

Ohio Pro Teams, Bowling Alleys Seek to Profit from Sports Gambling

Professional sports teams should be allowed to financially benefit directly from a legalized sports betting system in Ohio, representatives from the Cincinnati Reds and FC Cincinnati told the Senate Select Committee on Gaming on Wednesday.

“It is imperative that Ohio’s sports betting market include access to both mobile and retail sportsbooks for Ohio’s professional teams so that, as the content creators, we share in both the risks and the benefits, just like the casinos,” Reds Chief Financial Officer Doug Healy said. “Legalized sports betting in Ohio imposes risks on our sports that we are willing to accept so long as we also have access to the benefit of new revenue from the new market.”

FC Cincinnati President Jeff Berding said each of Ohio’s eight professional sports teams should be granted one retail sportsbook license and one statewide mobile “skin.”

The testimony from the Healy and Berding was presented shortly after a joint statement on sports gambling was released by the National Football League’s (NFL) Cincinnati Bengals and Cleveland Browns; Major League Baseball’s (MLB) Reds and Cleveland Indians; the National Basketball Association’s (NBA) Cleveland Cavaliers; the National Hockey League’s (NHL) Columbus Blue Jackets; Major League Soccer’s (MLS) Columbus Crew SC and FC Cincinnati; and the PGA Tour’s Memorial Tournament.

“Ohio’s professional sports teams and organizations from the NFL, MLB, NBA, NHL, MLS and PGA Tour recognize the potential benefits of having a legal, regulated sports betting market in the state. As an industry that drives billions of dollars in economic impact and employs thousands of Ohioans, the professional teams are firmly aligned in supporting legislation that enables the franchises to partner with a regulated sports betting operator for market access into the state. As the legislative process continues, Ohio’s professional teams are ready and willing to work with lawmakers and support legislation that ensures integrity, drives the greatest local and state economic impact and empowers the ability of teams to partner with sports betting operators for market access,” the joint statement said.

Healy said casinos and racinos shouldn’t have a monopoly on offerings sports betting services, pointing to other states that are allowing for broader market competition.

“Sports betting markets in Illinois, Virginia and Washington, D.C. granted rights to professional sports teams to control retail and/or mobile sports betting licenses. And leading legislation in Arizona, Georgia, Texas and Maryland, being debated this year, grants license rights to professional teams. Of those states, Illinois, Maryland and Arizona have casinos and the legislation still grants control of additional mobile and retail licenses to the professional sports teams. In Virginia, licensure rights were granted

to both professional teams and newly-legalized casinos at the same time. And in states like Georgia and Texas, where there are no casinos, the proposed legislation recognizes the logical connection with the sports teams and grants them licensure rights," Healy said.

Healy said the teams don't plan to directly run sportsbooks, but would contract out the license to another company.

"It would be an obvious integrity risk if a sports team was also running a sportsbook. In addition, MLB rules and the rules of the other professional leagues would prohibit such a business arrangement. Rather, we are asking for the right to control a license for one mobile sportsbook and a retail location at or near our facilities that we would contract out to established sportsbook operators. The legislative language that we propose would also dictate that the sportsbook partner is the licensed entity and not the team, to make clear that the teams are not running the sportsbook. As I mentioned this is not a novel concept and is up and running in other states," he said.

Healy and Berding also urged the committee to force sportsbooks to use "official league data" for live betting, saying only the statistics from the leagues should be used for integrity purposes and for consumer protection. Casino representatives have argued that such requirements are unnecessary, saying the leagues have already sold their data to companies like Sportradar and BetGenius, which are used by sportsbooks.

The committee also heard from individuals representing bowling alleys, with Bowling Centers Association of Ohio (BCAO) Executive Vice President David Corey saying his members should be able to provide sports betting and electronic bingo at their facilities.

"As Ohio's hospitality businesses struggle to reopen and regain sound financial footing amid the COVID-19 pandemic, it would be another fatal blow if the General Assembly doesn't allow these forms of gaming that would help us attract and retain customers inside our facilities. Allowing sports betting at our facilities is not a COVID-19 bailout for us. Rather it is a long-term opportunity for our centers to thrive and be a part of this new strategy in Ohio," Corey said, noting his members have some of the highest-grossing Ohio Lottery Keno locations in the state.

"As we stated last year, we are a little confused. If you are going to allow mobile sports betting, it doesn't seem very consistent to exclude current Lottery brick and mortar retail locations. Bowling centers will now, more than ever, be at a competitive disadvantage with casinos, racinos and fraternal clubs that have already siphoned many of our customers away and ultimately hurt Ohio's small businesses. All we want is to be able to compete on a somewhat level playing field," Corey said, adding that his industry is only asking for the "scraps" left over, as mobile betting is expected to rake in the vast majority of the new revenue.

In a joint statement, the eight teams and the PGA event said they "recognize the potential benefits of having a legal, regulated sports betting market in the state."

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Pro Teams Throw Weight Behind Legalized Sports Gaming Effort

Ohio's professional sports teams and the Memorial Tournament on Wednesday announced their support for legalizing sports gambling in the state.

The announcement comes as the [Senate Select Committee on Gaming](#) Trackcontinues to explore the issue, along with electronic bingo.

"As an industry that drives billions of dollars in economic impact and employs thousands of Ohioans, the professional teams are firmly aligned in supporting legislation that enables the franchises to partner with a regulated sports betting operator for market access into the state," they continued.

"As the legislative process continues, Ohio's professional teams are ready and willing to work with lawmakers and support legislation that ensures integrity, drives the greatest local and state economic impact and empowers the ability of teams to partner with sports betting operators for market access."

The select committee, meanwhile, fielded testimony from representatives of some of those teams.

Doug Healy, CFO of the Cincinnati Reds, said integrity-related provisions will be an important aspect of any measure to legalize sports gambling.

Those, he said, include the sharing of real-time betting line information to ferret out corruption in the betting markets, a procedure for governing bodies to petition the regulator to restrict bets, a ban on "insiders" – including players and coaches – from placing wagers and a requirement that sportsbooks use official league data.

Mr. Healy also called for any legislation to provide the state's professional sports teams with access to both mobile and retail options.

"Let me be clear, we do not intend to run sportsbooks. It would be an obvious integrity risk if a sports team was also running a sportsbook. In addition, Major League Baseball rules, and the rules of the other professional leagues would prohibit such a business arrangement," he said.

"Rather, we are asking for the right to control a license for one mobile sportsbook and a retail location at or near our facilities, that we would contract out to established sportsbook operators. The legislative language that we propose would also dictate that the sportsbook partner is the licensed entity and not the team – to make clear that the teams are not running."

In response to a question about official league data from [Sen. Cecil Thomas](#) (D-Cincinnati), Mr. Healy said most sports books have already gone that route, calling it the "gold standard."

[Sen. Niraj Antani](#) (R-Miamisburg) raised the specter of betting kiosks in stadiums, but Mr. Healy said organizations envision fans using mobile apps for in-stadium wagers.

Mr. Healy told [Sen. George Lang](#) (R-West Chester Twp.) that he believes that is already occurring.

Jeff Berding, co-founder and president of FC Cincinnati, echoed Mr. Healy's sentiments, saying market access could provide Ohio teams a competitive advantage on the field.

"We want to win championships for Ohio, and we must outwork – and in some cases, outbid – our rival teams from other states for the best players," he said. "You don't have to be a big sports fan to feel happier when Ohio State, the Cleveland Cavs, the Columbus Crew – win championships. Help us win championships by ensuring we are not fighting with one hand behind our back relative to rival teams in other states whose legislatures have given them every advantage in this new and growing market."

Mr. Healy told Sen. Lang that legalized sports betting has the potential to grow the game in America the same way fantasy football has with the NFL.

In a previous hearing, the state's grocers asked to get in on the action. (See [Gongwer Ohio Report, February 24, 2021](#))

On Wednesday, it was the turn of bowling alleys to ask to not be left out.

David Corey, executive vice president of the Bowling Centers Association of Ohio, said the state's bowling alleys are some of the highest grossing KENO locations in the state.

"We've already displayed that we are good, solid and successful lottery partners," he said. "If sports betting at lottery retailers who offer KENO have the same financial parameters as KENO, we know it can be successful with minimal issues."

Joe Poelking, owner of Poelking Lanes in Dayton, said allowing sports gambling in bowling alleys will attract new customers and

Joel Poelking, owner of Poelking Lanes in Dayton, also said bowling alleys should be allowed to offer sports betting at Ohio Lottery kiosks and to have electronic bingo machines.

The committee also heard testimony from Jonathan Smith, CEO of Lancaster Bingo Company; Kevin Cochran, senior manager of government affairs at DraftKings Inc.; and Daniel Reinhard, senior vice president of government affairs for Jack Entertainment.

provide an incentive for existing customers to stay longer.

Kevin Cochran, senior manager of government affairs and senior corporate counsel at DraftKings, called for any bill to have mobile options, a strong regulatory framework and a practical licensing process.

Daniel Reinhard, senior vice president of government affairs at JACK Entertainment, called for a tax rate of no higher than 10% and sports wagering be limited to license casinos and racinos.

Electronic Bingo: Jonathan Smith, CEO of the Lancaster Bingo Company, endorsed legislation ([HB 65](#)) introduced in the House to address the issue.

"We also support the language in HB65 that requires manufacturers and distributors of electronic instant bingo to submit to additional licensing scrutiny, including finger printing for a criminal background check, and posting a surety bond with the state. Again, all devices and games would need to be submitted to an independent testing lab for certification," he said.

"The games would be issued an electronic signature on each chip that would allow the attorney general's field investigators to easily verify the legality of the game. There will be no random number generators, the deal of tickets will have a defined profit and payout and no spinning reels."

But Mr. Reinhard said electronic bingo is played on what are essentially slot machines.

"Despite efforts to distinguish electronic instant bingo machines from traditional slot machines, these machines are virtually identical visually and are in fact designed to replicate the feel of a traditional slot experience. The proposed machines employ increasingly sophisticated technology designed to take advantage of archaic, often vague, criminal gambling statutes that never envisioned modern game designs," he said.

"Quite simply, statutes cannot keep pace with technology. This allows for the creation of devices that present themselves as slot machines while allowing operators/manufacturers to argue the machines escape the definition of slot machine, and thus allowing their use outside of the legally authorized facilities."