



Submitted Testimony to the Ohio House Finance Committee  
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Thank you Chairman Stewart and members of the committee for the opportunity to provide testimony in support of HB 298.

My name is Dean Hestermann. I am Vice President, Issues Management and Strategic Communications for Caesars Entertainment. In Ohio, Caesars operates mobile sports betting through the Caesars Sportsbook app, as well as owns and operates Eldorado Scioto Downs, here in Columbus. Caesars is also a business partner of the Cleveland Cavaliers.

For 66 years, Scioto Downs has been one of the premier harness racing facilities in the nation. We're excited about the recent return of live harness racing at Scioto Downs, which began May 8. Two years ago we opened our new state-of-the-art grandstand, VIP rooms, private balconies, and outdoor patio. We've also renovated the clubhouse and racetrack, and this year we opened a new paddock. Just two weeks ago, the Caesars Sportsbook app in Ohio began offering wagering on horse racing, including the ability to watch and bet on races at Scioto Downs. And in 2026, Scioto Downs will host the Breeders Crown, a world-class racing event.

In addition to live and simulcast racing, we also offer video lottery machines, a sports book, live music, restaurants, meeting space, and a Hampton Inn and Suites. We are proud to have created one of the Columbus area's top entertainment destinations. Harness racing is a beautiful sport, and Caesars and Scioto Downs are committed to investing in its growth and vitality in Ohio, to achieve all the benefits associated with a thriving equine industry.

Additionally, Caesars operates more than 50 casinos in 18 states, sports betting in more than 30 states, as well as iGaming in five states.

We support bringing iGaming to Ohio because our experience shows that regulated iGaming provides a significant new source of state tax revenue, provides consumers with a strictly regulated and fair gaming option, and protects vulnerable populations. It's also a

vehicle to encourage casino and racino visits, enhancing customer experiences and improving brick-and-mortar gaming businesses.

If we did not believe that iGaming would enhance our brick and mortar businesses we would not support it. We realize there are studies that provide different perspectives on this topic. Some show a mild accretive impact on brick and mortar gaming, and some show a mild decline in the rate of brick and mortar gaming's growth. All of them show a significant net benefit to the state. Let me describe what we have seen within Caesars.

Our experience has been overwhelmingly positive. For example, during the first three years of online gaming operations in New Jersey, over 80 percent of Caesars online players were not players at Caesars brick and mortar casinos, demonstrating that the online player is by and large a new player. Furthermore, 42 percent of Caesars online players who were also Caesars brick and mortar customers had been inactive casino players that reactivated (by visiting a casino) after signing up online, showing that casinos saw increased visitation by reactivating inactive players through online channels.

We've also found that our existing in-person customers, who have then tried our online products, have increased their casino visits by 55 percent, from 11.5 trips to 17.8 annually. Furthermore, our online customers who visit casinos play nearly twice as much as in-person only customers. We have also found that customers who use both products make 25 percent more trips to the physical casino than the in-person-only customers.

How exactly do we employ iGaming to drive our brick and mortar businesses? Through omni-channel promotions that encourage digital players to experience our retail properties. For example, we offer players rewards (such as free play, dining vouchers, and hotel discounts) for retail casino when they reach specific milestones in the online casino. Our Tier Match programs allow online casino players to match or elevate their loyalty status at the retail casino, incentivizing them to visit in person. And we provide access to exclusive tournaments, rooms, dining, VIP events, concerts for online players who qualify through gameplay. These are just a few of the tools at brick-and-mortar operators' disposal to use iGaming to drive retail business.

Those aren't iGaming's only benefits, of course. iGaming can also produce significantly more tax revenue than sports betting, simply because it appeals to a wider audience than sports betting. While operating in just seven states, iGaming in 2024 generated \$8.4 billion in consumer spending, compared to the 35 states where consumers spent \$13.8 billion on legal sports betting.

iGaming also creates in-state jobs. In our existing iGaming states we employ or hire vendors for licensing and compliance, technology and server administration, marketing and hosts, financial, legal, and training for our employees. Plus, we need dealers for live table games, which are among the most popular iGaming offerings.

As you have heard, this isn't a question of whether to allow iGaming within the borders of Ohio. It is here. Illegal offshore operators offer online casino products that are readily available and so-called sweepstakes companies are offering online gaming. We applaud HB 298 for its efforts to establish criminal penalties for the operators of illegal online sweepstakes games.

The question Ohio needs to consider is whether you want to make the online gaming experience safer for consumers, protect against fraud and money laundering, and at the same time generate new tax revenue. We believe that Ohio has demonstrated its ability to effectively regulate the online sports betting space, has a very strong regulatory foundation to build upon, and should deliver the benefits of regulated online gaming to its citizenry.

Important to the success of regulated iGaming is establishing a legislative framework that recognizes the economics of the business and serves larger policy goals. For example, the illegal operators pay nothing in taxes and fees or for Know Your Customer, compliance, responsible gaming, anti-money laundering, geolocation, and other systems associated with a well-regulated industry. Taxes and fees should be reasonable to allow the regulated industry to thrive against a competitive set with a much different cost structure. Similarly, if you choose to limit operators in Ohio to a single iGaming platform, we ask that you allow those operators to offer multiple wholly-owned brands on that platform – much as you permit Coca Cola to offer Coke, Diet Coke, Coke Zero and other brands – in order to provide different experiences that appeal to different customer segments, enhance innovation and consumer choice, and generate more tax revenue to the state.

Again, thank you for the opportunity to provide written testimony in support of HB 298. Caesars is happy to serve as a resource for you as your discussions progress.