



From the *EXECUTIVE CORNER*



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## Legislature Looks at Daily Fantasy Sports and Sports Wagering

California's wealthiest Native American Indian Tribes appear determined to pass an Internet poker bill in the 2016 legislative session. On the same day the California Assembly Governmental Organization Committee (GO) passed the nation's first bill to regulate daily fantasy sports (DFS), AB 1471 Gray, the chairman of the powerful California Nations Indian Gaming Association, Steve Stallings, issued a press release asking legislators to pass I-poker before acting on DFS.

There are currently 32 tribes listed as members, but Stallings said the membership has adopted a set of principles for "Internet gaming" (notice he said gaming, not I-poker.) The issues have included "no expansion of gaming, protecting sovereignty and exclusivity, and consumer protections."

I'm not sure how one argues that allowing tribes and card rooms to offer gaming on the Internet is not an expansion of gaming. But that's merely one piece of the puzzle that now includes DFS and sports wagering.

The chair of the Assembly GO Committee, Adam Gray, is committed to finding a solution that works for the state, consumers, racing, tribes, and card rooms. This year it is more important than ever that CTBA work with Chairman Gray, Senate GO Chair Isadore Hall, Vice Chairs Eric Linder and Tom

Berryhill, and all the members of the committee. These three issues must be looked at as a whole in order to protect racing.

Legislators and other gaming interests must understand that for tribes and card rooms, expansion on the Internet is nothing but a gain in the games they can offer and new market share. For racing, allowing new games on the Internet is creating new competition in a space that has been exclusively racing's for more than a decade and our only actual growth area. Legislators can't ignore the history of racing in our state, the economic significance, agricultural importance, employment both on the farms and the union jobs at the tracks, as well as the tourism dollars generated in local districts as a result of racing.

There is little doubt that consumers, especially millennials, want to play DFS, and so far, our state attorney general has not weighed in as New Jersey and Nevada AGs have done. It seems likely that the legislature will authorize a bill to regulate the games. DFS lounges in California's biggest sporting venues have proved not only profitable, but a magnet for the new demographic everyone is looking to capture. Enhancing the player experience has boosted ratings, attendance, and fan loyalty. Can racing capture our share of this new DFS market?

Lastly, sports wagering may not be as

far in the future as it once was. Chairman Gray introduced a new bill on the issue in January. AB 1573 would legalize sports wagering if passed by the federal government and the voters. The bill would become operative only if the federal Professional and Amateur Sports Protection Act is amended or repealed. In the past, the change in federal law was opposed by major league sports commissioners, who now support a change in the law.

California has a history of leading social policy change in the past decade, and many believe it's time to legalize the billion-dollar industry. Under Gray's bill, horse racing, card rooms, and tribes would all be allowed to accept wagers. Sports betting is a natural for racing, given that's what we already do. Racing will strongly support this bill and ask that the bill be amended to allow only brick-and-mortar gaming establishments to accept wagers, therefore protecting California jobs and our established gaming operators.

CTBA will also continue to look at opportunities to strengthen and expand our satellites and our mini satellites this year in addition to the three eGaming issues. There is much to do this election year. You can help by letting your own elected representative know how critical these issues are to California horse racing. Another Triple Crown winner wouldn't hurt either. **CTB**