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PRO-CON

Should casinos or lottery commission handle sports betting?

Gambling establishments have monitoring, control features



Sen. John Eklund

If the General Assembly decides to legalize sports wagering in Ohio, I am sure the best way to do it is through Senate Bill 111, which legalizes, regulates and taxes sports wagering under the administrative authority of the Ohio Casino Control Commission.

SB 111 would allow casinos and racinos already licensed in Ohio to apply to OCCC for authority to offer sports wagering at their facilities and to establish sports wagering websites to accept sports wagers online from people located in Ohio who are at least 21 years old. The bill contains detailed requirements for how such wagering may be conducted and requires that it be done only in accordance with the bill and the commission's rules.

The OCCC is the right agency to have authority over sports wagering. Under SB 111, the OCCC would be responsible for approving the devices used in sports wagering, those who supply them, the format of the wagering games and all those who are involved in making the wagering available to the public. They already perform those functions for casino gaming in Ohio.

Sports wagering is traditionally conducted in gambling establishments like casinos and racinos.

The OCCC has regulated these organizations and their operations flawlessly for many years. The commission has the in-house expertise, experience and

personnel necessary to oversee, control and police the activities that go on in them. Regulating sports gaming through other agencies would require new, complicated government structures to do what the OCCC is already positioned to do.

Sports wagering simply does not belong in every convenience store and gas station in Ohio. Unlike lottery games, it is much more than just picking numbers at random and marking boxes on a card. It involves sophisticated wagers with multiple variables and fluctuating odds and payouts.

If we are to allow it in Ohio, it must be carefully controlled to maintain the integrity of the underlying sporting events and the wagering itself. Under SB 111, casinos and racinos must set aside special, secure locations for sports wagering. And, gaming agents (peace officers) already staff casino operations 24-7 to maintain their integrity. Similar protections would be impractical in regular retail stores.

SB 111 contemplates closely regulated online sports wagering through the licensed operators. Other proposals do not, apparently out of some concern for complying with the federal Wire Act. While the Wire Act does prohibit sports wagering across state lines, the industry has available very sophisticated software tools to prevent it. This technology is being used in many jurisdictions today with great success. I'm confident it will work just as well here in Ohio. As importantly, it also can be used to identify inappropriate gaming, questionable practices, underage gaming and other suspicious

conduct. With so many of our citizens having grown up "online," any sports wagering operation that does not include an online option would be less robust (and less safe) than it can be.

"Problem gambling" is an issue for many individuals and families in Ohio and around the world. Frankly, no bill would eliminate it. But, SB 111, with its inclusion of an online feature and technology that helps identify problem gaming, presents a real opportunity to reduce it and get its victims help. I believe the measures in SB 111, particularly concerning online gaming, will help us identify and address more instances of this scourge than we do today.

Finally, despite what others have suggested, I find no Ohio constitutional impediments to OCCC undertaking this function.

If Ohio is to legalize sports gaming, it should be done under the authority of an existing agency that has a demonstrated track record of effectively monitoring, controlling and policing casino-based gambling operations. We cannot, in my view, treat sports wagering like Keno or lotteries that can, and have been, dealt with by the lottery commission and its corps of very able (for what they do) agents around the state. Absent an online component, a sports wagering program in Ohio would be a failure.

Senate Bill 111, unlike other proposals, embraces all of these desirables and should be the platform for proceeding, if that is what the General Assembly decides to do.

Sen. John Eklund, R-Charlton, sits on the Senate Judiciary and Energy and Public Utilities committees.

Sales by convenience stores would boost funding for education



Jennifer Rhoads

As Ohio debates the best path to enter the legal sports betting arena, it is imperative that we do it right the first time. That means crafting a system that maximizes money for the state and enhances the business climate.

Today, legislators are debating two separate approaches: Senate Bill 111 would put the casinos in charge but does not specify how the proceeds would be spent; House Bill 194 would place sports betting under the Ohio Lottery Commission so profits would go to education.

The lottery offers the best path forward.

Ohio already made a major blunder by allowing casinos to write their own rules and create their own monopoly through a 2009 ballot issue. Casinos falsely sold the measure as a way to generate quick cash and boost economic development. Consider the recent comments of Matthew Schuler, executive director of the Ohio Casino Control Commission: "All of them (casino projections) were wrong."

The lottery has exceeded its projections every year for the past 10 years and has provided more than \$650 million per year in the past five years for our schools.

Schools could see an even bigger windfall if the House bill is amended to allow retailers that sell lottery tickets to offer limited sports betting. Estimates show that such a change could generate up to an additional \$100

million annually — much more than the \$30 million projected under the House bill as introduced.

The sports betting debate comes as legislators struggle to find a way to pay for a new proposal to change the way the state funds public schools. Even under the best circumstances, the new funding plan is expected to be phased in over several years, making sports betting that grows over time a logical way to help pay for it.

Leading the pro-casino effort is state Sen. John Eklund, a Chardon Republican who recently told The Dispatch, "I cannot envision a single advantage that the Lottery Commission has in regulating sports gaming that the Casino Commission doesn't have. I think there is a palpable difference between the games that the Lottery Commission is responsible for now and something like sports gaming."

I strongly disagree. Experience is a significant advantage. The lottery brings nearly a half-century track record of proven success. A 2017 Pew Charitable Trust study, for example, showed that half of the 44 states with lotteries lost revenue in 2014 and 2015 because of competition from casinos and other forms of gaming. With a robust network of nearly 10,000 invested retailers and the implementation of innovative strategies, Ohio Lottery, however, experienced the contrary.

Yet, the House bill excises this network of dedicated lottery retailers and limits in-person sports wagers to Ohio casinos, racinos and military veteran and fraternal halls.

I represent nearly 6,000 retail convenience stores that employ more than 85,000 Ohioans. Most sell lottery products and have for decades. Convenience retailers must pass background checks and complete training specifically designed to prevent sales of age-restricted products to minors and protect against youth access. They are eager and already well-equipped to offer limited sports betting options.

Convenience retailers have no desire to turn their stores into mini-casinos. These multigeneration, family-owned small businesses are invested in the communities they serve. They sponsor Little League teams, support local charities and are a vital link in stopping human trafficking. To offer casino-style sports betting in a convenience store flies in the face of "convenience" and is inconsistent with retailers' neighborly mindset. It is precisely why retailers agree that casino-style sports betting should be confined to existing casinos and racinos.

Casino-backers have failed to articulate what, if any, public purpose they wish to promote. The lottery, however, supports public education and develops our future workforce. Permitting lottery retailers to offer sports wagering would generate a much-needed \$100 million windfall for Ohio schools. To me, the lottery does not just offer the best path forward. It offers the only winning solution.

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