

‘We’re crazy if we don’t do this’: Gov. Mike DeWine doubles down on his Browns stadium funding plan

**By Jeremy Pelzer
Cleveland.com**

COLUMBUS, Ohio— Gov. Mike DeWine is doubling down on his plan to fund stadium projects by doubling the state’s tax on sports-betting companies, even as state lawmakers are moving toward authorizing \$600 million in state-backed bonds to help pay for a new suburban Cleveland Browns stadium.

DeWine, speaking Wednesday at a lunchtime Columbus Metropolitan Club event, made his most forceful public comments to date in favor of his budget proposal. It would use additional sports-betting tax revenue -- an estimated \$288 million over the next two years -- to create a permanent source of funding for not just the Browns stadium, but future pro sports stadiums and youth sports.

The governor said that 98% of sports gaming is online, and 99.5% of the money from online gaming “goes to out-of-state gaming companies who don’t employ anybody in the state of Ohio, who don’t give anything to the (state) economy.”

DeWine noted that Ohio’s sports-betting tax is paid by gambling companies, not bettors, so his proposed tax hike would “not change the gaming experience” for Ohioans wagering on sports.

“I just think it’s poetic justice ... that the people who are making the most money off sports, and who aren’t contributing nearly anything, help pay a little bit for the stadiums in the state of Ohio,” DeWine said.

Ohio has offered taxpayer money for various stadium projects for decades, DeWine said, but the state can’t always afford to give millions for such projects out of the state’s general-revenue fund.

“This money directly competes against education,” DeWine said. “It directly competes against mental health, drug addiction – all of these things that we actually need money to try to help meet.”

In addition, he said, some of the tax-hike revenue would go to ensure that high-school athletes don't have to pay fees in order to play – a barrier that the governor said was “wrong.”

While right now the focus is on the Cleveland Browns' request for the state to help cover a quarter of the estimated \$2.4 billion cost of building a new covered stadium in Brook Park, DeWine said there will inevitably be similar requests made in the future, such as for pro women's soccer stadiums in Cleveland and/or Cincinnati.

“If we don't do this, every legislature, every governor in the future is going to have to face the challenge of, ‘Gee, do we put \$20 million here?’ ‘Do we put \$40 million here for this stadium or that stadium?’” said DeWine, a Republican who is term-limited in 2026.

“To me, this is a simple one,” the governor said, “and we're crazy if we don't do this.”

The sports gambling companies oppose DeWine's plan. Scott Ward, vice president of the Sports Betting Alliance, said in a prepared statement that Ohio already doubled the state's sports-betting tax from 10% to 20% last year. Raising the tax rate to 40%, he noted, would be a 300% tax increase over a two-year span.

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.

Despite DeWine's spirited argument in favor of his stadium-funding plan, it might already be too late: The Ohio House Finance Committee is preparing to strike out DeWine's sports-betting tax increase early next month, as the Republican majority is uneasy about passing any sort of tax increase.

In its place, lawmakers are looking to approve the Browns' preferred way for the state to provide the \$600 million: through state-backed bonds that the team says would be paid off via tax revenue generated from the stadium and a [proposed \\$1 billion mixed-use development](#) surrounding it.

Another \$1.2 billion would be provided by team owners Jimmy and Dee Haslam, and \$600 million would come from local governments (though the latter idea, so far, [hasn't been well-received](#) by county officials).

DeWine has repeatedly dodged questions – including during Wednesday’s event – about whether he would support the bond plan or use his line-item veto pen to strike it out when lawmakers send him their final budget plan later this year.

Some experts have questioned whether the team’s projections are overly optimistic and if the stadium and surrounding development can generate revenue fast enough to pay off the bonds. The Browns have said tax revenue from the stadium and surrounding development would more than cover the state’s bonds.

To address such concerns, the Browns have offered to provide \$38,250,000 in “upfront” cash in escrow that would be tapped if revenue from the stadium project and surrounding development doesn’t cover the bond costs. That amount would grow through interest to nearly \$150 million by 2054, according to the Browns’ estimates.

But on Wednesday, three Ohio House Democrats released a letter expressing concern that stadium project taxes and the proposed escrow fund might not be enough cover the bonds, forcing taxpayers to cover the shortfall.

The Democrats – state Reps. Terrence Upchurch of Cleveland, Dani Isaacsohn of Cincinnati, and Dontavius Jarrells of Columbus -- asked Republican committee chairs involved in the stadium funding issue for “a thorough and independent review of the financial assumptions underpinning this project.” They also asked for more time and for legislative hearings to review the exact language of the bond proposal.