

Testimony Provided By  
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Tuesday June 3rd, 2025  
Ohio House Finance Committee  
Representative Brian Stewart, Chairman  
House Bill 298

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee. My name is Dave Basler; I'm the Executive Director of the *Ohio Horsemen's Benevolent and Protective Association (OHBPA)* which represents the nearly 2,500 owners and trainers who race at Ohio's three commercial Thoroughbred tracks. The Ohio HBPA opposes the current version of House Bill 298.

We have two concerns with the bill:

- 1) The bill upsets the balance this General Assembly wisely created when Video Lottery Terminals (VLTs) were legalized in 2013, undercutting an essential source of funding for the horse racing industry.
- 2) The bill will result in hundreds or thousands of lost jobs.

#### **Undercutting Horse Racing Funding**

In 2013, Video Lottery Terminals (VLTs) were authorized in Ohio. They were specifically limited to Ohio's seven (7) commercial racetracks and tied to the horse racing permit

holders. Horsemen and track purses were mandated to receive a share of VLT revenue at each track, equal to between 9% and 11% of the net win (ORC 3769.089). This was done with the intention to revitalize the racing industry in the state and to account for the increase in competition for the public's wagering dollars.

That legislation succeeded in accomplishing its intent. In 2012 prior to VLTs, total purses paid at all seven (7) commercial racetracks in Ohio were \$28,427,000. As a result of sharing a percentage of VLT proceeds with Ohio Horsemen, that dollar amount grew to approximately \$140,000,000 in 2023.

This increased funding was a force multiplier, increasing the racing industry's economic impact to \$2.7 billion dollars by 2020, with 23,000 jobs producing nearly \$1 billion in personal income for Ohioans.

Ohio was the second largest breeding state for standardbreds in 2023 with 2,000 plus foals born, as compared to 1,698 foals in 2012 when Ohio ranked 5<sup>th</sup> in the nation in standardbred breeding. This growth over the past decade can be directly attributed to VLTs being tied both physically and economically to Ohio's seven (7) commercial racetracks.

The obvious result of House Bill 298 is that more Ohioans will be playing iGaming on their phones, rather than VLT's at Ohio's racetracks. The proposed statute does NOT provide for the same statutory percentage of iGaming proceeds.

### **Lost Jobs**

House Bill 298 will harm the existing VLT business at Ohio's seven (7) racinos. According to a February 2025 study by the Innovation Group, these facilities would lose an estimated **15.8%** of their revenues if iGaming were legalized in Ohio.

Furthering this argument are the figures from Pennsylvania where iGaming began in July 2019. For the fiscal year ending in June 2019 total Gross Terminal Revenue for slot machines at the states three thoroughbred tracks was \$737,491,663.60. For the fiscal year ending in June 2024 total Gross Terminal Revenue for the same three tracks was \$604,278,840.28 down over 18% during the five-year period. The same study estimates that over **2,800 jobs** would be lost in Ohio if iGaming is legalized in the state. This job loss total does NOT take into account those lost in the horse racing industry and the broader farm community.

In his Senate Committee testimony JACK Entertainment's Chief Operating Officer stated "Every market has limits on discretionary dollars, and gaming is no exception. No matter what reports are presented to suggest otherwise, the economics are simple: online consumption cannibalizes retail activity."

### **Conclusion**

The OHBPA opposes House Bill 298 in its current form because it will harm the existing VLT business at Ohio's seven (7) commercial racetrack and therefore purse levels and cause the layoff of hundreds or potentially thousands of Ohioans. We urge this committee to consider amendments that would provide horsemen with the same 9 to 11% net win they currently receive from VLT revenues. These changes will ensure that iGaming helps the racing industry continue to be the economic powerhouse it has been for Ohio for years to come.

Penn Entertainment Sr. Vice President of Public Affairs & Government Relations Eric Schippers testified earlier in front of this committee. Part of Mr. Schippers written testimony stated "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"

Mr. Schippers traveled from his base in Pennsylvania to deliver his testimony. I was born and raised in Ohio and I'm an Ohioan just as the majority of Ohio HBPA members are. We believe it is imperative that this legislation be structured in a way to avoid shifting revenue from one pocket into another to the detriment of Ohio horsemen and the horse racing industry in the state which employs thousands and spends tens of millions of dollars annually on products supporting Ohio's agricultural industry. Thank you for your time and consideration on this matter.