



**Testimony Before Special Committee on Federal and State Affairs  
December 5, 2018**

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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. In August, we made history as the first company to offer legal mobile sports betting outside Nevada, when we launched in New Jersey.

May's 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.

The early sports betting leader in the post-PASPA world, New Jersey, established a consumer-focused competitive and open marketplace—fully embracing mobile sports betting—and the results have been significant. Since sports betting was launched in June, approximately \$600 million has been wagered in the state, the vast majority on mobile. In October alone, \$260 million was wagered in the Garden State and 66% of the amount wagered was done through a mobile device, far outpacing the state's retail sportsbooks. Despite the fact that DraftKings and other mobile operators didn't begin accepting bets until two months after land-based casinos and racetracks, mobile already accounts for the majority of total sports betting handle generated in the state 2018.

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.

Legal operators are not just competing with other legitimate entities in the U.S., they also have to remain competitive to pricing from illegal, 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 when making the decision on where to spend their money. The approach implemented by New Jersey has also dramatically curtailed the unregulated, unsafe, and illegal sports betting market. 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.

Restricting the sports betting market to just land-based entities such as casinos and racetracks—and not offering a mobile model similar to New Jersey's—also ensures Kansas will leave money



on the table. One recent study found that 71% of bettors currently wagering through illegal sites would continue to do so if there was no legal mobile option, even if land-based sports betting was available in their state. Minus mobile, Kansans will continue to favor more convenient illegal bookmakers, which do nothing to protect a consumer's personal or payment information.

In any framework the state considers for mobile sports wagering, it is crucial to allow for multiple operators to serve the market. 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. More operators means not only better products and customer engagement, it also means more advertising revenue for local TV, radio and print; marketing partnerships with Kansas businesses, bars and restaurants; and more revenue for the state.

As New Jersey has recognized, the ability to register and fund an account via a mobile device are critical components of a modern sports betting regulatory framework. Creating artificial barriers for consumers, such as requiring them to drive hours to register a mobile sports betting account in person, is anachronistic in a time when people file their taxes via mobile apps on their phones.

If Kansas wants to maximize revenue, eliminate the thriving illegal sports betting industry, and best protect consumers, it can best be achieved through the creation of a competitive, open market which fully embraces mobile wagering.