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OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget
Office

S.B. 199
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Blessing

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SUMMARY

Sports gaming privilege fee

- Levies a 2% privilege fee on the gross amount of all sports gaming wagers placed in Ohio.
- Requires 98% of the fee revenue to be used to support the renovation or construction of publicly owned professional sports facilities in Ohio.
- Requires the remaining 2% of the fee revenue to be used to support K-12 interscholastic athletics and extracurricular activities.

Sports Venue Redevelopment Commission

- Creates the Sports Venue Redevelopment Commission, which must evaluate and approve projects funded by the privilege fee.
- Allows an eligible Ohio sports facility to receive up to 40% of its total project cost, excluding site acquisition costs, as long as it is owned by the state or a political subdivision and hosts a majority of home games for a professional or minor league sports franchise located in Ohio.
- Sets out several factors for the Commission to consider in awarding funds.

DETAILED ANALYSIS

The bill levies a 2% fee on sports gaming wagers placed in Ohio and directs 98% of the fee's proceeds to fund the construction or renovation of publicly owned sports venues at the direction of the Sports Venue Redevelopment Commission, which the bill creates.

The bill was introduced before the enactment of H.B. 96 of the 136th General Assembly, which authorized \$1 billion in unclaimed funds that have escheated to the state to support construction of major sports and cultural facilities, with \$600 million appropriated for the

Cleveland Browns stadium project in Brook Park and \$400 million for other facilities. (That law is currently the subject of litigation and is not being enforced because of a preliminary injunction.)¹ Because of its timing, the bill does not amend or repeal the H.B. 96 provisions. If enacted in its current form, the bill would operate in addition to H.B. 96. For more information about the sports and cultural facility provisions of H.B. 96, see [the relevant chapter of LSC’s final analysis \(PDF\)](#).

Sports gaming privilege fee

Calculation

The bill’s 2% privilege fee applies to the gross wagers received by each sports gaming proprietor. “Gross wagers” means the full amount of each wager, including cash and promotional credit, minus canceled or voided wagers and federal excise tax. Winnings paid to the patron are not deducted.

The 2% fee is in addition to Ohio’s existing 20% tax on sports gaming receipts, which are different from gross wagers. The fee is collected from proprietors in the same manner as the tax. For purposes of the tax, “sports gaming receipts” means the full amount of each wager, minus canceled or voided wagers, minus winnings paid to patrons. There is no deduction for the federal excise tax. From January 1, 2027, to December 31, 2031, proprietors may deduct 10% of the value of promotional gaming credits wagered by patrons, and beginning January 1, 2032, proprietors may deduct 20%.²

Given the differences in calculation, the following example shows the amount of the bill’s 2% fee compared to the continuing 20% tax.

Example – 2% privilege fee under the bill	Example – Continuing 20% tax in 2026
\$1,000 wagered	\$1,000 wagered
- \$100 voided wagers	- \$100 voided wagers
- \$2.25 federal excise tax (0.25%)	- \$819 winnings paid to patrons ³
\$897.50 in gross wagers	\$81 in sports gaming receipts
2% privilege fee = \$17.95	20% tax = \$16.20

¹ *Reid v. Maxfield*, Case No. 25-CV-10760 (C.P. Franklin Co. March 9, 2026). See also *Bleick v. Maxfield*, Case No. 2:25-CV-1140 (S.D. Ohio 2025) and Case No. 25-3978 (6th Cir. 2025).

² R.C. 5753.01 and 5753.022; conforming changes in R.C. 5753.04, 5753.05, 5753.06, 5753.07, 5753.08, and 5753.12; and Section 3 of the bill. See also R.C. 5753.021, not in the bill.

³ Assumes a 9% hold, which was the average across all Ohio sports gaming proprietors in February 2026. See Ohio Casino Control Commission, [2026 Ohio Sports Gaming Revenue](#) (PDF).

Privilege fee revenue

Under the bill, the 2% privilege fee must be deposited in the Sports Gaming Privilege Fee Fund, which is separate from the fund that receives the revenue of the 20% tax. After tax refunds and the Department of Taxation's administration expenses are deducted, 98% of the revenue of the Privilege Fee Fund must be deposited in the Sports Venue Redevelopment Fund, and 2% in the Interscholastic Athletics Fund.

As is discussed below, the bill requires the new Sports Venue Redevelopment Commission to determine the use of the Sports Venue Redevelopment Fund to support the renovation or new construction of publicly owned professional sports facilities in Ohio.

The Interscholastic Athletics Fund must be used to support interscholastic athletics and other extracurricular activities for K-12 students as determined in appropriations made by the General Assembly.⁴

Sports Venue Redevelopment Commission

The bill creates the Sports Venue Redevelopment Commission. The Commission must evaluate and approve projects to renovate or construct publicly owned Ohio sports facilities using the Sports Venue Redevelopment Fund.

Membership and organization

The Commission consists of the following seven members:

- Three members appointed by the Governor;
- Two members appointed by the Speaker of the House of Representatives;
- Two members appointed by the Senate President.

The members must serve at the pleasure of their appointing authorities. Members must receive any actual and necessary expenses.

The bill requires each member to be an Ohio resident and limits members to seven years on the Commission, whether consecutive or not. No member of the Commission may have any financial interest in, contract with, represent, advise, or be employed by any professional sports franchise, professional sports league, or minor league sports franchise before or during the time of appointment to the Commission or for two years after appointment. (This restriction might be interpreted as being for two years after the person is appointed or for two years after the person leaves the Commission.)

The Commission must approve projects by a majority vote and must adopt policies and procedures for the administration of the fund and for project evaluation and selection.⁵

⁴ R.C. 5753.031.

⁵ R.C. 123.282.

Covered sports franchises

Under the bill, “professional sports franchise” means a member of the National Football League, the Women’s National Football Conference, the Women’s Football Alliance, the Women’s Football League Association, the National Hockey League, the Professional Women’s Hockey League, Major League Baseball, the Women’s Professional Baseball League, Major League Soccer, the National Women’s Soccer League, the National Basketball Association, the Women’s National Basketball Association, or a successor of any of those entities.

“Minor league sports franchise” means a sports franchise that is officially affiliated as a developmental league for a professional sports franchise.⁶

Qualifying for funding

An eligible Ohio sports facility may receive no more than 40% of the total project cost, excluding site acquisition costs, from the Commission. To receive funding, the facility must meet all of the following requirements:

- The facility must be owned by the state or a political subdivision.
- A primary purpose of the facility must be to provide a site or venue for the presentation of events of a professional sports franchise or minor league sports franchise that is committed to playing a majority of its home games at the facility after the facility is constructed or renovated.
- The franchise using the facility must be located in Ohio.

In awarding funds, the bill requires the Commission to consider all of the following factors:

- The total number of seats in the facility;
- The actual or projected annual facility attendance;
- The total square footage of the facility complex and the total square footage of usable and programmable space in the facility;
- Whether the facility is domed or open air and the mechanical complexity of the facility;
- Whether the facility is usable by the public for other purposes, such as for conference centers, concerts, or other entertainment venues and facilities;
- The age of the facility and any public or private capital investments in the facility since its initial construction;
- The remaining or extended lease term of any current tenants;
- Whether any nonrelocation agreement exists and if so, the terms and conditions.⁷

⁶ R.C. 123.28.

⁷ R.C. 123.282(D) and conforming change in R.C. 123.281.

HISTORY

Action	Date
Introduced	05-14-25
