



Ohio Legislative Service Commission

Bill Analysis

Amber Hardesty

H.B. 250

128th General Assembly
(As Introduced)

Reps. Book, Blessing

BILL SUMMARY

- Establishes licensing procedures for video lottery sales agents that are horseracing permit holders who have conducted live horseracing meetings continuing since calendar year 2003.
- Authorizes video lottery sales agents to conduct lotteries, under licenses issued for a ten-year period by the State Lottery Commission, that provide immediate prize determinations for participants through the use of video lottery terminals at not more than seven licensed commercial horseracing tracks.
- Requires that video lottery terminals use software that will provide to participants a projected average return of more than 85% during the terminal's expected lifetime using standard methods of probability theory.
- Requires applicants for a video lottery sales agent license to pay to the State Lottery Commission a nonrefundable application fee of \$100,000 and a fidelity bond, in an amount determined by the Director of the Commission, but not more than \$2 million.
- Requires that each video lottery sales agent pay a one-time licensing fee equal to \$65 million, with \$13 million to be paid in five installments every three months, beginning on September 15, 2009.
- Requires each video lottery sales agent, within five years after commencing operation, to make not less than \$80 million in improvements to the buildings and grounds at the track where video lottery terminals are located, including temporary facilities, with not less than \$20 million in improvements being made within the first year.

- Prohibits the placement of more than 2,500 video lottery terminals at each track, without a determination by the Director of the Commission that the number of devices is consistent with the bill's purposes and has been requested by the video lottery sales agent.
- Requires that each video lottery sales agent be paid a commission of 50% of the gross proceeds derived from the operation of video lottery terminals for services and personnel and for the provision, maintenance, and repair of buildings and grounds at the track where the video lottery terminals are located.
- Requires that the net profit derived from the operation of video lottery terminals be paid into the Lottery Profits Education Fund and be used for the support of primary, secondary, vocational, and special education programs.
- Creates the Video Lottery Study Council, consisting of two House of Representatives members appointed by the House Speaker, two Senate members appointed by the Senate President, and one member appointed by the Governor, to make an impartial review of laws governing the operation and administration of video lottery gaming laws and to study all proposed changes in these laws.
- Prohibits any license or excise tax or fee from being assessed upon or collected from a video lottery sales agent by any political subdivision that has the authority to assess or collect a tax or fee, by reason of the conduct of video lottery terminal games at a track, except for the imposition of municipal income taxes or horse racing taxes.
- Authorizes the State Lottery Commission to sell "products" rather than merely to sell "tickets."
- Grants the Ohio Supreme Court exclusive, original jurisdiction in all cases that challenge the constitutionality of the bill and requires that any legal action doing so be commenced within 90 days after the bill's effective date.

HISTORY

ACTION	DATE
Introduced	07-08-09

h0250-i-128.docx/kl

