



November 20, 2020

Chair Michael Rodrigues
Chair Eric Lesser
Senator Patrick O'Connor
Chair Aaron Michlewitz
Chair Ann-Margaret Ferrante
Representative Donald Wong

Massachusetts State House
24 Beacon Street
Boston, MA 02133

RE: Action on sports betting needed as part of
economic development bill

Dear distinguished members of the Economic Development Bill Conference Committee,

We are your hometown teams and businesses. We employ thousands of people from across Massachusetts, provide year-round entertainment to millions of residents and visitors, and generate billions in economic activity and tax revenue for the Commonwealth.

Since the spring of 2018, following the U.S. Supreme Court's historic decision, we have worked with you and your chambers to pass consumer-focused sports betting legislation. With sports betting not included as part of the budget process, and after two years of good faith collaboration on this issue and the objective absence of any organized opposition, we are deeply concerned at the prospect of legislation not being passed this session. Such an outcome would be detrimental to our businesses, to consumers, and to our Commonwealth, all while providing a major win for illegal, offshore sports betting companies.

That is why we are urging you to pass sports betting legislation as part of the economic development bill currently in conference committee. Quite simply, Massachusetts can't afford to

wait. This is a unique moment for the legislature to act to protect consumers, create jobs, and generate an estimated \$50 million in direct, annual tax revenue to the Commonwealth.

The fact is that there is already a huge betting market in Massachusetts - it's just a thriving illegal market run by offshore sites that continue to advertise heavily to Massachusetts residents. According to a study by Oxford Economics, approximately 1.4 million Massachusetts residents place almost \$3.2 billion in sports wagers online in the illegal market. These illegal mobile sportsbooks are not regulated, they provide no tax revenue or economic benefits to Massachusetts, and they offer no consumer protections. The single most effective way to defeat the illegal market is to create a competitive, legal sports betting framework. The signatories to this letter stand ready to invest heavily to ensure a legal market in Massachusetts will thrive.

Passing sports betting will protect and create jobs here in Massachusetts at a time when many companies have been forced to shrink their workforce. Massachusetts has already lost jobs that could have been housed here by not acting sooner on sports betting. As other states legalized and launched sports betting, DraftKings has had to locate certain jobs outside of Massachusetts. The COVID pandemic also has hit our casinos hard, and MGM-Springfield has had to layoff and furlough hundreds of workers in Western Massachusetts. A legalized sports betting framework would not only allow us to preserve jobs, we fully anticipate that DraftKings, MGM and others will be creating additional jobs in Boston, Springfield and other regional hubs. Conversely, if sports betting is not passed, we anticipate that additional jobs will be lost and others still will be housed in states other than Massachusetts. Legalizing sports betting will not only create jobs and generate direct tax revenue, but also stimulate local economies and businesses across the Commonwealth as sports betting operators invest tens of millions of dollars with local businesses to establish a foothold in the market.

To use a sports analogy, Massachusetts is collectively keeping our bat on our shoulder in the competition for additional jobs in the innovation economy. 21st century sports betting is a high-tech industry that touches on artificial intelligence, analytics, cybersecurity, data, machine learning, wearables, and virtual reality. Until sports wagering legislation is passed, these innovative companies and entrepreneurs will not be able to begin here or grow here.

Lastly, we want to address tax revenue, which we know is a major priority for the legislature as the Commonwealth grapples with the short- and long-term economic impact of COVID-19. Passing sports betting will create a new, on-going revenue stream to the state, including an estimated \$50 million in immediate revenues for the FY2021 budget.

We understand that COVID has greatly impacted the legislature's ability to do business. In the case of sports betting legislation, however, much of the hard work has already been done. Full public hearings have been held on the issue by the Joint Economic Development Committee. The House has already released sports betting legislation out of that committee. The major stakeholders in the space – including those of us on this letter - have come together on legislative principles that we all support. The Governor introduced a bill that would legalize and regulate sports betting in Massachusetts and included revenue in his budget from sports betting. The Massachusetts Gaming Commission has played an appropriate role throughout this

process and stands ready to oversee this new industry. To the extent that additional issues have been raised during this process, we believe the House and Senate should be able to work out remaining details rather than delaying action for months and months. Now, it's a simple matter of getting this over the goal line.

We appreciate your continued work and leadership during these difficult times, and ask that we finish the work we began two years ago by passing sports betting as part of the economic development bill in this legislative session.

Sincerely,

Sam Kennedy
President and CEO
Boston Red Sox

Robyn Glaser
SVP Business Affairs, The Kraft Group
&
Club Counsel
New England Patriots/New England Revolution

Chris Kelley
President and COO
MGM Springfield

Jason Robins
CEO
DraftKings

Andy Levinson
SVP, Tournament Administration
PGA Tour

Matt King
CEO
FanDuel

CC: Senate President Karen Spilka
Speaker Robert DeLeo