

Office of the Commissioner
MAJOR LEAGUE BASEBALL



Testimony of Bryan Seeley
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Kansas Legislature, House Federal & State Affairs Committee
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My name is Bryan Seeley, and my work at Major League Baseball focuses on investigating and combating threats to the integrity of the game. One of these threats comes from sports betting. I appreciate the opportunity to share Major League Baseball's views on House Bill 2792, which, although a work in progress, contains many important regulations and consumer protections that are essential to a legal sports betting framework. We support the framework of HB 2792, with the caveat that we are still working with stakeholders to create a more comprehensive and effective bill in regards to several key areas of concern, as expressed below.

Major League Baseball has an obligation to our fans and our sport to ensure any sports betting law does not damage our game. To manage the significant integrity risks posed by legalized sports betting, states must enact comprehensive regulations requiring airtight coordination and partnership between the state, the casino operators and the sports leagues to closely monitor wagers and enforce regulations to prevent potential manipulation. I am going to detail some of the areas of concern, and how they can be comprehensively addressed through policy.

Our ability to protect our sport from undue influence and manipulation is only as good as the quality of information we receive. One of the primary benefits of a regulated sports betting industry would be increased transparency into what is currently a black box – the betting data in the illegal market. This would provide access to billions of points of data, which could be aggregated, analyzed and acted upon in real time to protect games from outside influences. To ensure this data is available to be put to proper use, HB 2792 requires operators to quickly share data with sports leagues, cooperate with league investigations, and report abnormal betting activity.

Certain types of betting pose greater integrity risks than others. For example, bets on the outcome of a single, controllable act – a bet on who commits the first foul in a basketball game or if the first pitch of an inning is a ball or a strike – are more susceptible to outside influence. The sports leagues know what types of betting impose the greatest integrity risks; therefore we must be able to work with regulators to opt out of the forms of betting that are problematic. This is one area where HB 2792 is currently insufficient to protect the integrity of sports leagues, and as such, Major League Baseball cannot support it as currently written. However, we hope to work with the legislature to address this issue.

It is also critical that sports betting operators rely on verified, uniform sources of statistics and data. Sports betting has evolved far beyond simple wagers on the final score of a contest.

Today, in-game bets – on anything from the number of runs scored in an inning to the result of a specific at-bat – are the fastest-growing form of sports wagers. Imagine some operators marking a batted ball as a hit and others scoring it as an error, followed by a cascading series of bets reliant on that original subjective outcome. The possibilities for real or perceived manipulation are innumerable and would undermine the public trust in sports betting, and the sports themselves. The only way to ensure uniformity, fairness and accuracy of outcomes is to require – by statute – that all sports betting operators use the official and indisputable data and statistics provided by sports leagues like Major League Baseball. While HB 2792 contains such a requirement, we must address this point with greater specificity for the benefit of both state regulators and sports leagues.

Any sports betting legislation should also recognize that, without the professional sports leagues, who make massive investments to create a compelling product, there would be no sports betting. Sports leagues assume all of the risks associated with sports betting, and the damage from even a hint of scandal will hurt the sports leagues far worse than anyone else. It is therefore reasonable to compensate the sports leagues through the mechanism provided in HB 2792, which gives sports leagues a 0.25% share of sports betting dollars as consideration for the leagues' investment to create a compelling product, the risk to reputation and integrity that accompanies sports betting, and the expenses the leagues will incur to rigorously protect and police integrity. Remember, greater sports betting volume, along with a massive increase in the amount of data available to review, means vastly higher costs to the sports leagues to ensure the integrity of sports and protect leagues' hard-earned reputations.

Major League Baseball also supports the additional consumer protections in HB 2792, which include age restrictions, reasonable advertising restrictions such as prohibitions against advertising geared towards minors, and self-exclusion programs for problem gamblers.

Lastly, sports betting must be mobile. Without legal online products, the illegal market will remain nearly as strong as it is today, as many consumers will simply continue to place their bets instantly, and illegally, on their phones as opposed to traveling to a casino. Legal sports betting must be a modern product, which means mobile options, otherwise it will completely defeat a fundamental purpose of legalization. On this front, HB 2792 is an effective and forward-thinking bill.

House Bill 2792 contains many firm regulations that meet the high standard necessary for an effective sports betting law. While some language still requires work, we look forward to working with the Kansas Legislature and state agencies to perfect a bill that will make Kansas a leading example of responsible sports betting regulation in the country.