

**As Reported by the Senate Government Oversight and Reform
Committee**

134th General Assembly

**Regular Session
2021-2022**

Sub. S. B. No. 269

Senator Manning

A BILL

To amend section 3770.03 and to enact section 1
3770.26 of the Revised Code to clarify that the 2
Ohio Lottery Commission has the authority to 3
conduct internet lottery gaming and to make 4
other changes to the lottery law. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3770.03 be amended and section 6
3770.26 of the Revised Code be enacted to read as follows: 7

Sec. 3770.03. (A) The state lottery commission shall 8
promulgate rules under which a statewide lottery may be 9
conducted, which includes, and since the original enactment of 10
this section has included, the authority for the commission to 11
operate video lottery terminal games and internet lottery 12
gaming. Any reference in this chapter to tickets shall not be 13
construed ~~to~~ in any way to limit the authority of the commission 14
to operate video lottery terminal games ~~or~~ lottery sports 15
gaming, or internet lottery gaming. Nothing in this chapter 16
shall restrict the authority of the commission to promulgate 17
rules related to the operation of games utilizing video lottery 18
terminals as described in section 3770.21 of the Revised Code, 19

or internet lottery gaming. The rules shall be promulgated 20
pursuant to Chapter 119. of the Revised Code, except that 21
instant game rules shall be promulgated pursuant to section 22
111.15 of the Revised Code but are not subject to division (D) 23
of that section. Subjects covered in these rules shall include, 24
but need not be limited to, the following: 25

(1) The type of lottery to be conducted; 26

(2) The prices of tickets in the lottery; 27

(3) The number, nature, and value of prize awards, the 28
manner and frequency of prize drawings, and the manner in which 29
prizes shall be awarded to holders of winning tickets. 30

(B) The commission shall promulgate rules, in addition to 31
those described in division (A) of this section, pursuant to 32
Chapter 119. of the Revised Code under which a statewide lottery 33
and statewide joint lottery games may be conducted. Subjects 34
covered in these rules shall include, but not be limited to, the 35
following: 36

(1) The locations at which lottery tickets may be sold and 37
the manner in which they are to be sold. These rules may 38
authorize the sale of lottery tickets by commission personnel or 39
other licensed individuals from traveling show wagons at the 40
state fair, and at any other expositions the director of the 41
commission considers acceptable. These rules shall prohibit 42
commission personnel or other licensed individuals from 43
soliciting from an exposition the right to sell lottery tickets 44
at that exposition, but shall allow commission personnel or 45
other licensed individuals to sell lottery tickets at an 46
exposition if the exposition requests commission personnel or 47
licensed individuals to do so. These rules may also address the 48

accessibility of sales agent locations to commission products in 49
accordance with the "Americans with Disabilities Act of 1990," 50
104 Stat. 327, 42 U.S.C.A. 12101 et seq. 51

(2) The manner in which lottery sales revenues are to be 52
collected, including authorization for the director to impose 53
penalties for failure by lottery sales agents to transfer 54
revenues to the commission in a timely manner; 55

(3) The amount of compensation to be paid to licensed 56
lottery sales agents, provided that for lottery gaming other 57
than video lottery terminal gaming, lottery sports gaming, and 58
internet lottery gaming, a lottery sales agent shall receive a 59
base commission rate of not less than the following amount: 60

(a) During the first year in which the commission conducts 61
internet lottery gaming, one-quarter per cent more than the base 62
commission rate that applies on the effective date of this 63
amendment; 64

(b) Thereafter, one-half per cent more than the base 65
commission rate that applies on the effective date of this 66
amendment. 67

(4) The substantive criteria for the licensing of lottery 68
sales agents consistent with section 3770.05 of the Revised 69
Code, and procedures for revoking or suspending their licenses 70
consistent with Chapter 119. of the Revised Code. If 71
circumstances, such as the nonpayment of funds owed by a lottery 72
sales agent, or other circumstances related to the public 73
safety, convenience, or trust, require immediate action, the 74
director may suspend a license without affording an opportunity 75
for a prior hearing under section 119.07 of the Revised Code. 76

(5) Special game rules to implement any agreements signed 77

by the governor that the director enters into with other lottery 78
jurisdictions under division (J) of section 3770.02 of the 79
Revised Code to conduct statewide joint lottery games. The rules 80
shall require that the entire net proceeds of those games that 81
remain, after associated operating expenses, prize 82
disbursements, lottery sales agent bonuses, commissions, and 83
reimbursements, and any other expenses necessary to comply with 84
the agreements or the rules are deducted from the gross proceeds 85
of those games, be transferred to the lottery profits education 86
fund under division (B) of section 3770.06 of the Revised Code. 87

(6) Any other subjects the commission determines are 88
necessary for the operation of video lottery terminal games, 89
including the establishment of any fees, fines, payment 90
schedules, or the establishment of a voluntary exclusion 91
program. 92

(C) Chapter 2915. of the Revised Code does not apply to, 93
affect, or prohibit lotteries conducted pursuant to this 94
chapter. 95

(D) The commission may promulgate rules, in addition to 96
those described in divisions (A) and (B) of this section, that 97
establish standards governing the display of advertising and 98
celebrity images on lottery tickets and on other items that are 99
used in the conduct of, or to promote, the statewide lottery and 100
statewide joint lottery games. Any revenue derived from the sale 101
of advertising displayed on lottery tickets and on those other 102
items shall be considered, for purposes of section 3770.06 of 103
the Revised Code, to be related proceeds in connection with the 104
statewide lottery or gross proceeds from statewide joint lottery 105
games, as applicable. 106

(E) (1) The commission shall meet with the director at 107

least once each month and shall convene other meetings at the 108
request of the chairperson or any five of the members. No action 109
taken by the commission shall be binding unless at least five of 110
the members present vote in favor of the action. A written 111
record shall be made of the proceedings of each meeting and 112
shall be transmitted forthwith to the governor, the president of 113
the senate, the senate minority leader, the speaker of the house 114
of representatives, and the house minority leader. 115

(2) The director shall present to the commission a report 116
each month, showing the total revenues, prize disbursements, and 117
operating expenses of the state lottery for the preceding month. 118
As soon as practicable after the end of each fiscal year, the 119
commission shall prepare and transmit to the governor and the 120
general assembly a report of lottery revenues, prize 121
disbursements, and operating expenses for the preceding fiscal 122
year and any recommendations for legislation considered 123
necessary by the commission. 124

Sec. 3770.26. (A) As used in this chapter, "internet 125
lottery gaming" means an internet-based version of lottery 126
gaming in which lots are drawn to determine a winner by chance 127
among those who have purchased a lottery ticket. "Internet 128
lottery gaming" does not include video lottery terminal gaming. 129

(B) The state lottery commission may conduct internet 130
lottery gaming only in accordance with this section. The 131
commission shall adopt rules under Chapter 119. of the Revised 132
Code to implement internet lottery gaming. 133

(C) Internet lottery gaming does not include any of the 134
following: 135

(1) Electronic facsimiles of any of the following games: 136

<u>(a) Rule 3770:1-7-20 ("Pick 3") of the Administrative</u>	137
<u>Code;</u>	138
<u>(b) Rule 3770:1-7-25 ("Pick 4") of the Administrative</u>	139
<u>Code;</u>	140
<u>(c) Rule 3770:1-7-101 ("Pick 5") of the Administrative</u>	141
<u>Code;</u>	142
<u>(d) Rule 3770:1-9-23 ("Rolling Cash Five") of the</u>	143
<u>Administrative Code;</u>	144
<u>(e) Rule 3770:1-9-53 ("Classic Lotto") of the</u>	145
<u>Administrative Code.</u>	146
<u>(2) Electronic facsimiles of any game of chance, as</u>	147
<u>defined in section 2915.01 of the Revised Code;</u>	148
<u>(3) Wagering on horse racing;</u>	149
<u>(4) Casino gaming as authorized in Section 6(C)(4) of</u>	150
<u>Article XV, Ohio Constitution and Chapter 3772. of the Revised</u>	151
<u>Code;</u>	152
<u>(5) Fantasy contests authorized under Chapter 3774. of the</u>	153
<u>Revised Code;</u>	154
<u>(6) Sports gaming authorized under Chapter 3775. of the</u>	155
<u>Revised Code, including lottery sports gaming;</u>	156
<u>(7) Any type of game that represents or simulates a casino</u>	157
<u>game, as defined in section 3772.01 of the Revised Code, or</u>	158
<u>video lottery terminal game, that features the ability to reveal</u>	159
<u>all of the symbols in the game through a single action, such as</u>	160
<u>by activating a "reveal all" game control or operation.</u>	161
<u>(D) For one year following the effective date of this</u>	162
<u>section, internet lottery gaming does not include statewide</u>	163

joint lottery games. 164

(E) At the end of each calendar quarter, the commission 165
shall calculate the amount that is equal to three and one-half 166
per cent of the state's internet lottery gaming sales in that 167
calendar quarter. The commission shall distribute an equal share 168
of that amount to each lottery sales agent not later than thirty 169
days after the end of the calendar quarter. 170

Section 2. That existing section 3770.03 of the Revised 171
Code is hereby repealed. 172