

AN ACT

To amend sections 122.014, 173.121, 718.03, 2915.01, 2915.02, 2915.06, 2915.08, 2915.09, 2915.091, 2915.092, 2915.093, 2915.094, 2915.10, 2915.101, 2915.12, 2923.31, 2933.51, 3301.0714, 3769.08, 3769.087, 3769.089, 3769.0810, 3770.02, 3770.05, 3770.07, 3770.071, 3770.072, 3770.073, 3770.21, 3772.01, 3772.03, 3772.032, 3772.04, 3772.07, 3772.091, 3772.10, 3772.13, 3772.16, 3772.17, 3772.28, 3772.99, 4301.03, 4303.17, 5703.21, 5747.062, 5747.063, 5747.08, 5747.12, 5747.98, and 5753.03, to enact sections 121.421, 3769.041, 3769.0812, 3770.22, 3772.35, 5747.064, and 5753.11, to repeal section 3772.14 of the Revised Code, to amend Section 3 of Sub. H.B. 277 of the 129th General Assembly, and to repeal Section 4 of Sub. H.B. 277 of the 129th General Assembly to make changes to the law regarding video lottery terminals, casino gaming, bingo and instant bingo, and horse racing, to establish a moratorium on new establishments conducting sweepstakes by sweepstakes terminal devices, to make appropriations, and to declare an emergency.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 122.014, 173.121, 718.03, 2915.01, 2915.02, 2915.06, 2915.08, 2915.09, 2915.091, 2915.092, 2915.093, 2915.094, 2915.10, 2915.101, 2915.12, 2923.31, 2933.51, 3301.0714, 3769.08, 3769.087, 3769.089, 3769.0810, 3770.02, 3770.05, 3770.07, 3770.071, 3770.072, 3770.073, 3770.21, 3772.01, 3772.03, 3772.032, 3772.04, 3772.07, 3772.091, 3772.10, 3772.13, 3772.16, 3772.17, 3772.28, 3772.99, 4301.03, 4303.17, 5703.21, 5747.062, 5747.063, 5747.08, 5747.12, 5747.98,

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applicant or licensee.

(E)(1) The director of the state lottery commission shall refuse to grant a license to an applicant for a lottery sales agent license and shall revoke a lottery sales agent license if the applicant or licensee is or has been convicted of a violation of division (A) or (C)(1) of section 2913.46 of the Revised Code.

(2) The director shall refuse to grant a license to an applicant for a lottery sales agent license that is a corporation and shall revoke the lottery sales agent license of a corporation if the corporation is or has been convicted of a violation of division (A) or (C)(1) of section 2913.46 of the Revised Code.

(F) The director of the state lottery commission shall request the bureau of criminal identification and investigation, the department of public safety, or any other state, local, or federal agency to supply the director with the criminal records of any applicant for a lottery sales agent license, and may periodically request the criminal records of any person to whom a lottery sales agent license has been issued. At or prior to the time of making such a request, the director shall require an applicant or licensee to obtain fingerprint impressions on fingerprint cards prescribed by the superintendent of the bureau of criminal identification and investigation at a qualified law enforcement agency, and the director shall cause those fingerprint cards to be forwarded to the bureau of criminal identification and investigation, to the federal bureau of investigation, or to both bureaus. The commission shall assume the cost of obtaining the fingerprint cards.

The director shall pay to each agency supplying criminal records for each investigation a reasonable fee, as determined by the agency.

The commission may adopt uniform rules specifying time periods after which the persons described in divisions (C)(1) to (5) and (D)(1) to (4) of this section may be issued a license and establishing requirements for those persons to seek a court order to have records sealed in accordance with law.

(G)(1) Each applicant for a lottery sales agent license shall do both of the following:

JAK (a) Pay fees to the state lottery commission, if required by rule adopted by the director under Chapter 119. of the Revised Code and the permanent joint committee on gaming and wagering reviews and the controlling board approves the fees;

(b) Prior to approval of the application, obtain a surety bond in an amount the director determines by rule adopted under Chapter 119. of the Revised Code or, alternatively, with the director's approval, deposit the same amount into a dedicated account for the benefit of the state lottery. The

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director also may approve the obtaining of a surety bond to cover part of the amount required, together with a dedicated account deposit to cover the remainder of the amount required. The director also may establish an alternative program or policy, with the approval of the commission by rule adopted under Chapter 119. of the Revised Code, that otherwise ensures the lottery's financial interests are adequately protected. If such an alternative program or policy is established, an applicant or lottery sales agent, subject to the director's approval, may be permitted to participate in the program or proceed under that policy in lieu of providing a surety bond or dedicated amount.

A surety bond may be with any company that complies with the bonding and surety laws of this state and the requirements established by rules of the commission pursuant to this chapter. A dedicated account deposit shall be conducted in accordance with policies and procedures the director establishes.

A surety bond, dedicated account, other established program or policy, or both any combination of these resources, as applicable, may be used to pay for the lottery sales agent's failure to make prompt and accurate payments for lottery ticket sales, for missing or stolen lottery tickets, for damage to equipment or materials issued to the lottery sales agent, or to pay for expenses the commission incurs in connection with the lottery sales agent's license.

(2) A lottery sales agent license is effective for at least one year, but not more than three years.

A licensed lottery sales agent, on or before the date established by the director, shall renew the agent's license and provide at that time evidence to the director that the surety bond, dedicated account deposit, or both, required under division (G)(1)(b) of this section has been renewed or is active, whichever applies.

Before the commission renews a lottery sales agent license, the lottery sales agent shall submit a renewal fee to the commission, if one is required by rule adopted by the director under Chapter 119. of the Revised Code and the permanent joint committee on gaming and wagering reviews and the controlling board approves the renewal fee. The renewal fee shall not exceed the actual cost of administering the license renewal and processing changes reflected in the renewal application. The renewal of the license is effective for up to at least one year, but not more than three years.

(3) A lottery sales agent license shall be complete, accurate, and current at all times during the term of the license. Any changes to an original license application or a renewal application may subject the applicant or lottery

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JRK sales agent, as applicable, to paying an administrative fee that shall be in an amount that the director determines by rule adopted under Chapter 119, of the Revised Code, that the permanent joint committee on gaming and wagering reviews and that the controlling board approves, and that shall not exceed the actual cost of administering and processing the changes to an application.

(4) The relationship between the commission and a lottery sales agent is one of trust. A lottery sales agent collects funds on behalf of the commission through the sale of lottery tickets for which the agent receives a compensation.

(H) Pending a final resolution of any question arising under this section, the director of the state lottery commission may issue a temporary lottery sales agent license, subject to the terms and conditions the director considers appropriate.

(I) If a lottery sales agent's rental payments for the lottery sales agent's premises are determined, in whole or in part, by the amount of retail sales the lottery sales agent makes, and if the rental agreement does not expressly provide that the amount of those retail sales includes the amounts the lottery sales agent receives from lottery ticket sales, only the amounts the lottery sales agent receives as compensation from the state lottery commission for selling lottery tickets shall be considered to be amounts the lottery sales agent receives from the retail sales the lottery sales agent makes, for the purpose of computing the lottery sales agent's rental payments.

Sec. 3770.07. (A)(1) Except as provided in division (A)(2) of this section, lottery prize awards shall be claimed by the holder of the winning lottery ~~ticket~~ product, or by the executor or administrator, or the trustee of a trust, of the estate of a deceased holder of a winning lottery ~~ticket~~ product, in a manner to be determined by the state lottery commission, within one hundred eighty days after the date on which the prize award was announced if the lottery game is an online game, and within one hundred eighty days after the close of the game if the lottery game is an instant game.

No Any lottery prize award with a value that meets or exceeds five hundred ninety-nine dollars the reportable winnings amounts set by 26 U.S.C. 6041, or a subsequent analogous section of the Internal Revenue Code, shall not be claimed by or paid to any person, as defined in section 1.59 of the Revised Code or as defined by rule or order of the state lottery commission, until the name, address, and social security number of each beneficial owner of the prize award are ~~disclosed to~~ documented for the commission. Except when a beneficial owner otherwise consents in writing, in the case of a claim for a lottery prize award made by one or more

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interfere with the orderly conduct of the casino gaming operations.

(H) A person, other than a person participating in a voluntary exclusion program, may petition the commission for a public hearing on the person's ejection or exclusion under this chapter.

(I) A casino operator or management company shall have the same authority to eject or exclude a person from the management company's casino facilities as authorized in division (G) of this section. The licensee shall immediately notify the commission of an ejection or exclusion.

(J) The commission shall submit a written annual report with the governor, president and minority leader of the senate, speaker and minority leader of the house of representatives, and joint committee on gaming and wagering before the first day of September each year. The annual report shall include a statement describing the receipts and disbursements of the commission, relevant financial data regarding casino gaming, including gross revenues and disbursements made under this chapter, actions taken by the commission, an update on casino operators', management companies', and holding companies' compulsive and problem gambling plans and the voluntary exclusion program and list, and any additional information that the commission considers useful or that the governor, president or minority leader of the senate, speaker or minority leader of the house of representatives, or joint committee on gaming and wagering requests.

(K) Notwithstanding any law to the contrary, beginning on July 1, 2011, the commission shall assume jurisdiction over and oversee the regulation of skill-based amusement machines as is provided in the law of this state.

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Sec. 3772.032. (A) The permanent joint committee on gaming and wagering is established. The committee consists of six members. The speaker of the house of representatives shall appoint to the committee three members of the house of representatives and the president of the senate shall appoint to the committee three members of the senate. Not more than two members appointed from each chamber may be members of the same political party. The chairperson shall be from the opposite house as the chairperson of the joint committee on agency rule review. If the chairperson is to be from the house of representatives, the speaker of the house of representatives shall designate a member as the chairperson and the president of the senate shall designate a member as the vice-chairperson. If the chairperson is to be from the senate, the president of the senate shall designate a member as the chairperson and the speaker of the house of representatives shall designate a member as the vice-chairperson.

(B) The committee shall:

(1) Review all constitutional amendments, laws, and rules governing the

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operation and administration of casino gaming and all authorized gaming and wagering activities and recommend to the general assembly and commission any changes it may find desirable with respect to the language, structure, and organization of those amendments, laws, or rules;

(2) Make an annual report to the governor and to the general assembly with respect to the operation and administration of casino gaming;

(3) Review all changes of fees and penalties as provided in this chapter and rules adopted thereunder; and

(4) Review fees related to lottery sales agent licenses, as provided in section 3770.05 of the Revised Code; and

(5) Study all proposed changes to the constitution and laws of this state and to the rules adopted by the commission governing the operation and administration of casino gaming, and report to the general assembly on their adequacy and desirability as a matter of public policy.

(C) Any study, or any expense incurred, in furtherance of the committee's objectives shall be paid for from, or out of, the casino control commission fund or other appropriation provided by law. The members shall receive no additional compensation, but shall be reimbursed for actual and necessary expenses incurred in the performance of their official duties.

Sec. 3772.04. (A)(1) ~~If, as the result of an investigation, the commission concludes that a license or finding required by this chapter should be limited, conditioned, or restricted, or suspended, or revoked, denied, or not renewed, the commission shall conduct may, and if so requested by a licensee or applicant, shall, conduct a hearing in an adjudication under Chapter 119. of the Revised Code. After notice and opportunity for a hearing, the commission may limit, condition, restrict, suspend, revoke, deny, or not renew a license under rules adopted by the commission. The commission may reopen a licensing adjudication at any time.~~

(2) The commission shall appoint a hearing examiner to conduct the hearing in the adjudication. A party to the adjudication may file written objections to the hearing examiner's report and recommendations not later than the thirtieth day after they are served upon the party or the party's attorney or other representative of record. The commission shall not take up the hearing examiner's report and recommendations earlier than the thirtieth day after the hearing examiner's report and recommendations were submitted to the commission.

(3) If the commission finds that a person fails or has failed to meet any requirement under this chapter or a rule adopted thereunder, or violates or has violated this chapter or a rule adopted thereunder, the commission may issue an order:

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under Article IV of the Ohio Constitution.

(D) The court of common pleas of Franklin county shall give any claim filed under division (A) or (B) of this section priority over all other civil cases before the court, irrespective of position on the court's calendar, and shall make a determination on the claim expeditiously. A court of appeals shall give any appeal from a final order issued in a case brought under division (A) or (B) of this section priority over all other civil cases before the court, irrespective of position on the court's calendar, and shall make a determination on the appeal expeditiously.

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Sec. 3772.99. (A) The commission shall levy and collect penalties for noncriminal violations of this chapter. Noncriminal violations include using the term "casino" in any advertisement in regard to a facility operating video lottery terminals, as defined in section 3770.21 of the Revised Code, in this state. But penalties for the use of the term "casino" shall not be levied against and collected from a person operating such a facility that used the term "casino" in any advertisement before November 3, 2009. Moneys collected from such penalty levies shall be credited to the general revenue fund.

(B) If a licensed casino operator, management company, holding company, gaming-related vendor, or key employee violates this chapter or engages in a fraudulent act, the commission may suspend or revoke the license and may do either or both of the following:

(1) Suspend, revoke, or restrict the casino gaming operations of a casino operator;

(2) Require the removal of a management company, key employee, or discontinuance of services from a gaming-related vendor.

(C) The commission shall impose civil penalties against a person who violates this chapter under the penalties adopted by commission rule and reviewed by the joint committee on gaming and wagering.

(D) A person who knowingly or intentionally does any of the following commits a misdemeanor of the first degree on the first offense and a felony of the fifth degree for a subsequent offense:

(1) Makes a false statement on an application submitted under this chapter;

(2) Permits a person less than twenty-one years of age to make a wager at a casino facility;

(3) Aids, induces, or causes a person less than twenty-one years of age who is not an employee of the casino gaming operation to enter or attempt to enter a casino facility;

(4) Enters or attempts to enter a casino facility while under twenty-one

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The commissioner shall distribute to each public school district the amount so calculated for each district.

SECTION 2. That existing sections 122.014, 173.121, 718.03, 2915.01, 2915.02, 2915.06, 2915.08, 2915.09, 2915.091, 2915.092, 2915.093, 2915.094, 2915.10, 2915.101, 2915.12, 2923.31, 2933.51, 3301.0714, 3769.08, 3769.087, 3769.089, 3769.0810, 3770.02, 3770.05, 3770.07, 3770.071, 3770.072, 3770.073, 3770.21, 3772.01, 3772.03, 3772.032, 3772.04, 3772.07, 3772.091, 3772.10, 3772.13, 3772.16, 3772.17, 3772.28, 3772.99, 4301.03, 4303.17, 5703.21, 5747.062, 5747.063, 5747.08, 5747.12, 5747.98, and 5753.03, and section 3772.14 of the Revised Code are hereby repealed. J R K

SECTION 3. That Section 3 of Sub. H.B. 277 of the 129th General Assembly be amended to read as follows:

Sec. 3. (A) Notwithstanding sections 3769.04 and 3769.13 of the Revised Code, for a period of two years after the effective date of this section, a permit holder who is eligible to become a video lottery sales agent may apply to the State Racing Commission to move its track to another location using the following approval procedure:

(1) The permit holder shall submit, for the consideration of the State Racing Commission in its determination on whether to approve the transfer, its proposal to the State Racing Commission and shall specify the location of the new track and the incremental economic benefits the permit holder is willing to provide to the state.

(2) The State Racing Commission shall approve or deny the transfer.


(3) The permit holder may apply to the State Lottery Commission for a video lottery sales agent license at the new track location.

(B) The State Racing Commission, subject to division (D) of this section, shall give preference to transfer proposals involving moves to locations in which neither horse-racing meetings nor casino gaming have been authorized before July 1, 2011. A permit holder that is authorized to transfer its track under this section and that is a video lottery sales agent may operate at a temporary facility at its new location while constructing or otherwise preparing its new track at that location. A permit holder that is not transferring its track and is remaining at its permitted location and that is a video lottery sales agent may operate a temporary facility at its permitted location while constructing or otherwise preparing its permanent video lottery terminal facility at its track. A temporary facility, either at a new

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