

Will Gaming Expansion in Neighboring Ohio “Spur” Kentucky to Stop “Horsing Around” on the Issue?

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Well before Governor Beshear took office in 2008, the Commonwealth of Kentucky had been discussing the expansion of gaming within its borders. Beyond the legalization of the lottery in 1988 and charitable gaming in 1994, the Commonwealth had only permitted pari-mutuel betting on horse racing. However, the opening of two racinos and four stand-alone casinos in neighboring Ohio in the last year may just be the impetus necessary to spur the Kentucky Legislature to action.

In Cincinnati, which is just across the Ohio River from Kentucky, the Horseshoe Casino opened its doors on March 4, 2013. The Horseshoe Casino in downtown Cincinnati represents the fourth stand-alone casino to open in Ohio and is the closest of the Ohio casinos to the Kentucky border. Kentucky Governor Beshear commented that the opening of the Cincinnati casino was “...good news for Ohio and bad news for Kentucky.” The Governor further stated that thousands of Kentuckians have been going out of state to spend their “Kentucky money” and that he was hopeful that Kentucky could “...**legalize casino gaming so that we can start keeping our money at home.**”

Kentucky is but one of many cash-strapped states looking to cover budgetary shortfalls. In fact, estimates from a few years ago put the Kentucky budget shortfall at approximately \$1.5 billion. Adding to the budgetary pressures are the Commonwealth’s reported problems with funding its state pension plans, which are said to be some \$30 billion underfunded. Undoubtedly, Kentucky would welcome the estimated \$350 million to \$450 million in revenues escaping it and being infused into the state of Ohio from its expanded gaming operations this year.

Moreover, polling data from 2010 showed that 59% of Kentuckians supported video gaming at horse racetracks and about 85% of voters wanted the opportunity to vote on the issue. Thus, there would appear to be sufficient public support for the Kentucky Legislature to seriously consider any legislation aimed at expanding gaming within the Commonwealth, which may be introduced in its next session. Nevertheless, it should be noted that similar gaming legislation in the last several years has either died in committee or suffered a failed vote in one of the Houses of the Legislature.

That being said, despite the prior setbacks, the “superfecta” of polling data, budgetary issues, underfunded state pension plans, and neighboring states like Ohio expanding gaming options attracting untold amounts of Kentucky money could provide the Kentucky Legislature with all the motivation necessary to increase the Commonwealth’s gaming options. As such, it may be time to

“place your bet” on Kentucky as the next state to legalize casino gaming!

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