



Public Hearing Testimony
Support for HB 5307: An Act Concerning Sports Wagering in the State
Public Safety & Security Committee
March 13, 2018

Good morning Chairmen Larson, Guglielmo and Verrengia, Ranking Member Sredzinski, and other distinguished members of the Public Safety and Security Committee. My name is Steve Wagner. I'm Director of Information Technology at the Connecticut Lottery Corporation, and am here today in support of House Bill 5307, An Act Concerning Sports Wagering in the State.

The majority of people in Connecticut, and across the country, have either participated in some form of sports betting, or know someone who has. Football office pools, baseball home run derby pools, March Madness brackets and Super Bowl squares are commonplace. If a player wants more betting options, there are numerous offshore, illegal online wagering options to satisfy even the savviest bettor.

The fact that sports betting is illegal throughout the vast majority of the United States has done nothing to stop sports betting. If the federal prohibition on sports betting is repealed, and if the policymakers in this building believe that it is time legitimize sports betting in Connecticut, please consider the Connecticut Lottery Corporation as an operator of sports betting. Our sports betting product, like all Connecticut Lottery games, would be regulated in a safe and secure environment utilizing responsible gambling best practices, and would provide a convenient option that all players across Connecticut can enjoy.

The Connecticut Lottery has a long history of providing adults throughout the state with a wide array of different games and play styles, giving players the ability to choose whatever game(s) they find the most appealing. Sports betting would simply be another option for our players across the state. As we have witnessed with the introduction of KENO, some players enjoy the social aspect of certain games that they play while spending time with friends. We already know that people get together to watch sporting events for their favorite teams, but throw a little wager into the mix, and now you have a reason to keep an eye on the 49ers / Browns game playing way off in the corner.

The Connecticut Lottery believes that the variety of people that wager on sports allows for the Lottery, casinos and OTBs to all provide sports betting. The Lottery has an incredible footprint across the state of over 2,900 retail locations. Perhaps a player stops by their local store to pick up a few things, purchases a sports wager at a Lottery retailer, and heads home to watch the games. Or, another person wants to spend the afternoon at a bar or restaurant with a group of friends, so they go to a location that has a Lottery terminal. Still, other players could travel to a casino or OTB for their sports betting, and additional forms of wagering. There is enough variety and locations that sports betting need not be limited to just one entity. However, it should be noted that 100% of the proceeds from the Connecticut Lottery sports wagering would be returned to the State – just like all other Lottery games.

Due to the current restrictive sports betting environment, there are not a lot of real-world examples of legal sports betting in America, and any estimates of illegal betting are guesses at best. Globally, however, *lotteries* regulate approximately 70% of sports betting. The Delaware Lottery operates sports betting for that state. Interestingly, we share the gaming system vendor – Scientific Games – that operates the retailer terminals that sell lottery games and sports betting. Delaware only sells NFL parlay wagers through the retailer terminals. Of their approximately 600 retailers, only 108 locations sold sports wagers, and the gross sales of those few retailers was about \$28 million last year over the course of 20 weeks. That is a huge number, and is *only* from the sale of a single sport for a portion of the year in a very small state.

If the federal prohibition is overturned, and if sports betting is approved in Connecticut, a model similar to the Delaware model could be implemented fairly quickly by the Connecticut Lottery, but we would also like to leverage technology. The sports betting world is fluid, point spreads and odds can change frequently, and the sheer number of games for some sports makes it very difficult to get the most current data to the players. To truly implement sports betting in the best possible way would require the ability to place bets via the internet and mobile devices. This would allow the Lottery to update lines in real time, and give each customer the ability to view all games and options at their leisure.

Thank you for your time, and I'm happy to answer any questions you may have.