

**Testimony from
James Day, President of LRI, Inc dba Winner's Circle OTB
Veterans and Legal Affairs Committee**

April 30, 2021

Testimony in Favor of LD 1405

Good Morning Senator Luchini and Representative Caiazzo and members of the VLA Committee, my name is Jim Day, and I am President of LRI, Inc dba Winner's Circle OTB in Lewiston and a resident of Scarborough, ME. I am speaking in favor of LD 1405.

Tethered or Untethered: If I leave you with any valuable information today it is for you to insist on this bill being tethered.

While you have heard from Mr. Barberino regarding supporting Maine businesses that pay Maine taxes, hire Maine employees, and invest IN the Great State of Maine, I want to discuss some other important issues that heavily favor a tethered relationship between the online companies and the "brick and mortar" facilities in the State.

This is a new industry to the State, but it is not new to the Billion-dollar companies like DraftKings, MGM, FanDuel and the like. When they partner with us, they bring to us a professionalism that ensures that the business is run with years of experience right from the beginning. They have relationships with the Leagues and have contracted with their official data to make the wager results accurate and without flaw. They have experience in setting odds, marketing to the customer (to the benefit of the customers) and creating the correct fan experience which we cannot compete with but can partner with. Without their partnership, we are limited in our resources and are far less experienced in this area. That is one of the major reasons that ALL states that have existing wagering facilities and have an active sports betting industry have required a tethered relationship.

While some might think that a tethered relationship reduces competition or reduces opportunities to the players in the State, I would argue that the estimated 10 relationships that will be formed (one per facility) brings all the competition that Maine can handle. NJ, the leader in this industry, allows more relationships per facility (they are called "skins"), yet has many that are

unfulfilled. There are 20 online companies in the State and their population is almost 7 times ours

If you are still concerned that we are limiting competition then increase the number of relationships each brick-and-mortar facility can have allowing more in the State, but please do not pass a non-tethered bill that will hurt the In-State businesses.

Finally, DraftKings, FanDuel, MGM, William Hill, BarStool Sports ALL expect this relationship to be tethered. They are in the State now negotiating with facilities in advance of this bill being passed. Giving them 85% of the business without a financial commitment within the State and leaving your In-State companies with the leftovers – 15% is hardly enough to even call a business when divided by 7-10 of us.

After a year plus of COVID, we do not need to be at this disadvantage. ALL states that have established gaming businesses have tethered their online relationships. LET ME REPEAT, ALL states that are currently operating online AND have brick and mortar gaming businesses have tethered these relationships to protect their in-State constituents.

This is an important concept and day for Maine's OTBs and other facilities that participate in this bill. A tethered relationship is a MUST for our survival.

I encourage you to vote to PASS LD 1405.

LD 1404: This is a tethered bill that directs much of the State tax to Education. We would support that or the General Fund. I feel that is the pleasure of this committee.

LD 1527: In discussions with the on-line companies and those that provide the terminals and self-serve terminals that are standard within the sports wagering industry, they have informed us that the requirement to maintain records of each wager and know the wagerer's name, amount paid and type of wager etc. is not a realistic request. The Industry does do this for a threshold (i.e. wagers over

\$3000) but could not ask each wagerer for that information or have a place to store it within their program.

In addition, LD 1527 is untethered and for many reasons stated above, I do not support untethered under any circumstance. (same for LD 1352)

Thank you for taking the time to read my written testimony. I appreciate the efforts of the Committee and if there is anything I can do to assist you in clarifying my position, please do not hesitate to reach out.

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