

Good morning Chairman Oelslager

Vice Chair Scherer and Members of the Finance Committee

My name is Mike Bassitt. It is a pleasure to meet with you today. Thank you for this opportunity.

Just for context, my background includes 30 years in business working both as a change management consultant and as a business manager introducing new products with a focus on managing the impacts to all stakeholders involved. I don't have a gaming industry background, but I have seen first and second hand the devastating impacts that problem gambling has had on individuals and their loved ones.

This is an important piece of legislation that may provide some revenue opportunities for the State but will also have negative side effects that must be proactively addressed. I have read the draft Bill, have viewed the presentations from the proponents of the bill, read articles and Op-Eds in the Columbus Dispatch, have personally spoken to Representative Greenspan and Senator Eklund about this topic and have conducted some research on programs designed to help problem gamblers.

I view HB194 as the introduction of a new product to citizens of Ohio. The key elements of a product roll-out such as this are really quite similar to those employed in a traditional commercial environment. Through that lens, I have two primary concerns:

- 1. First, I don't see a shared vision of what sports gambling will look like in Ohio as this is initially introduced and what it may look like a few years down the road.**
- 2. Second, I don't see a clear understanding of how this will affect all stakeholders – with a focus on the problem gambler.**

Lack of a Shared Vision

Before we approve this type of legislation, we need to have a shared understanding of what sports gambling will look like now and in the near future. If this bill were introducing a new sports or arts venue, there would be discussion about what the venue looks like, how people would use the space and what type of events would be held there. There would also be discussion about what impacts the new venue may have on topics such as parking, the environment and public safety. I saw very little of this from the presentation by the casino representatives during the proponents presentations. In fact, the Penn National representative began his speech with the concern about tax rates and how it impacts his company. As a committee member, I would expect that their first, most critical thoughts

relate to how this Bill is going to be a success for the State of Ohio and how they can address any possible pitfalls (e.g. problem gambling) – not about casino's self-interest. The casino companies have a very good idea of what sports gambling will look like. They in fact have complete departments dedicated to strategic planning and new product development. Sports gambling currently includes the traditional outcome bets as well as whole host of additional options from teaser bets, spot bets, combination bets, trifectas, pop up real time bets and cash out options. The broader sports gambling environment will include gambling sites with enhanced graphics, dedicated TV channels providing information on odds and relevant gambling data. It will also include sidebar betting data on TV screens and much, much more. This is not just the occasional, small wager on the outcome for your favorite team.

All this leads to a more complete immersion of the gambling experience which has a direct connection to an increase in problem gambling and addiction.

The casinos may be reluctant to fully articulate the scope of sports gambling – it may scare you!

If it hasn't happened already, our committee members should be traveling to other states that have introduced sports gambling to understand what this looks like, what it may become, what the impacts are to the citizens and what can be done to address those pitfalls.

This feels to me as if we are looking at sports gambling as something we want to take out of the shadows to capitalize on the revenue, but we really don't want to look too hard at what it is, what it may become, and what impacts there may be to Ohio citizens.

Once we have a clear vision, we should then share that with interested parties in Ohio. At this Bill is proceeding now, it will not be taken to Ohio voters. All the more reason to be very transparent about what sports gambling may look like in the future.

How can fully evaluate if sport gambling is right for Ohio if we do not have a shared vision?

Understanding the Impacts to All Stakeholders

There are several key stakeholders in this bill. They include the casinos, the Ohio departments and the constituents that will receive the revenue, our legislators, those affected by problem gambling and the broader Ohio citizen base. The problem gambler is the group I would like to focus on here.

There seems to be very little discussion about this key group. The dialogue seems to be more about what organization should regulate problem gambling and where the money is allocated. Let's not lose focus on how this bill will affect the problem gambler. There is some language in the draft Bill for a self-exclusion program (sec. 3772.03(10)). There have also been some verbal references to possible wagering limits. This may be a start, but has any research been completed that demonstrates the efficacy of these programs? How many problem gamblers would take advantage of this type of program? Do they stay in the program? Is the casino able to identify and stop gamblers in the program? I have reviewed three separate research reviews that cover numerous studies on this topic. The results certainly don't provide the confidence that they would adequately protect Ohio problem gamblers. I will share these research reviews with the Committee. I would also be interested in the casinos evaluation of their own programs since their inception.

Product safety is one aspect of this Bill. Other products such as self-driving cars or new drugs being introduced go through significant safety testing. Why should sports gambling in Ohio be any different? New drugs may have some known negative side effects as they are introduced to market. But these drugs have had extensive testing completed. Approval of the drug is done with a direct comparison of the drug's benefits and side effects. Let's do the same.

Before sports gambling legislation is passed in Ohio, we should apply this same rigor to evaluate and compare the benefits and risks of sports gambling. This would help inform us if this is the right legislation for Ohio and what type of programs are needed to address problem gambling.

The gaming industry surely knows the economic value for 1% increase in their customer base in a particular market. Do we know the economic and emotional impact for every 1% increase problem gambling in Ohio? We should.

When you think of topical issues like how Facebook has treated customer privacy, I am sure our Federal legislators wish they would have done more to address this earlier. Let's not wait for gambling problems in Ohio to worsen before we understand this issue deeper and develop appropriate remediation programs. Let's demonstrate the leadership to address this proactively.

It appears the lot of hard work has already been completed with the proponents of this Bill. My ask is that the committee:

- 1. Develop a shared vision of what sports gambling will look like in the short-term and a few years out and then share this with interested parties in the State.**
- 2. Develop a clear understanding of how this may increase problem gambling and define what proven safeguards will be put in place.**

We owe it to Ohio citizens to fully understand what sports gambling will be and what the impacts are before we roll it out. I offer any assistance I can provide to help do this. Thank you for your consideration!