

Testimony of Rick Limardo  
MGM Resorts International  
Select Committee on Gaming  
Ohio Senate  
Sports Betting Legalization  
May 26, 2021

Chairman and Members of the Committee:

My name is Rick Limardo and I am Vice President of Government Affairs for MGM Resorts International. I appreciate this opportunity to provide testimony in support of sports betting legalization in Ohio on behalf of MGM Northfield Park, MGM Resorts International, and our market-leading sports betting platform, BetMGM.

MGM Resorts International is a global entertainment company with national and international locations featuring best-in-class hotels and casinos, state-of-the-art meetings and conference spaces, incredible live and theatrical entertainment experiences, and an extensive array of restaurant, nightlife, and retail offerings. Here in Ohio, we made a \$1 billion investment in 2018, when we acquired the Hard Rock Rocksino. Now known as MGM Northfield Park, we are one of the statewide leaders in gaming. Prior to COVID-19, we employed nearly 1,000 Ohioans and generated over \$92 million in tax revenue for the state with a significant percentage of that going toward education.

On the sports betting side, MGM is one of the oldest and largest sportsbook operators in the country. We took our first sports wager at MGM Grand in 1979; and now, through our sports betting platform, BetMGM, we process more than \$1 billion of sports wagers annually. Currently, we operate nine physical sportsbooks located at each of our properties in Las Vegas, as well as at our properties in New Jersey, Mississippi, and the “state up north.” We also operate mobile sportsbooks in Nevada, New Jersey, West Virginia, Indiana, Colorado, Tennessee, Pennsylvania, Michigan, Virginia, and Iowa. Last, but not least, we operate a retail sportsbook in Oregon, in partnership with the Confederated Tribes of Grand Ronde at Spirit Mountain Casino. We also just announced a partnership with the Washington Nationals to open a retail and mobile sportsbook in the District of Columbia.

Having testified before this committee earlier this year, I understand and respect the challenges the committee has in putting together a bill that balances policy needs with the statewide industry and stakeholder concerns. I look forward to working with the Committee and the Assembly to address those needs and meet the goal of getting a bill done by the end of June, as stated by Chairman Schuring. Every day without sports betting in Ohio is another day the surrounding states of Indiana, West Virginia, Pennsylvania, and Michigan take tax dollars from Ohioans driving across the border to wager legally; or even worse, to the illegal market which offers no protections to consumers.

To date, 28 states, Washington D.C., and Puerto Rico have legalized sports betting and each day, more states are coming online. Ohio is at the cusp of catching up with its neighboring states by legalizing sports betting. The state must act now or risk falling further behind. To that end, I commend the

committee's efforts working toward balancing those aforementioned policy considerations with stakeholder concerns in S.B. 176.

The sports betting framework in S.B. 176 includes many provisions that are critical to a successful sports betting market, such as a reasonable tax rate, strong consumer and responsible gaming protections, online access and account creation, and strong regulatory oversight, among others. While states have taken different approaches in their respective sports wagering frameworks, it is important that licensing criteria recognize entities that can bank the bet and have existing investments in Ohio, in order to ensure that only the best and most suitable operators are eligible to operate in the marketplace.

Integrity is the bedrock of our business and sports betting.

As a highly regulated gaming company, we must prove that we are suitable for the privilege of holding a gaming license. Our gaming license in any jurisdiction is dependent not only on the integrity with which we operate in that market, but in all markets. As a company with over 25 destination resorts in the United States alone, we have billions of dollars of investment that depend on our ability to conduct our business consistent with the strongest regulatory standards to which we are subject. To put it simply, we are engaged in a race to the top, which is why it is critical that Type A and B licenses recognize those who have made existing investments in the state, as well as the most suitable and experienced operators in the market.

Lastly, I would like to take a moment to address another part of S.B. 176, ebingo. We understand the desire for veteran and fraternal organizations to modernize their offerings, but we are very concerned by the potential unintended consequences of language that could be interpreted to allow slot-like machines in these venues. There are no guardrails in the legislation with regard to how many machines are permitted per establishment, limits on wager and payout amounts, and restrictions on who can play the games. Any type of gaming, whether it be sports betting or ebingo, must prioritize consumer protections. Racinos and casinos in Ohio are actively involved in responsible gaming efforts, including ensuring that Ohioans on exclusion lists are not allowed to participate in gaming activity or unfairly targeted by advertising and gaming promotions. Additionally, our employees are trained to identify unusual wagering patterns and intervene both in-person and online – to ensure the integrity of gaming and that consumers are playing safely and responsibly. We understand there is interest in finding ways to support the veterans and fraternal organizations. We share that sentiment but hope it can be done in a way that offers protections for consumers and the state. I also note that last year, during the pandemic, racinos alone managed to contribute \$275 million to the state education fund. Those contributions and their beneficiaries would be negatively impacted, as we have seen in other jurisdictions, when unregulated and untaxed machines are introduced into the market.

Again, thank you very much for offering me the opportunity to present testimony. We look forward to working with the committee to resolve these matters and move forward with Ohio on sports betting by the stated goal of June 30.