### As Reported by the House Rules and Reference Committee

# 128th General Assembly Regular Session 2009-2010

H. J. R. No. 14

1

3

4

#### Representatives Celeste, Bacon

Cosponsors: Representatives Harris, Garland, Carney, Grossman, Stewart, Heard, Weddington, Blessing, Boyd, Book

## JOINT RESOLUTION

To amend Section 6 of Article XV of the Constitution of the State of Ohio to change the location of the authorized casino in Columbus to a designated site in Franklin County.

Be it resolved by the General Assembly of the State of Ohio,
three-fifths of the members elected to each house concurring
6
herein, that there shall be submitted to the electors of the
7
state, in the manner prescribed by law at the special election to
8
be held on May 4, 2010, a proposal to amend Section 6 of Article
9
XV of the Constitution of the State of Ohio to read as follows:
10

#### ARTICLE XV

Section 6. Except as otherwise provided in this section, 11 lotteries, and the sale of lottery tickets, for any purpose 12 whatever, shall forever be prohibited in this State. 13

(A) The General Assembly may authorize an agency of the state to conduct lotteries, to sell rights to participate therein, and 15 to award prizes by chance to participants, provided that the 16 entire net proceeds of any such lottery are paid into a fund of 17 the state treasury that shall consist solely of such proceeds and 18 shall be used solely for the support of elementary, secondary, 19 vocational, and special education programs as determined in 20

appropriations made by the General Assembly.

21

22

23

24

- (B) The General Assembly may authorize and regulate the operation of bingo to be conducted by charitable organizations for charitable purposes.
- (C)(1) Casino gaming shall be authorized at four casino

  25
  facilities (a single casino at a designated location within each
  of the cities of Cincinnati, Cleveland, Columbus and Toledo and
  within Franklin County) to create new funding for cities,

  counties, public school districts, law enforcement, the horse

  29
  racing industry and job training for Ohio's workforce.

  30
- (2) A thirty-three percent tax shall be levied and collected 31 by the state on all gross casino revenue received by each casino 32 operator of these four casino facilities. In addition, casino 33 operators, their operations, their owners, and their property 34 shall be subject to all customary non-discriminatory fees, taxes, 35 and other charges that are applied to, levied against, or 36 37 otherwise imposed generally upon other Ohio businesses, their gross or net revenues, their operations, their owners, and their 38 property. Except as otherwise provided in section 6(C), no other 39 casino gaming-related state or local fees, taxes, or other charges 40 (however measured, calculated, or otherwise derived) may be, 41 directly or indirectly, applied to, levied against, or otherwise 42 imposed upon gross casino revenue, casino operators, their 43 operations, their owners, or their property. 44
- (3) The proceeds of the tax on gross casino revenue collected 45 by the state shall be distributed as follows: 46
- (a) Fifty-one percent of the tax on gross casino revenue 47 shall be distributed among all eighty-eight counties in proportion 48 to such counties' respective populations at the time of such 49 distribution. If a county's most populated city, as of the 2000 50 United States census bureau census, had a population greater than 51

- 80,000, then fifty percent of that county's distribution will go 52 to said city.
- (b) Thirty-four percent of the tax on gross casino revenue 54 shall be distributed among all eighty-eight counties in proportion 55 to such counties' respective public school district student 56 populations at the time of such distribution. Each such 57 distribution received by a county shall be distributed among all 58 public school districts located (in whole or in part) within such 59 county in proportion to each school district's respective student 60 population who are residents of such county at the time of such 61 distribution to the school districts. Each public school district 62 shall determine how its distributions are appropriated, but all 63 distributions shall only be used to support primary and secondary 64 education. 65
- (c) Five percent of the tax on gross casino revenue shall be
  distributed to the host city where the casino facility that
  generated such gross casino revenue is located.
- (d) Three percent of the tax on gross casino revenue shall be69distributed to fund the Ohio casino control commission.70
- (e) Three percent of the tax on gross casino revenue shall be 71 72 distributed to an Ohio state racing commission fund to support purses, breeding programs, and operations at all existing 73 commercial horse racetracks permitted as of January 1, 2009. 74 However, no funding under this division shall be distributed to 75 operations of an Ohio commercial horse racetrack if an owner or 76 operator of the racetrack holds a majority interest in an Ohio 77 casino facility or in an Ohio casino license. 78
- (f) Two percent of the tax on gross casino revenue shall be
  distributed to a state law enforcement training fund to enhance
  public safety by providing additional training opportunities to
  the law enforcement community.

  82

83

84

85

86

114

(g) Two percent of the tax on gross casino revenue shall be distributed to a state problem gambling and addictions fund which shall be used for the treatment of problem gambling and substance abuse, and related research.

Tax collection, and distributions to public school districts

and local governments, under sections 6(C)(2) and (3), are

intended to supplement, not supplant, any funding obligations of

the state. Accordingly, all such distributions shall be

disregarded for purposes of determining whether funding

obligations imposed by other sections of this Constitution are

met.

93

(4) There is hereby created the Ohio casino control

94
commission which shall license and regulate casino operators,

95
management companies retained by such casino operators, key

96
employees of such casino operators and such management companies,

97
gaming-related vendors, and all gaming authorized by section 6(C),

98
to ensure the integrity of casino gaming.

Said commission shall determine all voting issues by majority 100 vote and shall consist of seven members appointed by the governor 101 with the advice and consent of the senate. Each member of the 102 commission must be a resident of Ohio. At least one member of the 103 commission must be experienced in law enforcement and criminal 104 investigation. At least one member of the commission must be a 105 certified public accountant experienced in accounting and 106 auditing. At least one member of the commission must be an 107 attorney admitted to the practice of law in Ohio. At least one 108 member of the commission must be a resident of a county where one 109 of the casino facilities is located. Not more than four members 110 may be affiliated with the same political party. No commission 111 member may have any affiliation with an Ohio casino operator or 112 facility. 113

Said commission shall require each initial licensed casino

146

operator of each of the four casino facilities to pay an upfront
license fee of fifty million dollars (\$50,000,000) per casino
facility for the benefit of the state, for a total of two hundred
million dollars (\$200,000,000). The upfront license fee shall be
used to fund state economic development programs which support
regional job training efforts to equip Ohio's workforce with

120
additional skills to grow the economy.

To carry out the tax provisions of section 6(C), and in 122 addition to any other enforcement powers provided under Ohio law, 123 the tax commissioner of the State and the Ohio casino control 124 commission, or any person employed by the tax commissioner or said 125 commission for that purpose, upon demand, may inspect books, 126 accounts, records, and memoranda of any person subject to such 127 provisions, and may examine under oath any officer, agent, or 128 employee of that person. 129

- (5) Each initial licensed casino operator of each of the four 130 casino facilities shall make an initial investment of at least two 131 hundred fifty million dollars (\$250,000,000) for the development 132 of each casino facility for a total minimum investment of one 133 billion dollars (\$1,000,000,000) statewide. A casino operator: (a) 134 may not hold a majority interest in more than two of the four 135 licenses allocated to the casino facilities at any one time; and 136 (b) may not hold a majority interest in more than two of the four 137 casino facilities at any one time. 138
- (6) Casino gaming authorized in section 6(C) shall be

  139
  conducted only by licensed casino operators of the four casino

  140
  facilities or by licensed management companies retained by such

  141
  casino operators. At the discretion of each licensed casino

  142
  operator of a casino facility: (a) casino gaming may be conducted

  143
  twenty-four hours each day; and (b) a maximum of five thousand

  144
  slot machines may be operated at such casino facility.

  145
  - (7) Each of the four casino facilities shall be subject to

As reported by the riouse relies and reference dominities	
02/27/09, as tax parcel number $101-21-002$ and all lands and air	178
rights lying within and/or above the public rights of way adjacent	179
to such parcel.	180
Being an approximate 2.56 acre area in Cuyahoga County, Ohio,	181
being that parcel identified by the Cuyahoga County Auditor, as of	182
02/27/09, as tax parcel number $101-21-002$ and all lands and air	183
rights lying within and/or above the public rights of way adjacent	184
to such parcel.	185
Being an approximate 7.91 acre area in Cuyahoga County, Ohio,	186
being that parcel identified by the Cuyahoga County Auditor, as of	187
02/27/09, as tax parcel number $101-23-050 A$ and all lands and air	188
rights lying within and/or above the public rights of way adjacent	189
to such parcel.	190
All air rights above the parcel located in Cuyahoga County,	191
Ohio identified by the Cuyahoga County Auditor, as of 02/27/09, as	192
tax parcel number 101-22-003.	193
Being an approximate 1.55 acre area in Cuyahoga County, Ohio,	194
as identified by the Cuyahoga County Auditor, as of 02/27/09, as	195
tax parcel numbers 122-18-010, 122-18-011 and 122-18-012 and all	196
lands and air rights lying within and/or above the public rights	197
of way adjacent to such parcels.	198
Being an approximate 1.83 acre area in Cuyahoga County, Ohio,	199
as identified by the Cuyahoga County Auditor, as of 02/27/09, as	200
tax parcel numbers 101-30-002 and 101-30-003 and all lands and air	201
rights lying within and/or above the public rights of way adjacent	202
to such parcels.	203
Consisting of floors one through four, mezzanine, basement,	204
sub-basement, Parcel No. 36-2, Item III, Parcels First and Second,	205
Item V, Parcel A, and Item VI, Parcel One of the Higbee Building	206

in Cuyahoga County, Ohio, as identified by the Cuyahoga County

Auditor, as of 2/29/09, as tax parcel numbers 101-23-002 and

207

208

H. J. R. No. 14 As Reported by the House Rules and Reference Committee	Page 8
101-23-050F and all lands and air rights lying within and/or above	209
the public rights of way adjacent to such parcels.	210
(b) <del>Columbus</del> <u>Franklin County</u> :	211
Being an approximate 18.312 113.794 acre area in the City of	212
Columbus, Franklin County, Ohio, as identified by the Franklin	213
County Auditor, as of $\frac{03/05/09}{01/19/10}$ , as tax parcel numbers	214
010-005518-80, 010-005518-90, 010-020215-80, 010-020215-90,	215
<del>010-008443-80 and 010-008443-90</del> number 140-003620-00.	216
(c) Cincinnati;	217
Being an approximate 20.4 acre area in Hamilton County, Ohio,	218
being identified by the Hamilton County Auditor, as of 02/27/09,	219
as tax parcel numbers 074-0002-0009-00, 074-0001-0001-00,	220
074-0001-0002-00, 074-0001-0003-00, 074-0001-0004-00,	221
074-0001-0006-00, 074-0001-0008-00, 074-0001-0014-00,	222
074-0001-0016-00, 074-0001-0031-00, 074-0001-0039-00,	223
074-0001-0041-00, 074-0001-0042-00, 074-0001-0043-00,	224
074-0002-0001-00, 074-0004-0001-00, 074-0004-0002-00,	225
074-0004-0003-00 and 074-0005-0003-00.	226
(d) Toledo:	227
Being an approximate 44.24 acre area in the City of Toledo,	228
Lucas County, Ohio, as identified by the Lucas County Auditor, as	229
of 03/05/09, as tax parcel numbers 18-76138 and 18-76515.	230
"Casino gaming" means any type of slot machine or table game	231
wagering, using money, casino credit, or any representative of	232
value, authorized in any of the states of Indiana, Michigan,	233
Pennsylvania and West Virginia as of January 1, 2009, and shall	234
include slot machine and table game wagering subsequently	235
authorized by, but shall not be limited by subsequent restrictions	236
placed on such wagering in, such states. Notwithstanding the	237
aforementioned definition, "casino gaming" does not include bingo,	238
as authorized in article XV, section 6 of the Ohio Constitution	239

and conducted as of January 1, 2009, or horse racing where the	240
pari-mutuel system of wagering is conducted, as authorized under	241
the laws of Ohio as of January 1, 2009.	242

Page 9

"Casino operator" means any person, trust, corporation, 243 partnership, limited partnership, association, limited liability 244 company or other business enterprise that directly holds an 245 ownership or leasehold interest in a casino facility. "Casino 246 operator" does not include an agency of the state, any political 247 subdivision of the state, or any person, trust, corporation, 248 partnership, limited partnership, association, limited liability 249 company or other business enterprise that may have an interest in 250 a casino facility, but who is legally or contractually restricted 251 from conducting casino gaming. 252

"Gross casino revenue" means the total amount of money 253 exchanged for the purchase of chips, tokens, tickets, electronic 254 cards, or similar objects by casino patrons, less winnings paid to 255 wagerers.

"Majority interest" in a license or in a casino facility (as 257 the case may be) means beneficial ownership of more than fifty 258 percent (50%) of the total fair market value of such license or 259 casino facility (as the case may be). For purposes of the 260 foregoing, whether a majority interest is held in a license or in 261 a casino facility (as the case may be) shall be determined in 262 accordance with the rules for constructive ownership of stock 263 provided in Treas. Reg. § 1.409A-3(i)(5)(iii) as in effect on 264 January 1, 2009. 265

"Slot machines" shall include any mechanical, electrical, or 266 other device or machine which, upon insertion of a coin, token, 267 ticket, or similar object, or upon payment of any consideration, 268 is available to play or operate, the play or operation of which, 269 whether by reason of the skill of the operator or application of 270 the element of chance, or both, makes individual prize 271

determinations for individual participants in cash, premiums,	272
merchandise, tokens, or any thing of value, whether the payoff is	273
made automatically from the machine or in any other manner.	274
"Table game" means any game played with cards, dice, or any	275
mechanical, electromechanical, or electronic device or machine for	276
money, casino credit, or any representative of value.	277
(10) The General Assembly shall pass laws within six months	278
of the effective date of section 6(C) to facilitate the operation	279
of section 6(C).	280
(11) Each provision of section 6(C) is intended to be	281
independent and severable, and if any provision of section 6(C) is	282
held to be invalid, either on its face or as applied to any person	283
or circumstance, the remaining provisions of section 6(C), and the	284
application thereof to any person or circumstance other than those	285
to which it is held invalid, shall not be affected thereby. In any	286
case of a conflict between any provision of section 6(C) and any	287
other provision contained in this Constitution, the provisions of	288
section 6(C) shall control.	289
(12) Notwithstanding the provisions of section $6(C)(11)$ ,	290
nothing in this section 6(C) (including, without limitation, the	291
provisions of sections $6(C)(6)$ and $6(C)(8)$ ) shall restrict or in	292
any way limit lotteries authorized under section 6(A) of this	293
article or bingo authorized under section 6(B) of this article.	294
The provisions of this section 6(C) shall have no effect upon	295
activities authorized under sections 6(A) and/or (6)(B) of this	296
article.	297
EFFECTIVE DATE AND REPEAL	298
If adopted by a majority of the electors voting on this	299
proposal, the amendment takes immediate effect, and existing	300
Section 6 of Article XV of the Constitution of the State of Ohio	301

302

is repealed from that effective date.