



**Written Testimony of FanDuel Group Inc.
Before the Rhode Island House Finance Committee
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Chairman Abney:

My name is Michael Ventre, State Government Relations Senior Manager for FanDuel, covering Rhode Island.

FanDuel was founded in 2009 and has grown to serve millions of customers across fantasy sports, sports betting, online casino gaming, and horse racing. Today, FanDuel is the leading sports betting and online casino operator in the United States, offering online sports wagering in 25 jurisdictions.

I'm submitting testimony in support of bill H 8186, which would allow the state to expand its legal sports betting market. Although Rhode Island was one of the first states to legalize sports betting, the market is currently underperforming relative to neighboring states, and many residents continue to wager through unregulated, illegal platforms. By passing this bill, Rhode Island can create a more competitive marketplace that brings those bettors into the regulated system, helping to protect consumers while increasing tax revenue for meaningful priorities.

H. 8186 makes a few key changes to the sports betting market:

- Increases the number of operators by authorizing a new RFP process conducted by the state lottery in 2027.
- Creates a new fair tax rate system by keeping its existing tax structure of 51% to the state and 17% to Bally's, to serve as host for our servers, up until the point the state receives sufficient income to match Fiscal Year 2025's level. At that point the rate decreases so that operators have an opportunity to remain competitive in the state. As written this could create a blended tax rate of around 30%.
- According to our projections, increasing the number of operators and imposing the changes to the tax structure, would result in approximately \$3M in additional tax revenue to the state after the first year, and up to \$8M additional revenue per annum

at market maturity. Our projections tend to be conservative, and do not include additional revenue from tourists visiting the state, using our product.

This legislation also adopts the recommendations put forth by a recent independent study the State Lotto commissioned. This study examined Rhode Island's online sports betting marketplace and made recommendations that the states have between four to six operators. It further recommended the state reduce its tax rate to attract new business. This bill would implement those changes.

Across the country, there is strong evidence that a multi-operator model creates the most robust sports betting markets. In Rhode Island, gross gaming revenue (GGR) per capita is approximately \$40. By comparison, neighboring states like Massachusetts and Connecticut generate about \$158 and \$90 per capita, respectively. Both states benefit from competitive, multi-operator markets with balanced tax rates that foster strong state partnerships and better customer experiences.

Experience in other jurisdictions demonstrates the benefits of an open and competitive market. In Washington D.C., the recent transition from a single operator model with a rate of over 50%, to a competitive market with multiple operators and a lower tax rate of 20%-30% led to significant growth in both GGR and tax revenue. According to the Washington DC Chief Financial Officer, online sports wagering tax revenue increased by 393% in 2025, . The report also stated the district's overall gross revenue saw an increase of growth "driven primarily by the expansion of private sports wagering..."

According to the online gaming data aggregator, Blask, Rhode Islanders are gambling tens of millions of dollars with unlicensed and offshore apps representing a marketplace larger than the entirety of Rhode Island's existing legal framework. This means that thousands of Rhode Islanders are currently gambling on sites that do not take into account consumer protections such as cooldown features, deposit limits, or a robust responsible gaming team to flag when problems arise. All these protections, and much more, currently exist at FanDuel, and the rest of the regulated market. In fact, I can confirm that FanDuel currently has thousands of Rhode Islanders using our app in neighboring states.

This bill is a critical step toward building a competitive online sports wagering marketplace—one that drives innovation, strengthens state revenues, and delivers better outcomes for Rhode Island consumers. Without a competitive legal framework, consumers will continue to engage with unregulated operators that provide none of the protections discussed today. By fostering healthy competition, the state can capture greater economic value while ensuring a safe, regulated environment for its residents. At FanDuel, we are committed to being a trusted and responsible operator that delivers a

best-in-class customer experiences and would welcome the opportunity to bring that experience to Rhode Island.