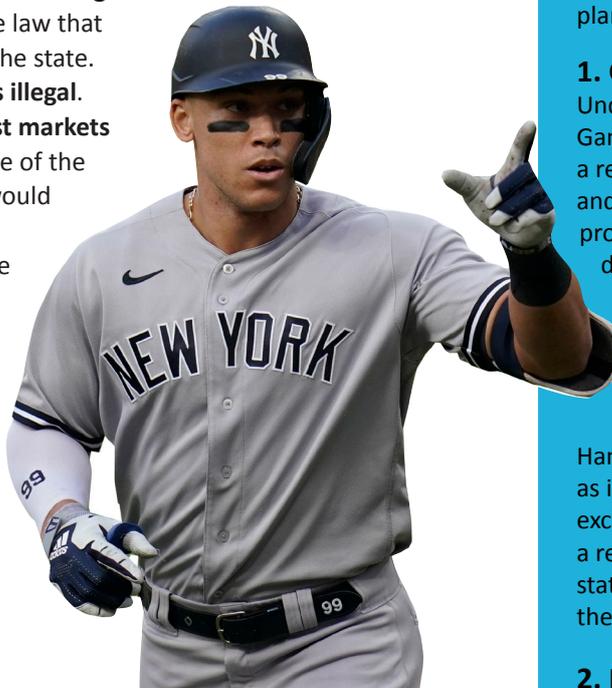


# THE STATE OF NEW YORK SPORTS BETTING

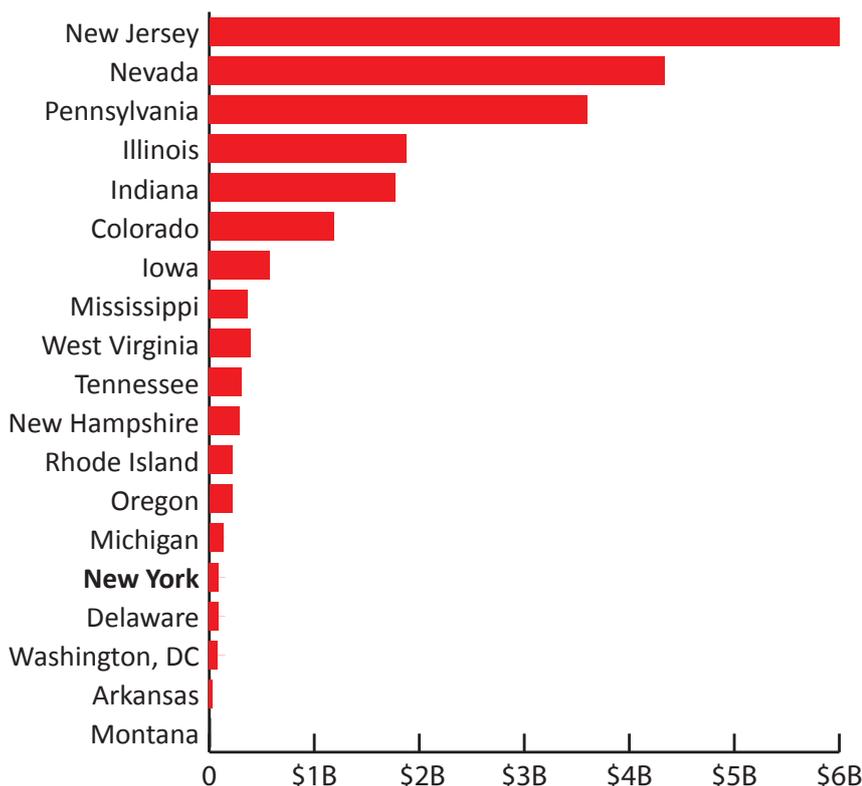
## The current status of NY sports betting

- New York does have **legal sports betting at physical casinos**, under the same law that legalized commercial casinos in the state. However, **online betting remains illegal**.
- New York is **one of the smallest markets** for sports betting activity because of the restriction on online betting. It would quickly be the largest market based on its population, were the state to legalize online wagering.
- The **state legislature has tried and failed** to legalize online sports wagering since the fall of the federal ban in 2018.
- Neighboring **New Jersey** is currently the largest sports betting market in the U.S., thanks in part to New Yorkers placing wagers in NJ.



## NY trails in U.S. sports betting

With only physical sportsbooks, NY is one of the smallest sports betting markets. Here is how much money was wagered legally in every state in 2020, in billions:



## Two plans for NY

Currently, New York features two plans on how to legalize:

### 1. GOV. ANDREW CUOMO

Under Cuomo's plan, the state Gaming Commission would issue a request for proposals to select and license one or more platform providers via a competitive bidding process. This blueprint most closely mirrors the framework in place in a nearby market with barely 1 million adult residents and no commercial or tribal casinos. The lottery in New Hampshire chose DraftKings in 2019 as its sole sports betting operator in exchange for 50% of gross revenue, a relationship which benefitted the state to the tune of \$11 million in the 2020 calendar year.

### 2. NY LEGISLATURE

Lawmakers, on the other hand, have spent three years consulting with analysts, attorneys, experts, and stakeholders to craft a fully conceived plan for expansion via the state's existing gambling operation. Their model would create an inclusive and competitive market built upon the commercial and tribal casinos, a framework more akin to New Jersey's than to New Hampshire's.

### WHICH ONE IS BETTER?

PlayNY's white paper shows that from a revenue perspective for the state itself, the two plans might not be that different. But there are ancillary benefits for the more open model by the legislature:

- Better for consumers who get a competitive marketplace and choice
- A better chance to cut significantly into the illegal, offshore market over time
- Support of local casinos and economies, in addition to more jobs for the state

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## Revenue projections for NY online sportsbooks

Based on the possibility of an open or closed model for US sports betting, PlayNY has projected out what it thinks the NY sports betting industry would look like with online betting:

### Open model: First four years

**\$37 billion**

Sports betting wagers

**\$2.5 billion**

Sports betting revenue

**\$306 million**

Revenue to the state

### Closed model: First four years

**\$7.5 billion**

Sports betting wagers

**\$750 million**

Sports betting revenue

**\$375 million**

Revenue to the state

Revenue to the state is based on a 12% tax rate in the open model, and a 50% revenue share in the closed model. The amount of revenue the state would realize can clearly change based on a different tax rate or revenue share, in either model. Read our full white paper for more on the model.

Here's a more detailed breakdown of what NY online sports betting might look like, with handle (total amount wagered) and gross gaming revenue, over the first four years, according to PlayNY projections. Revenue is divided up with money to leagues in royalty fees, federal excise tax, what the operator keeps and what the state receives, based on the different plans in play.

Open vs. Closed	Year 1	Year 2	Year 3	Year 4+	First 4 Years
<b>Open</b>					
Total Handle	\$ 7,000,000,000	\$ 8,500,000,000	\$ 10,000,000,000	\$ 11,500,000,000	\$ 37,000,000,000
Total Revenue	\$ 483,000,000	\$ 586,500,000	\$ 690,000,000	\$ 793,500,000	\$ 2,553,000,000
Federal Excise Tax	\$ 17,500,000	\$ 21,250,000	\$ 25,000,000	\$ 28,750,000	\$ 92,500,000
League Royalty Fee	\$ 14,000,000	\$ 17,000,000	\$ 20,000,000	\$ 23,000,000	\$ 74,000,000
Operator Revenue	\$ 393,540,000	\$ 477,870,000	\$ 562,200,000	\$ 646,530,000	\$ 2,080,140,000
<b>State Revenue</b>	<b>\$ 57,960,000</b>	<b>\$ 70,380,000</b>	<b>\$ 82,800,000</b>	<b>\$ 95,220,000</b>	<b>\$ 306,360,000</b>
<b>Closed</b>					
Total Handle	\$ 1,500,000,000	\$ 1,750,000,000	\$ 2,000,000,000	\$ 2,250,000,000	\$ 7,500,000,000
Total Revenue	\$ 150,000,000	\$ 175,000,000	\$ 200,000,000	\$ 225,000,000	\$ 750,000,000
Federal Excise Tax	\$ -	\$ -	\$ -	\$ -	\$ -
League Royalty Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Operator Revenue	\$ 75,000,000	\$ 87,500,000	\$ 100,000,000	\$ 112,500,000	\$ 375,000,000
<b>State Revenue</b>	<b>\$ 75,000,000</b>	<b>\$ 87,500,000</b>	<b>\$ 100,000,000</b>	<b>\$ 112,500,000</b>	<b>\$ 375,000,000</b>