

Internet Gambling

Overview

- It is estimated that there are more than 2,000 Internet websites offering various online gambling options, including casino games, poker, sports betting, lotteries and bingo.¹
- Global online gambling is expected to rise to \$94.4 billion USD by 2024.²
- Approximately 85 nations have chosen to legalize and regulate online gambling.³
- The Division on Addiction of Harvard Medical School has been studying long-term behaviours exhibited in online sports betting, casino, poker and other games since 2005, and has found that there are no scientifically-based empirical studies proving online gambling increases the risk of addiction and that the majority of online play is done in a very moderate manner, spending minimal amounts.⁴
- Developments in the United States related to the legalization of online gambling are occurring at the State level.
- Nevada became the first jurisdiction in the United States to legalize Internet gambling in 2013.⁵
- Of the 44 states with lotteries, 11 allow some form of internet play, either permitting lottery tickets to be sold over the internet or offering online lottery subscriptions. Of the 25 states with commercial casino gambling, internet gambling is available in

Delaware, Nevada, New Jersey, Pennsylvania and the U.S. Virgin Islands. Michigan and West Virginia have recently legalized iGaming but are not yet offering it.⁶

- In May 2018, the U.S. Supreme Court overturned a 1992 federal law against sports betting. This allows state legislation to pass laws allowing regulatory framework for legalized sports betting. Since 2018, in the United States, 22 states and the District of Columbia have approved sports betting. In 12 states, intrastate mobile sports betting has been implemented or authorized, so bettors can place bets from their phone or computer.⁷

Legality in Canada

- Section 206 of the Criminal Code of Canada makes it illegal to operate or place a bet through an offshore Internet casino. Gambling must be authorized by a province within a province.
 - ▶ Under section 207 of the Criminal Code of Canada, provincial governments are permitted to conduct and manage computer-based lottery schemes like Internet gambling and offer them to their own residents in accordance with provincial laws.
- In March 2010, a study conducted by Ipsos Reid found that:⁸
 - ▶ 77% of Canadians believe gambling over the Internet is legal; and,
 - ▶ 55% of Canadians agree that Internet gambling should be permitted as long as it is regulated by government.

¹ Williams, R.J.(2009), Internet Gambling: Prevalence, Patterns, Problems and Policy Options (<https://hdl.handle.net/10133/693>)

² Zion Market Research (January 2019), Global Online Gambling & Betting Market (<https://www.zionmarketresearch.com/news/online-gambling-betting-market>)

³ American Gaming Association, Online Gambling Five Years After UIGEA

⁴ Division of Addiction, Cambridge Health Alliance, A teaching affiliate of Harvard Medical School (2013), Outcome of a Paradigm Shift New Ways for the Scientific Analysis of Online Gaming: Implications for Addiction Research and Responsible Gaming (http://eldiario.deljuego.com.ar/images/stories/Notas/00_2014/bwinpartyHarvardWhitepaper.pdf)

⁵ National Conference of State Legislatures

⁶ National Conference of State Legislatures – Fiscal Brief September 2020 (https://www.ncsl.org/Portals/1/Documents/fiscal/NCSLSeptemberFiscalBrief_Internet_Gambling.pdf)

⁷ National Conference of State Legislatures – Fiscal Brief September 2020 (https://www.ncsl.org/Portals/1/Documents/fiscal/NCSLSeptemberFiscalBrief_Internet_Gambling.pdf)

⁸ Ipsos Reid Polling Findings Update: Perceptions of Internet Gambling, March 23, 2010

(http://canadiangaming.ca/wpcontent/uploads/media_releases/internet_gaming_in_canada_public_perception_and_behaviour.pdf)

Canadian Overview

- Canadian Internet gamblers have a wide range of educational levels, higher household incomes (\$74,600) and average household debt (\$78,056).⁹
- All age groups are involved in Internet gambling, but it is more common in younger adults (average age of 35.5 years).¹⁰
- Atlantic Lottery was the first provincially owned lottery corporation to have a transactional website. The provincial government in British Columbia, through the British Columbia Lottery Corporation (BCLC), was the first province in Canada to offer casino-style games online to its residents in July 2010.
- Below is a summary of the online games offered by provincially owned lottery corporations in Canada, with New Brunswick and Alberta launching online casino-style games in 2020.

Area	Lottery	Bingo	Sports	Casino	Poker
Nova Scotia, Newfoundland & Labrador, Prince Edward Island	X	X	X		
Québec	X	X	X	X	X
Ontario	X		X	X	X
Saskatchewan and Alberta	X	X		X	X
Manitoba	X	X	X	X	X
British Columbia	X	X	X	X	X
New Brunswick	X	X	X	X	

- Over 90% of Canadians now have access to regulated online casino-style games.
- British Columbia saw a decrease in its problem gambling rates following the launch of the online gambling site¹¹. The launch of the Espacejeux online gambling website in Québec was not linked to a

⁹ Wood, R.T. & Williams, R.J. (2009). Internet Gambling: Prevalence, Patterns, Problems, and Policy Options. Final Report prepared for the Ontario Problem Gambling Research Centre, Guelph, Ontario, CANADA. January 5, 2009. (<https://opus.uleth.ca/bitstream/handle/10133/693/2009-InternetPPPP-OPGRC.pdf?sequence=4&isAllowed=y>)

statistically significant increase in the proportion of online gamblers qualifying as probable pathological gamblers.¹²

- BCLC, Loto-Québec and Manitoba Lotteries joined the Canadian Poker Network, the first regulated poker network in North America, allowing players from the three provinces to play at the same online tables.

Nova Scotia

- Atlantic Lottery has operated its online gaming site, alc.ca, for the four Atlantic Provinces since August 2004. Atlantic Lottery offers a range of online games where Atlantic Canadians, including Nova Scotians, over the age of 19, can play lottery games, Digital Instants, iBingo and wager on Pro-Line sports.
- As part of the 2011 Responsible Gaming Strategy the Nova Scotia government announced it will consider existing and emerging research related to Internet gambling to better understand the trend and determine best practices and policies with respect to regulation.
- In 2016, NSGC engaged the Nova Scotia Health Research Foundation, with input from the Department of Health and Wellness, to conduct a survey of online gambling participation in Nova Scotia. It found that the participation rate in Nova Scotia for online gambling games (poker and casino-style games) was 1.5%. In addition, a majority of respondents think that the Nova Scotia government should offer online gambling (59%) and feel that they would play on this site, with 26% saying 'very likely' and 38% saying 'likely'.

¹⁰ Ibid

¹¹ <http://www2.gov.bc.ca/assets/gov/sports-recreation-arts-and-culture/gambling/gambling-in-bc/reports/rpt-rg-prevalence-study-2014.pdf>

¹² http://www.groupes.finances.gouv.qc.ca/jeu/pub/AUTEN_Online_Gambling.pdf