

# OHIO

The launch of legal sports betting in Ohio saw annual commercial casino gaming reach a record total of \$3.32 billion in 2023, an increase of 42.3 percent on the previous year.

## Market Overview

Ohio offers commercial casino gaming at four casino-resorts, each of which operates electronic gaming devices, table games and sports betting, and at seven racinos, which are limited to electronic gaming devices and sports betting. The land-based casinos are regulated by the Ohio Casino Control Commission while the racinos are regulated by the Ohio Lottery Commission.

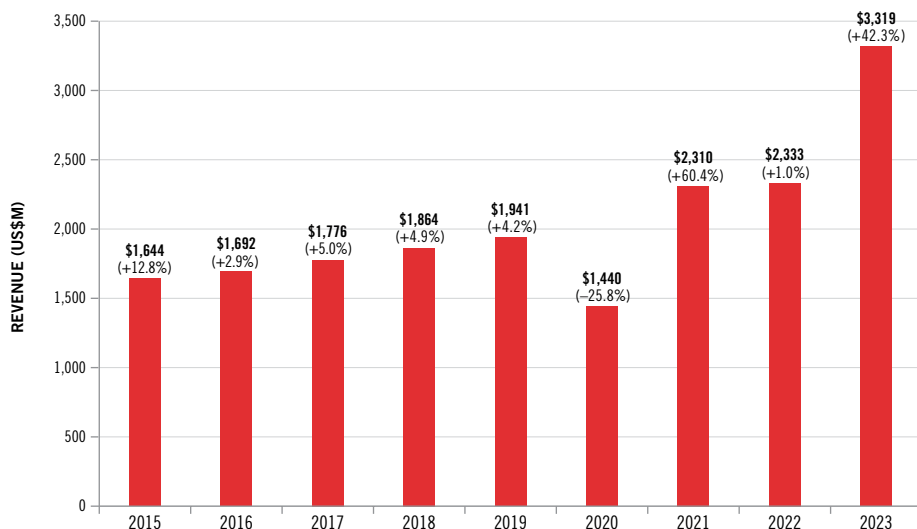
In 2009, Ohio voters approved a ballot initiative authorizing commercial casinos in the state's four largest cities: Cincinnati, Cleveland, Columbus and Toledo. Two years later, an executive order approved electronic gaming devices (specifically video lottery terminals, or VLTs) at established Ohio racetracks. Racinos are limited to a maximum of 2,500 electronic gaming devices each, half the statutory limit applied to Ohio's casino properties.

The state legislature approved a bill in December 2021 to authorize land-based sports wagering at commercial casinos and racinos, at major professional sports arenas, and via kiosks in retail locations licensed to serve alcohol. Statewide online sports betting was also legalized under the same law. Both online and land-based sports wagering launched on January 1, 2023. By the end of the year, a total of 15 land-based sportsbooks and 19 mobile sports betting platforms were operational in the state.

## Market Performance

In 2023, total statewide commercial casino gaming revenue was a record \$3.32 billion, up 42.3 percent versus the prior year.

### OHIO: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2015 to 2023



SOURCE: Ohio Casino Control Commission, Ohio Lottery

### KEY STATE INFORMATION

#### NUMBER OF COMMERCIAL CASINOS

11

#### CASINO FORMAT

Land-Based Casinos;  
Racinos

#### REGULATORY AUTHORITY

Ohio Casino Control  
Commission, Ohio  
Lottery Commission

#### GROSS CASINO GAMING REVENUE 2023

\$3.32B

#### GAMING TAX REVENUE 2023

\$929.9M



The growth was driven almost entirely by the addition of sports betting to Ohio's commercial casino gaming market.

Total sports betting revenue for the year was \$936.6 million, with mobile sports betting accounting for \$913.7 million—or 97.5 percent—of overall revenue. The total meant Ohio was the fourth largest sports wagering market in the country in its first year of operation, behind New York, New Jersey and Illinois.

Total statewide revenue from traditional casino games at Ohio's commercial casinos and racinos was \$2.38 billion in 2023, up 2.1 percent from the prior year.

Revenue from electronic gaming devices at casinos and racinos was \$2.10 billion, up 3.3 percent versus 2022. In contrast, table game revenue at casinos was \$286.1 million, down 5.8 percent compared to the prior year.

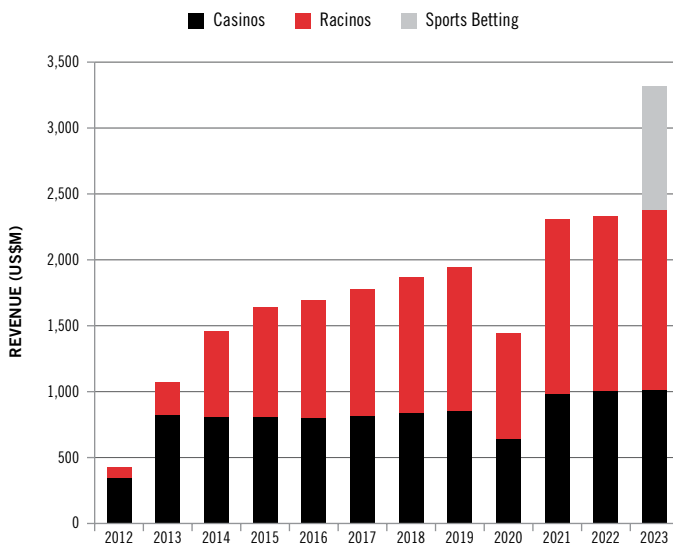
Including revenue from retail sportsbook operations, Ohio's four casino-resorts located in the downtown areas of the state's major cities reported total revenue of \$1.03 billion, up 2.1 percent. Ohio's seven racinos reported total revenue of \$1.38 billion from electronic gaming devices and land-based sports wagering, an increase of 3.8 percent on the prior year.

## Gaming Tax Distribution

Ohio levies a 33 percent tax on casinos' revenue from electronic gaming devices and table games, while racinos

### OHIO: COMMERCIAL GAMING REVENUE (US\$M) 2012 to 2023

**Retail and online sportsbooks accounted for more than one quarter of total commercial casino gaming revenue in Ohio in 2023, as the state's sports wagering market immediately become one of the top five largest in the United States.**



SOURCE: Ohio Casino Control Commission, Ohio Lottery

pay a slightly higher 33.5 percent effective tax rate on their revenue from electronic gaming devices.

In accordance with a 2023 state budget law, revenue from both land-based and online sports betting is taxed at a rate of 20 percent. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle.

In 2023, Ohio's casinos, racinos and sports betting operations generated total state gaming tax revenue of approximately \$929.9 million, up 19.1 percent from the prior year. Taxes applied to electronic gaming devices and table games at Ohio's four casinos accounted for \$333.5 million of the total, while electronic gaming devices at racinos generated \$462.8 million. Land-based and online sports betting generated approximately \$133.6 million in state tax revenue in its first year of operation.

Roughly 50 percent of land-based casino tax revenue is distributed to Ohio's 88 county governments to support local budgetary needs, including law enforcement, infrastructure improvements and other public services. Another 34 percent is earmarked for the Ohio Student Fund, which distributes dollars to all school districts, while 5 percent is returned to the host cities where casinos are located. The remaining funds are used to treat problem gambling and cover the costs of the agencies that regulate gaming in Ohio.

Under Ohio law, all tax revenue generated by electronic gaming devices at racinos must be used for the purpose of funding state education programs. Accordingly, racino tax revenue flows into the Lottery Profits Education Fund, which supports primary and secondary schools in Ohio. Additionally, 0.5 percent of racino commissions from electronic gaming devices are allocated to support state treatment programs for problem gambling.

The vast majority of sports betting tax revenue, after reimbursement of the state's direct regulatory costs, is distributed to an education fund that supports public and non-public K-12 education programs via appropriations made by the state legislature. Two percent of sports betting tax revenue is also set aside for a state problem gambling fund.

## Competitive Landscape

In addition to fierce competition among the casinos and racinos within the state, various Ohio casino gaming properties also compete for patrons with gaming venues located in neighboring markets.

Casinos and racinos in the Cincinnati area compete with a trio of riverboat casinos stationed on the Indiana side of the Ohio River and with two Kentucky racetrack facilities that offer electronic gaming devices based on historical

horse races, as well as sports wagering. Elsewhere, three West Virginia racinos and one Pennsylvania racino are also located near Ohio's eastern border and draw customers from the state. In October 2023, a new Kentucky historical horse racing facility opened just a few miles from Ohio's southern border.

Thanks to legislation passed by the Kentucky General Assembly in 2023, land-based and online sports betting is also available in each of the five states that border Ohio.

## Policy & Regulatory Review

### *Sports Betting*

In June, Gov. Mike DeWine (R) signed a state budget that made several amendments to Ohio's 2021 sports betting laws.

The most notable change doubled the tax rate applicable to sports betting revenue from 10 percent to 20 percent, effective July 1, 2023. Gov. DeWine had proposed the tax increase as part of his executive budget proposal released in January, citing concerns over the prevalence of sports betting advertising within the first few weeks since the market's launch.

Another provision of the budget law provided the Ohio Casino Control Commission with statutory authority to involuntarily exclude individuals from participating in sports wagering if they publicly threaten harm to athletes involved in sporting events. The amendment was the result of concerns expressed by Ohio college athletic directors over inappropriate comments by sports bettors on social media directed toward student athletes.

### *Expansion*

A further provision of Ohio's budget law signed in June established a new 11-member commission to study the future of the state's gaming, lottery and racing industries.

The commission, to be made up of state legislators and representatives of Ohio's regulatory bodies, was specifically mandated to evaluate the implementation of sports betting as well as the status of commercial casino gaming in the state and submit policy recommendations regarding both sectors for consideration by the Ohio General Assembly. Those recommendations are due to be submitted by June 30, 2024.