

Testimony Regarding Senate Bill 197

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Miami Valley Gaming & Racing

Kato Moy, General Manager

Miami Valley Gaming & Racing (MVG) is a Southern Ohio racino and a modern multi-faceted entertainment destination offering live and simulcast horse racing; Video Lottery Terminals (VLTs); sports betting with a physical sports book; multiple restaurants, bars, concert and entertainment spaces; and meeting, event and conference spaces. My name is Kato Moy and I serve as the General Manager at MVG.

MVG is licensed and regulated by the Ohio Racing Commission, Ohio Lottery Commission and the Ohio Casino Control Commission. Strong partnerships with these regulators have resulted in increased funds for schools and the horse racing industry while allowing gaming in a safe, controlled environment.

MVG is a significant economic driver for southwest Ohio and contributes substantially to the State's economy through local vendor spend, job creation, tax revenue, charitable donations, funding horse racing purses and conducting live horse racing. MVG also attracts visitors from out of state, which provides an additional boost to local businesses and hospitality services.

MVG has made tremendous capital investments in Ohio. Since it built its gaming and entertainment facility and state-of-the-art horse track in 2013, it has expanded its gaming floor and facility a number of times and made multiple upgrades to the track and simulcast areas. MVG has plans for an adjacent hotel, although it has been forced to pause those plans due to its owners' concern about uncertainty in the Ohio market. We want to continue to do our part to draw additional revenue to the Southern Ohio economy, but this uncertainty continues to stall us.

If approved, SB 197 would divert dollars from established in-state physical venues to electronic gaming companies, most of which are located outside of Ohio or the United States. As we have seen with sports gaming, there is an imbalance between physical locations and online operations. Just like with mobile sports gaming, there would be a concentration of the vast majority of the iGaming market into two or three companies. Most operators, and more importantly their employees, would be left behind.

Ohio already has a robust gaming environment which has expanded quickly over the past decade. Casinos, racinos, and sports books are highly regulated, substantially taxed and compete fiercely for market share with each other as well as with charitable gaming entities. Gaming is a delicate ecosystem, which can greatly benefit state revenue. But any sudden upset to that ecosystem can be detrimental to revenues, jobs, and economic development.

MVG is opposed to further expansion of gaming in Ohio to include internet-based casino and lottery gaming as proposed in SB 197. This legislation would substantially cannibalize the revenue of the existing casinos and racinos, with significant risk to jobs, education funding, and support for horse racing. The bill greatly favors online, out of state online gaming operators, rather than the brick-and-mortar casinos who have invested millions of dollars and employ thousands of people in the state of Ohio. In its most recent annual report, the Ohio Racing Commission noted it had issued over 2,700 licenses to Video Lottery Terminal employees. Additionally, the Ohio Lottery Commission reported

Ohio's racino's had generated \$445 million for education in 2024 alone. Substantial portions of this revenue and employment are at risk should SB 197 be enacted.

A study completed earlier this year by The Innovation Group – a firm often chosen by state regulators to complete professional, balanced analysis – found that Ohio's land-based casinos, racinos, and charitable organizations would lose between \$468 million and \$522 million in net gaming revenue should iGaming be adopted. Importantly, this would threaten 2,800 jobs in Ohio: 1,220 direct jobs at casinos and racinos and nearly 1,600 indirect jobs. Overall, the study reveals iGaming would result in \$204 million in lost labor income and \$602 million in lost value added throughout the Ohio economy. These losses completely offset any added benefits from increased state general fund revenue.

We have witnessed a similar outcome in other states that have approved iGaming. According to the Pennsylvania Gambling Control Board, Pennsylvania's brick-and-mortar casinos have lost nearly 4,000 jobs since the introduction of iGaming. Inflation adjusted revenue for casinos that were operating before and after iGaming's launch saw cannibalization of over 25%. After the passage of iGaming in West Virginia, racino video lottery terminal revenue has failed to reach the levels achieved before the pandemic. According to the American Gaming Association, total revenue from video lottery terminals was down 3.5%, while table game revenue was down 5.6% in 2024.

Ohio's robust horse racing and breeding industry also stands to be dramatically impacted by SB 197. The Innovation Group study reports that purses in Ohio would decline by \$24.5 million per year should iGaming be adopted. This would have a massive chilling effect on the racing and breeding industry in Ohio. Horsemen and women would seek out stronger purses and more lucrative breeding incentives in other jurisdictions, namely in Kentucky where Standardbred racing has been reinvigorated with quickly growing purses and new racetracks.

There are other operational challenges on the racing side presented by SB 197. The legislation would require racetracks to check the identity of every patron at the entry to the racetrack against the self-exclusion list. To our knowledge, there are no other jurisdictions that require this type of check at the entry to a racetrack. Additionally, SB 197 would require the withholding of pari-mutuel winnings against child support or other state debts owed. While commonplace in a casino environment, racetracks and pari-mutuel wagers are not generally subject to such requirements in other jurisdictions.

Based on prior testimony and public statements, SB 197 is clearly meant to bolster the state budget. However, we believe there are real legal questions to be answered about the constitutionality of iGaming in Ohio. The constitutional amendment adopted by Ohioans in 2009 expressly authorized casino gaming at four distinct locations, not statewide. The state budget is too important to rely on a measure with unresolved legal questions.

Finally, there are real social and public health concerns that must be considered with iGaming. As gambling has become more accessible through smartphones, health experts warn that youth gambling is on the rise. A National Council on Problem Gambling survey found that nearly 90% of 17-year-old boys in one room had a sports betting app on their phone. They also reported that problem gambling helpline calls have surged by 150% over five years. In Pennsylvania, online gambling related calls now account for approximately 34% of total call volume, up significantly from 20% just three years ago. Gaming can be a safe, fun activity for those of legal age, but responsible gaming practices are key to protect our customers and the state of Ohio.

In closing, I wish to provide you with some key facts to highlight the vital role MVG plays in our community and state.

FACT – MVG employs over 420 Ohioans, well over half of those are proud union members.

FACT – MVG has contributed over \$400,000 per year, a total of \$4.8M since 2013, to local charities to support local needs. Many of our executives serve on the Board of our local not-for-profit entities as well.

FACT – MVG has contributed over \$190M to purse funds to support horse racing in Ohio

FACT – MVG utilizes over 1,200 vendors a year to help conduct their business, most of those are local to Southern Ohio

FACT – MVG has provided over \$562M to the Ohio Lottery Commission for their use to support the education fund in Ohio.

I proudly represent a team of Ohioans that live, work, and raise their families right here in Ohio. Please do not overlook us as you search for additional sources of revenue that sound far too good to be true. We respectfully urge you to oppose SB 197.