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16th Legislative District
Beaver & Allegheny Counties
Gaming Oversight Committee – Testimony on HR 619
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Good Morning Chairman Payne, Chairman Kotik, Members, and guests...my name is Rob Matzie, and I represent the 16th Legislative District for Beaver and Allegheny Counties. I am the prime sponsor of House Resolution 619 – a resolution urging Congress to lift the federal ban on sports betting.

I'd like to thank Chairman Payne and Chairman Kotik for holding this hearing today.

Sports betting, or sports book, in the United States totals an estimated \$400 billion per year, with only 1% taking place in legal form. Fantasy sports betting draws in an estimated 57 million participants.

The reality is that not only has the perception of sports betting changed over the years, but the ways in which to participate in some form of

sports betting has greatly increased. Simply put, people are wagering on sports every day, in many different ways. The vast majority, however, are not doing it legally.

But, not only has public perception changed, so has the opinion of some of the Major Sports Leagues that have traditionally opposed the legalization of sports betting. NBA Commissioner Adam Silver has come out in favor of federally legalizing sports betting. MLB Commissioner Rob Manfred has acknowledged how society's views on gambling have evolved and is open to "fresh consideration" of baseball's official position on the issue.

This is in addition to the flurry of partnerships in the area of fantasy sports betting between the major North American sports leagues and the two largest daily fantasy sports entities DraftKings and FanDuel.

In July of last year, DraftKings secured \$300 million in funding that included investment from MLB, the NHL and MLS, as well as the Madison Square Garden Company, which owns the New York Knicks,

New York Rangers and Legends Hospitality, a joint venture by the New York Yankees and Dallas Cowboys.

FanDuel secured its own \$275 million round of financing that included investment from the NFL and the NBA. As of July 2015, the company had exclusive partnerships with 16 NFL teams and 13 NBA teams, while DraftKings has deals with 27 MLB clubs.

Currently, the US Professional and Amateur Sports Protection Act of 1992 bans sports betting, allowing only Nevada, Oregon, Montana, and Delaware to legally wager on sports. To date, only Nevada and Delaware have chosen to participate. Over the past few years, the State of New Jersey has challenged this law twice – and lost. That did not deter a number of other states - Indiana, Minnesota, New York, South Carolina, Texas and Pennsylvania – from introducing bills to legalize wagering just this past year. But, if passed, it is likely those laws will meet the same fate as New Jersey's. It seems clear that the only way forward is to have the federal law revised or repealed.

To that end, in January of 2015, New Jersey Congressmen Frank Pallone and Frank LoBiondo introduced two bipartisan bills that would allow other states to gain exemptions from the law. Pallone's legislation would exempt New Jersey from the current federal ban on sports betting, while LoBiondo's would create a four-year window in which all states could enact laws providing for sports betting in their state. There has yet to be any action on either of these bills.

I believe that states already authorizing, licensing and regulating casino gaming are uniquely positioned to implement sports betting, in all its forms, if they so choose.

In Pennsylvania, the Pennsylvania Race Horse Development and Gaming Act has created more than 16,000 living wage jobs and produced more than \$9 billion in revenues. It has been, undeniably, an overwhelming success. And it has demonstrated our ability to proficiently and responsibly oversee gaming in our Commonwealth. The

time has come for the federal government to allow the state's to make their own decisions on sports betting.

I once again thank the Committee for the opportunity to appear today, and would welcome any questions.