



Lottery's Sport Update  
Senate Finance and Revenue Committee  
September 16, 2019

# Sports Betting in Oregon 101

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# Legal Status of Sports Betting

## **Always Legal in Oregon**

- Lottery Commission has authority to authorize any game via “any existing or future methods”
- Lottery authorized Sports Action (ended in 2007)
- Oregon was exempt from federal law prohibiting sports gambling

## **Professional and Amateur Sports Protection Act of 1992 (PASPA)**

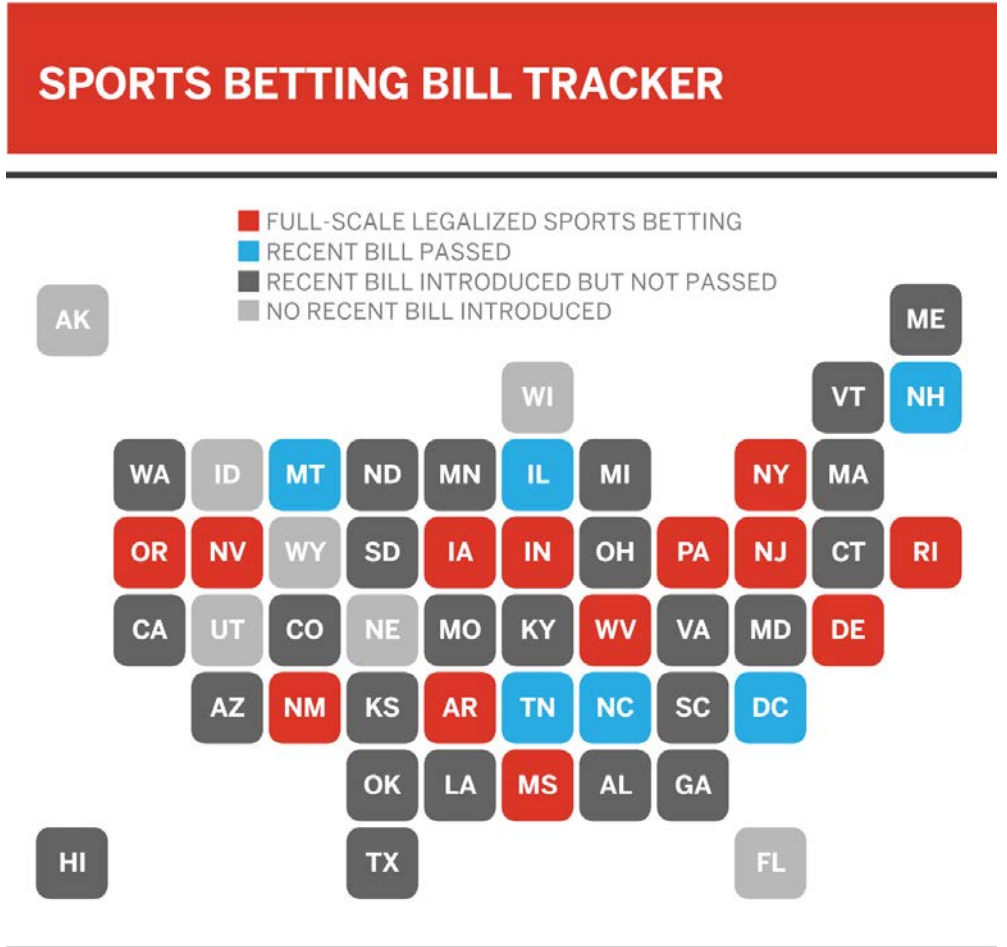
- Federal legislation that effectively outlawed sports betting nationwide, excluding a few states (including Oregon)

## **Murphy v. National Collegiate Athletic Association (May 2018)**

- U.S. Supreme Court ruled that states should have the right to regulate and tax sports betting, and that it was unconstitutional for the federal government to ban them from doing so.
- Opened the door to all states to offer different approaches to sports betting.

# Current Status of Sports Betting in Other States

- Thirteen states (including Oregon) have legal sports betting (Arkansas, Nevada, Delaware, New Jersey, Mississippi, West Virginia, New Mexico, Pennsylvania, Rhode Island, New York, Iowa, and Indiana)\*
- Many other states have recent or pending legislation (e.g. Montana, Washington D.C., etc.)\*
- Early results show revenue is exceeding expectations, especially where mobile is available (NJ, PA, NV, WV).



\*Source: ESPN "United States of sports betting: An updated map of where every state stands," (updated 9/1/19)

# Why Sports Betting in Oregon?

- **Responsible Revenue Growth Strategy**
  - Increases revenue to the state without asking current players to play more by attracting new players
  - Lottery has not launched a new game in more than a decade
- **Player Demand:**
  - An estimated 28 million Americans would wager on sports if it was legal (American Gaming Association (AGA));
  - About 375,000 Oregonians bet on sports in the past six months;
  - Nearly one in five Americans bet on sports in the past year;
  - Americans bet more than \$15 billion on the Super Bowl and March; and Madness; 97 percent of that was illegal (AGA).

# Revenue Projections for Sports Betting in Oregon

PERIOD	HANDLE	WINNINGS	GROSS GAMING REVENUE (GGR)	PRODUCT EXPENSES*	OTHER EXPENSES**	CURRENT PERIOD NET PROFIT
YEAR 1	\$332.8 M	\$306.2 M	\$26.6 M***	\$5.2 M	\$16.5 M	\$4.9 M
YEAR 2	\$555.9 M	\$507.4 M	\$48.5 M	\$9.1 M	\$27.8 M	\$11.6 M
YEAR 3	\$722.3 M	\$656.2 M	\$66.1 M	\$12.5 M	\$33.1 M	\$20.5 M
<b>TOTAL</b>	<b>\$1.6 B</b>	<b>\$1.5 B</b>	<b>\$141.2 M</b>	<b>\$26.8 M</b>	<b>\$77.4 M</b>	<b>\$37.0 M</b>
<b>%GGR</b>				19%	55%	26%

\* Includes customer service management, gaming finance management, responsible gaming management, compliance management, acquisition and retention marketing service management, and fail over service support.

\*\*Potential data royalty fees, payment processing fees, third-party vendor costs for services such as Know Your Customer (KYC), geolocation and other data feeds, marketing and promotional spend, staffing costs, hardware costs, retail commissions, and reserve funding.

\*\*\*Factors impacting revenue: illegal sports market is not expected to entirely transfer (incentives like tax avoidance, etc.); sports betting is high volume, but low margin; sports betting will never replace revenue from VLTs and other traditional Lottery products.



# What will Lottery's Sports Betting Game Look Like?

**OREGON**  
**SCORE** **LOTTERY**  
**BOARD**™

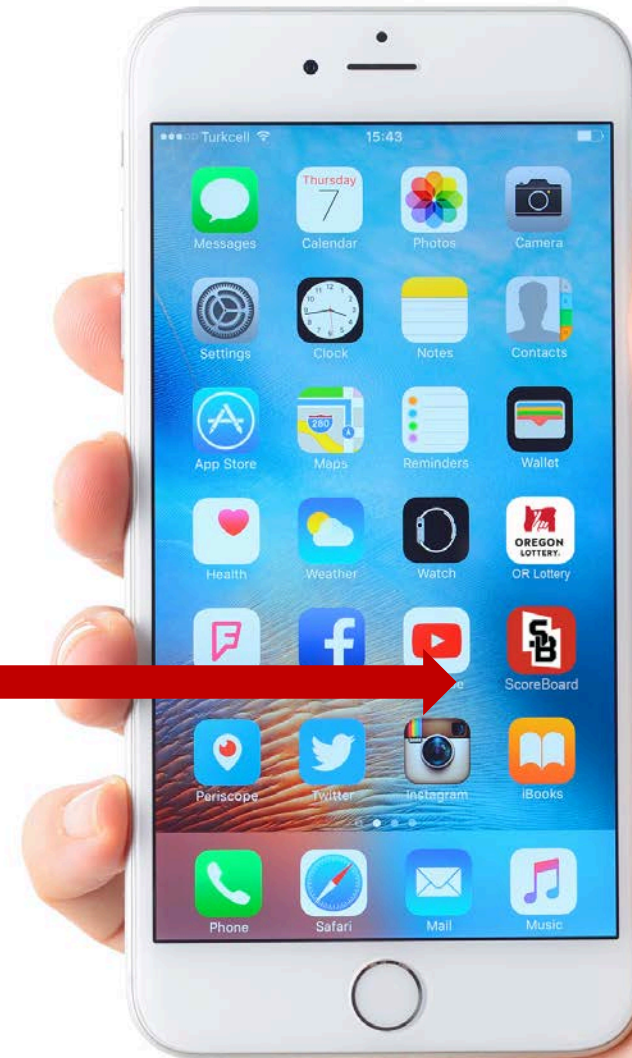
*Coming Soon...*





# Overview of Scoreboard

- Available through the Scoreboard mobile app or website
- Full range of domestic and international sports
- Full range of wagering options including single-event wagering, parlay and in-play/live wagering
- Legal, Secure, Age 21+
- Geo-fenced can play anywhere in Oregon except on tribal lands
- Full suite of Responsible Gaming tools
- Prizes subject to same tax reporting and withholding and child support/DHS/OHA debt checks as other Lottery game prizes



# Betting Types in Scoreboard

## Single Event

- Betting on the outcome of a single sporting event.
- Event can be upcoming or in the distant future (Super Bowl winner).

## Parlay

- Combines two or more wagers for higher potential return.
- All sections in the parlay must succeed for the bet to win.
- Can include wagers across multiple leagues or markets.

## In-Game

- Wagers placed after the event start time.
- Lines and odds are updated throughout the event.
- Allows wagers on the outcome of the event or the likelihood of something happening within the event.

# Responsible Gaming Integration

- **Deposit Limit Required:** To register for a player account, and in advance of wagering, every customer must set a deposit limit amount.
- **Knowledge is Power:** Play history is no longer anonymous; players can see how much they spend on gaming over time.
- **Odds, payouts and how games work:** This information is fully integrated into game content.
- **Loss limits:** In addition to the required deposit limit, players can set additional personal limits in their player account, such as a loss limit.
- **Time-outs and Self-exclusion:** Up to 30 day “time out” from ability to access Scoreboard and receive marketing or temporary or even permanent self-exclusion from having a player account.
- **NOTE:** Director Pack is committed to no high-velocity games (VLTs) on mobile.

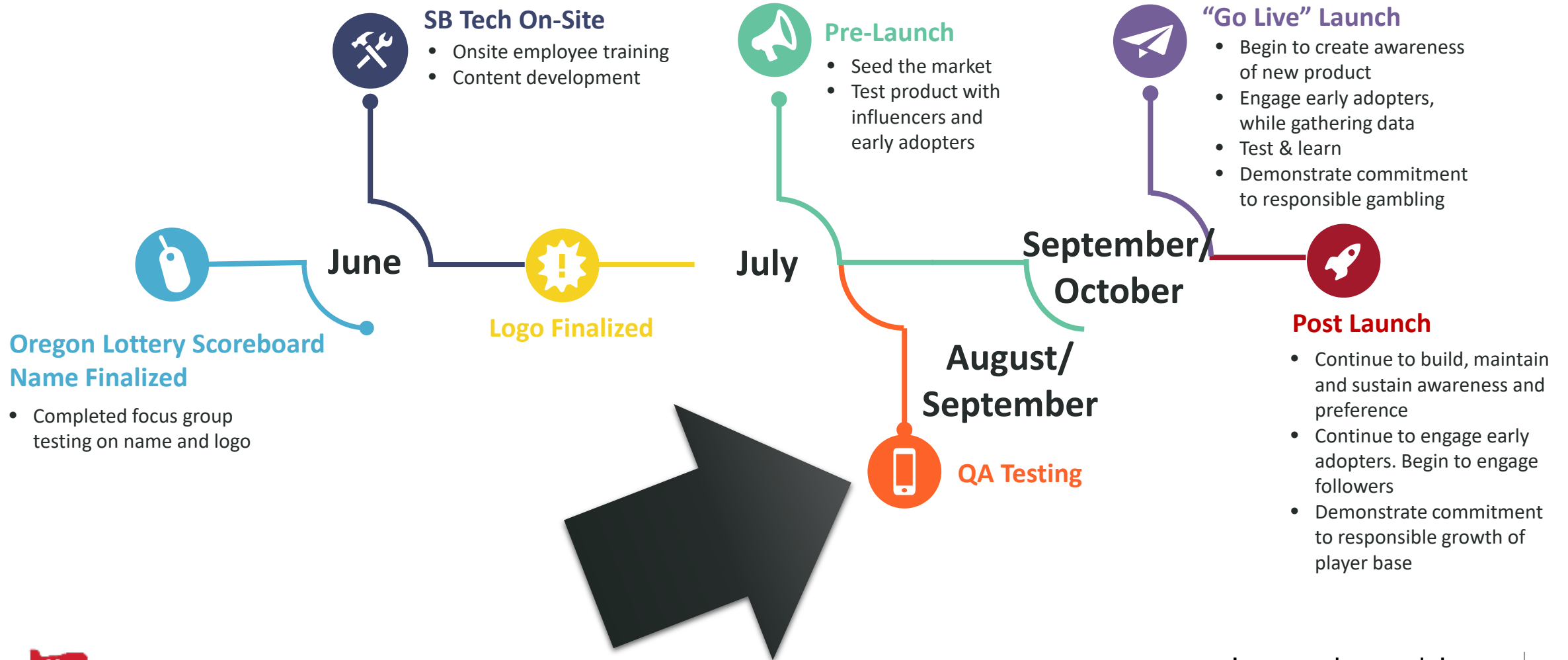
# Responsible Gaming Integration

*Lottery will implement RG training for call center staff*

- Working with RG training experts, Lottery will develop custom training for vendor call center staff
  - In-person training
  - Online resources
  - Chat scripts
  - Escalation processes
- Lottery will work with OHA to train and familiarize helpline staff
- Lottery “hotline” staff will receive updated RG training



# Timeline for Scoreboard Launch...



# Future Plans for Scoreboard



## Scoreboard Mobile App and Website

- Launch Fall 2019



## Kiosks

- Sports betting kiosks located in retail locations
- Launch early 2020



## Lottery Retailers

- Launch parlay game similar to popular Sports Action; available for all current retailers
- Launch 2020

**THANK YOU**

