

May 28, 2020

The Honorable Bill Dodd, Chair, Senate Governmental Organization Committee
The Honorable Adam Gray, Chair, Assembly Governmental Organization Committee

Re: Support SCA 6 (Dodd) and ACA 16 (Gray)

Dear Senator Dodd and Assemblymember Gray,

The economic disaster facing California cities is unprecedented. The devastation to our budgets has come swiftly. The impending cuts and layoffs will leave deep scars, depriving our residents of vital services and delaying progress toward economic recovery. Against this backdrop, it is imperative that the California State Legislature act to create new sources of revenue and to also protect and ensure existing revenue streams for local government.

For these reasons, we support Senate Constitutional Amendment 6 (Dodd) and Assembly Constitutional Amendment 16 (Gray) as amended on May 28, 2020 to legalize sports betting in California and to ensure licensed cardrooms operational certainty under the law. Sports betting is now legal in 22 other states. California should act on the opportunity to open the market here. Estimates are that a mature California market could produce over half a billion dollars annually in state revenue.

Meanwhile, the 66 licensed California cardrooms located in 56 cities across the state generate about \$5.5 billion dollars in economic activity that benefits our local economies and generates \$500 million in annual tax revenue. California cardrooms also are responsible for 32,000 high quality jobs for Californians.

Since the shelter-in-place closures, many of us have been disproportionately impacted as we rely on the tax revenues from our local cardrooms to fund resident services such as emergency services, fire, health care, homeless programs, and other vital programs. Some of our budgets are funded by these gaming tax revenues up to nearly 70% of our general fund. We have been decimated over the last several months and need certainty that the Dodd/Gray proposal will provide.

Many of us also represent disadvantaged communities and we rely heavily on the local cardrooms in our cities to provide living jobs for our residents and economic activity that has made a significant difference in our quality of life. During this pandemic-induced recession, some cities simply may not be able to survive.

For these reasons, we implore the Legislature to support Senator Dodd's and Assemblymember Gray's proposal. Failure to do so this year when we need the revenues and the certainty the most, will only further imperil California's safety net. The opportunity to create and protect revenue and jobs should be obvious.

Sincerely,

