

SENATE COMMITTEE on RACING, GAMING, and WAGERING

Public Hearing to Consider the Potential for Sports Betting in New York State

Written Testimony of del Lago Resort & Casino
January 24, 2017

Senator John J. Bonacic
Chairman
Capitol Room 503
Albany, NY 12247

Senator Bonacic,

My name is Jeff Babinski and I offer this written testimony on behalf of del Lago Resort and Casino. Thank you Chairman Bonacic and the members of the Senate Committee on Racing, Gaming, and Wagering for the opportunity to offer our thoughts on the important subject of sports wagering.

As you all know, wagering on sports in New York is currently illegal; yet ubiquitous. NFL point spreads are published in most daily papers and are discussed on sports talk radio and television. Wagering on NFL games is big business. The American Gaming Association estimates sports wagering in the United States was upwards of 150 billion dollars in 2016; 3% legally and 97% illegally. In New York the sports wagering business is underground; unregulated and untaxed.

In 2013, the New York State Legislature, and especially the Chair of this Committee, Senator Bonacic, and the Chair of the Assembly Racing Committee, had the foresight to include a provision in the then newly-minted casino law that authorized sports wagering at licensed casinos in New York, if the federal ban was lifted by an act of Congress or a decision of the federal courts. Racing, Pari-Mutuel Wagering and Breeding Law - PML § 1367(2). When enacted, that provision was met with bemusement – the ultimate in wishful thinking. Now, that foresight may pay dividends. Should the Supreme Court strike down the federal ban found in the Professional and Amateur Sports Protection Act (PASPA) in its entirety – still a long shot, but certainly a possible outcome in Christie V.

NCAA – New York casinos will be authorized to accept sports wagers. We, at del Lago, stand ready to add sports wagering to our mix of games.

Three items require mention. Each of these matters has a direct impact on the efficacious integration of sports wagering into the New York gaming landscape. First, there have been press accounts about other gaming venues – for example, racetracks and OTB’s – being authorized to conduct sports wagering. It is del Lago’s view, and that of most every gaming expert who has opined on the matter, that such venues would be constitutionally prohibited from offering sports wagering, even if the federal ban were lifted. Therefore, an amendment to the State Constitution would be required. As we know, such an amendment would require votes by two successive legislatures and then a majority vote in a statewide referendum. The absolute earliest that referendum could be held would be November, 2019. And if it passed, the change would be effective January 2020. Del Lago believes that waiting the two years to change the Constitution would place New York at a significant competitive disadvantage to the surrounding states. We must get out of the gate quickly if we are to compete with New Jersey and Pennsylvania for sports wagers. We cannot afford to wait.

Second, the casino law requires a sports wager license in addition to the license required to operate a casino in New York. PML § 1367(3)(a). This redundancy makes little regulatory sense and will also seriously hinder the quick and efficient addition of sports wagering in the casinos. All casino operators in the State have been subjected to a rigorous licensing protocol. Unnecessary licensing duplication will waste time and jeopardize the efficient introduction of sports wagering into New York. We urge this Committee to take a hard look at the sports wagering licensing provision of the current casino law.

Last, but perhaps most importantly, I offer for your consideration the issue of offering sports wagering online to New York residents. New Yorkers have been placing bets on sporting events via the telephone for decades and via the internet for as long as there has been an internet. If legal sports wagering is limited to inside the casinos’ bricks and mortar facilities, it is unlikely to succeed. New York bettors will not drive to a casino to place a sports wager; it is too easy and too ingrained to simply pick up the phone or click on a computer and continue to wager illegally. For sports wagering to truly benefit the consumer, the gaming industry and the State, del Lago believes it must have an on-line delivery component.

Like all of you, we eagerly await the Supreme Court's ruling and we look forward to the day when we can offer sports wagering at del Lago. Thank you.

Jeff Babinski

Executive Vice President & General Manager