

# TENNESSEE SPORT GAMBLING

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# AGENDA

- 1 Historical Context
- 2 Legal & Regulatory Structure
- 3 Tax & Revenue Model
- 4 Market Analysis
- 5 Responsible gaming
- 6 Challenges & Opportunities

# OUR TEAM



**Riley Jaessing**



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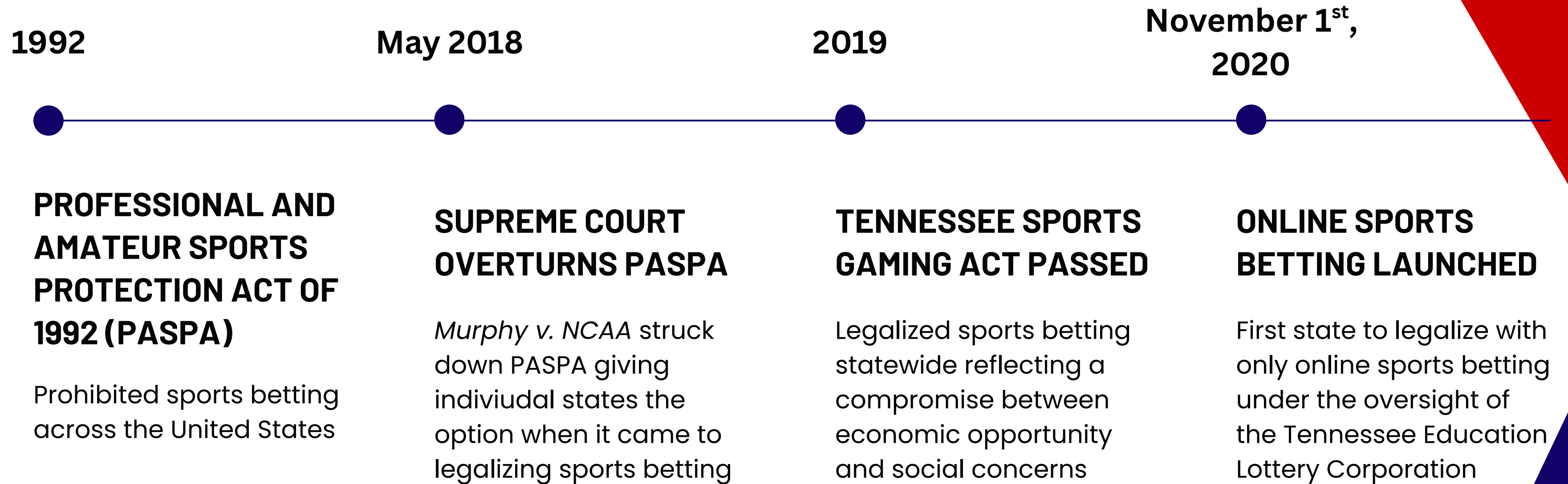


**Ella  
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**Hannah Cohen**

# HISTORICAL CONTEXT



# LEGAL FRAMEWORK

- **Mobile Only System**
  - Physical sportsbooks prohibited
- **Permitted Sports & Restrictions**
  - Collegiate player props are banned
- **Consumer Protection Mandates**
  - Operators must follow laws governing data security, advertising standards, and responsible gambling practices.
- **Licensing Requirements**
  - To accept wagers, an operator must obtain a Sports Gaming Operator License; vendors that support wagering operations must register as Vendors



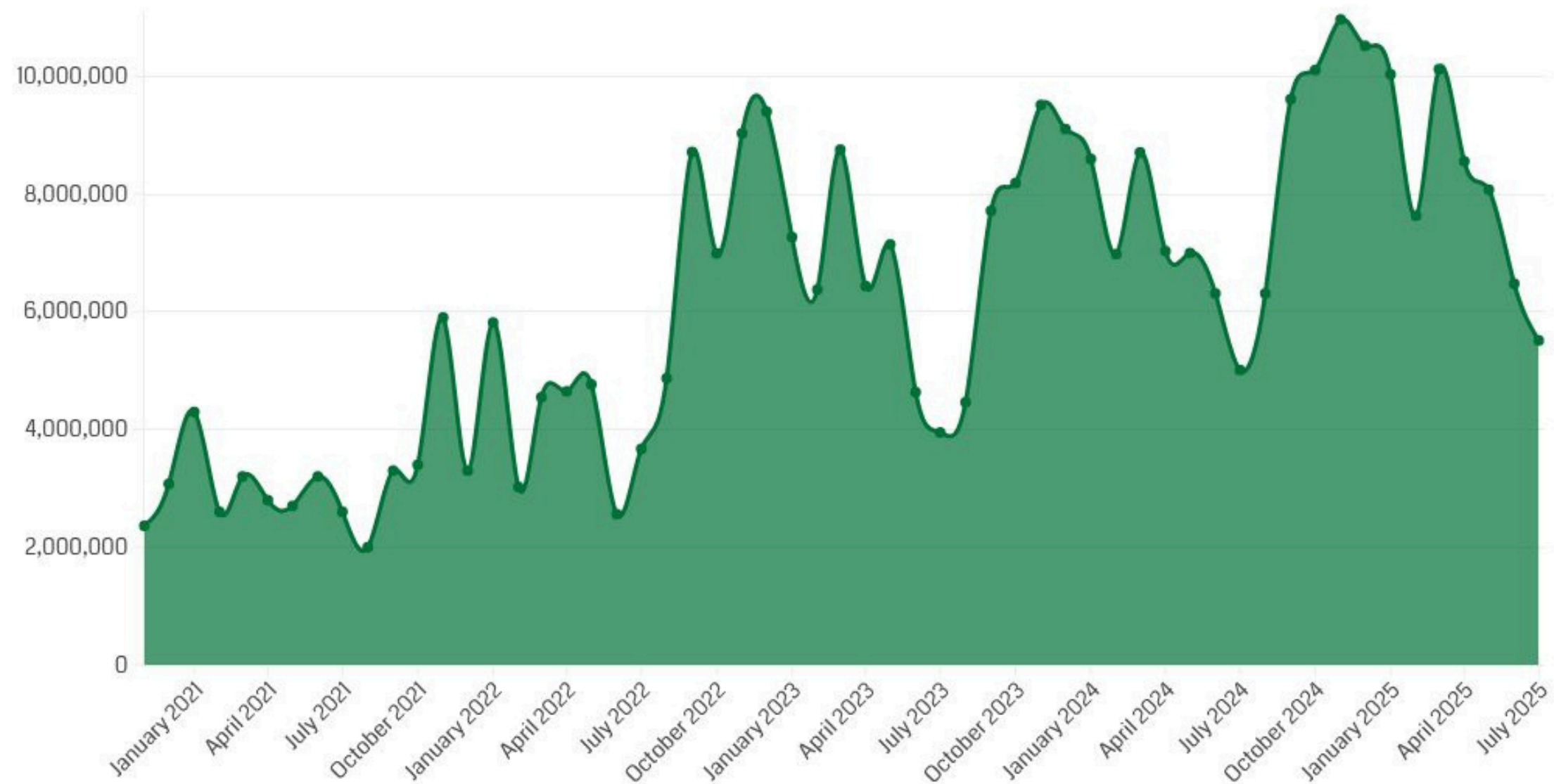
# REGULATORY STRUCTURE

- **Sports Wagering Council Oversight**
  - Responsible for licensing sportsbook operators, enforcing compliance, and monitoring market activity
- **Licensing Requirements**
  - Financial stability standards, background checks, & demonstrate fair/secure technology
- **Open Licensing Model**
  - No cap on the number of operator licenses available



# TAX STRUCTURE & REVENUE MODEL

Privilege tax assessed since sports betting was made legal in Tennessee



Source: [Tennessee Sports Wagering Council Monthly Sports Gaming Reports](#)

Tennessee levies tax on **the handle**, not **gross gaming revenue (GGR)**

**1.85%** privilege tax on handle

# TAX STRUCTURE & REVENUE MODEL

## Revenue Allocation

Tax revenue funds education programs, regulatory operations and responsible gambling programs.

## Impact on Market & Operators

Handle-based taxation increases financial pressure on operators, affecting odds and promotions for consumers.

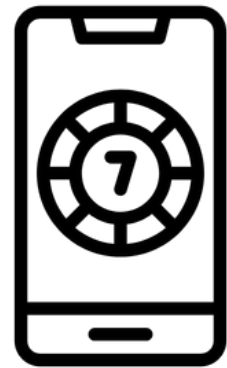
	FY 23/24 (Actual)	FY 24/25 (Estimate)	FY 25/26 (Estimate)	FY 26/27 (Estimate)
<b>Gross Handle</b>	\$ 4,733,448,859	\$ 5,186,282,558	\$ 5,445,596,686	\$ 5,717,876,520
<b>Growth Rate</b>	20%	5%	5%	5%

Privilege Tax	FY 23-24 (Actual)	FY 24-25 (Est.)	FY 25-26 (Est.)	FY 26-27 (Est.)
Lottery for Education Fund (80%)	70,055,048	73,557,801	77,235,691	81,097,475
General Fund (15%)	13,135,322	13,792,088	14,481,692	15,205,777
Mental Health (5%)	4,378,441	4,597,363	4,827,231	5,068,592
<b>Total Privilege Tax</b>	<b>\$ 87,568,810</b>	<b>\$ 91,947,251</b>	<b>\$ 96,544,613</b>	<b>\$ 101,371,844</b>

# LICENSED SPORT BOOK OPERATORS

	American Wagering, Inc.	initial license date – 3/11/21; most recent renewal date – 7/27/25
	Bally's Interactive, LLC	initial license date – 3/10/22; most recent renewal date – 3/1/25
	Betfair Interactive US LLC	initial license date – 11/1/20; most recent renewal date – 10/24/24
	BetMGM, LLC	initial license date – 11/1/20; most recent renewal date – 10/24/24
	Crown TN Gaming LLC	initial license date – 11/1/20; most recent renewal date – 10/24/24
	Hillside (Tennessee) LLC	initial license date – 2/11/25
	Penn Sports Interactive, LLC	initial license date – 9/8/21; most recent renewal date – 9/7/25
	Seminole Hard Rock Digital, LLC	initial license date – 7/27/22; most recent renewal date – 7/27/25
	VIP Play TN, LLC	initial license date – 5/24/23; most recent renewal date – 5/24/25)
	FBG Enterprises Opco, LLC	initial license date – 3/1/23; most recent renewal date – 3/1/25

# CONSUMER PROTECTION



## Mandatory responsible gambling tools

Licensees must allow bettors to restrict themselves (time and money limits) and must take steps to enforce those limits.



## Self-exclusion

The SWC administers a voluntary self-exclusion process and can disseminate requests to other licensees for broader coverage.



## Public help resources

Tennessee promotes treatment/referral resources like the Tennessee REDLINE (800-889-9789) and other state-linked services.

# CHALLENGES

## Regulatory Tension

Policies aimed at boosting tax revenue can limit how sportsbooks set odds and run promotions, creating friction between regulators and operators.

## Responsible Gaming Concerns

Mobile-only betting raises concerns about overuse and problem gambling, especially in young bettors.

## Advertising Scrutiny

Excessive betting advertisements have sparked public concern and regulatory scrutiny, putting pressure on sportsbooks.



# OPPORTUNITIES



## **Continued growth runway (online-only convenience)**

Tennessee's mobile-only design removes retail bottlenecks and keeps acquisition and usage friction low, which tends to support long-term handle growth.



## **Product innovation + compliance modernization**

The SWC has demonstrated willingness to update rules which can reduce gray areas and make the market more stable for operators and consumers.

**THANK YOU**

**Questions?**