March 12, 2025

Testimony of David Prestwood on behalf of DraftKings Inc. before the Connecticut General Assembly General Law Committee

Chairman Maroney and Chairman Lemar, Ranking Member Cicarella and Ranking Member Rutigliano, and members of the Committee. My name is David Prestwood, Government Affairs Manager at DraftKings Inc. ("DraftKings"), and I am here today to provide testimony on DraftKings' behalf. I thank the Committee for the opportunity to participate in today's hearing to discuss legislation related to sports wagering and internet gaming, namely Senate Bill 1464, House Bill 5269, and House Bill 5272.

DraftKings is a digital sports entertainment and gaming company with products that range across daily fantasy, regulated gaming, and digital media. Headquartered in Boston and launched in 2012, DraftKings Sportsbook is live with mobile and/or retail sports betting operations pursuant to regulations in 28 states, Washington, D.C., and in Ontario, Canada. The Company operates iGaming pursuant to regulations in five states and in Ontario, Canada under its DraftKings brand. In partnership with the Mashantucket Pequot Tribal Nation, DraftKings is privileged to offer these products in Connecticut.

We look forward to continuing to work with the Committee and with the Department of Consumer Protection on generating tax revenue and investment in the state, protecting Connecticut consumers, and eradicating the illegal wagering market. Thank you for the opportunity to provide testimony today.

Senate Bill 1464

Multijurisdictional Agreements

DraftKings would like to state its support for the provision authorizing the Governor to enter into multijurisdictional agreements for peer-to-peer casino gaming. It is our hope that Connecticut will join the other members of the Multi-State Internet Gaming Agreement to provide better gaming options for Connecticut residents and increase gaming revenue for the state.

Resolution of Errors in Odds

DraftKings respectfully requests that the Committee not adopt the provision represented in lines 257 through 262 relating to errors in odds, or re-write the section in the following way:

> *(8) If the licensee discovers any error in the odds offered on a* ***market of a*** *sporting event for which the licensee accepts any sports wager, (A) not accept any further sports wagers on* ***the that market of the*** *sporting event until the licensee has corrected such error, and (B)* ***void the wager and*** *provide a full refund to each patron who placed any such sports wager with the licensee prior to such discovery; and*

The language presented here potentially conflates a particular market of a sporting event compared to the entire sporting event. The proposed changes above would clarify that an operator must not continue accepting wagers on a market where they know there is an error with the odds–that is industry standard. However, we request the language be clarified to limit the acceptance of any further wagers apply to that market only.

Additionally, DraftKings requests that an operator be required to void a wager with a known error and refund the wager back to the customer, as is also industry standard.

Toll-Free Numbers

DraftKings respectfully requests the Committee not adopt the provisions represented in lines 248 through 254, and lines 267 and 268, requiring gaming operators to establish and display a toll-free telephone number to report and resolve account issues.

DraftKings offers email/chat as the primary means of resolving user issues. Customer issues can be complex, and email and chat allow for routing to a team member that can provide a knowledgeable response in the first interaction. Email and chat allow efficient collection of information and categorization of the customer's issue, which reduces time that a customer would otherwise spend waiting on hold. We have also found that our customers generally prefer digital communication–it limits customer frustration. In addition to email/chat, operators also generally maintain an online help center with answers to the most commonly asked questions that allows operators to resolve issues quickly, reducing potentially long wait times and customer frustration. DraftKings also offers a robust "Contact Us" page highlighting non-email/chat options including direct messages, leaving a voicemail, and requesting a callback, among other options.

Maximum Sports Wagers

DraftKings respectfully requests the Committee not adopt the provisions on lines 273 through 275, and lines 319 and 320, requiring the Department of Consumer Protection to establish maximum wagers for online sports wagering and operators to display those wagers on the platform. DraftKings believes the state's current regulations established by the Department of Consumer Protection already provide customers the opportunity to access information on maximum wagers in an operator's house rules, which can be accessed easily by a customer at any time. The maximum wager an operator may accept generally varies based on the sport, the type of competition and the type of odds. Specifically, Section 12-865-16(b)(8) requires operators to include in their house rules "the policy and methods for limiting the maximum amount that a patron can win on any particular wager."

House Bill 5269

DraftKings respectfully requests that the Committee not adopt this legislation.

Account Ownership

Lines 10 through 12 relate to account ownership, and would permit operators to accept an account deposit from a debit or credit account only where the deposit has been authorized by each owner of an account. In practice, this would prohibit anyone from funding an account with a debit or credit card.

A similar provision was previously included in SB 971 in 2023, and at that time testimony was submitted by a payments institution who stated there is "no feasible way to implement this proposed limitation." We do not believe anything has changed. Due to the mechanics of funding transactions, to the best of our understanding there is no way for an acquirer involved in a financial transaction to verify that there is only one authorized account holder. DraftKings respectfully requests this language be removed and the

Committee speak directly with payments/financial institutions. If enacted, Connecticut would be the only jurisdiction in the United States with such a restriction.

Advertising

DraftKings respectfully requests the Committee not adopt the provision on lines 75 and 76 prohibiting operators from offering or advertising any "financial incentive" to participate in gaming.

In Connecticut and across the country, sports wagering operators already include responsible gaming messages and operate under content, outlet, and target audience restrictions. DraftKings also works hand in hand with regulators and state agencies to ensure that advertising is responsible and accomplishes the goals of all parties to advertise in a sustainable and accurate manner.

Additionally, such a prohibition on offering or advertising promotions would hinder the ability of Connecticut's legal, licensed, regulated sports wagering operators to compete with illegal offshore operators that are not subject to such requirements. Promotions – and advertisements of those promotions – are critical tools to convert individuals who access the illegal market to legal, licensed operators. The Department of Consumer Protection has warned Connecticut consumers about the risks of engaging illegal offshore operators, and legislation related to wagering should further the goal of protecting consumers rather than hinder it.

House Bill 5272

DraftKings respectfully requests the Committee not adopt this legislation. The provision on lines 32 and 33 prohibits operators from offering or advertising any "bonus, credit, or other inducement" to participate in gaming, and as such DraftKings' rationale is the same as represented above for the advertising provisions of HB 5269.