

**House Finance Committee
Representative Brian Stewart, Chair
Tuesday, June 17, 2025
HB 344 – Proponent Testimony
David P. Corey, Executive Vice President
Bowling Centers Association of Ohio**

Chair Stewart, Vice Chair Dovilla, Ranking Member Sweeney and members of the House Finance Committee, thank you for the opportunity to speak with you today. My name is David Corey and I'm the Executive Vice President of the Bowling Centers Association of Ohio (BCAO).

Today we are respectfully requesting that you pass HB 344 that finally allows brick-and-mortar retail hospitality establishments a small piece of the gambling pie in order for Ohio's small, primarily family-owned hospitality establishments to offer retail gaming options in the form of VLTs for the benefit of Ohio's schools and eBingo machines for the benefit of Ohio's charities.

Let us begin by stating that we recognize and appreciate the General Assembly's "measured approach" when expanding gambling opportunities in the state. We've testified numerous times over the years (March 2024; March 2021; March 2017; Sept 2015; Feb 2012, and as far back as 1994 when then Governor George Voinovich created the first Ohio Gaming Study Commission). The last gaming expansion took place in 2022 when the Legislature passed Ohio's Sports Betting Law, which took into consideration a free-market system (multiple vendors) and, it enabled Ohio's hospitality establishments to offer sports betting via kiosks in an age-restricted manner. We think your "free-market" method was the correct approach and urge you to continue down that path in the future. However, unfortunately, sports betting on kiosks has been a failure due to a couple of main issues: a non-universal rollout and the inability to compete on a level playing field by not being able to offer "free/promotional bets" like the FanDuel & DraftKings of the world can.

In June of 2021, as some of you know, the General Assembly passed a positive, pro-gambling piece of legislation allowing Fraternal & Veteran Clubs to offer up to 10 Electronic Bingo machines in their clubs. This single piece of legislation literally saved hundreds of fraternal and veterans clubs in Ohio by giving them a massive lifeline to profitability. Most importantly, it removed 100% of the unregulated games from those locations as the clubs didn't need to rely on "gray gaming" for revenue. Initially, other charities were allowed to also provide these machines in bowling centers and bars (similar to us currently being allowed to sell paper "instant bingo tickets" in our establishments for charitable purposes) but that provision was stripped out of the final bill in the 11th hour. This expansion, because it excluded Ohio's hospitality establishments, came at the expense of Ohio's Bowling Centers and other hospitality businesses because we do not have a similar state regulated alternative gaming offering so, what happens? "Gray" games become more prevalent in "parlors". Ohio's bowling centers and bars need to be able to compete on a level playing field because they are losing customers to the fraternal clubs.

We are excited at the success the Veterans Clubs are having and have supported our veteran halls for many years when they were attempting to secure their machines. We have always asked to just be included as well.

Unfortunately, Ohio has a very robust illegal gambling market, commonly referred to as “gray gaming”. As many of you know, even after various attempts to regulate away gray gaming through the Casino Control Commission’s “skill game” regulations, AND the legislature banning internet gaming parlors, AND the AG’s charitable law enforcement activities, Ohio STILL has a tremendous problem with illegal machines being played in Ohio. Despite previous General Assemblies’ many attempts to define illegal machines through laws and regulations, unknown, out of state operators always find loopholes. It’s like the game “Whack-A-Mole” – as the Ohio Casino Control Commission tries to eradicate illegal gaming parlors (located in strip malls), another one pops up in another Ohio township a few miles away. We’ve assisted the Commission and the AGs office for over 30 years in identifying where these gray machine parlors are because they only hurt Ohio’s hospitality and legal gambling markets. Please see the attached pictures of these illegal gambling parlors.

This problem with gray gaming is only going to get worse as the Pennsylvania governor has placed taxed and regulated skill games in his budget. The Virginia General Assembly recently sent a bill to the Governor’s desk to tax and license skill games. Pennsylvania has over 60,000 illegal devices and they are spilling into Ohio every day. The answer is simple and we only need to look at states like WV, IL, LA, MT, OR, SD to see how to accomplish the goal of eradicating gray games. Since Ohioans’ appetite for gaming is so voracious, the answer is what those states did – legalize low stakes gaming through Video Lottery Terminals (VLTs) or eBingo machines and make all gray area games illegal per se with strict penalties, as outlined in HB 344.

When a state allows and regulates low stakes gambling in brick & mortar hospitality establishments, the results are overwhelmingly positive. There are no illegal machines in those jurisdictions and the state, in a public-private partnership with Ohio companies, are the beneficiaries. In the model that the University of Cincinnati’s Applied Economics Research Institute studied and reported on (which the Executive Summary is attached to our testimony) they estimate that approximately 7,000 new Ohio jobs can be created and even more retained in Ohio’s beleaguered hospitality industry.

The cannibalization that many critics will attempt to convince you of isn’t accurate because the illegal machines have been here for over 25 years and the casinos continue to make record profits. Also, it just doesn’t happen because there are different types of gamblers in Ohio. There are ones that play traditional bingo, there are ones that like to go to the casino and play table games, there are ones that like to go play slots, there are ones that like to play the paper “instant bingo” for charities and obviously, since there is such a robust illegal slot parlor problem in Ohio, that like to play low stakes machines in their local area. The minor cannibalization that may take place in the out-of-state owned casinos, will be more than replaced by the revenue that will finally be captured by the state. In fact, Ohio will have LESS total machines if you enact HB 344 because they will be in controlled environments and regulated. We also want to remind you that bar and fraternal club customers are not the

same – the fact is, people leave a bar to go to a fraternal club, they do not leave a fraternal club to go to a bar.

Illinois' VLT program raises almost \$1 billion a year for state and local municipalities. We believe the revenue figures in Ohio would be at least half that because the Illinois figures do not include the city of Chicago, so the population figures would be very similar to Ohio's.

We respectfully recommend that the next step in your measured regulation of gambling in Ohio be specifically directed to Ohio's brick-and-mortar hospitality establishments as outlined in HB 344. Allowing a limited number of VLT's and eBingo machines in our locations in a true public-private partnership using the successful four-tier model licensing manufacturers, distributors, operators and locations, will ensure ultimate success for both the state of Ohio and Ohio's hospitality businesses.

We believe the time is now to finally address Ohio's illegal gambling market in a controlled and responsible manner. **This is NOT an expansion, it's a regulation and reduction of the 40,000 illegal machines into a market of 21,000 legal, regulated and taxed machines.** Please disregard some of the literature being circulated by others related to there being the potential of 100,000 machines. Those numbers just don't add up in reality.

Dozens of hospitality establishments and bowling centers have gone out of business while these illegal parlors continue to thrive. Hundreds of age-appropriate small businesses in Ohio would be helped with the state of Ohio benefiting to the tune of hundreds of millions of dollars a year in tax revenue/license fees and with thousands of Ohio jobs created and retained.

HB 344 doesn't authorize mini-casinos, it allows for a few games that offer the ability for small bets with small payouts. The underage issue would be addressed with the following safeguards in HB 344: 1. Have the machines in full view of staff. 2. Have a video recording camera positioned on the machines at all times. 3. Have staff licensed and trained on identifying problem and underage gaming. (Note: In Illinois since 2020, there has only been one (1) underage gaming violation, according to the Chicago Law Firm, Taft Law, who tracks those statistics.)

In conclusion, to summarize, HB 344 does the following:

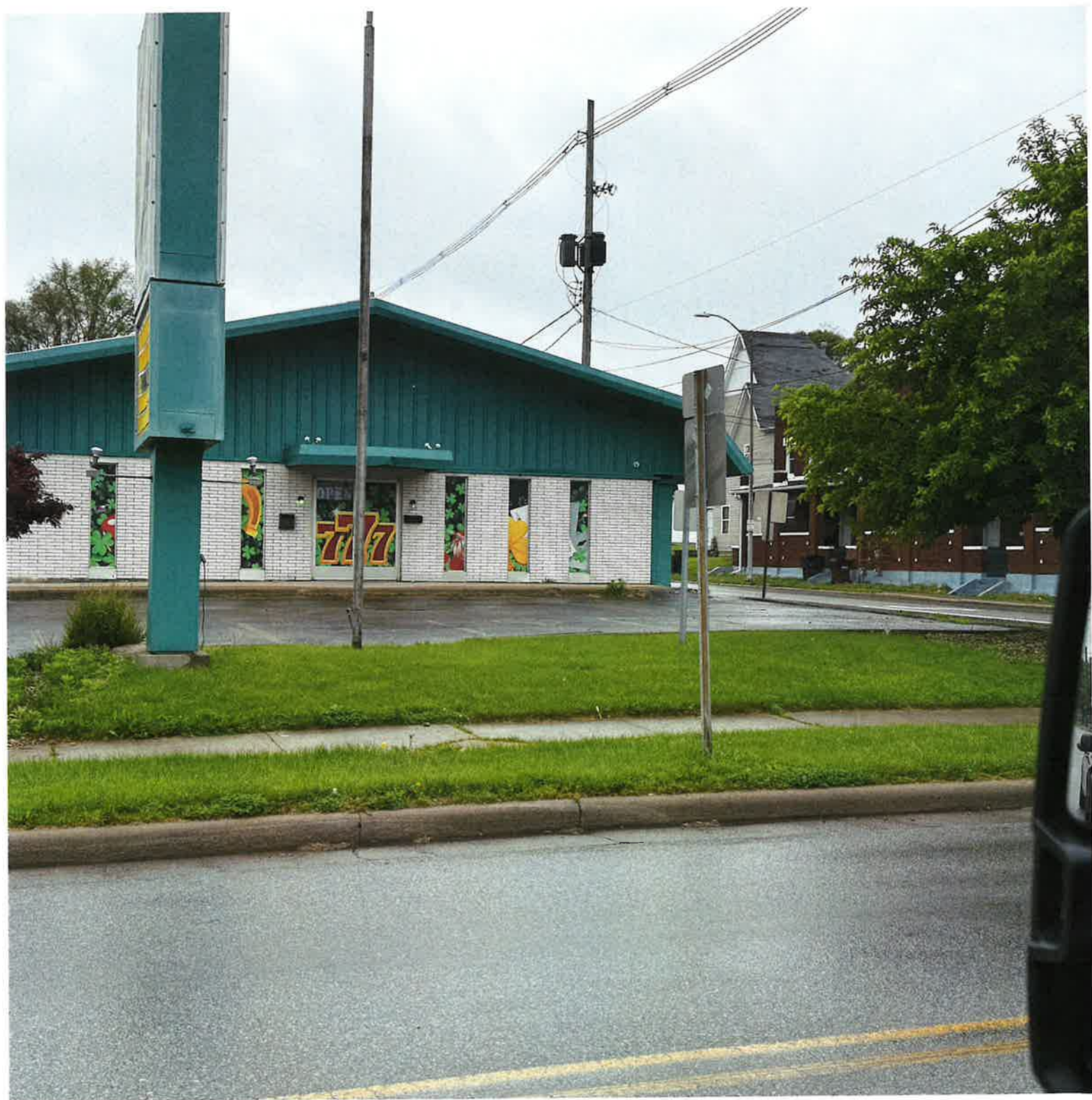
- Replaces 40,000 illegal devices in Ohio with regulated, taxed and licensed VLT machines in age-appropriate locations with a 35% tax rate and no more than three machines per location.
- Allows for charities to offer eBingo machines in D-permit locations, similar to what has been allowed for years in our establishments for paper "instant bingo" tickets.
- Deploys the underage solutions as listed above (have the machine in full view of staff. Have a video recording camera positioned on the machine at all times. Have staff licensed and trained on identifying problem and underage gaming.)
- Highly regulates and licenses the activity with low level bets and payouts so people won't be going into these locations to win or lose large amounts of money.
- Illinois is driving \$1 billion a year in tax revenue from a mature retail VLT program.

- Pennsylvania allows their truck stops to operate VLTs and is on the brink of licensing 60,000 machines currently in their bars.

HB 344 does not reinvent the wheel; Ohio would be following the lead of other states that eliminated gray gambling while allowing a state sponsored solution and an additional lifeline to Ohio's charities and produce much needed state revenue. Therefore, we urge you to pass HB 344 to legalize retail VLTs and eBingo machines in Ohio's hospitality establishments in order for Ohio-based, family-owned businesses to compete with the expansion that Ohio has methodically allowed. As always, I'm at your disposal to answer questions. Thank you.

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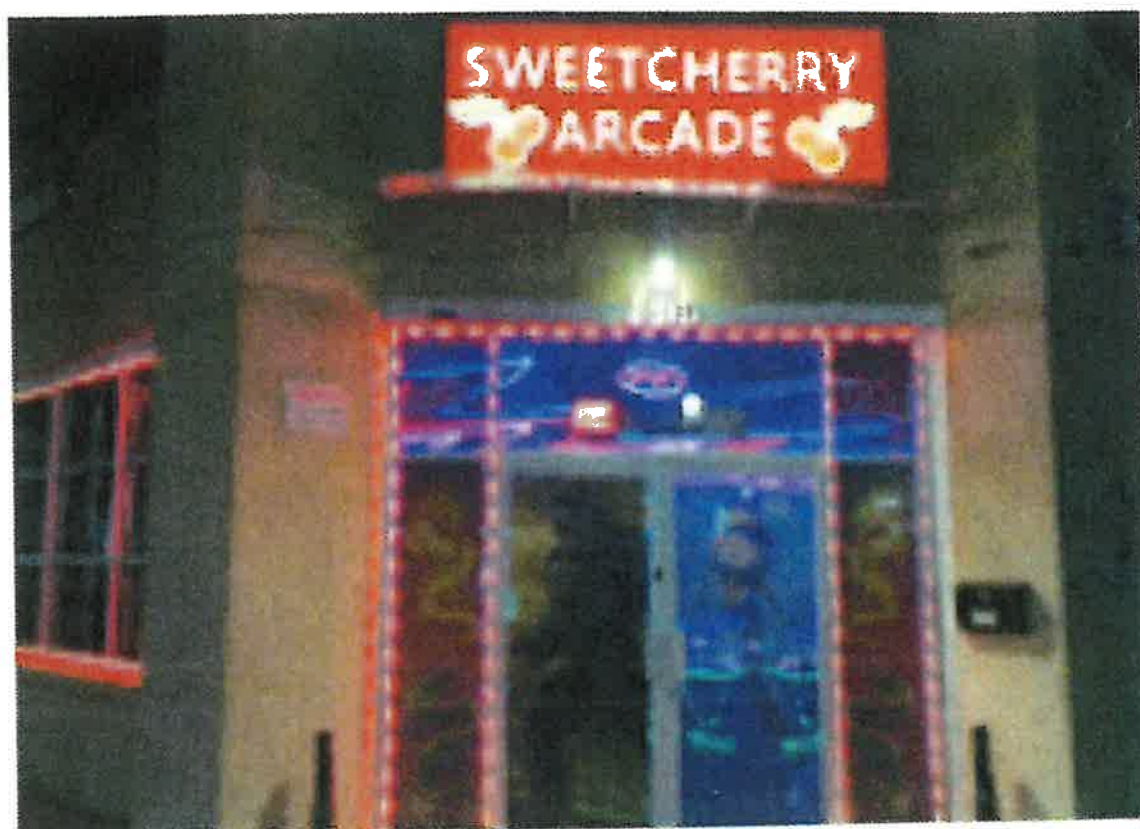
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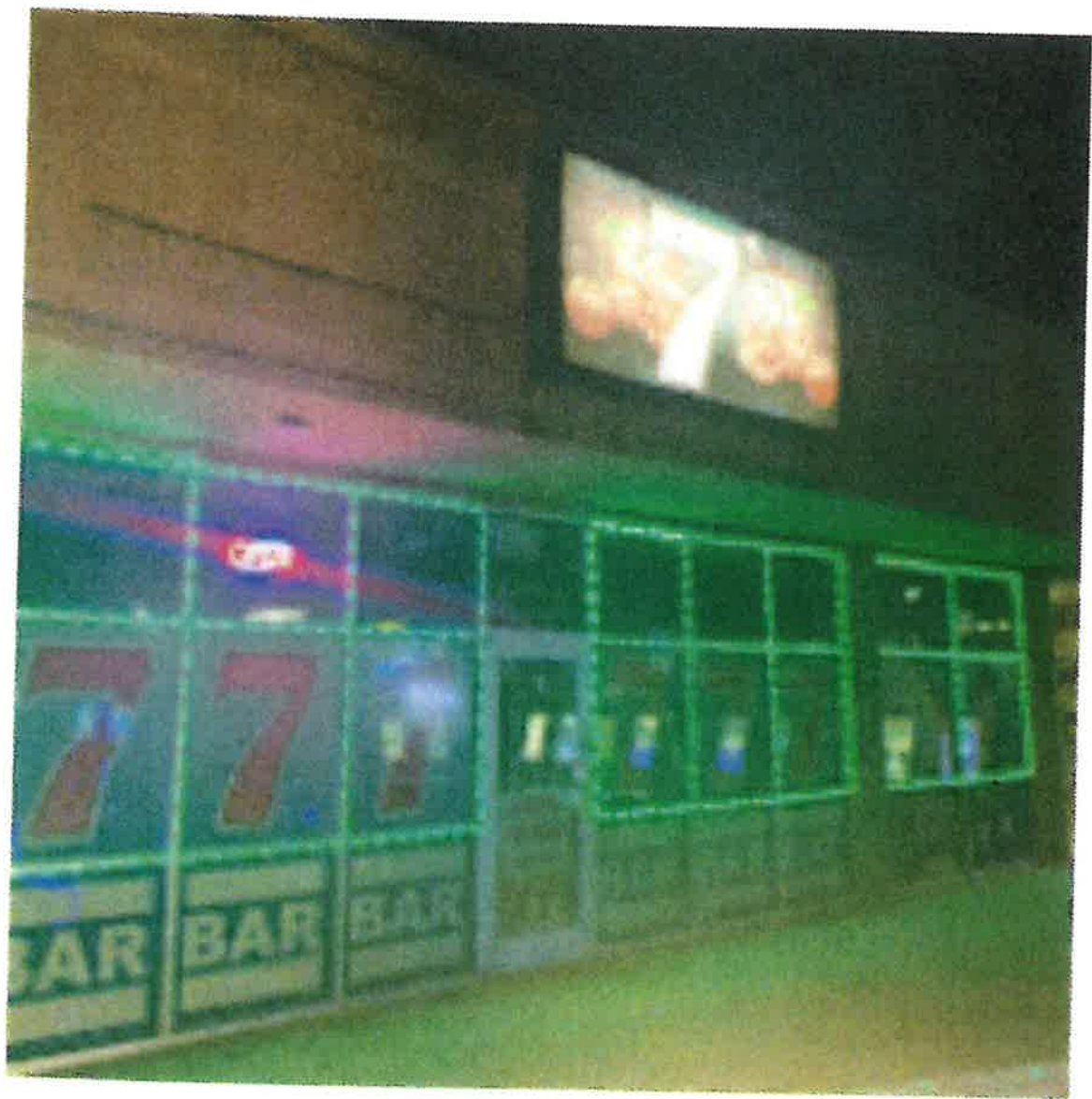
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Video Lottery for Ohio: a Follow-Up Analysis

Prepared by:

Applied Economics Research Institute

Benjamin Passty, Ph.D., Director

June 7, 2011

Executive Summary

- We study the economic impact of a proposal by the Fair Gaming Coalition of Ohio to legalize video lottery terminals in Ohio Class D Establishments. This report is a follow up to University of Cincinnati studies conducted in 1993 and 2009.
- We estimate total annual handle of a mature VLT industry in Ohio to be \$3.4 billion. Out of this handle, the state would collect direct tax revenue of at least \$476 million, in addition to \$32.5 million in licensing fees; some of these tax collections would be offset by losses in other areas. Indirect expansion of economic activity could result in additional tax revenue to the state as well.
- Based on a recapture rate of 35% and the assumption that all proceeds are collected by Ohio vendors, we anticipate that \$284 million of new revenue would enter the state of Ohio. Using an input/output model to calculate the total economic impact on Ohio means we could see a total annual economic impact as large as \$523 million, with 7,036 new jobs created.
- In addition to these results, we examine potential interactions of the FGCO proposal with other forms of state-sponsored gambling, such as lotteries and the casino gambling as legalized by Ohio voters in Fall of 2009.