



**Testimony of Mr. Jason Adkins, Executive Director**  
**Minnesota Senate Commerce and Consumer Protection Committee**  
**S.F. 1949 (Klein)**  
**March 5, 2024**

Chair Klein and Members of the Committee:

We write to support the adoption of significant safeguards to mitigate the harms that will occur through sports betting. To be clear, we oppose gambling expansion altogether and think that, at the most, any sports betting be confined to in-person settings at existing casinos. We believe that sports betting, particularly by putting a sportsbook casino in everyone's pocket via their cell phone, will have myriad negative consequences.

But if we are to have online sports betting, there are certain minimum safeguards that need to be in place before any legislation moves forward. A list of those safeguards, along with the importance of the state securing far more tax revenue than any current proposal provides, is included in this testimony. The rationale for these safeguards, including the ability to for a player to put limits on wagers and create self-exclusionary mechanisms, is outlined succinctly in the enclosed Newsweek article. In sum, sports gambling has taken a toll on people, especially young men. It preys on chemical processes in our brain to feed addiction and keep players betting, making it a predatory industry. And predatory industries that have dangerous consequences, if allowed at all, need significant consumer protection safeguards. For example, as noted in the Newsweek piece:

- Calls to gambling helplines in Virginia rose 387 percent after the first year of legalization
- The risks for gambling addiction have grown 30 percent nationally since 2018
- In New Jersey, it is believed six percent(!) of residents now have a gambling disorder
- In the United Kingdom, a recent study indicated that there were 400 suicides a year due to problem gambling and that 55,000 of the 395,000 problem gamblers in that country were children ages 11-16.

Some people believe that gambling is harmless entertainment, and that people should be allowed to exercise the choice to do so. But that is a sentiment for people who have the personal self-control and financial stability to not be affected by the losses. That is the minority of players. We need to make policy choices that are congruent with the needs and impact on the widest variety of people, especially the poor and vulnerable, and not enact laws of no social benefit for a privileged few.

Again, we do not support gambling expansion, but the list of fixes we identify could help mitigate the harms. No bill should go forward without them. Thank you for your consideration.



## **Recommended provisions that need to be included in online sports betting legislation:**

### **State Revenue**

- Significant increase in the tax revenue that goes to the state through a competitive bidding process for the licenses (e.g. New York has a 51 percent tax rate through a bidding process for licenses)
- Limit the duration of a license to five years

### **Studies**

- Study on the prevalence of sports gambling, including incidence of problem gambling, identifying forms of gambling, types and amounts of wagers won and lost
- Study of the impact of sports betting on problem gambling, gambling disorders, youth gambling\* and suicide

### **Rulemaking**

- Commissioner required to adopt rules to implement best practices to prevent sports betting by people flagged as having a gambling disorder or being at risk of developing a gambling disorder

### **Marketing Limitations**

- Banning push notifications when not in the app\*
- Banning advertising to people after self-exclusion kicks in\*
- No advertising to audiences where more than 20 percent of people are under 21\*
- Required warnings that gambling may be addictive

### **Betting limitations**

- Self-exclusion opportunity
- Mandatory cooling off period\* (3 hrs)
- Geofencing required around schools
- Ban in-game betting
- No betting on sporting events if 20 percent of athletes or more are under 21
- Provide lifetime opt-out platform
- Require personal limits on wagering be implemented within betting apps
- Vendor must notify customer that they can set a maximum deposit

\*In HF 2000 (Stephenson)

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