

State of Kansas
House of Representatives

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Francis Awerkamp
State Representative, 61st District

To: House Committee on Federal and State Affairs
From: Representative Francis Awerkamp, 61st District
Re: SB 84 AN ACT concerning sports wagering

Mr. Chairman and Committee,

Thank you for the hearing on SB 84 and for allowing me to testify in opposition.

I oppose this bill for three reasons:

- 1) The numbers. Under this bill the KS Lottery receives only a small percentage of the hold. Rough estimates based on research on this topic, which I am happy to discuss further, show that the Lottery is only receiving about one-tenth of the potential revenue (see chart below).
- 2) The obligation I believe we have due to the KS Constitution language and intention that allows gambling in our state. The Constitution states that the legislature may provide for a state owned and operated lottery. I believe the people of Kansas voted this amendment in because they were intending the revenues to go to the SGF and help with tax relief. I believe the Legislature has an obligation to negotiate the best deal possible on behalf of the people of Kansas
- 3) The control of personal information and also the oversight on problem gambling. I believe the KS Lottery will allow for better controls on both of these items.

Regarding the numbers, here is an example of the numbers involved, and even though the actual percentages and amounts can vary, I believe this offers a helpful explanation of the significant difference to the potential revenue to the state based on how sports wagering is offered in Kansas:

Sports Wagering	SB 84	Lottery Only
Amount Wagered	\$600,000,000	\$600,000,000
Hold/Gross Revenue of 6%	\$36,000,000	\$36,000,000
Overhead/Contract Fees	?	25% or \$9,000,000
Net Revenue to State	7% or \$2,520,000	75% or \$27,000,000

Thank you again for the hearing and allowing me to present testimony on behalf of this Bill.

Respectfully,

Francis Averkamp
State Representative, 61st District