



**Testimony Before Special Committee on Federal and State Affairs  
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My name is Griffin Finan, Head of Government Affairs at DraftKings, a sports entertainment company with more than ten million registered customers in the United States. DraftKings fully supports the creation of a competitive and well-regulated sports betting marketplace that includes both brick and mortar and online sportsbook options, as is contemplated in House Bill 2068.

In May, 2018, the historic decision by the U.S. Supreme Court to overturn the Professional Sports and Amateur Protection Act of 1992 (“PASPA”) finally returned the power to the states to determine how to approach the question of legalized sports betting within their own borders. Now, dozens of states are focusing on the question of how to best accomplish the policy goals of increasing tax revenue, creating economic activity, protecting customers and eliminating the offshore sports betting market’s reach into the pockets of Kansas consumers.

The early sports betting leader in the post-PASPA world, New Jersey, established a consumer-focused marketplace—fully embracing mobile sports betting—and the results have been significant. Since sports betting was launched in June, 2018, approximately \$1.2 billion has been wagered in the state, and 63% of these wagers were placed via mobile platforms. In December, mobile wagering accounted for 75% of the total amount bet, and mobile continues to grow each month even as wagering at casinos has begun to slow.

The reality is that sports betting is already a thriving market in Kansas, but it’s currently conducted in the shadows. While popular culture conjures up images of old school bookies scribbling down wagers in their little black book, illegal sports betting today takes place almost entirely via offshore mobile apps or online sites. Fortunately, HB 2068 creates the framework to allow multiple online operators to partner with casino licensees or the Kansas Lottery to create a robust mobile marketplace. A marketplace with multiple choices for consumers will lead to a much better consumer experience that forces operators to innovate and to continue to offer new and exciting products to Kansans and to compete with one another. Multiple operators will also increase the overall economic impact that sports wagering has in the state - not only will it create better products and increase customer engagement, it will mean more advertising revenue for local TV, radio and print; marketing partnerships with Kansas businesses, bars and restaurants; and more revenue for the state.

Legal operators are not just competing with other legitimate entities in the U.S., they also have to remain competitive to pricing from the offshore sportsbooks who do not face the same tax and regulatory costs. Barriers to market entry, such as high taxes and fees, cut into an operator’s profit and reduce their ability to offer competitive pricing, a significant factor for consumers



THE GAME INSIDE THE GAME.

when making the decision on where to spend their money. Investment naturally follows the opportunity to be profitable and in order to successfully compete with other states—and eliminate the black market—Kansas should adopt a similar low-tax, low-fee approach. The 6.75% tax in HB 2068 mirrors that of Nevada, where sports betting has been a thriving enterprise for decades, and will create a strong competitive market here in Kansas.

If Kansas wants to maximize revenue, eliminate the thriving illegal sports betting industry, and protect consumers to the full extent possible, these goals can be achieved through the creation of a competitive, open market which fully embraces mobile wagering. We believe HB 2068 does just that.