

Neutral Testimony

HB 2740 – authorizing sports wagering under the Kansas expanded lottery act

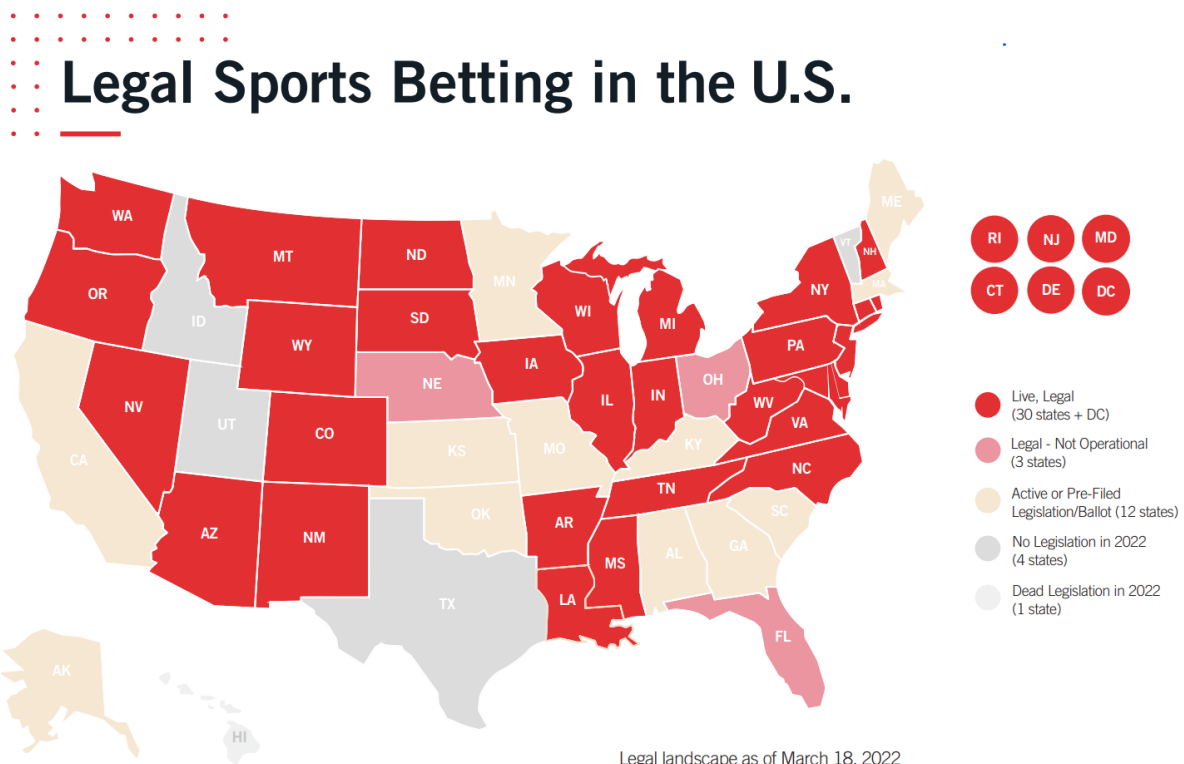
House Federal & State Affairs Committee

March 22, 2022

Chairman Barker and Members of the Committee,

Thank you for the opportunity to provide testimony regarding sports betting. The revenue generated by legalized sports betting is indeed substantial and can positively impact the state and support many needed initiatives and programs. However, as we've learned from state and national gambling surveys, increased access to gambling results in increased rates of problem gambling. KDADS remains neutral on the issue of legalizing sports betting but is strongly supportive of HB 2740's inclusion of the statutorily required 2% transfer to the Problem Gambling & Addictions Grant Fund (PGAF).

In May 2018, the U.S. Supreme Court struck down the Professional and Amateur Sports Protection Act (PASPA), a decades-old, federal law that prevented states other than Nevada from allowing legal, regulated, single-game wagers on both collegiate and professional sports. States and sovereign tribal nations can now set their own policies to legalize and regulate sports betting in an effective manner that protects consumers and creates tax benefits for local communities. Today sports betting is legal in 32 states and the District of Columbia, with 31 jurisdictions already operational. 142 million American adults can now bet legally in their home market. The map below is the most current snapshot of legal sports betting as of 2022.



Problem gambling or gambling addiction include any gambling behavior patterns that compromise, disrupt or damage personal, family, or vocational pursuits. Symptoms include increased preoccupation with gambling, a need to bet more money more frequently, betting more to recoup losses, feeling restless/irritable when trying to stop, continuing to gamble despite negative consequences, and extreme cases can result in financial ruin, legal problems, loss of career and family, and even suicide. 1% of U.S. adults are estimated to meet criteria for severe gambling addiction, another 2-3% would be considered to have problematic gambling behavior (not meeting all the diagnostic criteria).

Sports betting will expose a new audience to a form of gambling, which will result in an increased demand for prevention and treatment services. The National Council on Problem Gambling has reviewed more than 140 studies on the connection between sports betting and gambling addiction. The rate of gambling problems among sports bettors is at least twice that of gamblers in general. When sports gambling is conducted online, the rate of problems is even higher. The typical profile of a sports bettor who meets the criteria for gambling disorder are typically male, young (up to age 35), single, fully employed, have a high level of education, and generally are highly impulsive.

KDADS remains neutral regarding legalized gambling activities and gambling expansion, however not unlike other states and entities who profit from expanded gambling, the state of Kansas has a responsibility to ensure appropriate consumer protections are in place to mitigate any harms caused to Kansans from legal gambling, sports betting, gaming, parimutuel racing, and lottery.

Senate Bill 66, the Kansas Expanded Lottery Act, was enacted in 2007 and it was the foresight of Representative Charles Roth and Representative Pat George who raised concerns about the negative impact expanded gambling may have on the incidence of problem gambling and other addictive disorders in Kansas. Due to the concerns, a provision K.S.A. 79-4805 was included in the act that created a Problem Gambling and Other Addictions Grant Fund (PGAF) earmarking 2% of the net revenues from state-owned gaming facilities to be directed toward services to address problem gambling (treatment, research, and prevention) and the treatment of alcohol and other drug addictions. KDADS was provided budgetary authority over the PGAF. KDADS strongly supports HB 2740's inclusion of the statutory 2% transfer to the PGAF.

Kansas Data: FY18-FY21

- 727 individuals presented for treatment at a cost of \$947,506 (\$1303 per individual). The low numbers seeking treatment are reflective of young programs in the development stage; the stigma associated with problem gambling; funding limitations for media, advertising and outreach; and funding limitations for the development of a comprehensive infrastructure including workforce capacity, youth programming, screening integration throughout BH services components
- 83% presenting for treatment were individuals with a gambling disorder
- 17% presenting for treatment were Concerned Others (family member/spouse/children)
- 1828 individuals age 18-65+ made calls to the Helpline for information, Voluntary Exclusion Program (VEP) referral, or referral to counseling/treatment
- 1 in 4 adult Kansans are negatively affected by the gambling behaviors of a family member, friend, or co-worker

Thank you for the opportunity to provide testimony on this important issue.