

April 29, 2026

Chairman Marvin Abney
House Finance Committee
Rhode Island House of Representatives
82 Smith Street
Providence, RI 02903
(Via email: HouseFinance@rilegislature.gov)

Dear Chairman Abney,

I am writing to express opposition to House Bill 8186, a bill that would change the existing sports betting operator model and jeopardize state revenue. I write to provide an evidence-based perspective on the performance of Rhode Island's current sports betting model to emphasize the risks associated with moving to a multi-operator framework.

The existing single-operator structure, managed under the auspices of the Rhode Island Lottery, has proven effective in maximizing revenue to the state, minimizing regulatory costs and ensuring responsible gaming practices. Shifting to a market with multiple operators may appear attractive in theory, but in practice, it often results in reduced per capita revenue to states, fragmented oversight, and significant administrative and compliance costs. Recent experience shows that these transitions rarely result in the promised revenues to the state.

The Rhode Island model outperforms many of its regional peers despite the presence of high-profile competitors in neighboring states. This strong fiscal performance is not coincidental; it reflects the benefits of centralized operations, cohesive marketing and product development through committed in-state operating partners, including the Rhode Island Lottery. The data strongly suggests that maintaining the current model is the most prudent course of action to safeguard and grow state revenues.

Since its launch in 2019, Sportsbook Rhode Island has contributed nearly \$134 million in revenue to the state. This contribution has remained resilient, even after Massachusetts launched its legal market in early 2023. Rhode Island continues to generate strong revenue per capita compared to neighboring states. Rhode Island is one of the top six states nationwide in per capita revenue to a state. In FY 25, Rhode Island generated \$17.33 per capita in direct revenue to the state, ahead of many major markets. Connecticut (a multi-operator market) delivered just \$7.55 per capita. Rhode Island's status as a top performer underscores the strength and effectiveness of its current operating model. Competition does not guarantee increased revenue to the state. Chasing "handle" or amounts wagered is frequently offered by proponents of operator expansion. Time and time again, its proven to be a misdirection and distraction from the true intent of the State's current sports betting offering: continued and methodical pursuit of the sound fiscal policy of managing "win" and maximizing revenues to the State.

Rhode Island *is not* unique in being a single-operator market. Thirty states have legalized and launched online sports betting. Close to 20% of states, including Delaware, New Hampshire, Florida, and Oregon are also single-operator states.

When it enacted sports betting, Rhode Island led the nation by establishing a 51% effective tax rate. Every other state that followed Rhode Island either adopted Rhode Island's rate or, in most cases, fell far short of that mark. Since the enactment of sports betting, Rhode Island has refused to settle for anything less than the majority of sports betting revenue being directed to the State. Opening the door to any scenario where the state would receive less than a majority leaves the State vulnerable to future changes. It is the proverbial "camel's nose under the tent." Why should the state ever give up its position that the majority of sports betting revenue belongs to Rhode Island taxpayers?

To date, IGT is aware of no fiscal model or estimate of what moving to the scenario described by House Bill 8186 would mean for the state or its revenue stream. That presents a level of uncertainty the State should not tolerate. What is certain is that managing multiple operators would demand expanded regulatory oversight and increased administrative costs. To implement House Bill 8186, the Rhode Island Lottery would be required to spend significantly more money on operations and oversight – in the form of additional FTEs, audit and legal costs, etc. – without any guarantee that money would be recouped by the State. While it is uncertain whether this change would lead to additional revenue, it is certain it would lead to additional costs. It is telling that the proposed legislation would allow new operators to collect a higher share of sports betting revenue after the State hits the FY25 revenue mark but *does not* guarantee that Rhode Island will ever hit that mark again.

In addition, every state has a responsibility to its citizens through protections and responsible gambling strategies. Creating a multi-operator environment will undoubtedly introduce aggressive advertising and promotions that are not necessary under Rhode Island's existing model. Such aggressive marketing strategies have had negative impacts in other states, particularly among vulnerable populations. Rhode Island's current single-operator model allows for a consistent commitment to responsible gaming, with all operations conducted under the close supervision of the Rhode Island Lottery.

In summary, changing Rhode Island's sports betting model introduces substantial risk without guaranteed benefit to state revenue. The current structure has proven effective and fiscally beneficial.

Thank you for your attention to this matter.

Respectfully,

Joe Bertolone
Senior Vice President, Sports Betting