



Ohio State Racing Commission

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John Kasich
Governor

Robert K. Schmitz
Chairman

Minutes of the OSRC Meeting held March 27, 2017

1-The Ohio State Racing Commission (OSRC) held its monthly meeting March 27, 2017 at the Riffe Center, 77 South High Street, Columbus, Ohio, Room 1960, at 1 pm.

2-OSRC Chairman Robert K. Schmitz called the meeting to order. Commissioners Gary Koch, Todd Book, Mark Munroe and Thomas Winters were present.

3-Commissioner Munroe moved to approve the February 22, 2017 OSRC meeting minutes. Commissioner Koch seconded the motion and the motion was unanimously approved.

4-Commissioner Munroe moved to approve the ratification of the Executive Director's report. Commissioner Koch seconded the motion and the motion was unanimously approved.

5-Chairman Schmitz then prompted a discussion concerning advanced deposit wagering (ADWs), asking those in attendance who wished to speak to come forward to the podium. Mr. Luther Hickman, Esq., representing Northfield Park Racetrack. Mr. Heckman gave a short history of ADWs—explaining how they have evolved from mostly phone account wagering in the 1990s to the current platforms—the Internet and mobile devices. Not one ADW currently operating in Ohio is licensed or required to provide any information to the OSRC, Mr. Heckman stressed, adding that his estimates are that more than \$100 million is wagered on Ohio races by Ohio residents in a single year. As such, he added that he and his clients felt it is imperative for the OSRC to promulgate rules immediately to insure the integrity of racing in Ohio. ADWs obviously do not have the same type of set-up the racetracks are required to have, Mr. Heckman added, before discussing the issue of ADW rebates.

Chris McErlean, Vice President of Racing for Penn Gaming, then commented on ADWs, as his company has 11 racing operations in nine jurisdictions, with three (PA, MA & NJ) having explicit ADW statutes. Penn has been involved in ADW gaming in PA since 1983. Penn's ADW brand, Hollywood, now operates in 20 states, with Ohio being one of the states. Mr. McErlean explained that there have been ADWs in Pennsylvania since the early 1980s and the first to have Internet wagering, since the late 1990s—with great success. He also discussed the fees for opening up an ADW account, i.e., with his company there is a \$25 minimum to be placed in an account in order to be able to hold an ADW account and watch and wager with it. Mr. McErlean also stated that the pushback from local stakeholders in ADW-infused areas has been minimal.

Dave Basler, Executive Director of the HBPA, aired his views on ADWs, stating that he agreed with Mr. McErlean's assessment that ADWs are extremely complex and that there is no perfect solution to licensing or regulating them at this point in time.

6-There were no public comments.

7-There being no further business, Commissioner Winters moved to go into executive session to consider the hiring, promotion or compensation of public employees. Commissioner Book seconded the motion and the motion was approved via roll call vote: Chairman Schmitz voted Yes; Commissioner Winters voted Yes; Commissioner Book voted Yes; Commissioner Koch voted Yes; Commissioner Munroe voted Yes. The public meeting adjourned at 2:40 pm.

Date, Time & Place of Next Meeting
March 30, 2017 @ 10 am
77 South High Street, 19th Floor, Room 1960
Columbus, Ohio 43215

Robert K. Schmitz, Chairman

William Crawford, Executive Director