



From the EXECUTIVE CORNER



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Tribes, Card Rooms, Professional Sports, and Buffalo Wild Wings

THE RACE TO THE 2020 BALLOT

Frederick W. Lewis once said, “The time to win a fight is before it starts.” Lewis could have been talking to supporters preparing a ballot initiative on sports wagering, not only to beat competing proposals, but also to gain the 50-60% voter approval necessary for passage.

Unfortunately, the 2017-18 session ended on Aug. 31 without consensus on a constitutional amendment for the 2018 ballot legalizing sports wagering. As time goes on, more and more interests appear ready to gamble on their piece of the sports-wagering pie. One of the latest, the nation’s largest sports bar, Buffalo Wild Wings, is reportedly actively exploring opportunities, including potential partners. Unlike the legislative process, where racing and existing licensees have relationships with key leaders who understand the complexities of gaming, the initiative process more resembles the Wild West.

Assembly GO Chair Adam Gray, D-Merced, has plans to bring stakeholders to the table immediately in 2019 in what is sure to be an even more complicated path to consensus. We are fortunate to have chairs in both houses who support racing, tribes, and card rooms. They must also balance the benefits to the state and maximize the benefits of a regulated market. The question is not “Will there

be a measure on the 2020 ballot?” The question will be “How many and what will they look like?” Will they include racing? The Internet? Wing joints? IT companies or Nevada interests? Virtually anyone with deep enough pockets can bypass the legislature and go straight to the voters. This should be a cause for great concern.

New partnerships are announced regularly, such as Boyd Gaming and MGM Resorts International. The deal has the pair partnering on both online and mobile gaming, making them an immediate force in the space. The partnership also enhances their efforts in states in which they hope to influence state lawmakers. Major-league sports and their broadcasters also appear to be pursuing their slice of the gaming pie along with business interests based in Nevada.

I spoke with Chairman Gray recently, and he tells me he’s looking for a solution that protects existing gaming interests and the jobs we support. He cautions those who would stand in the way that they could be left behind as others go straight to the voters. His challenge is to craft something that protects our interests but allows for growth in sports wagering and creates a product that consumers will support on a November ballot. There must also be a benefit for the state. He wisely

points out that businesses that only fight over existing customers and don’t adapt to consumer needs are all too often left behind in the market.

As for racing, building strong coalitions with tribes and card rooms is critical as we attempt to shape this policy. Something we need to do today is establish focus groups to determine additions that would help increase support from the voters. Including benefits for the lottery, for example, and increasing protections for underage bettors or problem gamblers should help gain support. But it may take more for the voters or more to advance support for one initiative over another.

This is the time to think outside the box. This is the time for us to consider what’s important to the voters and how a presidential election year will affect voter profiles and voter turnout. You can be certain that other interests, currently not licensed, are doing exactly that in hopes of getting a piece of the multi-billion-dollar California market.

We have many more questions than answers at the moment. The time to act is now. George Woodbury once said, “No farmer ever plowed a field by turning it over in his mind.” The looming fight for sports wagering on the 2020 ballot will likely be won well before that first Tuesday in November. **CTB**