

NEW YORK STATE OFF-TRACK BETTING CORPORATIONS

January 23, 2018

Senator John J. Bonacic
New York State Capital
Room 503
Albany , New York 12247

Re: January 24, 2018 Public Hearing To Discuss the Potential of Sports Betting in New York State

Dear Senator Bonacic:

Thank you for the opportunity to comment on how the New York State Off-Track Betting Corporations view the potential for Sports Betting in New York State.

Legalized Sports Betting has an opportunity to provide New York State with a viable stream of tax revenue, especially if such activity is operated in the most effective and efficient manner possible.

Articles on the subject of Sports Betting have shown that there is a large interest in allowing such activity in New York State but, as you know, the current legislation that would enable the State to engage in Sports Betting would only allow the existing handful of brick and mortar casino entities to engage in Sports Betting. This would severely limit the opportunity of the general public to engage in Sports Betting. We would imagine that one of the primary reasons to allow Sports Betting in New York State would be to generate revenue for the State. The current legislation, allowing only very limited Sports Betting opportunities in the State, would surely limit the amount of revenue available to the State.

Collectively, the New York State Off-Track Betting Corporations are of the opinion that all gaming entities in New York State, including OTBs, Tracks, and Casinos should be afforded the opportunity to offer Sports Betting. This would allow New York taxpayers to benefit to the maximum by having this new betting option to be offered across the board at all entities regulated by the Gaming Commission.

It only makes sense to allow all these New York entities to offer Sports Betting. It would serve several purposes:

- 1) It would maximize revenue to New York State and, in the case of OTBs, local governments, by having more than just casino locations offering the gaming product.
- 2) It would put all gaming entities on a level playing field, instead of allowing only casinos to offer this and putting others at a disadvantage.

The New York OTBs would propose allowing the OTBs to offer, or to partner with the casinos, in offering Sports Betting at our over 200 brick and mortar throughout all regions of New York State. By allowing a greater distribution, via OTB brick and mortar locations, there would be an attempt to maximize the opportunity for State revenue generated by Sports Betting in New York State. The nature of gaming has become a convenience factor and New York State OTBs, established in the early 1970's, already have a well-established distribution network of brick and mortar locations .

Subsequently, should the State allow Sports Betting to be operated via an internet platform, the New York State OTBs stand poised to engage in legalized Sports Betting. As entities already regulated by the State we believe that we are in a positive situation to assist the State in maximizing revenue from this activity.

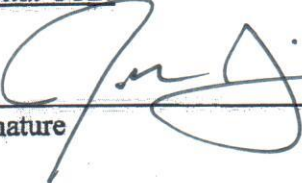
The New York racing industry continues to face significant competitive challenges with the recent opening of Class 2 casinos in Schenectady, Tioga, the Finger Lakes Region and the soon to be opened Class 2 casino in the Catskills, the proliferation of out-of-state ADW providers, obsolete and onerous statutory payments and escalating payments to the racing industry. These issues have understandably impacted the New York OTBs negatively.

This development compounded with a nationwide downward wagering trend in the horse racing industry has brought the struggle of New York's OTBs to the forefront and calls for innovative and both short and long term regulatory and legislative solutions to allow the New York OTB's to continue to provide revenues to the Counties and taxpayers they support.

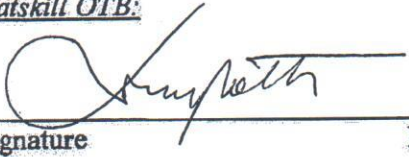
By allowing Sports Betting to be operated by or in conjunction with the New York OTBs there would also be an additional stream of revenue created for the participating OTB member counties and cities because, as you know, the New York OTBs return all their profits to their participating member counties and cities. Thus, allowing the New York OTBs the opportunity to engage or partner in legalized Sports Betting would help the participating Counties providing them with additional revenue to assist in dealing with increased property tax issues, infrastructure issues and the plethora of other additional financial issues that local governments face on a daily basis.

Thank you for the opportunity to provide some insight on how the New York State Off-Track Betting Corporations view the potential of Sports Betting in New York State.

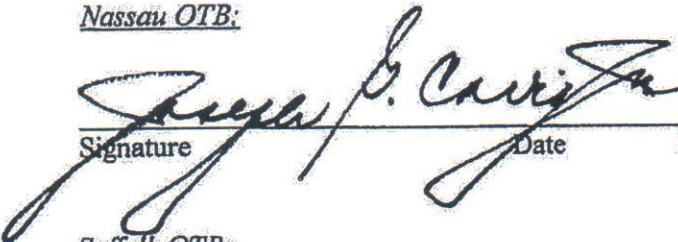
Capital OTB:

 1/24/18 John Siano President
Signature Date Print Name Title

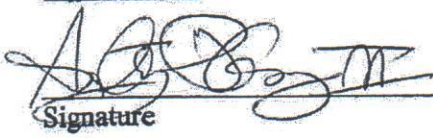
Catskill OTB:

 Donald J. Groth PRESIDENT
Signature Date Print Name Title

Nassau OTB:

 Joseph G. CAIRO Jr. President
Signature Date Print Name Title

Suffolk OTB:

 1/23/18 ANTHONY PARELLO III VICE PRESIDENT
Signature Date Print Name Title

Western OTB:

Signature Date Print Name Title

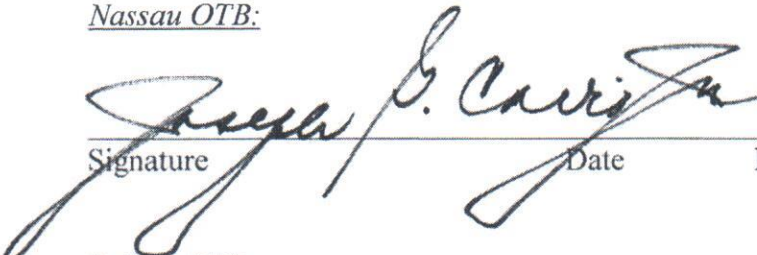
Capital OTB:

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Catskill OTB:

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Nassau OTB:

		Joseph G. CAIRO Jr.	President
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Signature	Date	Print Name	Title
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Suffolk OTB:

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Western OTB:

		Henry F. Wojtaszek	President & CEO
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Signature	Date	Print Name	Title
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