

**House Finance Committee**  
**HB 194 – Interested Party Testimony**  
**Dan Dodd, on behalf of the iDevelopment and Economic Association**  
**(iDEA Growth)**

Chairman Oelslager, Vice Chair Scherer, Ranking Member Cera, and members of the House Finance Committee, thank you for the opportunity to testify on behalf of the [iDevelopment and Economic Association](#) (iDEA Growth) to give our association’s recommendations on how to improve House Bill 194 before it is brought to a vote in your committee.

iDEA Growth was founded to advocate for responsible policies that enable the online interactive gaming business in the United States to spur economic growth and protect consumers. Our members represent all sectors of the sports betting industry and are licensed and regulated in the U.S. and jurisdictions throughout the world. iDEA Growth members are involved in every level of the sports betting ecosystem, including operations, development, technology, marketing, payment processing, and law. We applaud your committee for considering HB 194 and share the common goal of expanding consumer access to secure and regulated online sports betting.

Our proposals will help lay the foundation for a competitive sports betting market that will have positive benefits for Ohio’s tax coffers and economy. The recommendations are focused on ensuring the new regulated industry will provide Ohioans much needed consumer protections and that it will allow licensees to compete effectively against the illegal black market that currently has a firm grip on Ohio sports bettors.

iDEA applauds the Ohio House for your foresight in creating this dynamic new industry in Ohio. When done properly, regulated sports betting will generate new streams of tax revenue and spur economic development. Most importantly, it establishes a system that is run by responsible companies that are accountable to the state and Ohio consumers. We want to specifically thank Representatives Greenspan and Kelly for their leadership on this issue for continuing to seek input on how Ohio can reach its full sports betting potential.

We believe HB 194 should do the following:

- 1. Remove barriers to market access so that any mobile company that wants to offer its product in Ohio can apply for a license**

Ohio should promote the free market and capitalism when it comes to establishing sports betting. Our members’ experience and our group’s empirical studies have shown that online gaming operators—including sports book—will self-regulate to an efficient market size that maximizes operator and state revenue.

The current legislation gives too much power to the Lottery Commission to curtail the ability of willing participants to enter the Ohio market, and it gives those entities established as “sports gaming agents” (casinos and racinos) too much power to pick winners and losers. States like New Jersey have demonstrated that when a robust marketplace is established by reducing barriers to entry for mobile betting companies, the number of consumers participating in sports betting increases. Add to that the increase in money spent by companies to advertise, and it’s easy to see the direct and indirect economic benefits for Ohioans are immense.

**iDEA recommends amending the legislation to establish greater market access for mobile companies by clarifying either that sports gaming agents should be specifically permitted in statute to partner with multiple online sports book operators (no fewer than three per casino or racino), or online operators should be allowed to apply directly to the state to offer online sports betting without requiring a contract for market access with an Ohio land-based casino or racino.**

Either of these solutions will help support a robust, competitive online sports betting market in Ohio that will benefit consumers and state tax revenue. It is critical that the legislature not foreclose a market-based sports book environment, or at the least, fail to ensure a multiple skins or multiple online sports book operator environment, as doing so would limit customer engagement and artificially inhibit Ohio’s sports betting market.

**2. Legislation should create a category of supplier license to ensure sports wagering integrity**

The current version of HB 194 does not provide clear guidance as to whether suppliers would be licensed and how they would be approved in the bill. Licensed sports gaming agents and management services providers will rely on a variety of supplier partners to provide them with goods, software, or services that directly affect betting, play and the results of sports betting. It has been accepted practice in most jurisdictions to create a category of licensure for these types of services.

**Creating a supplier license will ensure that all companies engaged in the sports betting supply chain have been vetted and by doing so the legislature will create even greater level of betting transparency.**

**3. Sports leagues should not have special access to the Lottery Commission to prohibit wagers they do not like**

The bill, as written and through proposed amendments, gives sports governing bodies undue ability to influence the type of wagers that may be offered by sports gaming agents. The bill’s proposed 3770.31(C) and the proposed amendment to create sections 3770.31 (C)(1), (2) and (3)

provide little due process protections to sports gaming agents who disagree with a sports governing body's request to prohibit certain types of wagers. The emergency prohibitions in the bill are designated as temporary, but under the bill, a sports league can apply for a permanent ban on certain types of wagers, while a sports gaming agent does not have a similar ability to request that such a ban to be lifted by the Lottery Commission.

**Our members believe if the House insists on this type of process being in the legislation, then the legislation should require that any determination of a wager limitation must be done in consultation with the licensed sports gaming agent(s) and be based on a clear finding that the gambling activity is contrary to public policy, is unfair to consumers, or affects the integrity of a particular sport or the sports betting industry.**

#### **4. Clarify the Lottery Commission's role in approving contracts**

Section 3770.34 (D) that a contract between a "sports gaming agent" and a "management services provider", or a material change to the contract, must be "approved by the commission." However, the legislation does not provide any criteria by which a contract or change to that contract can be rejected. This broad discretion by the Commission should be tightened and transparent guidelines established.

**IDEA supports a clarifying amendment be added to this section that states "The commission may reject a contract or a material change to a contract under this division only if the contract, the material change to the contract, or the parties to the contract are not in compliance with this chapter or with the rules of the commission."**

In conclusion, iDEA Growth, through its members, has decades of experience in internet gaming, including sports betting. Our companies have worked with policymakers across the globe to share with them the policies and procedures that work. We look forward to working with the legislature to develop a sports betting framework that benefits Ohio residents and the state.

Thank you for your consideration of our proposals and thank you for your service to our great state. I'd be happy to answer any questions you may have.