

**Testimony of Don McCauley  
AMVETS Department of Ohio  
&  
Ohio Veterans and Fraternal Charitable Coalition  
Before the Ohio Senate Finance Committee  
June 4, 2025**

Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Finance Committee:

My name is Don McCauley. I am Executive Director of the AMVETS Department of Ohio.

The budget bill, at our request, creates a separate charitable distribution category for electronic instant bingo, in addition to the existing category for traditional paper instant bingo. This is a practical and appropriate change. Our organizations already required to maintain separate bank accounts for paper and electronic instant bingo operations. It only makes sense that the charitable distribution categories align with that requirement.

We also appreciate the bill's increase in the charitable distribution threshold — from \$250,000 to \$330,000 — for both categories. This is a positive and timely adjustment that helps us better serve our missions.

However, we must highlight one significant issue. What appears to be a drafting error by the Legislative Service Commission has changed the basis of the distribution calculation from net profit to gross profit. This change, while possibly unintentional, would have a deeply harmful impact on veterans and fraternal organizations.

We've been informed that this change resulted from a drafting error by LSC, where the drafter believed they were simply clarifying existing law. In reality, it represents a significant and harmful departure from current practice. Regardless of whether it was intentional or inadvertent, the impact will outweigh any benefit from the proposed threshold increase in the bill. The net effect will be negative and will seriously undermine the financial stability of our posts and lodges.

Requiring distributions based on gross rather than net would severely impact our post and lodge finances.

We estimate that it would have a negative impact of 22% in revenue reduction for our posts.

To address this, Senator Lang drafted a simple but essential amendment that restores the original language by reinserting the word "net" and removing the word "gross."

Though it may seem like a small wording change, it has a major financial impact. We respectfully urge the committee to adopt Senator Lang's amendment and correct this language before final passage.

Thank you for your time and your continued support of Ohio's veterans and fraternal organizations.