

From Agony To Ecstasy For Atlantic City's Online Advocates

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[Tony Batt, Gambling Compliance](#)

An apocalyptic gloom haunting New Jersey's gaming industry vanished — at least temporarily — on Thursday when Governor Chris Christie surprised almost everyone by opening the door for Atlantic City casinos to enter the Internet gambling market.

It could take the New Jersey legislature only about 30 days to pass a new bill addressing Christie's concerns in his [conditional veto of an Internet gambling bill](#), according to sources.

After the new bill reaches his desk, the governor would have ten days to sign it into law.

“Atlantic City wins because, since the governor's conditions are minor and easy to incorporate, it appears that Internet gaming is finally on its way,” said Gary Ehrlich, a former deputy director of the New Jersey Division of Gaming Enforcement.

“The governor wins because he has done the right thing for New Jersey now,” Ehrlich said. “And if he seeks national office later, his veto message is indicative of a governor who is pro business, but remains concerned about the social effects of online gaming.”

Matthew Levinson, the chairman and chief executive of the New Jersey Casino Control Commission, said Christie “has repeatedly demonstrated his [commitment to Atlantic City](#) and its gaming industry and his careful consideration and review of this bill is another indication of that commitment.”

Christie's decision puts Atlantic City back “on the national map as a leader” in the gambling industry, according to Israel Posner, executive director of the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism.

“This will allow Atlantic City to expand its database and recapture customers lost in the last five years to surrounding states, especially Pennsylvania,” said Posner, who estimated Atlantic City's 12 casinos have lost about \$2bn to border states since 2008.

Guy Michael, another former deputy director of the New Jersey Division of Gaming Enforcement, said Internet gambling will give Atlantic City “a much needed facelift by providing it with a gaming option available virtually nowhere else. This comes at a very opportune time.”

But there are still potential roadblocks that could derail efforts to legalize intrastate Internet gambling in New Jersey this year, according to New Jersey gaming attorney Frank DiGiacomo.

“There could be a lawsuit challenging the [constitutionality of an Internet gambling law](#) because the New Jersey Constitution requires all wagering to occur in Atlantic City,” DiGiacomo said.

“The governor's conditional veto also would raise the tax rate (on Internet gambling revenue) from 10 percent to 15 percent, and that could be problematic,” DiGiacomo said.

Nevertheless, DiGiacomo described the governor's conditional veto as a positive development for Internet gambling in New Jersey.

Fearing that Christie would repeat his unconditional veto of a similar bill in 2011, Internet gambling advocates launched an [almost desperate campaign](#) in the last few weeks to persuade the governor that the future of New Jersey's casino industry was at stake.

"I believe that the governor listened to stakeholders in Atlantic City," said Donald Hoover, a gaming consultant in Somers Point, New Jersey.

Hoover also said he thinks Christie has become more knowledgeable about Internet gambling than he was two years ago when he [vetoed the earlier bill](#).

"An outright veto would not have stopped New Jersey residents from gambling online, but implementing a strict regulatory framework for online gambling serves as protection for consumers," Hoover said.

John Pappas, executive director of the Poker Players Alliance, also praised the lobbying effort of Internet gambling advocates in New Jersey.

"While the New Jersey legislature has some work to do before this bill becomes law, we believe this is a victory for New Jersey residents who reached out to the governor in droves, expressing support for this bill," Pappas said.

"Now, New Jersey is well positioned to serve as a leader in the innovative Internet gambling market and can pave the way for other states to adapt similar structure moving forward," Pappas said.

The U.S. Department of Justice and the National Football League, both of whom are suing New Jersey to block [the state's new sports-betting law](#), declined to comment on Christie's conditional veto of Internet gambling.

New Jersey State Senator Ray Lesniak, the sponsor of the Internet gambling and sports-betting bills, said earlier this week he did not think the governor's decision on Internet gambling would have an impact on the sports-betting case.

The New Jersey Division of Gaming Enforcement, the American Gaming Association and PokerStars, which is attempting to purchase the Atlantic Club Casino in Atlantic City, also declined to comment on Christie's conditional veto.