

# HOUSE COMMITTEE ON FINANCE HEARING

House Bill 8097

July 14, 2020

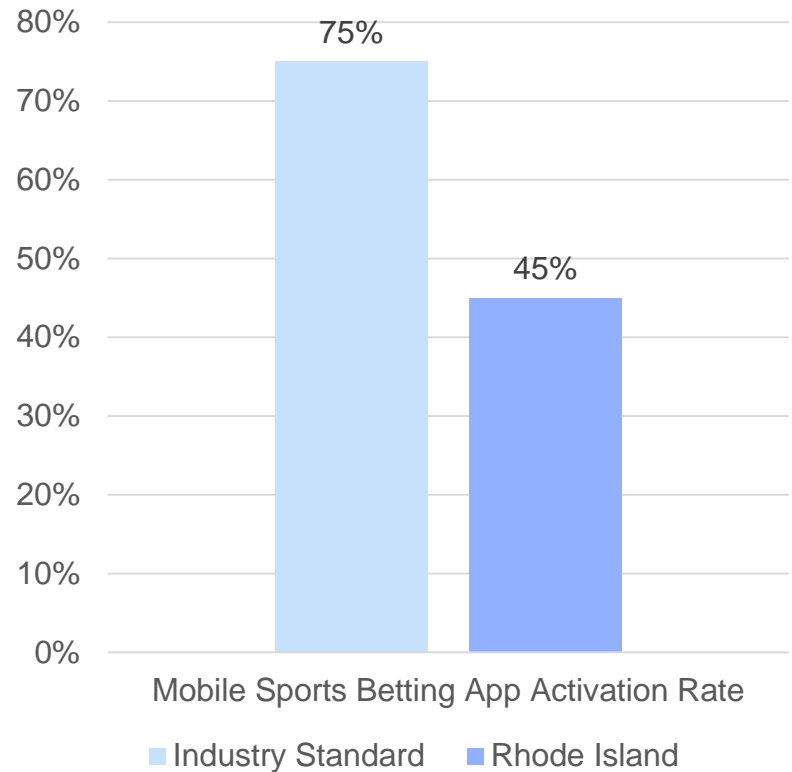
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# Background

- The Sportsbook Rhode Island app has been live since Sept 4, 2019.
- GeoComply technology has been in place since Sept 4, 2019.
- Since it went live, more than 1.3 million mobile sports bets have been placed through the app.
- Approximately 45% of Sportsbook Rhode Island app downloads are later fully activated.
- Rhode Island's current account activation rate is 30% lower than the industry average.

## Rhode Island vs. Average Industry Activation Rates



# Legal and National Context

## Rhode Island Legal Context

- Under current law a person can register for a Rhode Island sports wagering account via the Sportsbook Rhode Island app while not physically present at the casino but must be at the casino to activate the account.
- Legal counsel has confirmed that the requirement that a patron appear in person at a casino to activate an account is not constitutionally required under Rhode Island law.
- The constitutionally relevant inquiry is the *location of gambling.*

## National Precedent

- 8 other states do not require in-person activation (NJ, NH, PA, WV, IN, IA, CO, TN).
  - Iowa currently requires in-person activation but will not after 12/31/20.
  - Nevada currently requires in-person activation but offers 111 sites throughout the state and the on-site process is “click I am here, click take a selfie.”

## **Allowing activation of online sports wagering accounts remotely will:**

- i. Remove the requirement for patrons to physically go to the casinos, making it easier for them to start using the sports wagering app;
- ii. Reduce the number of individuals coming into the casinos for the sole purpose of activating their accounts, which is an advantage during the COVID-19 pandemic;
- iii. Take advantage of new “know your customer” functionality/technology for online sports wagering which has security features to assure that patrons meet all eligibility requirements;
- iv. Encourage activation of the approximate 14,000 sports wagering accounts that have been registered but have not yet been activated. To the extent that these accounts are activated remotely, the state expects to realize additional revenue.
- v. Enhance the customer experience by combining the registration and activation processes to increase the number of new patrons who establish an online sports wagering account resulting in additional revenue to the state.