



*From the EXECUTIVE CORNER*



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## UPDATE ON 2022 SPORTS WAGERING INITIATIVES

A fourth initiative has now cleared the Attorney General's Office and is eligible for signatures for the November ballot. The Age-Verified Tribal Online and In-Person Sports Wagering Regulatory Act is sponsored by Graton Rancheria, Rincon Band of Luiseno Indians, San Manuel Band of Mission Indians, and Wilton Rancheria.

The proposal seeks to allow a federally recognized Indian Tribe that has Indian land in California to elect to offer online sports wagering entirely off Indian lands and not be subject to the Indian Gaming Regulatory Act (IGRA.) It also increases to 15% the gross revenues shared with non-gaming tribes. In return for allowing online and expanded in-person sports wagering and table games, tribes would pay another 10% of adjusted gross revenue to combat homelessness and mental health. The required threshold of

verified signatures for the 2022 ballot is 997,139.

The majority of gaming tribes still support the brick and mortar initiative (the only qualified measure), which includes four California racetracks and is the only effort supported by CTBA. The four tribes mentioned are also working on a well-funded, coordinated effort to move the measure through the Capitol and avoid the costly signature-gathering effort.

There are serious concerns that the three online measures will seriously impact our ADW handle by eliminating racing's exclusivity to California's online wagering. And competition for online customers is very costly. The value of many providers has fallen dramatically since May of last year due to promotions and taxes. A key question, analysts suggest, is whether controlling pricy promotions will pay off soon enough. Industry es-

timates the average costs per customer for online is between \$300 and \$500. Additionally, many tribes remain very concerned regarding the loss of in-person traffic to casinos.

There will be a tremendous amount of money spent between now and November, more litigation, more provider promotions, campaign ads, and more polling. Some experts believe the original tribal effort will garner more support from voters who prefer the in-person requirement over mobile. They also believe voters have relationships and trust with the tribes they know in their local communities and may not be ready for big out-of-state interests to control California wagering. Voters might just vote no on all four if all four qualify. One thing is certain, the campaign teams are going to make a fortune on sports wagering in 2022. **CTB**