role in shaping public attitudes, though this has led to the glamorization of betting and increased concerns around problem gambling. New Jersey must continue to refine its regulatory measures, promoting responsible gambling practices while reducing the risks associated with this rapidly expanding industry to keep the good reputation it has in the industry.

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