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ENERGY

VETERANS & MILITARY DEVELOPMENT

WORKFORCE & HIGHER EDUCATION



**Ohio General Assembly
House of Representatives
Columbus**

GAYLE MANNING

52ND DISTRICT

SPEAKER PRO TEMPORE

EDUCATION

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GENERAL GOVERNMENT

RULES & REFERENCE

WORKFORCE & HIGHER EDUCATION

**SPONSOR TESTIMONY – H.B. ###
Representatives Mike Dovilla & Gayle Manning**

Chairman Stewart, Ranking Member Sweeney, and members of the committee:

Thank you for the opportunity to present sponsor testimony on House Bill ###.

This legislation is part of a continuing dialogue this General Assembly—and many before it—have had about how to structure, modernize, and responsibly regulate gaming in the State of Ohio.

CURRENT LAW – WHERE WE ARE TODAY

1. Video Lottery Terminals (VLTs):

Currently, under R.C. 3770.21 and rules adopted by the Ohio Lottery Commission, **VLTs may only be operated by licensed “video lottery sales agents”**—that is, Ohio’s seven racetracks (commonly referred to as racinos). These facilities operate VLTs on behalf of the state under contracts with the Lottery Commission, with proceeds directed to the **Lottery Profits Education Fund**.

- Each racino is limited to a maximum of 2,500 electronic gaming devices, half the statutory limit applied to the casinos.
- *No other businesses may offer VLTs under current law.*
- The state receives approximately 34 percent of net terminal income from racino VLTs, with 66 percent going to racino operators, which then use that share to fund operations and race purses.

2. Electronic Instant Bingo (eBingo):

Electronic instant bingo was authorized in 2021 by H.B. 110 (134th GA) and codified in R.C. 2915.01 and 2915.13–2915.15. As of today, **only veteran and fraternal organizations holding a Type II or Type III bingo license** from the Attorney General may operate eBingo systems on their premises.

- Each licensed location may have up to ten (10) devices.
- *Only members and guests of licensed veterans and fraternal organizations can play electronic instant bingo.*
- These systems must meet strict technical and licensing requirements.

- Net profits must be used for charitable purposes as defined in R.C. 2915.01(V).
- Operations are subject to annual licensing, auditing, and enforcement by the Attorney General.

This activity is **not available to the general retail marketplace**, nor are proceeds taxed in the same structured way as casino or racino revenue.

HOUSE BILL ### – CONTINUING THE CONVERSATION

The legislation we introduced this morning builds upon these frameworks by doing two key things:

1. Expands the Locations and Regulation of Electronic Instant Bingo

New Sections Enacted: R.C. 3770.31–3770.41

- Permits charitable instant bingo organizations (501(c)(3)s) and certain licensed hosts to conduct **electronic instant bingo outside of a bingo session**, including at retail locations, provided they enter into written contracts with hosts under R.C. 2915.093.
- Creates a revenue-sharing model and tax structure for eBingo proceeds:
 - *New Section R.C. 5753.022* imposes a tax on the gross receipts of electronic instant bingo operations.
 - *New Section R.C. 5753.032* sets out tax filing and remittance rules for electronic bingo operators and distributors.
- The **Attorney General retains oversight of licenses**, while compliance with tax rules falls under the Department of Taxation.
- Each new location would be permitted to operate up to seven (7) systems, three (3) fewer than the current veteran and fraternal organization locations.

2. Authorizes Retailer Video Lottery Terminals (Retailer VLTs)

Key Definitions and Permissions: R.C. 3770.31, 3770.32, 3770.33, 3770.38

- Establishes a new class of gaming machine: the **“retailer video lottery terminal” (RVLT)** under R.C. 3770.31(E).
- Allows terminals to be placed in licensed **“retailer video lottery terminal establishments”** (R.C. 3770.31(G)), which may include certain businesses beyond racetracks.
- **Licensing and regulation** to be handled jointly by the State Lottery Commission and the Ohio Casino Control Commission.
- All machines must connect to a **central communications system** and may **not dispense cash**—payouts are issued by voucher.
- The Lottery receives 50% of **net retailer VLT income**, which is directed to the Lottery Profits Education Fund under R.C. 3770.38(B)(3).
- *Initial deployment is capped*: only three (3) terminals per location in year one, increasing to a maximum of five (5) under future regulation (R.C. 3770.33(A)(2)).

WHY THIS BILL IS NECESSARY

This bill:

- **Aligns regulatory standards and taxation** of bingo-based gaming with other forms of legal wagering in Ohio.
- **Modernizes** our current VLT structure by allowing controlled expansion into retailer locations while maintaining rigorous oversight and revenue distribution through existing state mechanisms.
- **Respects existing charitable licenses** and preserves the integrity of Ohio's constitutional gaming framework by staying within the bounds of Lottery-authorized activities and charitable bingo law.

CONCLUSION

House Bill #### is not an outlier—it's a natural continuation of the gaming policy conversation Ohio has been having for more than a decade.

We are not reinventing the wheel. We are expanding participation in a structured, transparent, and responsible way—while ensuring new revenue benefits Ohio schools, local communities, and veteran and fraternal organizations that serve the public good.

We look forward to working with this committee and all stakeholders to ensure the legislation reflects the best balance of opportunity, oversight, and public trust.

Mr. Chairman and members of the committee, thank you for your consideration. We're happy to answer any questions.

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