

DeWine's proposal to hike sports betting tax for a new Cleveland Browns stadium faces legislative skepticism

By **Jeremy Pelzer**
Cleveland.com

COLUMBUS, Ohio—Gov. Mike DeWine's budget proposal to double Ohio's tax on sports betting companies' revenue to fund sports stadium projects – like a proposed new Cleveland Browns stadium – received a skeptical, though not completely hostile, reaction from state lawmakers on Tuesday.

The plan, unveiled by DeWine on Monday, would raise the state's tax on sports gambling companies' gross Ohio revenues from 20% to 40%. It would be the second time the tax has doubled since sports gambling became legal in Ohio in 2023.

That would generate an estimated \$288 million more over the next two fiscal years for stadium projects and youth sports, according to DeWine's budget plan. However, state budget director Kim Murnieks said estimate was "conservative," given Ohio projects to take in nearly \$210 million from sports-gambling taxes this fiscal year.

That extra cash could be used to pay for up to 40% of a stadium project's cost, according to DeWine's proposal, along with youth sports initiatives. A new commission -- appointed by the governor, as well as Republican and Democratic lawmakers – would be given the power to decide which projects should get a share of the funding.

Ohio's current 20% tax rate ranked sixth highest in the nation last year among the 38 states that allowed some sort of legalized gambling on sports, [according to the Tax Foundation](#), a conservative-leaning nonprofit based in Washington, D.C. The three states with the highest sports-betting tax rate -- 51% -- were New Hampshire, New York, and Rhode Island.

DeWine and Murnieks each touted the proposal as a way to offer ongoing state assistance for large stadium projects – like the Browns' proposed Brook Park

stadium, as well as a major planned renovation of Paycor Stadium, home of the Cincinnati Bengals – without dipping into the state’s general revenue fund.

“Ohio citizens are giving, every single day, millions of dollars to the sports gaming companies,” DeWine said Monday. “It’s time for us to raise the tax on them so that we can do things to help Ohioans. It seems to me a very logical approach.”

However, state Rep. Brian Stewart, a Pickaway County Republican and the chair of the House Finance Committee, noted that his fellow GOP lawmakers – who dominate both chambers of the Ohio legislature – [already doubled the sports-betting tax at DeWine’s request](#) in the last state budget, from 10% to 20%.

“We’ve not even finished two football seasons, and now we’re talking about quadrupling that tax? I think that’s going to generate a lot of discussion,” Stewart said. “I don’t think anything’s dead on arrival, but I do think that any time you’re talking about tax increases in the Republican Party, that’s going to get a skeptical eyebrow raise.”

Stewart added that lawmakers will also be talking about the proposed commission that DeWine wants to put in charge of the money, noting that such a body would be “unelected.”

State Rep. Bride Rose Sweeney of Westlake, the top Democrat on the House Finance Committee, also noted that lawmakers passed a “massive increase” of the state’s sports-gambling tax in 2023.

“We are still realizing what that actually means to the (sports-betting) industry,” Sweeney said. “So, I think we have a lot more vetting (to do).”

Not surprisingly, the sports-gambling industry sharply criticized DeWine’s plan as an arbitrary and exorbitant tax hike.

“This proposal will inevitably create worse products for customers, disincentivize investments through sports books’ community partners, and leave far less funding for future responsible gaming initiatives,” stated Scott Ward, vice president of the Sports Betting Alliance, an industry group that represents Draftkings, FanDuel, BetMGM and Fanatics.

Ward warned that it would “give a huge boost to unregulated and offshore apps who don’t have to pay a penny of state taxes and actively flaunt Ohio’s responsible gaming regulations and consumer protections.”

However, Hamilton County commissioners – [who have been seeking state money for renovations to county-owned Paycor Stadium](#), home of the Cincinnati Bengals – praised the governor’s proposal.

“This smart, sustainable funding solution ensures that those who fuel the sports industry also invest in its future, easing the burden on Hamilton County taxpayers,” said Bridget Doherty, a county spokeswoman, in a statement. “We urge the state legislature to seize this opportunity to leverage the booming sports betting industry to invest in the very facilities that help drive sports betting in the State and ensure Hamilton County remains the home of the Bengals and Reds.”

Cuyahoga County spokeswoman Jennifer Ciaccia’s reaction was also friendly, though more tempered.

“We are pleased to see that in his budget, Governor DeWine has recognized the importance of sports facilities to the State of Ohio and the State’s role in financing those facilities,” Ciaccia said. “We look forward to learning more about the proposal and how it may impact funding for the three professional sports facilities located in Cuyahoga County.”

Tyler Sinclair, a spokesman for the city of Cleveland, said in a statement that, “like everyone else,” city officials weren’t aware of DeWine’s stadium-funding proposal until the governor unveiled it on Monday.

“We appreciate the Governor’s thought process in his current proposal that sports fans across the State of Ohio should bear the funding responsibility when it comes to supporting construction and maintenance of stadiums,” Sinclair said.

However, he added, “there is still obviously a lot that needs to be sorted out in Columbus as this is just the beginning of the State’s budget process.”

DeWine’s plan came as a surprise to lawmakers such as Sweeney, who helped organize [a meeting between Cleveland Browns officials and Northeast Ohio lawmakers last year](#) to discuss potential state funding for the team’s stadium plans.

The Cleveland Browns [have been seeking \\$600 million in state assistance](#) to help cover the estimated \$2.4 billion cost of a new, domed stadium in suburban Brook Park, near Cleveland Hopkins International Airport. The Browns have pitched having local governments kick in another \$600 million (an idea that, so far, [hasn’t been well-received](#)), while team owners Jimmy and Dee Haslam would provide the remaining \$1.2 billion.

However, the Browns' idea has been that the state would provide its \$600 million share not through direct state subsidies – an idea that [state lawmakers have spoken out against](#) in the past – but rather by using tax revenue generated from the new stadium and the [proposed \\$1 billion mixed-use development](#) surrounding it.

Dave Jenkins, Haslam Sports Group chief operations officer, said in a prepared statement Monday that the Browns “appreciate Governor DeWine’s commitment to looking at creative ways to solve sports facilities development.”

However, Jenkins added, team officials will continue to “work with the appropriate stakeholders and other experienced experts” to develop “alternative funding mechanisms” for a Brook Park stadium.

As the House Finance Committee holds hearings on DeWine’s budget plan in the coming weeks, Sweeney urged members of the public to come to Columbus and share their thoughts on the stadium-funding issue with lawmakers.

“At the end of the day, any kind of decision we make, or should make, should be justifiable and should be a net positive to all Ohioans,” she said.