

**Testimony Submitted by the iDevelopment and Economic Association (iDEA Growth)  
to the Senate Select Committee on Gaming  
May 26, 2021**

Chairman Schuring, Vice Chair Manning, Ranking Member Thomas, and members of the Senate Select Committee on Gaming, thank you for the opportunity to testify today. I'm Dan Dodd and I am appearing on behalf of the iDevelopment and Economic Association (iDEA Growth), an organization advocating for regulated online gaming and sports betting in the United States. Our members represent all sectors of this growing industry, including operations, development, technology, marketing, payment processing and law.

iDEA Growth's presence in Ohio dates back to 2019 and in that time, the organization and its members have consistently advocated for the adoption of a free market approach to the sports betting market in the Buckeye State. We are pleased that Senate Bill 176 meets that policy goal and we stand here today as proponents of the legislation.

Our organization encouraged the members of this committee to include several provisions that are included in the bill, and we thank the Chairman, the sponsors, and Senate leadership for their support of those items. The provisions we strongly support include:

- A reasonable tax rate at 10%.
- The establishment of the Casino Control Commission as the regulator.
- The granting of the CCC the ability to implement license reciprocity for states with similar licensing requirements.
- A provision that requires Type A or B license holder to use the licenses awarded to them within a year or face forfeiture.
- The acknowledgement that lottery kiosks will have an acknowledged sports lottery product rather than a lottery product designed to look like odds-based sports betting.
- The establishment of 20 Type A licenses for mobile operators, with those license holders having the opportunity to contract with multiple operators to offer sports betting.

The sponsors, the Chairman, and the Senate President have all voiced a desire to let the free-market work to establish a vibrant sports betting industry in Ohio. iDEA Growth and its members are confident this bill will do just that.

A bill of this scope will always have items that could use clarification or change, and we have items to suggest for your consideration. The first would be the language regarding the prohibition of certain kinds of bets under 3775.02(C)(2)(b). In that section, anyone can petition the Casino Control Commission to prohibit certain kinds of bets and must demonstrate "good cause" for doing so. However, the concept of "good cause" is a vague legal term that could include policy decisions made by future commissioners or staff that were never intended by the General Assembly. We would recommend using the same language contained in 3775.02(I)(3), which requires the demonstration of "good cause that the integrity of a sporting event is in question," as the standard for shutting down betting on a sporting event. Using this

language for general bet prohibitions as well will set a clear baseline of what a team or league must demonstrate in order to have betting on types of games prohibited.

Another item we would recommend is to include language that defines supplier licenses. Every state that has sports betting requires licensure for data suppliers. Our organization strongly supports the licensure of data suppliers and other entities that are involved directly in the creation of betting markets and determination of bet outcomes so that those businesses are accountable to the state for the use of their products. The model language provided last week by iDEA member, Sportradar, would go a long way in providing clear guidelines on what types of entities involved in the business of sports betting need to get licensed and the expectation of licensure from the outset.

We would also like to echo the recommendations made last week by the representative from DraftKings. As the sports wagering industry expands state-by-state it is critical to have consistent rules when it comes to licensing, integrity monitoring and testing. We encourage lawmakers to adopt the best practices in these areas that have been established in other states throughout the U.S.

SB 176 also warrants clarification on the issue of businesses having a physical presence in the state in order to qualify for a Type A license. The language states that the licensee shall have, “One place of business in this state, including a secure facility to house the servicers responsible for accepting wagers through the sports gaming agent’s online sports pools.” [3775.04(A)(2)(b)]. It is unclear if the secure facility must be housed in the same place of business, if it can be located at another facility, or if the secure facility qualifies as the required place of business. We would encourage the committee to affirm that the secure facility only needs to be located within Ohio, as is stated in 3775.10(C), for purposes of complying with the requirements for a Type A license.

The final issue to address in the bill or in separate legislation considered by this committee involves iGaming. The same arguments that are made for legalizing sports betting also apply to iGaming. Three of our neighboring states (Pennsylvania, West Virginia and Michigan) allow iGaming, and for many residents in our state, especially those in southern and southeastern Ohio, it is closer for them to drive to gaming establishments in West Virginia and Pennsylvania than it is to drive to an Ohio casino or racino. We continue to lose revenues to other states when residents spend their time and money in other states. It’s also worth noting that all of the same offshore interests that engage in sports betting now also offer iGaming products that Ohio residents are using every day. We should take advantage of the technology that exists today and allow residents to participate in this style of gaming in a safe, secure manner that is overseen by the Casino Control Commission.

We also feel that it is important to address a couple of claims made in last week’s testimony. The first is the assertion that it should be required that operators use “official” league data. Nowhere in their testimony did any of the teams or leagues provide evidence of a systemic problem regarding faulty data. We agree with the leagues and teams that the use of accurate data to settle bets is critical to the sports betting industry. This is precisely why we support a licensing process for data suppliers that will allow the state to hold someone accountable in the unlikely event a supplier provides incorrect data, while the free market will allow operators to use those data suppliers who offer the best product.

The other item to address is the assertion that Ohio's sports betting market should be arbitrarily capped at twenty operators. This would be antithetical to the free-market approach supported by the Committee and would undermine consumer choice and satisfaction in the marketplace. The evidence is clear that more competition will bring more revenue to the state; revenue that will help pay for education or other critical needs. We urge this committee to continue to back the approach envisioned in SB 176. This will afford all qualified operators the opportunity to participate in the free market, and removes the state from picking winners and losers.

Thank you for the opportunity to testify in support of this legislation. I would be happy to answer any questions you may have.