

**Testimony of the iDevelopment and Economic Association  
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**Ohio Senate Select Committee on Gaming**

**May 22, 2025**

Chairman Manning and Distinguished Members of the Senate Select Committee on Gaming,

On behalf of the iDevelopment and Economic Association (iDEA), thank you for the opportunity to submit written testimony regarding SB 197, legislation to authorize internet gaming (iGaming) in Ohio. iDEA is the leading trade association representing all facets of the regulated online gaming ecosystem, from operators and compliance suppliers to payment processors and responsible gaming providers. Our membership offers a comprehensive perspective on policy, consumer protection, and market dynamics based on extensive experience in regulated markets across the United States and globally.

We commend Chairman Manning for introducing SB 197 and for recognizing the substantial potential of regulated iGaming to enhance consumer protections, bolster state revenues, and support Ohio's existing gaming industry. Our testimony discusses the benefits of iGaming, and it also points out key concerns our organization has with several critical aspects of the current bill.

**Benefits of a Well-Regulated iGaming Market:**

**Enhanced Consumer Protection**

Simply type "Can I play online poker in Ohio" or "Can I play online slots in Ohio" into your web browser and you will be directed to numerous websites claiming to be legal and legitimate because they operate out of the reach of the Ohio government. This should be a major concern for policymakers.

Today, any Ohio resident with an internet connection and a credit card (and even crypto currency) has access to real money online casino gaming and poker. These offshore websites operate without any age restriction or consumer safety protections, leaving Ohio's most vulnerable populations exposed.

First and foremost, legalization of iGaming will protect consumers by turning an unregulated market into one that is state-licensed, regulated, taxed and accountable. By transitioning from unregulated to a regulated environment, Ohio can ensure that all iGaming operations adhere to strict standards of fairness, data protection, and responsible gaming practices. This shift not only protects Ohioans from the risks associated with offshore and illegal sites but also promotes a culture of safe and responsible gaming.

In Michigan, strict regulatory enforcement empowered by the state's legalization of iGaming has successfully curtailed illegal operators. Recent research conducted by Rightlander in coordination with GeoComply, an iDEA member and leading supplier of geolocation compliance and anti-fraud technology, demonstrates the effectiveness of strong regulation paired with active enforcement. The charts provided in **Appendix One** show that since legalization and aggressive enforcement against un-regulated online gaming from the state's gaming regulator and law enforcement there has been a sharp decline of people within Michigan seeking out illegal operators and accessing those platforms within the state of Michigan.

### **Responsible Gaming Measures**

Leading iGaming operators are deeply committed to responsible gaming and player protection, utilizing advanced technologies and proactive strategies to identify and mitigate problem gambling. Operators employ sophisticated behavioral analytics and machine learning to track dozens of behavioral markers, such as deposit patterns and gaming frequency, to detect early signs of risk. These data-driven interventions are personalized, significantly increasing the adoption of responsible gaming tools like deposit limits and self-exclusion.

The industry is actively working to remove the stigma around responsible gaming tools by promoting them as standard features integral to everyone's gaming experience—similar to everyday safety measures like seatbelts. Operators ensure comprehensive staff training, strict oversight from senior-level in-house responsible gaming teams, and thorough regulation of marketing practices.

Responsible gaming teams proactively review transaction and communication records to initiate interventions that range from offering supportive resources and account management actions to conducting financial assessments to prevent potential harm.

Further strengthening player protection, operators collaborate closely with respected organizations such as the National Council on Problem Gambling, Gamblers Anonymous, Birches Health, and Kindbridge, providing easily accessible and free clinician-led treatment options for players in need.

Additionally, the industry voluntarily adheres to stringent responsible gaming standards through organizations like iDEA and the Responsible Online Gaming Association (ROGA), setting industry-wide best practices that exceed regulatory requirements. These proactive efforts underscore the industry's commitment to maintaining a safe, sustainable, and enjoyable gaming environment for all players.

### **Economic and Fiscal Impact**

Regulated iGaming consistently generates substantial economic contributions and tax revenue. In states such as Michigan, New Jersey, and Pennsylvania, billions in new revenues have directly supported essential public services like education, healthcare, and infrastructure. According to a

study conducted by *Vixio*<sup>1</sup>, Ohio could conservatively generate approximately \$488.6 million annually at a balanced effective tax rate similar to Michigan's 28%, rapidly reaching market maturity and robust revenue generation within two to three years.

Further, regulated iGaming creates direct and indirect employment opportunities in Ohio, including high-tech and compliance positions, customer service and marketing roles, and potentially hundreds of jobs associated with live dealer studios.

### **Supporting Land-Based Casinos**

Data from established iGaming states refutes concerns that online gaming negatively impacts brick-and-mortar casinos. Pennsylvania has been a model for how iGaming and land-based casinos can coexist and even thrive. Earlier this year the Pennsylvania Gaming Control Board announced record high gaming industry tax revenues<sup>2</sup> in the calendar year 2024, with all forms of regulated gaming (retail and online) delivering more than \$2.66 billion in tax dollars to the state.

Since the launch of iGaming in July of 2019 there has been an increase in overall land-based revenues for both slots and table games. Retail slot revenue has grown by 13.25% and retail table games revenues have increased 25.17% since the introduction of online gaming. Additionally, during this time, new land-based casinos opened, further increasing jobs and overall revenue, demonstrating that online gaming complements, rather than competes with, traditional casino gaming. For morae analysis please review the Pennsylvania Case Study in **Appendix Two**.

Regulated iGaming provides Ohio's casinos and racinos a competitive edge, allowing them to attract new demographics, enhance customer loyalty, and drive cross-channel engagement.

### **Modernization and Regional Competitiveness**

Ohio's legalization of iGaming would position the state at the forefront of gaming innovation, catering to evolving consumer preferences for convenience and digital engagement. Ohio borders multiple states (Pennsylvania, Michigan, West Virginia) already benefiting from robust regulated markets. Legalizing iGaming would help Ohio retain gaming revenue currently flowing to neighboring states, ensuring competitive parity and maximizing state revenue potential.

### **Leveraging Existing Regulatory Infrastructure**

Ohio's existing regulatory framework and technological infrastructure developed for online sports betting provide a ready foundation for implementing iGaming. Effective identity verification, geolocation technology, and responsible gaming measures already employed in sports betting

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<sup>1</sup> Vixio/Light and Wonder; [US iGaming State Tax Revenue Potential](#); August 2024

<sup>2</sup> Pennsylvania Gaming Control Board; [PA Gaming Control Board Reports Record High Gaming Revenue for 2024](#); January 21, 2025

can seamlessly transition to online casino and poker games, ensuring a secure, fair, and responsible gaming environment from day one.

### **Concerns with the Proposed Bill:**

As the leading voice for the regulated online gaming industry, iDEA and its members have been at the forefront of launching and supporting successful iGaming markets across the U.S. and globally.

Our experience gives us a unique vantage point to understand what works—and what doesn't—in iGaming legislation. We share the following concerns not just on behalf of operators, but also on behalf of the many downstream suppliers who will bear the weight of overly aggressive fees and taxes. High costs don't exist in a vacuum; they create financial pressure throughout the supply chain, potentially jeopardizing the stability and innovation of companies that play essential roles in compliance and consumer protection. It's difficult to sustain best-in-class tools and safeguards when the ecosystem is under financial strain.

We urge the Committee to carefully review **Appendix Three**, a comparison chart outlining how other states have approached iGaming regulation. As the chart makes clear, the fee and tax structures proposed in SB 197 are not aligned with national norms and could hinder Ohio's ability to create a competitive, consumer-friendly, and revenue-generating market.

### **Tax Rates**

The proposed tax rates of 36% or 40%, depending on license type, significantly exceed those of other successful regulated markets. High tax rates have historically stifled market potential by discouraging competitive entry, innovation, and promotional spending critical to consumer engagement and sustainable revenue growth.

Michigan, for example, applies a graduated tax rate between 20% to 28%. As detailed by the Michigan Gaming Control Board's 2024 Annual report, the state (\$451.4 million) and the City of Detroit (\$113.4 million) generated an incredible \$564.8 million in state and municipal revenue in 2024 alone. Michigan's balanced approach has positioned it as a global leader in iGaming, demonstrating that moderate tax rates can foster substantial economic benefits.

### **Licensing Fees**

The bill proposes a licensing fee of \$50 million for master licenses, with an additional \$50 million required if a licensee needs to engage a third-party iGaming platform provider. These unprecedented fees would severely limit market entry, effectively restricting participation to a handful of major companies, thus eliminating the potential for a competitive and innovative marketplace. Even the largest operators would find recouping this enormous upfront investment challenging over a five-year license term, ultimately disadvantaging Ohio's consumers through diminished competition, higher costs, and fewer choices.

### **Skins per License**

The limitation of just one skin per master license restricts the potential market size and competitiveness of Ohio's iGaming industry. Most successful states, including New Jersey (5 skins) and Pennsylvania (unlimited skins), allow multiple skins per licensee. Permitting at least two skins per eligible master licensee would encourage competition, innovation, and broader consumer choice. Ultimately, it will help maximize the potential of the market and generate even more revenue for the state.

### **Conclusion:**

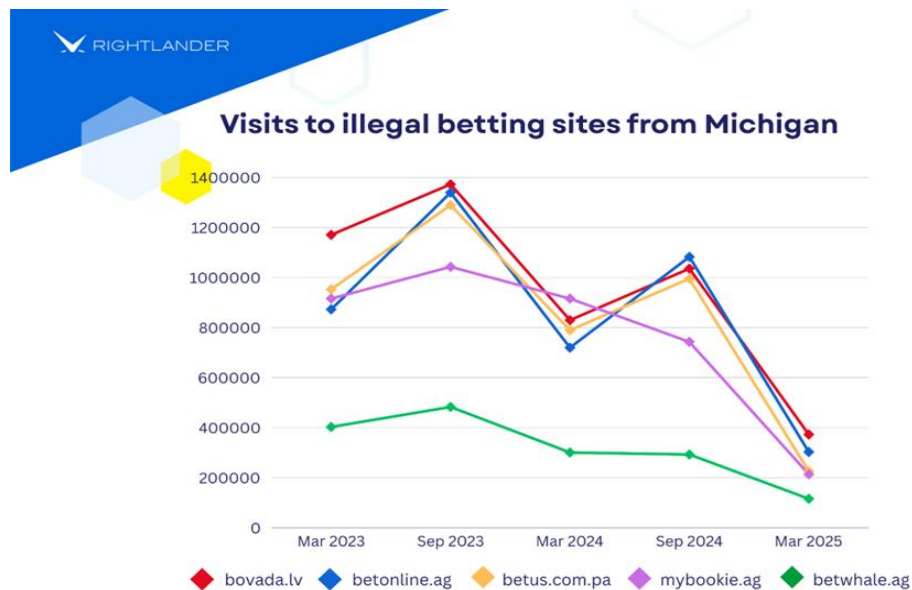
We enthusiastically support the concept of a regulated iGaming market in Ohio. With careful reconsideration of the proposed tax rates, licensing fees, and market access limitations, Ohio can create a vibrant, competitive, and consumer-friendly online gaming market. We look forward to assisting further as Ohio moves forward in establishing a successful iGaming industry.

Thank you for considering our perspective on this important legislation.

## Appendix One



Data provided by tools that aggregate Google Search data. Figures are based on estimates supplied by Google and do not include a wide range of variations, typos and other similar searches.



Data provided by analytics tools that track visitors through multiple platforms which include search engines, third party sites, social media, and ad networks.

## Appendix Two

### iGaming Impact on Land-Based Gaming Revenue and Jobs A Pennsylvania Case Study

Year	Slot Machine Revenue	Table Games Revenue	iGaming Revenue	Sports Wagering Revenue	VGT's Revenue	Fantasy Sports Contests	Total Gaming Revenue
2014	\$2,319,534,380	\$749,543,217					<b>\$3,069,077,597</b>
2015	\$2,365,651,659	\$808,137,112					<b>\$3,173,788,771</b>
2016	\$2,360,184,122	\$853,238,055					<b>\$3,213,422,178</b>
2017	\$2,336,212,902	\$890,704,254					<b>\$3,226,917,156</b>
2018	\$2,369,885,203	\$878,796,174		\$2,516,589		\$15,309,615	<b>\$3,266,507,581</b>
2019	\$2,363,085,678	\$903,594,181	\$33,599,749	\$84,112,967	\$2,329,540	\$25,872,124	<b>\$3,412,594,239</b>
2020	\$1,355,924,785	\$504,309,266	\$565,776,908	\$189,703,465	\$16,647,898	\$21,148,707	<b>\$2,653,511,029</b>
2021	\$2,287,529,465	\$924,902,965	\$1,112,855,937	\$340,113,160	\$39,852,039	\$29,298,635	<b>\$4,734,552,201</b>
2022	\$2,390,757,300	\$990,568,468	\$1,364,392,468	\$401,208,108	\$42,079,447	\$22,329,896	<b>\$5,211,335,687</b>
2023	\$2,463,698,452	\$971,742,564	\$1,741,832,079	\$458,616,339	\$41,237,349	\$20,091,332	<b>\$5,697,218,115</b>
2024	\$2,447,354,419	\$937,479,260	\$2,181,669,449	\$510,716,858	\$41,525,888	\$18,668,580	<b>\$6,137,414,455</b>

\*Source: Pennsylvania Gaming Control Board 2024 Revenue Report; January 21, 2025

#### Slot Machine Revenue

- 2014–2018 (Total): \$11,751,468,266
- 2019–2024 (Total, including 2020): \$13,308,350,099
- Percent Difference: +13.25%

## Table Games Revenue

- 2014–2018 (Total): \$4,180,418,812
- 2019–2024 (Total, including 2020): \$5,232,596,704
- Percent Difference: +25.17%

### Key Takeaways:

To assess the impact of iGaming on Pennsylvania's retail gaming market, we analyzed the revenue numbers from the five years before iGaming's introduction (2014–2018) and compared them to the five years following its introduction (2019\*–2024). This approach provides a balanced comparison, even accounting for the challenges posed by the COVID-19 pandemic in 2020, which significantly disrupted retail gaming revenues.

The results show that **retail table games and slot revenues have increased considerably during the five years since iGaming was introduced, despite the unprecedented challenges of the pandemic year.**

- **Retail slot revenue** grew by **13.25%** between the two periods, rising from \$11.75 billion (2014–2018) to \$13.31 billion (2019–2024). This demonstrates that slots, a cornerstone of the retail casino industry, have remained strong and even grown in the presence of iGaming.
- **Retail table game revenue** experienced an even more remarkable increase, growing by **25.17%** from \$4.18 billion (2014–2018) to \$5.23 billion (2019–2024). This substantial growth highlights the continued appeal of table games and their ability to thrive alongside iGaming.

This growth occurred alongside the expansion in the state's land-based gaming footprint. Since 2018, **five new casinos** (two full casinos and three mini/satellite casinos) have opened in Pennsylvania, further contributing to the increased revenue from retail gaming. This demonstrates that iGaming and land-based casinos are not competitive but are complementary. The simultaneous growth of iGaming and new brick-and-mortar venues reinforces the idea that **land-based and online gaming can coexist and thrive, creating a more robust and diverse gaming ecosystem.**

The employment impact further underscores this complementarity. According to publicly available data from the Pennsylvania Gaming Control Board (PGCB)<sup>3</sup> **more than 1,000 new jobs have been added at land based casinos over the past three fiscal years (FY21/22 to FY23/24)**. This does not include jobs associated with “live dealer” studios located within Pennsylvania, which are not included in the PGCB employment figures. It is estimated that more

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<sup>3</sup> Pennsylvania Gaming Control Board Annual Reports; [2021-2022](#); [2022-2023](#); [2023-2024](#).

than 1,000 jobs are directly tied to “live dealer” iGaming in Pennsylvania. Additionally, the PGCB’s job board<sup>4</sup> highlights active recruitment efforts by casinos across the state, with **hundreds of full-time and part-time opportunities available**. These positions range from dealers and table games supervisors to roles in restaurants and other non-gaming amenities that are essential to the in-person casino experience.

Finally, the combination of **iGaming and sports betting** has driven **record-breaking gaming revenues** for the state. Total gaming revenue grew from **\$3.27 billion in 2018** to **\$6.14 billion in 2024**, an increase of over **87%**. iGaming and sports make-up the lion's share of this growth. The availability of these new digital gaming channels has contributed to **record tax revenues from gaming**, benefiting Pennsylvania's economy and public services.

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<sup>4</sup> Pennsylvania Gaming Control Board [Casino Employment Opportunities](#).

\*iGaming launched in Pennsylvania on July 15, 2019. The first online casinos to launch were Parx Casino, Hollywood Casino, and PlaySugarHouse.

## Appendix Three

### *iGaming States Comparison Chart*

State	Tax Rates	Licensing Fee & Term	Skins per Master License	Active iGaming Operators
<b>New Jersey</b>	15% + 2.5 alt tax	\$400k; 5 years	Up to 5	30+
<b>Pennsylvania</b>	54% slots, 16% tables & poker	\$4M per category or \$10M for all three; 5 years	Unlimited	23
<b>Michigan</b>	20%-28% graduated	\$150k; 5 years	1	15
<b>West Virginia</b>	15%	\$100k; 5 years	3	10
<b>Connecticut</b>	18% - 20%	\$250k initial; \$100k annual	1 per tribal operator	2