



June 1, 2020

Hon. Bill Dodd
State Capitol
Room 5063
Sacramento, CA 95814

Dear Senator Dodd:

We write in support of Senate Constitutional Amendment 6 (SCA 6), which will create a framework for sports betting in California that will diminish the illegal market and capture significant tax revenue for the state. Thank you for your efforts to ensure Californians have access to safe, legal options for sports betting that serve as viable alternatives to illegal offshore betting sites. Major League Baseball, the National Basketball Association, and the PGA TOUR believe that proper regulation can bring sports betting out of the shadows into a regulated marketplace. We are joined by the Los Angeles Angels, the Oakland A's, the Los Angeles Dodgers, the San Francisco Giants and Golden State Warriors.

We believe the top priority of any effort to legalize sports wagering must be to protect consumers and the integrity of sporting events. Currently, Californians are betting on sports through offshore websites and mobile apps that are unregulated, have no responsibility to protect the integrity of sports contests, and pay zero tax revenue. The best—indeed, the only—way to reduce this illegal market is to provide an equally convenient alternative that is safe and legal. To ensure that consumers move away from the illegal market that exists today, any legal sports betting framework must include options for Californians to wager online and on mobile devices. We support SCA 6 because it will allow for a mobile sports wagering market.

SCA 6 will also ensure that the sports wagering market protects consumers, as it includes a requirement that operators use official league data to settle live bets, meaning bets that are placed during a sporting event and therefore depend on fast, reliable, and accurate data. The only dependable way to offer in-game bets is to use official data that is produced by sports leagues in real time. The alternative—using pirated and other unofficial data sources for these bets—creates a high risk of inconsistent betting results and resulting damage to consumer confidence. Requiring that operators use official league data to resolve the most time-sensitive bets will ensure the accuracy and consistency of betting outcomes and give California access to uniformly reliable and well-functioning in-game betting markets.

SCA 6 will also help the state capture tax revenue that is currently flowing to the illegal market and put it to work for Californians. Experts estimate that a competitive mobile marketplace for sports wagering will

generate tens of millions of dollars in new tax revenue for the state annually, in addition to tens of millions of dollars the state can generate in licensing fees.

SCA 6 is an important first step in the process to creating a safe, regulated, and taxable sports betting market. We look forward to working with you, other stakeholders, your colleagues in the Assembly and Senate, and Governor Newsom's office to ensure the State of California develops a safe, robust, and reliable sports betting marketplace.