

Nevada governor signs bill to legalize online gambling

February 25 2013, by Michael Muskal

Already home to a major gambling industry, Nevada is preparing to take its expertise online after officials approved a law making it the first state to authorize what could become one of the most lucrative gambling markets still to be tapped.

Nevada Gov. Brian Sandoval signed the bill Thursday in the same Capitol room where [lawmakers](#) legalized [gambling](#) about 80 years ago. By quickly moving the bill through the Legislature, Nevada gets ahead of rival New Jersey in the online poker business.

"This is an historic day for the great [state of Nevada](#)," said Sandoval, a Republican and former state gaming chairman, during the ceremony in Carson City. "This bill is critical to our state's economy and ensures that we will continue to be the gold standard for gaming regulation."

While the law goes into effect immediately, it will probably be months before the first online bet is placed in Nevada and even longer before the games are opened to players outside the state. Numerous obstacles remain, [state officials](#) said.

But the law eliminates some key barriers that had prevented Nevada from moving toward online gambling, A.G. Burnett, chairman of the Gaming Control Board, said in a telephone interview Friday. The changes are designed to accommodate a shift in [federal policies](#), which had held that all forms of Internet gambling were illegal.

Congress has yet to act on Internet gambling, but at the end of 2011, the [Department of Justice](#) announced that it was revising its opinion of the Wire Act of 1961, which it had argued banned all forms of Internet gambling. In its announcement, the department said the Wire Act ban was limited to sports betting, thus making online poker potentially legal - as far as the federal government was concerned.

The new law is designed to allow Nevada to take advantage of the changes by creating a licensing and regulation system for online poker games, Burnett said. Nevada has been working to allow such gambling within the state - hoping to draw tourists - and is likely to have its system up and running within months, he said. The new online requirements mirror those already in place for gambling in person.

Intrastate online poker will probably draw about \$2 million to \$3 million a year to Nevada, Burnett said. But the state is small and the number of new tourists will probably also be small, he said.

The real jackpot is negotiating with other states to form a compact that would allow the expansion of [Internet gambling](#) to customers from those states.

In effect, Nevada would supply the licensing and regulation that could make online poker accessible everywhere the Internet is available in the United [States](#) - a potential market of \$4 billion to \$10 billion a year. Globally, that market could reach \$30 billion a year, Burnett estimated.

"We feel pretty certain that an agreement with another state would be legal because it is some form of compact," Burnett said. "We are being cautious and researching so that we do things appropriately. We are not going too fast and don't want to offend the [federal government](#) in any way. But we need to allow our licensees to compete."

Already in the regulatory pipeline to offer poker websites are nine casinos, as well as manufacturers, software designers and other professionals needed to prepare the sites, Burnett said.

"Right now, I think we're in the right time and the right place," Burnett said.

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