



Good morning, Chairman Stewart, Vice Chair Dovilla, Ranking member Sweeney, and members of the Finance Committee. My name is Christopher Dragone, and I am the Executive Director of the Ohio State Racing Commission. Thank you for giving me this opportunity to present testimony regarding HB 298 for your consideration.

The Ohio State Racing Commission was created in 1933 after the General Assembly approved pari-mutuel wagering on horse racing. Under Ohio Revised Code 3769, the Racing Commission is charged with protecting public interest by maintaining proper control over horse racing. The Commission regulates pari-mutuel wagering and enforces the rules and conditions of horse racing. This includes Ohio's 4 harness tracks and 3 thoroughbred tracks as well as 55 county fairs.

Expanding wagering in Ohio to include iGaming is concerning. The Commission has reviewed studies that indicate this could cause 16-22% in Video Lottery Terminal (VLT) revenues to be lost. The VLT fund was created in May 2013 to distribute VLT money for the benefit of horse racing in Ohio. Pursuant to an agreement between the permit holders and the horsemen, 9-11% of the VLT revenue (Net Win) is deposited into an account to support purses, breeding, and racing in Ohio. In FY 24/25 the amount was close to \$12 million dollars. This bill does not address replacing this loss to the horsemen.

The economic impact of the equine industry in the state is valued at \$2.8 billion (2021 Ohio Farm Bureau) and much of that comes from horse racing. These include licensed jobs at the tracks to those that care for racehorses at the farms (veterinarians, farriers, dentists, farmers, farming/ equine equipment, sales venues, truck drivers, construction contractors, feed stores, fencing companies and on and on). All these jobs support Ohio's economy and support Ohio families.

Ohio has the best harness racing program in the country. The Ohio Sires Stakes program is vibrant and requires eligible stallions to have their foals enrolled in this program and remain in the state. Kentucky is aggressively expanding their standardbred breeding and racing program and could attempt to challenge Ohio's status as the best breeding and racing state in the country. If Ohio's purse structure was lessened, this could become a reality. The Commission would ask that you consider when expanding wagering to include iGaming, it could be harming the sport as well as its agricultural base.

Thank you for your time and consideration of our perspectives on this legislation.