

Ohio Senate
Select Committee on Gaming
Testimony
of
Jennifer Rhoads, President and CEO
The Ohio Petroleum Marketers & Convenience Store Association
May 19, 2021

Dear Chairman Schuring, Vice Chairman, and Members of the Select Committee on Gaming. Thank you for the opportunity to submit a written testimony on Senate Bill 176 (S.B. 176).

My name is Jennifer Rhoads and I serve as the president and CEO of the Ohio Petroleum Marketers & Convenience Store Association.

Founded in 1922, the Ohio Petroleum Marketers and Convenience Store Association (OPMCA), is a statewide association representing hundreds of independent, small businesses in the petroleum and convenience industry. OPMCA members own and operate 5,635 retail convenience stores selling motor fuel as well as a wide range of everyday items across Ohio and employ 90,160 Ohioans.

On March 24, 2021, OPMCA Vice Chairman, Mr. Greg Ehrlich, President of Beck Suppliers, Inc., headquartered in Fremont, Ohio, delivered testimony to the Committee on behalf of convenience retailers across Ohio. The message was simple: Please do not lock convenience stores out of the opportunity to participate in sports betting.

At the time, Mr. Ehrlich appeared before this Committee S.B. 176 had not been introduced. Today, I offer comments about S.B. 176 and reiterate convenience retailers' message.

OPMCA respects the work of the Committee and appreciates the inclusion of a sports betting concept for the State through the Ohio Lottery. However, convenience retailers are deeply troubled by the by the language about lottery pool incorporated into S.B. 176.

When the pandemic hit, unemployment went up, traveling to work went down, gas purchases went down, in-store foot traffic went down, online shopping for household goods went up — all seriously injuring convenience stores. Now, convenience retailers are wrestling with how to combat increases in e-commerce like other retailers before the pandemic hit.

Lottery is big business for convenience stores, and convenience stores are vital to the lottery and the success of its games. Half of all lottery tickets sold in the U.S. come from convenience stores. Lottery ticket sales generate substantial in-store foot traffic and sales. Lottery customers purchase additional items when they purchase their lottery tickets that are essential to the health of convenience stores. According to the National Association of Convenience Stores, 95% of lottery customers purchase at least one additional item inside the store.

Retail convenience stores view the opportunity to participate in sports betting as a chance to recover from the pandemic, save their small businesses and perhaps even grow as a direct result of the increased in-store foot traffic and ancillary sales that would be generated by sports betting.

That said, convenience retailers want to offer attractive sports betting options to their customers—the kind of sports betting their customers are accustomed to participating.

Most OPMCA member companies sell lottery products and many have since the Ohio Lottery was created nearly half a century ago in 1974. Retail convenience stores strongly support incorporating current lottery protocols for sports betting to minimize any potential risk. These retailers operate in a heavily regulated industry. It is customary for these businesses to adhere strictly to applicable regulations whether regarding the safe operations of underground storage tanks or prohibiting youth access to age-restricted products. Convenience store manager and customer service associates must go through rigorous training products and view such trainings as standard operating procedures for their roles and responsibilities.

During a time when convenience stores—brick and mortar small businesses in communities across Ohio—are agonizing trying to recover from the pandemic, we respectfully ask that policymakers do not make matters worse for the retail convenience industry. We respectfully ask that policymakers refrain from cutting out convenience retailers when it comes to sports betting. We respectfully ask that you do not lock convenience stores out of what could be an opportunity—one that is attractive to their customers—so they can recover from the pandemic, save their small businesses, and perhaps even grow as a direct result of the increased in-store foot traffic and ancillary sales that would be generated by sports betting.

Thank you again for your time and the opportunity to provide our comments on S.B. 176.