

New York State Senate Committee on Racing, Gaming & Wagering

Public Hearing on Sports Betting with a Mobile Component in New York State

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on behalf of

del Lago Resort & Casino, Rivers Casino & Resort, Tioga Downs and Resorts World Catskills

Chairman Addabbo and honorable members of the Committee, I am here to present testimony on behalf of the four licensed commercial casinos presently operating in Upstate New York -- del Lago Resort & Casino, Rivers Casino & Resort, Tioga Downs and Resorts World Catskills. All four commercial casinos greatly appreciate you holding this important hearing and we are thankful for the opportunity to share our views on "sports betting with a mobile component in New York State."

In just a few short years, our four licensed commercial casinos have made tremendous investments across Upstate New York State, created thousands of permanent jobs, and contributed hundreds of millions of dollars to State education aid and local property tax relief in our communities. In fact, this past fiscal year alone, our four casinos directly contributed \$136.6 million to State education aid and \$33.4 million to our local communities. While we all operate in a highly competitive regional gaming market – with certain very unfair competitive disadvantages – we all continue to deliver on our promise of economic development and growth to Upstate New York.

Given our highly competitive market, however, it is vitally important that New York State give us every opportunity to continue to grow and succeed. We are here today to discuss one such opportunity with mobile sports betting. Before I address the mobile component of sports betting, I do want to share that we are all very excited about upcoming opportunity to offer legal "bricks-and-mortar" sports betting at our four casinos. We are all actively developing brand new, state-of-the-art sports lounges that will combine the very best consumer experience with the very best consumer protections to all New Yorkers who visit our casinos ... and we literally cannot wait to open.

However, as the recent New Jersey experience has shown us, bricks-and-mortar sports betting is just a small piece of the opportunity available to us ... and to our State and local communities. As has been extensively reported, only 20% of total sports betting in New Jersey is taking place at the bricks-and-mortar locations, with an astounding 80% occurring online (and that is with 11 bricks-and-mortar locations currently operating in New Jersey). If that is not proof enough of the inherent limitations of bricks-and-mortar sports betting, we can also look to Pennsylvania which still has only bricks-and-mortar sports betting at the current time. Just recently in the month of March, Pennsylvania took in a mere 10% of the sports betting revenue that New Jersey brought in, despite having several million more people than New Jersey. The bottom line on sports betting is crystal-clear: without mobile, New York will not come anywhere close to fully maximizing the sports betting revenue that our casinos, State education aid and our local communities all greatly need.

When the New York Legislature first took up sports betting back in 2013, you had the commendable foresight to include a novel pop-up provision authorizing sports betting at our Upstate casinos if the Supreme Court ever struck down the Professional and Amateur Sports Protection Act (PAPSA). This innovative foresight gave us a chance to jump out in front of every other State and take the lead when the Supreme Court struck down PAPSA nearly a year ago last May 14th. One year later, however, we are far from the lead. We are already a full year behind New Jersey, with only the modest prospect of achieving 10-to-20% of what New Jersey is going to bank in the next few years. And of course, as Chairman Addabbo has persuasively pointed out, adding insult to injury is the fact that millions of our fellow New Yorkers downstate can easily drive to New Jersey to bet online, sending revenue to New Jersey that could and should be staying at home here in New York.

Just as important as keeping New Yorkers here at home, it is equally important to give all New Yorkers a legal alternative to the online black market. As everyone knows, sports betting is already occurring here online in New York ... but it is underground, unregulated and untaxed. And until we authorize legal mobile sports betting here in New York, the harsh reality is that illegal black market sports betting will continue to occur all across New York, even here in Upstate. Many sports bettors in Upstate simply will not drive to our casinos to place a sports bet; it is too easy and too ingrained to simply pick up the phone or click on a computer and continue to wager illegally online.

Lastly, I want to briefly address the new provisions in Chairman Addabbo's recently amended bill authorizing Indian nations to voluntarily opt-in to mobile sports betting on a commercial regulated basis, in exchange for a limited waiver of sovereign immunity. In our view, this is a very creative solution to address a web of complicated issues – which involve Federal law, the State Constitution, sovereign immunity and gaming exclusivity -- and we support those new provisions, including the requirement that the Indian nations must locate their servers on-site at a commercial casino.

In conclusion, we strongly believe it is critically important that New York authorize mobile sports betting for four key reasons – (1) fully maximizing much-needed revenue for our Upstate casinos, State education aid and our local communities; (2) repositioning New York to quickly catch up to New Jersey and take the lead in this fast-growing sports betting market; (3) keeping New York sports bettors here at home; and (4) providing all New Yorkers with a protected legal alternative to the illegal online black market. For these reasons, we fully support your effort to pass legislation authorizing mobile sports betting in New York this legislative session.

Thank you again for holding this important public hearing and for the opportunity to share our position with you.