

Sportradar Testimony- 5/19/2021
Brandt Iden, Head of Government Affairs, US

Chairman Schuring, Vice Chair Manning and members of the Senate Select Committee on Gaming, thank you for the opportunity to testify regarding Senate Bill 176.

My name is Brandt Iden, Head of US Government Affairs for Sportradar. Sportradar is the leading B2B global supplier of sports data intelligence. We capture live, in-depth, play-by-play sports data and deliver it in real-time to clients in media, betting, and sports entertainment. Our non-profit Intelligence and Investigations Services proudly support law enforcement, state, and federal regulators, and over 80 sport's governing bodies worldwide in efforts to monitor global betting patterns, detect match-fixing, and combat sports corruption. We are an international company, employing over 2,000 team members with offices worldwide. Our rapid growth is driven by technological innovation and a deep understanding of the business needs for both our bookmaking clients and league partners.

Sportradar truly occupies a unique position within the sports betting ecosystem, which leads me today to my presence before this committee. As a critical component provider of sports betting data, we would be licensed under section 3775.07 of SB 176 as a supplier. However, as with previous iterations of this legislation, the specifics of the supplier license would be left up to the discretion and rule promulgation process of the regulatory agency.

In anticipation of the passage of this legislation, we have had some preliminary productive and positive conversations with the gaming control board on this topic. However, given the unique nature of our business, we believe that defining this licensure statutorily is in the best interest of all those within our industry. Presently 29 jurisdictions have or are in the process of implementing some type of regulatory structure for sports betting and with that comes 29 separate regulatory agencies. As you can imagine, some operate more effectively than others. Therefore, we have been communicating with the sponsors on crafting supplier licensure language, which is the result of best practices pulled from states throughout the country and it would be our hope that this model language be inserted in section 3775.07 of SB 176.

Very simply this language would clearly define a sports betting supplier and the issuance of a sports betting supplier license. It would also address issues that have arisen in other states, concerning provisional licensure, transparency of company ownership and disclosure information. Defining these licensure requirements in statute provide clear direction and guidance to the regulatory agency when issuing licensing. Moreover, this language creates equity for all company's seeking to obtain a supplier license by establishing a defined set of guidelines, upon which all are treated fairly.

In short, we humbly request that this committee consider strengthening this piece of legislation by adding a clear and concise sports betting supplier licensing definition to section 3775.07 of SB 176. Encapsulating in this language best practices from around the country would ensure that OH is a regulatory leader for our industry and would become a model for other states grappling with sports betting legislation. Additionally, solidifying this language in statute would confer clear legislative intent to the gaming control board when promulgating rules and limit any potential possibilities for the gaming control board to misinterpret the explicit desire of the legislature.

Again, thank you for the opportunity to testify today. I would be happy to answer any questions you may have.

Definitions

"Sports betting supplier" means a person that provides services, goods, software, or other components necessary for a sports betting operation and the creation of betting markets, directly or indirectly to any license holder or applicant. Examples include, but are not limited to providers of data feeds and odds services, internet platform providers, risk management providers, integrity monitoring providers, and other providers of sports betting supplier services as determined by the [regulator]. A sports governing body that provides raw statistical match data to one or more designated and licensed providers of data and odds services shall not be a sports betting supplier.

"Sports betting supplier license" means a license issued by the [regulator] to a sports betting supplier.

Sec. X Sports Betting Supplier License

(1) The [regulator] may issue a sports betting supplier license to a sports betting supplier. A person that is not licensed under this section shall not sell, lease, distribute, offer, or otherwise provide services, goods, software, or other components, each of which are necessary for a sports betting operation, directly or indirectly, to any license holder or applicant. A supplier must be licensed under this section if providing supplier services under a fixed-fee or revenue-sharing agreement.

(2) On application by an interested person, the [regulator] may issue a provisional sports betting supplier license to an applicant for a sports betting supplier license. A provisional license issued under this subsection allows the applicant for the sports betting supplier license to conduct business regarding the operation of sports betting with a license holder or applicant before the sports betting supplier license is issued. A provisional license issued under this subsection expires on the date provided by the [regulator].

(3) A person may apply to the [regulator] for a sports betting supplier license as provided in this act and the rules promulgated under this act.

(4) Except as otherwise provided in this section, an application under this section must be made on forms provided by the [regulator] and include the information required by the [regulator].

(5) The [regulator] shall require applicants to disclose the identity of (a) the applicant's principal owners who directly own five percent or more of the applicant; (b) each holding, intermediary or parent company that directly owns fifteen percent or more of the applicant; and (c) the applicant's board appointed CEO and CFO. The [regulator] shall have the authority to waive any or all qualification requirements for any person or entity in this subsection.

(6) Legislatively created entities such as sovereign entities, government entities, government agencies, pension investment boards, and public corporations, that are direct or indirect shareholders of the applicant, shall be waived from any information disclosure requests in connection to the license application as determined by the [regulator].

(7) Investment funds or entities registered with the Securities and Exchange Commission, whether as Investment Advisors or otherwise, as well as the entities under the management of such entities registered with the Securities and Exchange Commission, that are direct or indirect shareholders of the applicant, shall be waived from any information disclosure requests in connection to the license application as determined by the [regulator].

(8) In no scenario shall a person holding a sports betting supplier license or a temporary sports betting supplier license be subject to, or required to obtain, any additional license to offer the services under this section.