

March 3, 2022

VIA EMAIL DELIVERY

Senator Andrea Stewart-Cousins
Senate Majority Leader
188 State Street
Legislative Office Building, Room 907
Albany, NY 12247

Dear Majority Leader Cousins:

Under your leadership, the New York State Senate will address many important issues in the FY2023 budget that will impact your constituents and chart the economic trajectory of the state for decades to come. Senate Racing, Gaming and Wagering Committee Chairman Joseph Addabbo recently introduced S8412, a bill that would authorize and regulate interactive gaming, also referred to as internet gaming (iGaming), in the Empire State. If enacted this legislation would provide over \$500 million in immediate and recurring annual tax dollars and also bring meaningful protections to New York consumers. We strongly urge you to include iGaming provisions in the one-house Senate budget.

The iDevelopment and Economic Association ([iDEA Growth](https://www.ideagrowth.org)) is the preeminent association advocating for responsible policies that enable state-regulated iGaming and internet sports wagering to spur economic growth and protect consumers. Our members – 32 companies and growing -- represent all segments of the internet gaming industry and are licensed in legal jurisdictions throughout the U.S. and the rest of the world. It is worth noting that many of our members are licensed by the New York State Gaming Commission and are proud to be part of the state's recently launched mobile sports betting market.

As was evidenced when New York legalized mobile sports betting, there is huge demand for safe, legal online gaming in this State. We conservatively estimate that iGaming will generate over \$2 *billion* in annual gross revenues at maturity, and at least \$500 million in *immediate* tax revenues for this year's budget. For perspective, New Jersey, with less than half of New York's population generated \$1.36 billion in iGaming revenue¹ in 2021. S8412 captures a growing and sustainable

¹ [DGE Announces December 2021 Total Gaming Revenue Results](#); January 14, 2022; New Jersey Division of Gaming Enforcement.

source of revenue instead of letting these dollars flow to the illegal market or neighboring states, like Connecticut, Pennsylvania and New Jersey, that have already legalized iGaming.

The need for iGaming regulation goes beyond tax dollars and it has never been more timely or apparent. Without even realizing it, hundreds of thousands of New Yorkers are wagering and inadvertently sharing their personal and financial information with dozens of readily available illegal offshore casinos and poker rooms that provide no consumer protections and little assurance of getting paid back if you win. Regulating iGaming creates a legal, accountable alternative, run by New York's trusted casinos, and safeguarded by the New York State Gaming Commission.

Since online betting is digital (iGaming and mobile sports betting), it is also traceable. This gives regulated online operators the technical systems they need to confirm an online customer's identity, age and location. The ability to observe a person's betting activity and use technology to evaluate risk, identify erratic behaviors and offer interventions in real-time are incredible responsible gambling tools that have proven to reduce harm. When you couple the work that the land-based industry is doing to protect consumers in casinos with the technological advantages of online gaming, you have a powerful system to ensure compliance and safety.

The coronavirus pandemic has also underscored the need for iGaming. When the upstate casinos closed their doors and then reduced capacity, millions in casino revenue and thousands of casino jobs were impacted – in addition to state tax revenue being lost. New York's land-based casinos should be permitted to embrace the digital era so they can be immune to unforeseen situations like a widespread shutdown and subsequent capacity restrictions caused by the COVID-19 pandemic. iGaming modernization allows New York to expand its current regulated gaming environment in a responsible and positive way, without impacting the land-based casino gaming revenue generated in the state. iGaming will enhance the casinos' connection with existing customers and enable them to meet new ones in ways never before possible.

Data highlighted in a recent report², shows that states with legal iGaming, such as Michigan, Pennsylvania, West Virginia and New Jersey have the exact same revenue trends month-over-month for both online and land-based gaming. The products coexist without impacting the overall growth of gaming revenues. Additionally, many casino operators in these states have expressed gratitude for having online casino and poker options during the pandemic, as iGaming has offset revenue losses from operational challenges caused by the pandemic

² [iGaming in Indiana: Highlighting the Opportunity](#); January 2022; Global Market Advisors.

iDEA Growth, through its members, has decades of experience in iGaming. We have worked with policymakers and regulators across the U.S. to establish policies and procedures to ensure their iGaming (and sports betting) markets are competitive, compelling and have a positive impact. We look forward to working together to push forward an iGaming framework that benefits New York residents and the state.

Sincerely,



Jeff Ifrah
General Counsel, iDEA Growth
jeff@ifrahlaw.com

CC: Senator Joseph Addabbo, Chairman Senate Gaming, Racing & Wagering Committee
Erik Katz, Counsel to the Majority
David Friedfel, Secretary of the Senate Finance Committee