



May 20, 2025

**SUBMITTED TESTIMONY TO THE HOUSE FINANCE COMMITTEE
BY ERIC SCHIPPERS, SR. VICE PRESIDENT, PUBLIC AFFAIRS & GOVERNMENT RELATIONS
FOR PENN ENTERTAINMENT, INC.**

Good Morning Chair Stewart and members of the Finance Committee, my name is Eric Schippers and I am the Sr. Vice President of Public Affairs and Government Relations for PENN Entertainment. I appreciate the opportunity to offer testimony to this Committee regarding the topic of online casino gaming and will reference certain provisions in Senate Bill 197 that was introduced last week.

As you may be aware, in 2009 the state Constitution was amended to authorize casino gaming at only four specifically designated locations in Cincinnati, Cleveland, Columbus and Toledo. In 2011, video lottery terminals were authorized at the state's seven racetracks through a gubernatorial executive order. Today, PENN is the largest operator of gaming properties in Ohio, with two casino facilities – Hollywood Casino Columbus and Hollywood Casino Toledo – as well as two video lottery “racino” properties – Hollywood Gaming at Mahoning Valley Race Course in Austintown and Hollywood Gaming at Dayton Raceway. In total, PENN has invested over \$1 Billion to develop these properties. In addition, construction is currently underway on a new \$100 Million hotel tower at Hollywood Casino Columbus. We've also invested millions recently on rebranding the sportsbooks at our properties to ESPN BET.

Together, our four properties operate approximately 40% of the state's slot machines, video lottery machines, and table games. Last year alone, we paid over \$277 Million in taxes, or 35% of all gaming taxes paid in Ohio. We also directly employ over 2,200 residents and paid out over \$82 million in wages and benefits in 2024. In addition, our Company's substantial operations in Ohio support thousands of indirect jobs and extensive economic activity across the state and, as a good corporate citizen, PENN contributes significantly to local charitable causes and our team members donate hundreds of volunteer hours each year.

I'm here today to testify in support of legalizing online casino gaming, if it can be done in a way that recognizes the Constitutional limitations on where casino gaming can occur. We believe it also needs to reflect the significant investment the incumbent operators have made in the state, minimize cannibalization of the existing casinos and racinos and protect the tens of thousands of direct and indirect jobs we represent.

Importantly, we believe the existing casino provisions in the State Constitution, approved by the voters, meet these objectives and already allow iGaming operations for the state's four casinos without the need for any further legislative action or statutory changes. As a result, we believe the most expedient path to authorizing iGaming would be through the state's four casinos and we are open to discussing the specific framework. Regardless, we recognize the hard work being done by this Committee and others to consider an alternate path forward and respectfully offer our following thoughts on the proposed concepts.

First, setting aside the Constitutional limitations for a moment, if lawmakers were to attempt to expand iGaming to the racinos as well, we would ask at a minimum that the number of skins be limited to one per license (i.e. a total of 11 iGaming skins), that the branding of any iGaming platforms align with the existing casino and racino brands in use at the state's facilities, and that there is some degree of common ownership and/or cross-marketing arrangement. Doing so creates a direct nexus for customers with an in-state casino or racino property and allows for each of the brick-and-mortar facilities to draw these new customers to the properties to stay, eat, or play. This omni-channel marketing approach – similar to how customers may shop online at Target or Walmart and then shop directly at the retail store – will help directly support the thousands of gaming employees and Ohio vendors who work at or supply the casinos and racinos. Our own experience in Michigan and Pennsylvania suggest that a retail casino-branded iGaming offering can help create incremental revenue for both the brick-and-mortar business as well as online.

Conversely, allowing those without land-based operations in Ohio to show up and instantly compete against the established casino and racino operators would create the opposite effect and have a damaging impact on the state's existing brick-and-mortar gaming industry. These companies have made no significant investment in Ohio, have little to no employees in the state, and have no incentive to drive visitation to the eleven communities that benefit from their casino or racino partners across Ohio.

With no comparable operating costs associated with the existing gaming industry in Ohio, those without land-based operations in state will have a significant advantage to only incentivize online play on their platforms and deter visitation to the state's casinos and racinos, which will result in gaming revenue being extracted out of state. This will lead to the cannibalization of the state's casino and racino revenues, put existing jobs at risk, and discourage any consideration of new capital investment in the state's gaming facilities, resulting in less opportunities for construction projects and new ventures for Ohio small businesses who partner with the state's casinos and racinos.

Regarding other iGaming provisions in SB 197, PENN respectfully opposes the proposed tax rates and license fee structure. If the legislature decides to allow those without land-based operations into the market, we believe existing Ohio brick-and-mortar operators utilizing the same brand as their casino or racino should pay a significantly lower tax rate and license fee. In addition, we believe you should consider additional protections for the casino and racino operators, such as a "head start" window of exclusivity before those without land-based operations are permitted to operate.

To put the level of investment into perspective, consider just one of our properties, Hollywood Casino Columbus. PENN paid \$50 million for our gaming license and invested over \$400 million to develop and open the property and clean up a hazardous brownfield site. Since then, we have invested millions in new restaurants and our retail sportsbook, and \$100 million in the aforementioned hotel development, for a total investment of roughly \$600 million to date. Thousands of Ohioans have and continue to benefit from this economic keystone less than ten miles from here on the city's West Side.

On the other hand, you have those without land-based operations in Ohio who will offer the exact same products we provide on our casino floor, albeit without any comparable initial or continued investment, let alone the employment of nearly one thousand Ohioans at Hollywood Casino Columbus alone.

We believe there is an opportunity for iGaming legislation that will create significant new tax revenue for the state that is incremental to that created by the current brick-and-mortar Ohio operators, but it is imperative that this legislation be structured in a way to avoid shifting revenue from one pocket into another to the detriment of today's casino and racino operators who have invested billions of dollars in the state and employ thousands of Ohioans.

Thank you for your time and consideration of our perspectives on this legislation, and we look forward to continued dialogue with you as this process moves forward.