



**Submitted Testimony To The House Finance Committee By Chad Barnhill, Executive Vice President and Chief Operating Officer For JACK Entertainment**

June 3, 2025

On behalf of JACK Entertainment, thank you to Chair Stewart and members of the House Finance Committee for allowing us the opportunity to provide testimony regarding House Bill 298, especially on the issue of online casino gaming. My name is Chad Barnhill, and I serve as the Executive Vice President and Chief Operating Officer for JACK Entertainment.

As you are aware, the Ohio Constitution was amended in 2009 to authorize casino gaming at four specifically designated locations in Cleveland, Columbus, Cincinnati, and Toledo. In 2011, a gubernatorial executive order authorized video lottery terminals at the state's seven racetracks, transforming them into "racinos". Employee owned JACK Entertainment operates two gaming properties in Northeast Ohio – JACK Cleveland Casino and JACK Thistledown Racino – and is proud to be "Ohio's Gaming Company" as the only gaming operator headquartered in the state. We welcome more than 5 million guests annually, and our more than 1,400 team members take great pride in driving growth, economic vitality, and community engagement in the cities we call home.

Our company's economic contributions to Ohio are significant. Since opening, JACK Entertainment has paid more than \$1.6 billion in state and local taxes and licensing fees. We also invest in our people, offering competitive wages and a comprehensive array of benefits. Through partnerships with local restaurants and hotels, we've paid more than \$43 million over the last five years to support small businesses and create shared prosperity.

JACK Entertainment's commitment to Ohio communities extends far beyond financial contributions. In addition to donating over \$5 million to Ohio-based nonprofits, we actively invest in partnerships and sponsorships that drive local impact—from providing laptops to area school districts to supporting organizations that connect individuals with employment opportunities and workforce development programs. Our team members have dedicated thousands of volunteer hours to organizations across the state, including hands-on service at the Greater Cleveland Food Bank and Habitat for Humanity as well as active participation in community events such as the Juneteenth Freedom Festival. Through both philanthropic giving and direct engagement, we champion meaningful involvement and economic opportunity in the communities we serve.

We cannot support the current proposal to legalize online casino gaming (“iCasino”). As written, House Bill 298 contradicts the State’s Constitution, which authorizes “casino gaming” at only four specifically designated locations in the State of Ohio and requires “casino gaming” to “be conducted only by licensed casino operators of the four casino facilities or by licensed management companies retained by such casino operators.” Any expansion to the form of casino gaming offered in the State must be done in a way that respects the Constitutional requirements for where casino gaming can occur and who is authorized to conduct it, and protects the thousands of jobs provided by the existing bricks-and-mortar operators in the State.

Untethered to existing bricks-and-mortar operations, iCasino would be a threat to Ohio businesses and employment. 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. When gambling shifts to out-of-state online operators, local economies lose because revenues that once supported neighborhood businesses and Ohio communities are siphoned away. And to those who claim iCasino will not impact bricks-and-mortar operations, I would pose a simple question: Has online banking reduced your visits to a bank branch? Has Amazon changed how you shop or how often you visit bookstores? Of course it has. Suggesting otherwise is disingenuous. The investments made to build Ohio’s gaming industry deserve honest consideration and meaningful protection.

Over the past decade, JACK Entertainment has invested more than \$800 million in Ohio through initial capital development and continued annual reinvestment in our properties and workforce. In the last two years alone, we invested \$33 million into our two Northeast Ohio properties, upgrading amenities to introduce new food and beverage offerings, enhance technological capabilities, and revitalize the property’s visual appeal, which all underscore our ongoing commitment to maintaining vibrant, modern destinations that attract and retain guests. These investments have transformed our neighborhoods, created hundreds of jobs, and generated lasting economic benefits in cities like Cleveland, North Randall and Warrensville Heights.

In contrast, if iCasino is legalized as proposed in House Bill 298, online-only operators could offer the same games as our physical properties without making any comparable investment, employing local residents, or enhancing the vibrancy of our communities.

Ohio cannot, and should not, allow online-only operators with no physical presence in Ohio to participate in the online casino gaming market. The Constitution does not allow for it, and doing so would divert substantial revenue and market share away from companies that have made significant, long-term investments in Ohio. It would represent a deliberate choice to route economic opportunity, tax revenue, and job creation out of state and into the hands of

operators who have no vested interest in the well-being of Ohio's workforce, businesses, or communities. These out-of-state companies have contributed nothing to our economic fabric, built no partnerships, and created no jobs here. Yet under the current proposal, they would be given equal footing with in-state operators who have earned their place through years of investment and engagement. This is not a level playing field; it's a short-sighted shift that would leave Ohio's existing gaming industry and the communities it supports behind.

The risk of unfair competition is clear. Online-only operators face significantly lower overhead costs and have no incentive to support or drive traffic to local gaming properties or communities. The outcome? A sharp outflow of revenue from Ohio, a weakened retail casino sector, and an erosion of good-paying local jobs <sup>(1)</sup>.

A recent study by The Innovation Group projects that iCasino legalization in Ohio could lead to a 15.8% decline in land-based casino revenue. That same report forecasts a loss of 2,818 jobs and \$203.9 million in labor income annually. These projections echo what is already occurring in states that have legalized iCasino. Reports from the Michigan Gaming Control Board show a 25% reduction in casino employee licenses after iCasino products went live<sup>(2)</sup>. During that same timeframe, Detroit saw a loss of 1,028 casino jobs represented by Unite HERE – a 38% decline.

As this committee continues its deliberation, we urge you to consider the legislation's infringement on the Ohio Constitution and its long-term economic implications. Structuring House Bill 298 without significant amendments to comport with the Ohio Constitution weakens the legality of the bill. Likewise, without thoughtful economic consideration, the legislation will result in the cannibalization of existing bricks-and-mortar businesses, lost jobs, reduced capital investment, and diminished economic activity across Ohio. We remain committed to working with the Committee and all stakeholders to ensure that any expansion of gaming benefits, not burdens, the communities we serve.

Thank you for your time and consideration. As always, JACK Entertainment looks forward to continuing productive conversations regarding Ohio's gaming market. We will continue to offer constructive dialogue from the perspective of an Ohio business with Ohio employees and Ohio interests.

## Appendix 1 – Cannibalization due to iCasino Legalization in MI and PA

- 1.) **Michigan** Gaming Control Board reported a **11.7% decline in Casino** revenue after iCasino was launched in Michigan
- 2.) **PA** Gaming Control Board revenue reports show a **14.1% decline in casino revenue** from the 12 casinos that were in existence in 2019.

Casino Gaming Revenue - Pre and Post iCasino				
(billions)		2019	2024	Growth
<b>iCasino Legal</b>				
Michigan Commercial Casinos	\$	1.5 B	\$ 1.3 B	(11.7%) ✓
Pennsylvania Casinos <sup>(1)</sup>	\$	3.3 B	\$ 2.8 B	(14.1%) ✓
<b>iCasino NOT Legal</b>				
Oho Casinos & Racinos	\$	1.9 B	\$ 2.4 B	23.1% ^

(1) - Twelve Casinos operating in PA in 2019 compared to same twelve in 2024.

## Appendix 2 – Michigan Gaming Control Board Casino Employee Data

- (1) Michigan Gaming Control Board casino employee license application data shows a 25% decline in employee license applications after iCasino went live.
- a. 3,384 Applications in 2019
  - b. 2,547 Applications in 2024
  - c. **25% Reduction**

### MGCB Gaming License Applications - by Operator

	2019	2020	2021	2022	2023	2024
MGM Detroit	1,554	865	1,318	1,199	1,269	1,162
Motor City	1,036	779	828	893	803	785
Greektown	794	489	409	793	697	600
<b>Total</b>	<b>3,384</b>	<b>2,133</b>	<b>2,555</b>	<b>2,885</b>	<b>2,769</b>	<b>2,547</b>

Change from 2019 (837)  
 Percentage Decline -25%

