

Codega, Joseph (OMB)

From: Mark Furcolo <mfurcolo@rilot.ri.gov>
Sent: Thursday, November 4, 2021 11:11 AM
To: Codega, Joseph (OMB); Sharon Reynolds Ferland; Stephen Whitney
Cc: Dion, Paul (DOR)
Subject: [EXTERNAL] : Lottery Testimony Follow-up

Hi,

Sorry for sending our follow-up items in multiple emails, below are Paul Dion's responses to the follow-up questions that were germane to his testimony:

- Does Connecticut's sports betting law allow betting on Connecticut-based teams?

Yes and no. For head-to-head matchups, say the University of Connecticut men's basketball team vs. Providence College, you cannot place a bet on this game in Connecticut (or Rhode Island for that matter). A sports wage can be placed on a "permitted intercollegiate tournament" in which a Connecticut based college or university is participating provided that the event involves "four or more intercollegiate teams and one or more Connecticut intercollegiate teams and the wager on the tournament is based on the outcome of all games within the tournament." Basically, you can bet on a NCAA tournament's individual games as long as they don't involve Connecticut colleges or universities and you can bet on who the winner of the tournament will be even if it is a Connecticut based college or university since that would depend on the outcome of all games within the tournament. As I read this, you could bet on UCONN to win the NCAA women's basketball tournament (which is far more likely than the men's team doing the same) overall as well as to reach the Sweet Sixteen, the Elite Eight and the Final Four but you could not bet on the UCONN women in the national championship game. I do not know Rhode Island's rules with regard to this.

- Please provide further information on the methodology used by Christiansen Capital Advisors to estimate the impact of Connecticut sports betting on Rhode Island sports betting.

Demographic data (i.e., age, household income, etc.) at the zip code level and the distance from a given gaming facility are inputs into a gravity model where likelihood of patronizing a particular gaming facility declines with the distance from the zip code to the facility. This methodology applies to slot machines, table games and on-site sports betting. The general principle is that a given bettor will not by pass a gaming facility that is closer to their zip code to engage in gaming activity at an otherwise identical gaming facility that is farther away from their zip code. Emphasis here is on "otherwise identical." In the case of Foxwoods and Mohegan Sun, the gaming offering is not the same as at Twin River or Tiverton so an "attraction factor" is incorporated into the model. The attraction factor is effectively a discount that is applied to the distant coefficient in the gravity model.

- Does the gaming study update from Christiansen Capital Advisors include impacts from the expansion at Twin River in Lincoln?

It does not. Christiansen was under the impression that the Twin River expansion wasn't an expansion of gaming, but that Twin River was adding retail and a spa and moving the gaming on one level. To incorporate expanded gaming as part of this expansion will require us to provide them with additional information on what gaming will be added and how many positions.

Best Regards,
Mark

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