

Testimony of Xpressbet
Before the Veterans and Legal Affairs Committee

In Reference to:

LD 587, *An Act Regarding the Licensing of Persons To Conduct Advance Deposit Wagering*

And

LD 623, *An Act To Amend the Advance Deposit Wagering Laws*

Public Hearing: Wednesday, March 17, 2020 10:00 AM

Senator Luchini, Representative Caiazzo, and distinguished members of the Veterans and Legal Affairs Committee, my name is James Bass, I live in Augusta, and I'm here on behalf of Xpressbet. Xpressbet is an Advance Deposit Wagering ("ADW") company which is a fully owned subsidiary of The Stronach Group ("TSG"). TSG also owns premier tracks in the U.S. like Santa Anita, Golden Gate, and Gulfstream Park. TSG also hosts the second leg of the Triple Crown, "The Preakness" at Pimlico in Maryland each year. TSG knows how to conduct and support live horse racing. A critical support for live racing is ADW. For those of you that may not be familiar with ADW, Xpressbet functions like a small bank. Customers open an account after we verify their age, address, and identity. The customer deposits money into their account and can wager from that balance on any of the over 300 tracks Xpressbet offers from around the globe. When the wager wins, the customer receives the same amount in his Xpressbet account as if he were at a track. A customer can withdraw funds at any time once their deposit clears or they win.

Xpressbet strongly supports LD 623, *An Act to Amend the Advance Deposit Wagering Laws*, because it will bring more choice and offerings to Maine residents looking to wager responsibly and increases revenue for the General Fund and other in-state entities. While LD 587, *An Act Regarding the Licensing of Persons to Conduct Advance Deposit Wagering*, removes the current monopoly, it does not provide the necessary choice and options like LD 623 does. That is why Xpressbet supports LD 623 but respectfully opposes LD 587.

Currently, only one provider is licensed to conduct ADW in Maine. This limitation forces Maine players onto just one platform. Numerous residents of Maine have contacted Xpressbet many times asking to open an account. Unfortunately, we cannot satisfy this request due to the current limitation on licensed ADWs. We are advocates for Maine residents being able to choose their ADW provider based on their individual preferences, not an ADW picked by the state. Competition breeds excellence in any field and all of the ADWs competing in Maine would create a better experience for Maine's players.

Under this proposal, the state would continue to receive revenue from wagers placed on races both in and outside of Maine. The current cascade of beneficiaries and their portion of captured revenue remains the same under this bill. The only change is that

now the ADW licensee will collect 5% of the gross wagering income and allocate it to the Gambling Control Board for distribution per the statutory cascade.

This bill would open up Maine's horse wagering industry and allow providers to offer innovative products and platforms to Maine consumers all while being licensed and regulated by the Gambling Control Board.

Under LD 623, Maine players would have more choice in ADW provider, more races to wager on, including the Kentucky Derby, The Preakness, and many others. The state would see more revenue, both to the General Fund and to other in-state entities. This is a win for Maine players, Maine's horse and harness racing community, and the state. We respectfully ask that you support LD 623. Thank you.