



**Arrow International, Inc.**

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

My name is Mary Magnuson. I am the Vice President of Government Affairs for Arrow International. Arrow is an Ohio-based company that for the past 58 years, has been supplying gaming products to veteran, fraternal and charitable organizations for use in their fundraising activities. Although Arrow's products are sold around the world, our home is Cleveland. Cleveland is where our headquarters are located and where more than 600 of our 1600 employees come to work each day. Ohio is our largest and most important market – our home state. Arrow's charity gaming products raise more than \$1.5 Billion each year for charitable and community programs, and approximately \$200 million per year right here in Ohio. Veteran, fraternal and charitable organizations rely on charity gaming to sustain their programs and make meaningful contributions to their communities.

HB 344 is a complicated bill that consists of two distinct components. One part of the bill proposes to massively expand Video Lottery Terminals (defined like casino-style slot machines) to the 10,000 lottery retail locations across the state and to any other location eligible for a lottery retail license. This means we could expect 3-5 casino-style slot machines in gas stations, grocery stores, convenience stores and other similar locations throughout Ohio.

**Arrow is unequivocally opposed to the portion of the bill that expands Video Lottery Terminals.**

The other part of the bill allows charitable organizations to operate electronic instant bingo devices in establishments with a license for on-premises consumption of alcoholic beverages, like bars, and certain restaurants. As you may know, charitable organizations are currently allowed to operate paper instant bingo games in these same locations. HB 344 would modernize that program to allow charitable organizations to add electronic instant bingo devices as a means of enhancing their fundraising efforts.

**Arrow supports the electronic instant bingo portion of the bill.**

Electronic instant bingo was authorized by the legislature in 2021 and began operations on April 1, 2022. In the past 3 years, electronic instant bingo has been, by all accounts, a huge success. Veteran and fraternal clubs have been revitalized, some brought back from the brink of closure, and the donations to a multitude of community programs in the state have substantially increased. During this same time, the commercial casinos and the lottery have enjoyed record sales, dispelling any claim that electronic instant bingo negatively impacts these other forms of gaming.

If the legislature chooses to consider gaming as an additional revenue source, Arrow respectfully suggests that the committee move forward **only on the electronic instant bingo portion of House Bill 344.** Under the bill:

- Electronic instant bingo would be limited to licensed alcoholic beverage establishments which already are operating or eligible to operate paper instant bingo games and have age-control measures in place.
- Electronic instant bingo would generate significant revenue for the state as 35% of the gross profit from electronic instant bingo in the bars and restaurants would be paid to the State. Importantly, the state money generated from electronic instant bingo is not limited and can be spent on any program the legislature chooses, as is reflected in the priorities funded by HB 344.
- Electronic instant bingo benefits charities and communities in Ohio by raising additional funds for charitable programs.
- Electronic instant bingo is low stakes, with most payouts ranging from \$5-\$600, These low-risk games have not to our knowledge contributed to a rise in problem gambling.
- Electronic instant bingo in bars and restaurants will not have a negative impact on Veteran and Fraternal clubs as the games are the same and the bill would permit fewer devices in the bars and restaurants than permitted in the veteran and fraternal clubs.

Arrow appreciates the work of Vice Chair Dovilla and Representative Manning on HB 344. To be clear, Arrow does not support the expansion of VLTS in the state. However, if the committee moves forward with gaming legislation, we believe that enacting only the portions of HB 344 that modernize instant bingo will still raise substantial funds for Ohio, avoid issues around problem gambling and will not cannibalize existing forms of gaming.

Thank you for you for your time. I would be happy to answer any questions the committee may have.

