

As Introduced

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H. B. No. 971

Representatives Newman, Lear

**Cosponsors: Representatives Gross, King, Johnson, Holmes, Mullins,
Klopfenstein, Barhorst, Ritter**

To amend sections 718.031, 718.08, 3123.89, 1
3123.90, 3770.03, 3770.06, 3770.07, 3770.071, 2
3770.073, 3770.10, 3772.01, 3772.02, 3775.01, 3
3775.02, 3775.03, 3775.04, 3775.041, 3775.051, 4
3775.06, 3775.09, 3775.10, 3775.12, 3775.14, 5
3775.15, 3775.16, 3775.99, 5747.01, 5747.062, 6
5747.063, 5753.01, 5753.07, and 5753.08; to 7
amend, for the purpose of adopting a new section 8
number as indicated in parentheses, section 9
3775.051 (3775.05); and to repeal sections 10
3770.23, 3770.24, 3770.25, 3775.05, and 3775.11 11
of the Revised Code to restrict certain sports 12
gaming activities and to name this act the Save 13
Ohio Sports Act. 14

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

Section 1. That sections 718.031, 718.08, 3123.89, 15
3123.90, 3770.03, 3770.06, 3770.07, 3770.071, 3770.073, 3770.10, 16
3772.01, 3772.02, 3775.01, 3775.02, 3775.03, 3775.04, 3775.041, 17
3775.051, 3775.06, 3775.09, 3775.10, 3775.12, 3775.14, 3775.15, 18
3775.16, 3775.99, 5747.01, 5747.062, 5747.063, 5753.01, 5753.07, 19

and 5753.08 be amended and section 3775.051 (3775.05) of the Revised Code be amended for the purpose of adopting a new section number as indicated in parentheses to read as follows:

Sec. 718.031. As used in this section, "sports gaming facility" and "~~type B~~ sports gaming proprietor" have the same meanings as in section 3775.01 of the Revised Code and "video lottery terminal" and "video lottery sales agent" have the same meanings as in section 3770.10 of the Revised Code.

(A) A municipal corporation shall require the following persons to withhold and remit municipal income tax with respect to amounts other than qualifying wages as provided in this section:

(1) A casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively;

(2) A video lottery sales agent conducting video lottery terminals on behalf of the state;

(3) A ~~type B~~ sports gaming proprietor offering sports gaming at a sports gaming facility.

(B) If a person's winnings at a casino facility or sports gaming facility are an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, a casino operator or sports gaming proprietor shall deduct and withhold municipal income tax from the person's winnings at the rate of the tax imposed by the municipal corporation in which the casino facility or sports gaming facility is located.

(C) Amounts deducted and withheld by a casino operator or sports gaming proprietor are held in trust for the benefit of

the municipal corporation to which the tax is owed. 49

(1) On or before the tenth day of each month, the casino 50
operator or sports gaming proprietor shall file a return 51
electronically with the tax administrator of the municipal 52
corporation, providing the name, address, and social security 53
number of the person from whose winnings amounts were deducted 54
and withheld, the amount of each such deduction and withholding 55
during the preceding calendar month, the amount of the winnings 56
from which each such amount was withheld, the type of casino 57
gaming or sports gaming that resulted in such winnings, and any 58
other information required by the tax administrator. With this 59
return, the casino operator or sports gaming proprietor shall 60
remit electronically to the municipal corporation all amounts 61
deducted and withheld during the preceding month. 62

(2) Annually, on or before the thirty-first day of 63
January, a casino operator or sports gaming proprietor shall 64
file an annual return electronically with the tax administrator 65
of the municipal corporation in which the casino facility or 66
sports gaming facility is located, indicating the total amount 67
deducted and withheld during the preceding calendar year. The 68
casino operator or sports gaming proprietor shall remit 69
electronically with the annual return any amount that was 70
deducted and withheld and that was not previously remitted. If 71
the name, address, or social security number of a person or the 72
amount deducted and withheld with respect to that person was 73
omitted on a monthly return for that reporting period, that 74
information shall be indicated on the annual return. 75

(3) Annually, on or before the thirty-first day of 76
January, a casino operator or sports gaming proprietor shall 77
issue an information return to each person with respect to whom 78

an amount has been deducted and withheld during the preceding 79
calendar year. The information return shall show the total 80
amount of municipal income tax deducted from the person's 81
winnings during the preceding year. The casino operator or 82
sports gaming proprietor shall provide to the tax administrator 83
a copy of each information return issued under this division. 84
The administrator may require that such copies be transmitted 85
electronically. 86

(4) A casino operator or sports gaming proprietor that 87
fails to file a return and remit the amounts deducted and 88
withheld shall be personally liable for the amount withheld and 89
not remitted. Such personal liability extends to any penalty and 90
interest imposed for the late filing of a return or the late 91
payment of tax deducted and withheld. 92

(5) If a casino operator or sports gaming proprietor sells 93
the casino facility or sports gaming facility, or otherwise 94
quits the casino or sports gaming business, the amounts deducted 95
and withheld along with any penalties and interest thereon are 96
immediately due and payable. The successor shall withhold an 97
amount of the purchase money that is sufficient to cover the 98
amounts deducted and withheld along with any penalties and 99
interest thereon until the predecessor casino operator or sports 100
gaming proprietor produces either of the following: 101

(a) A receipt from the tax administrator showing that the 102
amounts deducted and withheld and penalties and interest thereon 103
have been paid; 104

(b) A certificate from the tax administrator indicating 105
that no amounts are due. 106

If the successor fails to withhold purchase money, the 107

successor is personally liable for the payment of the amounts 108
deducted and withheld and penalties and interest thereon. 109

(6) The failure of a casino operator or sports gaming 110
proprietor to deduct and withhold the required amount from a 111
person's winnings does not relieve that person from liability 112
for the municipal income tax with respect to those winnings. 113

(D) If a person's prize award from a video lottery 114
terminal is an amount for which reporting to the internal 115
revenue service is required by section 6041 of the Internal 116
Revenue Code, as amended, the video lottery sales agent shall 117
deduct and withhold municipal income tax from the person's prize 118
award at the rate of the tax imposed by the municipal 119
corporation in which the video lottery terminal facility is 120
located. 121

(E) Amounts deducted and withheld by a video lottery sales 122
agent are held in trust for the benefit of the municipal 123
corporation to which the tax is owed. 124

(1) The video lottery sales agent shall issue to a person 125
from whose prize award an amount has been deducted and withheld 126
a receipt for the amount deducted and withheld, and shall obtain 127
from the person receiving a prize award the person's name, 128
address, and social security number in order to facilitate the 129
preparation of returns required by this section. 130

(2) On or before the tenth day of each month, the video 131
lottery sales agent shall file a return electronically with the 132
tax administrator of the municipal corporation providing the 133
names, addresses, and social security numbers of the persons 134
from whose prize awards amounts were deducted and withheld, the 135
amount of each such deduction and withholding during the 136

preceding calendar month, the amount of the prize award from 137
which each such amount was withheld, and any other information 138
required by the tax administrator. With the return, the video 139
lottery sales agent shall remit electronically to the tax 140
administrator all amounts deducted and withheld during the 141
preceding month. 142

(3) A video lottery sales agent shall maintain a record of 143
all receipts issued under division (E) of this section and shall 144
make those records available to the tax administrator upon 145
request. Such records shall be maintained in accordance with 146
section 5747.17 of the Revised Code and any rules adopted 147
pursuant thereto. 148

(4) Annually, on or before the thirty-first day of 149
January, each video lottery sales agent shall file an annual 150
return electronically with the tax administrator of the 151
municipal corporation in which the facility is located 152
indicating the total amount deducted and withheld during the 153
preceding calendar year. The video lottery sales agent shall 154
remit electronically with the annual return any amount that was 155
deducted and withheld and that was not previously remitted. If 156
the name, address, or social security number of a person or the 157
amount deducted and withheld with respect to that person was 158
omitted on a monthly return for that reporting period, that 159
information shall be indicated on the annual return. 160

(5) Annually, on or before the thirty-first day of 161
January, a video lottery sales agent shall issue an information 162
return to each person with respect to whom an amount has been 163
deducted and withheld during the preceding calendar year. The 164
information return shall show the total amount of municipal 165
income tax deducted and withheld from the person's prize award 166

by the video lottery sales agent during the preceding year. A 167
video lottery sales agent shall provide to the tax administrator 168
of the municipal corporation a copy of each information return 169
issued under this division. The tax administrator may require 170
that such copies be transmitted electronically. 171

(6) A video lottery sales agent who fails to file a return 172
and remit the amounts deducted and withheld is personally liable 173
for the amount deducted and withheld and not remitted. Such 174
personal liability extends to any penalty and interest imposed 175
for the late filing of a return or the late payment of tax 176
deducted and withheld. 177

(F) If a video lottery sales agent ceases to operate video 178
lottery terminals, the amounts deducted and withheld along with 179
any penalties and interest thereon are immediately due and 180
payable. The successor of the video lottery sales agent that 181
purchases the video lottery terminals from the agent shall 182
withhold an amount from the purchase money that is sufficient to 183
cover the amounts deducted and withheld and any penalties and 184
interest thereon until the predecessor video lottery sales agent 185
operator produces either of the following: 186

(1) A receipt from the tax administrator showing that the 187
amounts deducted and withheld and penalties and interest thereon 188
have been paid; 189

(2) A certificate from the tax administrator indicating 190
that no amounts are due. 191

If the successor fails to withhold purchase money, the 192
successor is personally liable for the payment of the amounts 193
deducted and withheld and penalties and interest thereon. 194

(G) The failure of a video lottery sales agent to deduct 195

and withhold the required amount from a person's prize award 196
does not relieve that person from liability for the municipal 197
income tax with respect to that prize award. 198

(H) If a casino operator, sports gaming proprietor, or 199
video lottery sales agent files a return late, fails to file a 200
return, remits amounts deducted and withheld late, or fails to 201
remit amounts deducted and withheld as required under this 202
section, the tax administrator of a municipal corporation may 203
impose the following applicable penalty: 204

(1) For the late remittance of, or failure to remit, tax 205
deducted and withheld under this section, a penalty equal to 206
fifty per cent of the tax deducted and withheld; 207

(2) For the failure to file, or the late filing of, a 208
monthly or annual return, a penalty of five hundred dollars for 209
each return not filed or filed late. Interest shall accrue on 210
past due amounts deducted and withheld at the rate prescribed in 211
section 5703.47 of the Revised Code. 212

(I) Amounts deducted and withheld on behalf of a municipal 213
corporation shall be allowed as a credit against payment of the 214
tax imposed by the municipal corporation and shall be treated as 215
taxes paid for purposes of section 718.08 of the Revised Code. 216
This division applies only to the person for whom the amount is 217
deducted and withheld. 218

(J) The tax administrator shall prescribe the forms of the 219
receipts and returns required under this section. 220

Sec. 718.08. (A) As used in this section: 221

(1) "Estimated taxes" means the amount that the taxpayer 222
reasonably estimates to be the taxpayer's tax liability for a 223
municipal corporation's income tax for the current taxable year. 224

(2) "Tax liability" means the total taxes due to a 225
municipal corporation for the taxable year, after allowing any 226
credit to which the taxpayer is entitled, and after applying any 227
estimated tax payment, withholding payment, or credit from 228
another taxable year. 229

(B) (1) Except as provided in division (F) of this section, 230
every taxpayer shall make a declaration of estimated taxes for 231
the current taxable year, on the form prescribed by the tax 232
administrator, if the amount payable as estimated taxes is at 233
least two hundred dollars. For the purposes of this section: 234

(a) Taxes withheld from qualifying wages shall be 235
considered as paid to the municipal corporation for which the 236
taxes were withheld in equal amounts on each payment date unless 237
the taxpayer establishes the dates on which all amounts were 238
actually withheld, in which case the amounts withheld shall be 239
considered as paid on the dates on which the amounts were 240
actually withheld. 241

(b) An overpayment of tax applied as a credit to a 242
subsequent taxable year is deemed to be paid on the date of the 243
postmark stamped on the cover in which the payment is mailed or, 244
if the payment is made by electronic funds transfer, the date 245
the payment is submitted. As used in this division, "date of the 246
postmark" means, in the event there is more than one date on the 247
cover, the earliest date imprinted on the cover by the postal 248
service. 249

(c) Taxes withheld by a casino operator, video lottery 250
sales agent, or ~~type B~~ sports gaming proprietor under section 251
718.031 of the Revised Code are deemed to be paid to the 252
municipal corporation for which the taxes were withheld on the 253
date the taxes are withheld from the taxpayer's winnings. 254

(2) Except as provided in division (F) of this section, 255
taxpayers filing joint returns shall file joint declarations of 256
estimated taxes. A taxpayer may amend a declaration under rules 257
prescribed by the tax administrator. Except as provided in 258
division (F) of this section, a taxpayer having a taxable year 259
of less than twelve months shall make a declaration under rules 260
prescribed by the tax administrator. 261

(3) The declaration of estimated taxes shall be filed on 262
or before the date prescribed for the filing of municipal income 263
tax returns under division (G) of section 718.05 of the Revised 264
Code or on or before the fifteenth day of the fourth month after 265
the taxpayer becomes subject to tax for the first time. 266

(4) Taxpayers reporting on a fiscal year basis shall file 267
a declaration on or before the fifteenth day of the fourth month 268
after the beginning of each fiscal year or period. 269

(5) The original declaration or any subsequent amendment 270
may be increased or decreased on or before any subsequent 271
quarterly payment day as provided in this section. 272

(C) (1) The required portion of the tax liability for the 273
taxable year that shall be paid through estimated taxes made 274
payable to the municipal corporation or tax administrator, 275
including the application of tax refunds to estimated taxes and 276
withholding on or before the applicable payment date, shall be 277
as follows: 278

(a) On or before the fifteenth day of the fourth month 279
after the beginning of the taxable year, twenty-two and one-half 280
per cent of the tax liability for the taxable year; 281

(b) On or before the fifteenth day of the sixth month 282
after the beginning of the taxable year, forty-five per cent of 283

the tax liability for the taxable year;	284
(c) On or before the fifteenth day of the ninth month	285
after the beginning of the taxable year, sixty-seven and one-	286
half per cent of the tax liability for the taxable year;	287
(d) For an individual, on or before the fifteenth day of	288
the first month of the following taxable year, ninety per cent	289
of the tax liability for the taxable year. For a person other	290
than an individual, on or before the fifteenth day of the	291
twelfth month of the taxable year, ninety per cent of the tax	292
liability for the taxable year.	293
(2) When an amended declaration has been filed, the unpaid	294
balance shown due on the amended declaration shall be paid in	295
equal installments on or before the remaining payment dates.	296
(3) On or before the fifteenth day of the fourth month of	297
the year following that for which the declaration or amended	298
declaration was filed, an annual return shall be filed and any	299
balance which may be due shall be paid with the return in	300
accordance with section 718.05 of the Revised Code.	301
(D) (1) In the case of any underpayment of any portion of a	302
tax liability, penalty and interest may be imposed pursuant to	303
section 718.27 of the Revised Code upon the amount of	304
underpayment for the period of underpayment, unless the	305
underpayment is due to reasonable cause as described in division	306
(E) of this section. The amount of the underpayment shall be	307
determined as follows:	308
(a) For the first payment of estimated taxes each year,	309
twenty-two and one-half per cent of the tax liability, less the	310
amount of taxes paid by the date prescribed for that payment;	311
(b) For the second payment of estimated taxes each year,	312

forty-five per cent of the tax liability, less the amount of 313
taxes paid by the date prescribed for that payment; 314

(c) For the third payment of estimated taxes each year, 315
sixty-seven and one-half per cent of the tax liability, less the 316
amount of taxes paid by the date prescribed for that payment; 317

(d) For the fourth payment of estimated taxes each year, 318
ninety per cent of the tax liability, less the amount of taxes 319
paid by the date prescribed for that payment. 320

(2) The period of the underpayment shall run from the day 321
the estimated payment was required to be made to the date on 322
which the payment is made. For purposes of this section, a 323
payment of estimated taxes on or before any payment date shall 324
be considered a payment of any previous underpayment only to the 325
extent the payment of estimated taxes exceeds the amount of the 326
payment presently required to be paid to avoid any penalty. 327

(E) An underpayment of any portion of tax liability 328
determined under division (D) of this section shall be due to 329
reasonable cause and the penalty imposed by this section shall 330
not be added to the taxes for the taxable year if any of the 331
following apply: 332

(1) The amount of estimated taxes that were paid equals at 333
least ninety per cent of the tax liability for the current 334
taxable year, determined by annualizing the income received 335
during the year up to the end of the month immediately preceding 336
the month in which the payment is due. 337

(2) The amount of estimated taxes that were paid equals at 338
least one hundred per cent of the tax liability shown on the 339
return of the taxpayer for the preceding taxable year, provided 340
that the immediately preceding taxable year reflected a period 341

of twelve months and the taxpayer filed a return with the 342
municipal corporation under section 718.05 of the Revised Code 343
for that year. 344

(3) The taxpayer is an individual who resides in the 345
municipal corporation but was not domiciled there on the first 346
day of January of the calendar year that includes the first day 347
of the taxable year. 348

(F) (1) A tax administrator may waive the requirement for 349
filing a declaration of estimated taxes for any class of 350
taxpayers after finding that the waiver is reasonable and proper 351
in view of administrative costs and other factors. 352

(2) A municipal corporation may, by ordinance or rule, 353
waive the requirement for filing a declaration of estimated 354
taxes for all taxpayers. 355

Sec. 3123.89. (A) The department of job and family 356
services shall develop and implement a real time data match 357
program with the state lottery commission and its lottery sales 358
agents and lottery agents to identify obligors who are subject 359
to a final and enforceable determination of default made under 360
sections 3123.01 to 3123.07 of the Revised Code. 361

(B) Upon the data match program's implementation, the 362
department, in consultation with the commission, shall 363
promulgate rules to facilitate withholding, in appropriate 364
circumstances and in accordance with sections 3770.071 and 365
3770.074 of the Revised Code, by the commission or its lottery 366
sales agents or lottery agents of an amount sufficient to 367
satisfy any past due support owed by an obligor from a lottery 368
prize award owed to the obligor up to the amount of the award. 369
The rules shall describe an expedited method for withholding, 370

and the time frame for transmission of the amount withheld to 371
the department. 372

(C) As used in this section: 373

(1) "Lottery prize award" includes a prize award from a 374
video lottery terminal ~~but does not include winnings from~~ 375
~~lottery sports gaming, except for winnings from lottery sports~~ 376
~~gaming wagers placed through a terminal described in division~~ 377
~~(B) (3) of section 3770.24 of the Revised Code.~~ 378

(2) ~~"Lottery sports gaming" has the same meaning as in~~ 379
~~section 3770.23 of the Revised Code.~~ 380

~~(3) "Video lottery terminal" has the same meaning as in~~ 381
section 3770.21 of the Revised Code. 382

Sec. 3123.90. (A) As used in this section: 383

(1) "Casino facility," "casino operator," and "management 384
company" have the meanings defined in section 3772.01 of the 385
Revised Code. 386

(2) "Sports gaming proprietor" has the meaning defined in 387
section 3775.01 of the Revised Code. 388

~~(3) "Lottery sports gaming" has the same meaning as in~~ 389
~~section 3770.23 of the Revised Code.~~ 390

(B) The department of job and family services shall 391
develop and implement a real time data match program with each 392
casino facility's casino operator or management company and with 393
each sports gaming proprietor to identify obligors who are 394
subject to a final and enforceable determination of default made 395
under sections 3123.01 to 3123.07 of the Revised Code. 396

(C) ~~Subject to division (E) of this section, upon~~ Upon the 397

data match program's implementation, if a person receives a 398
payout of winnings at a casino facility or from sports gaming in 399
an amount for which reporting to the internal revenue service of 400
the amount is required by section 6041 of the Internal Revenue 401
Code, as amended, the casino operator, management company, or 402
sports gaming proprietor shall refer to the data match program 403
to determine if the person entitled to the winnings is in 404
default under a support order. If the data match program 405
indicates that the person is in default, the casino operator, 406
management company, or sports gaming proprietor shall withhold 407
from the person's winnings an amount sufficient to satisfy any 408
past due support owed by the obligor identified in the data 409
match up to the amount of the winnings. 410

(D) Not later than fourteen days after withholding the 411
amount, the casino operator, management company, or sports 412
gaming proprietor shall electronically transmit any amount 413
withheld to the department as payment on the support obligation. 414

~~(E) A sports gaming proprietor that offers lottery sports-~~ 415
~~gaming through a terminal described in division (B) (3) of-~~ 416
~~section 3770.24 of the Revised Code shall not withhold amounts-~~ 417
~~under this section from winnings from wagers placed through that~~ 418
~~terminal. The state lottery commission shall withhold amounts-~~ 419
~~from those winnings under section 3770.071 of the Revised Code.~~ 420

~~(F)~~The department, in consultation with the Ohio casino 421
control commission, may adopt rules under Chapter 119. of the 422
Revised Code as are necessary for implementation of this 423
section. 424

Sec. 3770.03. (A) (1) The state lottery commission shall 425
promulgate rules pursuant to Chapter 119. of the Revised Code, 426
and shall adopt operating procedures, under which a statewide 427

lottery and statewide joint lottery may be conducted, which 428
includes, and since the original enactment of this section has 429
included, the authority for the commission to operate video 430
lottery terminal games and all other lottery games. Any 431
reference in this chapter to tickets shall not be construed to 432
in any way limit the authority of the commission to operate 433
video lottery terminal games ~~or lottery sports gaming.~~ 434

(2) Except regarding matters about which this chapter 435
explicitly requires the commission to promulgate rules under 436
Chapter 119. of the Revised Code, the commission instead may 437
adopt operating procedures for the conduct of lottery games. 438
Those operating procedures shall include, but need not be 439
limited to, the following: 440

(a) The type of lottery to be conducted; 441

(b) The prices of tickets in the lottery; 442

(c) The number, nature, and value of prize awards, the 443
manner and frequency of prize drawings, and the manner in which 444
prizes shall be awarded to holders of winning tickets. 445

(3) The commission shall publish all of its operating 446
procedures on its official web site and shall make copies of its 447
operating procedures available to the public upon request. 448

(4) An operating procedure adopted under this section is 449
not considered a rule under section 111.15 of the Revised Code. 450

(5) All rules of the commission that are in effect on ~~the~~ 451
~~effective date of this amendment~~ October 3, 2023, remain 452
effective unless the commission rescinds them. 453

(B) The commission shall promulgate rules pursuant to 454
Chapter 119. of the Revised Code concerning all of the 455

following: 456

(1) The locations at which lottery tickets may be sold and 457
the manner in which they are to be sold. These rules may 458
authorize the sale of lottery tickets by commission personnel or 459
other licensed individuals from traveling show wagons at the 460
state fair, and at any other expositions the director of the 461
commission considers acceptable. These rules shall prohibit 462
commission personnel or other licensed individuals from 463
soliciting from an exposition the right to sell lottery tickets 464
at that exposition, but shall allow commission personnel or 465
other licensed individuals to sell lottery tickets at an 466
exposition if the exposition requests commission personnel or 467
licensed individuals to do so. These rules may also address the 468
accessibility of sales agent locations to commission products in 469
accordance with the "Americans with Disabilities Act of 1990," 470
104 Stat. 327, 42 U.S.C. 12101 et seq. 471

(2) The manner in which lottery sales revenues are to be 472
collected, including authorization for the director to impose 473
penalties for failure by lottery sales agents to transfer 474
revenues to the commission in a timely manner; 475

(3) The amount of compensation to be paid to licensed 476
lottery sales agents; 477

(4) The substantive criteria for the licensing of lottery 478
sales agents consistent with section 3770.05 of the Revised 479
Code, and procedures for revoking or suspending their licenses 480
consistent with Chapter 119. of the Revised Code. If 481
circumstances, such as the nonpayment of funds owed by a lottery 482
sales agent, or other circumstances related to the public 483
safety, convenience, or trust, require immediate action, the 484
director may suspend a license without affording an opportunity 485

for a prior hearing under section 119.07 of the Revised Code.	486
(5) Special game rules to implement any agreements signed	487
by the governor that the director enters into with other lottery	488
jurisdictions under division (J) of section 3770.02 of the	489
Revised Code to conduct statewide joint lottery games. The rules	490
shall require that the entire net proceeds of those games that	491
remain, after associated operating expenses, prize	492
disbursements, lottery sales agent bonuses, commissions, and	493
reimbursements, and any other expenses necessary to comply with	494
the agreements or the rules are deducted from the gross proceeds	495
of those games, be transferred to the lottery profits education	496
fund under division (B) of section 3770.06 of the Revised Code.	497
(6) Rules establishing any of the following with respect	498
to the operation of video lottery terminal games:	499
(a) Any fees, fines, or payment schedules;	500
(b) Any voluntary exclusion program.	501
(C) Chapter 2915. of the Revised Code does not apply to,	502
affect, or prohibit lotteries conducted pursuant to this	503
chapter.	504
(D) The commission may promulgate rules pursuant to	505
Chapter 119. of the Revised Code that establish any standards	506
governing the display of advertising and celebrity images on	507
lottery tickets and on other items that are used in the conduct	508
of, or to promote, the statewide lottery and statewide joint	509
lottery games. Any revenue derived from the sale of advertising	510
displayed on lottery tickets and on those other items shall be	511
considered, for purposes of section 3770.06 of the Revised Code,	512
to be related proceeds in connection with the statewide lottery	513
or gross proceeds from statewide joint lottery games, as	514

applicable. 515

(E) (1) The commission shall meet with the director at 516
least once each month and shall convene other meetings at the 517
request of the chairperson or any five of the members. No action 518
taken by the commission shall be binding unless at least five of 519
the members present vote in favor of the action. A written 520
record shall be made of the proceedings of each meeting and 521
shall be transmitted forthwith to the governor, the president of 522
the senate, the senate minority leader, the speaker of the house 523
of representatives, and the house minority leader. 524

(2) The director shall present to the commission a report 525
each month, showing the total revenues, prize disbursements, and 526
operating expenses of the state lottery for the preceding month. 527
As soon as practicable after the end of each fiscal year, the 528
commission shall prepare and transmit to the governor and the 529
general assembly a report of lottery revenues, prize 530
disbursements, and operating expenses for the preceding fiscal 531
year and any recommendations for legislation considered 532
necessary by the commission. 533

Sec. 3770.06. (A) There is hereby created the state 534
lottery gross revenue fund, which shall be in the custody of the 535
treasurer of state but shall not be part of the state treasury. 536
All gross revenues received from sales of lottery tickets, 537
fines, fees, and related proceeds in connection with the 538
statewide lottery, ~~all gross proceeds of lottery sports gaming~~ 539
~~described in sections 3770.23 to 3770.25 of the Revised Code,~~ 540
and all gross proceeds from statewide joint lottery games, shall 541
be deposited into the fund. The treasurer of state shall invest 542
any portion of the fund not needed for immediate use in the same 543
manner as, and subject to all provisions of law with respect to 544

the investment of, state funds. The treasurer of state shall 545
disburse money from the fund on order of the director of the 546
state lottery commission or the director's designee. 547

Except for gross proceeds from statewide joint lottery 548
games, all revenues of the state lottery gross revenue fund that 549
are not paid to holders of winning lottery tickets, that are not 550
required to meet short-term prize liabilities, that are not 551
credited to lottery sales agents in the form of bonuses, 552
commissions, or reimbursements, that are not paid to financial 553
institutions to reimburse those institutions for sales agent 554
nonsufficient funds, and that are collected from sales agents 555
for remittance to insurers under contract to provide sales agent 556
bonding services shall be transferred to the state lottery fund, 557
which is hereby created in the state treasury. In addition, all 558
revenues of the state lottery gross revenue fund that represent 559
the gross proceeds from the statewide joint lottery games and 560
that are not paid to holders of winning lottery tickets, that 561
are not required to meet short-term prize liabilities, that are 562
not credited to lottery sales agents in the form of bonuses, 563
commissions, or reimbursements, and that are not necessary to 564
cover operating expenses associated with those games or to 565
otherwise comply with the agreements signed by the governor that 566
the director enters into under division (J) of section 3770.02 567
of the Revised Code or the rules the commission adopts under 568
division (B) (5) of section 3770.03 of the Revised Code shall be 569
transferred to the state lottery fund. All investment earnings 570
of the fund shall be credited to the fund. Moneys shall be 571
disbursed from the fund pursuant to vouchers approved by the 572
director. Total disbursements for monetary prize awards to 573
holders of winning lottery tickets in connection with the 574
statewide lottery, ~~other than lottery sports gaming,~~ and 575

purchases of goods and services awarded as prizes to holders of 576
winning lottery tickets shall be of an amount equal to at least 577
fifty per cent of the total revenue accruing from the sale of 578
lottery tickets. 579

(B) Pursuant to Section 6 of Article XV, Ohio 580
Constitution, there is hereby established in the state treasury 581
the lottery profits education fund. Whenever, in the judgment of 582
the director of the state lottery commission, the amount to the 583
credit of the state lottery fund that does not represent 584
proceeds from statewide joint lottery games is in excess of that 585
needed to meet the maturing obligations of the commission and as 586
working capital for its further operations, the director of the 587
state lottery commission shall recommend the amount of the 588
excess to be transferred to the lottery profits education fund, 589
and the director of budget and management may transfer the 590
excess to the lottery profits education fund in connection with 591
the statewide lottery. In addition, whenever, in the judgment of 592
the director of the state lottery commission, the amount to the 593
credit of the state lottery fund that represents proceeds from 594
statewide joint lottery games equals the entire net proceeds of 595
those games as described in division (B) (5) of section 3770.03 596
of the Revised Code and the rules adopted under that division, 597
the director of the state lottery commission shall recommend the 598
amount of the proceeds to be transferred to the lottery profits 599
education fund, and the director of budget and management may 600
transfer those proceeds to the lottery profits education fund. 601
Investment earnings of the lottery profits education fund shall 602
be credited to the fund. 603

The lottery profits education fund shall be used solely 604
for the support of elementary, secondary, vocational, and 605
special education programs as determined in appropriations made 606

by the general assembly, or as provided in applicable bond 607
proceedings for the payment of debt service on obligations 608
issued to pay costs of capital facilities, including those for a 609
system of common schools throughout the state pursuant to 610
section 2n of Article VIII, Ohio Constitution. When determining 611
the availability of money in the lottery profits education fund, 612
the director of budget and management may consider all balances 613
and estimated revenues of the fund. 614

(C) There is hereby established in the state treasury the 615
deferred prizes trust fund. With the approval of the director of 616
budget and management, an amount sufficient to fund annuity 617
prizes shall be transferred from the state lottery fund and 618
credited to the trust fund. The treasurer of state shall credit 619
all earnings arising from investments purchased under this 620
division to the trust fund. Within sixty days after the end of 621
each fiscal year, the treasurer of state shall certify to the 622
director of budget and management whether the actuarial amount 623
of the trust fund is sufficient over the fund's life for 624
continued funding of all remaining deferred prize liabilities as 625
of the last day of the fiscal year just ended. Also, within that 626
sixty days, the director of budget and management shall certify 627
the amount of investment earnings necessary to have been 628
credited to the trust fund during the fiscal year just ending to 629
provide for such continued funding of deferred prizes. Any 630
earnings credited in excess of the latter certified amount shall 631
be transferred to the lottery profits education fund. 632

To provide all or a part of the amounts necessary to fund 633
deferred prizes awarded by the commission in connection with the 634
statewide lottery, the treasurer of state, in consultation with 635
the commission, may invest moneys contained in the deferred 636
prizes trust fund which represents proceeds from the statewide 637

lottery in obligations of the type permitted for the investment 638
of state funds but whose maturities are thirty years or less. 639
Notwithstanding the requirements of any other section of the 640
Revised Code, to provide all or part of the amounts necessary to 641
fund deferred prizes awarded by the commission in connection 642
with statewide joint lottery games, the treasurer of state, in 643
consultation with the commission, may invest moneys in the trust 644
fund which represent proceeds derived from the statewide joint 645
lottery games in accordance with the rules the commission adopts 646
under division (B) (5) of section 3770.03 of the Revised Code. 647
Investments of the trust fund are not subject to the provisions 648
of division (A) (11) of section 135.143 of the Revised Code 649
limiting to twenty-five per cent the amount of the state's total 650
average portfolio that may be invested in debt interests other 651
than commercial paper and limiting to five per cent the amount 652
that may be invested in debt interests, including commercial 653
paper, of a single issuer. 654

All purchases made under this division shall be effected 655
on a delivery versus payment method and shall be in the custody 656
of the treasurer of state. 657

The treasurer of state may retain an investment advisor, 658
if necessary. The commission shall pay any costs incurred by the 659
treasurer of state in retaining an investment advisor. 660

(D) The auditor of state shall conduct annual audits of 661
all funds and any other audits as the auditor of state or the 662
general assembly considers necessary. The auditor of state may 663
examine all records, files, and other documents of the 664
commission, and records of lottery sales agents that pertain to 665
their activities as agents, for purposes of conducting 666
authorized audits. 667

(E) The state lottery commission shall establish an internal audit plan before the beginning of each fiscal year, subject to the approval of the office of internal audit in the office of budget and management. At the end of each fiscal year, the commission shall prepare and submit an annual report to the office of internal audit for the office's review and approval, specifying the internal audit work completed by the end of that fiscal year and reporting on compliance with the annual internal audit plan.

(F) Whenever, in the judgment of the director of budget and management, an amount of net state lottery proceeds is necessary to be applied to the payment of debt service on obligations, all as defined in sections 151.01 and 151.03 of the Revised Code, the director shall transfer that amount directly from the state lottery fund or from the lottery profits education fund to the bond service fund defined in those sections. The provisions of this division are subject to any prior pledges or obligation of those amounts to the payment of bond service charges as defined in division (C) of section 3318.21 of the Revised Code, as referred to in division (B) of this section.

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 product, or by the executor or administrator, or the trustee of a trust, of the estate of a deceased holder of a winning lottery 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, or within one hundred eighty days after the close of the game if the lottery game is an instant game, ~~and within one hundred eighty days~~

~~after the end of the sporting event or series of sporting events 699
on which the wager was placed if the lottery game is lottery 700
sports gaming. 701~~

Any lottery prize award with a value that meets or exceeds 702
the reportable winnings amounts set by 26 U.S.C. 6041, or a 703
subsequent analogous section of the Internal Revenue Code, shall 704
not be claimed by or paid to any person, as defined in section 705
1.59 of the Revised Code or as defined by rule or order of the 706
state lottery commission, until the name, address, and social 707
security number of each beneficial owner of the prize award are 708
documented for the commission. Except when a beneficial owner 709
otherwise consents in writing, in the case of a claim for a 710
lottery prize award made by one or more beneficial owners using 711
a trust, the name, address, and social security number of each 712
such beneficial owner in the commission's records as a result of 713
such a disclosure are confidential and shall not be subject to 714
inspection or copying under section 149.43 of the Revised Code 715
as a public record. 716

Except as otherwise provided in division (A)(1) of this 717
section or as otherwise provided by law, the name and address of 718
any individual claiming a lottery prize award are subject to 719
inspection or copying under section 149.43 of the Revised Code 720
as a public record. 721

(2) An eligible person serving on active military duty in 722
any branch of the United States armed forces during a war or 723
national emergency declared in accordance with federal law may 724
submit a delayed claim for a lottery prize award. The eligible 725
person shall do so by notifying the state lottery commission 726
about the claim not later than the three hundred sixtieth day 727
after the applicable deadline specified under division (A)(1) of 728

this section. 729

(3) If no valid claim to a lottery prize award is made 730
within the prescribed period, the prize money, the cost of goods 731
and services awarded as prizes, or, if goods or services awarded 732
as prizes are resold by the state lottery commission, the 733
proceeds from their sale shall be returned to the state lottery 734
fund and distributed in accordance with section 3770.06 of the 735
Revised Code. 736

(4) The state lottery commission may share with other 737
governmental agencies the name, address, and social security 738
number of a beneficial owner disclosed to the commission under 739
division (A) (1) of this section, as authorized under sections 740
3770.071 and 3770.073 of the Revised Code. Any shared 741
information as disclosed pursuant to those sections that is made 742
confidential by division (A) (1) of this section remains 743
confidential and shall not be subject to inspection or copying 744
under section 149.43 of the Revised Code as a public record 745
unless the applicable beneficial owner otherwise provides 746
written consent. 747

(5) As used in this division: 748

(a) "Eligible person" means a person who is entitled to a 749
lottery prize award and who falls into either of the following 750
categories: 751

(i) While on active military duty in this state, the 752
person, as the result of a war or national emergency declared in 753
accordance with federal law, is transferred out of this state 754
before the applicable deadline specified under division (A) (1) 755
of this section. 756

(ii) While serving in the reserve forces in this state, 757

the person, as the result of a war or national emergency 758
declared in accordance with federal law, is placed on active 759
military duty and is transferred out of this state before the 760
applicable deadline specified under division (A)(1) of this 761
section. 762

(b) "Active military duty" means that a person is covered 763
by the "Servicemembers Civil Relief Act," 117 Stat. 2835 (2003), 764
50 U.S.C. 501 et seq., as amended, or the "Uniformed Services 765
Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 766
38 U.S.C. 4301 et seq., as amended. 767

(c) "Each beneficial owner" means the ultimate recipient 768
or, if there is more than one, each ultimate recipient of a 769
lottery prize award. 770

(B) If a prize winner, as defined in section 3770.10 of 771
the Revised Code, is under eighteen years of age ~~or, in the case~~ 772
~~of lottery sports gaming, under twenty-one years of age,~~ or is 773
under some other legal disability, and the prize money or the 774
cost of goods or services awarded as a prize exceeds one 775
thousand dollars, the director of the state lottery commission 776
shall order that payment be made to the order of the legal 777
guardian of that prize winner. If the amount of the prize money 778
or the cost of goods or services awarded as a prize is one 779
thousand dollars or less, the director may order that payment be 780
made to the order of the adult member, if any, of that prize 781
winner's family legally responsible for the care of that prize 782
winner. 783

(C) No right of any prize winner, as defined in section 784
3770.10 of the Revised Code, to a prize award shall be the 785
subject of a security interest or used as collateral. 786

(D) (1) No right of any prize winner, as defined in section 787
3770.10 of the Revised Code, to a prize award shall be 788
assignable except as follows: when the payment is to be made to 789
the executor or administrator, or the trustee of a trust, of the 790
estate of a prize winner; when the award of a prize is disputed, 791
any person may be awarded a prize award to which another has 792
claimed title, pursuant to the order of a court of competent 793
jurisdiction; when a person is awarded a prize award to which 794
another has claimed title, pursuant to the order of a federal 795
bankruptcy court under Title 11 of the United States Code; or as 796
provided in sections 3770.10 to 3770.14 of the Revised Code. 797

(2) (a) No right of any prize winner, as defined in section 798
3770.10 of the Revised Code, to a prize award with a remaining 799
unpaid balance of less than one hundred thousand dollars shall 800
be subject to garnishment, attachment, execution, withholding, 801
or deduction except as provided in sections 3119.80, 3119.81, 802
3121.02, 3121.03, and 3123.06 of the Revised Code or when the 803
director is to make a payment pursuant to section 3770.071 or 804
3770.073 of the Revised Code. 805

(b) No right of any prize winner, as defined in section 806
3770.10 of the Revised Code, to a prize award with an unpaid 807
balance of one hundred thousand dollars or more shall be subject 808
to garnishment, attachment, execution, withholding, or deduction 809
except as follows: as provided in sections 3119.80, 3119.81, 810
3121.02, 3121.03, and 3123.06 of the Revised Code; when the 811
director is to make a payment pursuant to section 3770.071 or 812
3770.073 of the Revised Code; or pursuant to the order of a 813
court of competent jurisdiction located in this state in a 814
proceeding in which the state lottery commission is a named 815
party, in which case the garnishment, attachment, execution, 816
withholding, or deduction pursuant to the order shall be 817

subordinate to any payments to be made pursuant to section 818
3119.80, 3119.81, 3121.02, 3121.03, 3123.06, 3770.071, or 819
3770.073 of the Revised Code. 820

(3) The state lottery commission may adopt and amend rules 821
pursuant to Chapter 119. of the Revised Code as necessary to 822
implement division (D) of this section, to provide for payments 823
from prize awards subject to garnishment, attachment, execution, 824
withholding, or deduction, and to comply with any applicable 825
requirements of federal law. 826

(4) Upon making payments from a prize award as required by 827
division (D) of this section, the director and the state lottery 828
commission are discharged from all further liability for those 829
payments, whether they are made to an executor, administrator, 830
trustee, judgment creditor, or another person, or to the prize 831
winner, as defined in section 3770.10 of the Revised Code. 832

(5) The state lottery commission shall adopt rules 833
pursuant to section 3770.03 of the Revised Code concerning the 834
payment of prize awards upon the death of a prize winner, as 835
defined in section 3770.10 of the Revised Code. Upon the death 836
of a prize winner, the remainder of the prize winner's prize 837
award, to the extent it is not subject to a transfer agreement 838
under sections 3770.10 to 3770.14 of the Revised Code, may be 839
paid to the executor, administrator, or trustee in the form of a 840
discounted lump sum cash settlement. 841

(E) No lottery prize award shall be awarded to or for any 842
officer or employee of the state lottery commission, any officer 843
or employee of the auditor of state actively auditing, 844
coordinating, or observing commission drawings, or any blood 845
relative or spouse of such an officer or employee of the 846
commission or auditor of state living as a member of the 847

officer's or employee's household, nor shall any such officer, 848
employee, blood relative, or spouse attempt to claim a lottery 849
prize award. 850

(F) The director may prohibit vendors to the state lottery 851
commission and their employees from being awarded a lottery 852
prize award. 853

(G) Upon the payment of prize awards pursuant to a 854
provision of this section, other than a provision of division 855
(D) of this section, the director and the state lottery 856
commission are discharged from all further liability for their 857
payment. Installment payments of lottery prize awards shall be 858
paid by official check or warrant, and they shall be sent by 859
mail delivery to the prize winner's address within the United 860
States or by electronic funds transfer to an established bank 861
account located within the United States, or the prize winner 862
may pick them up at an office of the commission. 863

Sec. 3770.071. (A) As used in this section, "lottery prize 864
award" does not include a prize award from a video lottery 865
~~terminal and does not include winnings from lottery sports~~ 866
~~gaming, except that "lottery prize award" includes winnings from~~ 867
~~lottery sports gaming wagers placed through a terminal described~~ 868
~~in division (B) (3) of section 3770.24 of the Revised Code.~~ 869

(B) If the amount of the prize money or the cost of goods 870
or services awarded as a lottery prize award meets or exceeds 871
the reportable winnings amounts set by 26 U.S.C. 6041, or a 872
subsequent analogous section of the Internal Revenue Code, the 873
director of the state lottery commission or the director's 874
designee shall consult the data match program established under 875
section 3123.89 of the Revised Code to determine whether the 876
person is subject to a final and enforceable determination of 877

default made under sections 3123.01 to 3123.07 of the Revised 878
Code. If so, the director or the director's designee shall 879
withhold an amount from the prize award in accordance with 880
section 3123.89 of the Revised Code. 881

Sec. 3770.073. (A) As used in this section, "lottery prize 882
award" does not include a prize award from a video lottery 883
~~terminal and does not include winnings from lottery sports~~ 884
~~gaming, except that "lottery prize award" includes winnings from~~ 885
~~lottery sports gaming wagers placed through a terminal described~~ 886
~~in division (B) (3) of section 3770.24 of the Revised Code.~~ 887

(B) The attorney general shall provide the state lottery 888
commission or its designee with access to the real time data 889
match program described in sections 3772.37 and 3775.16 of the 890
Revised Code for the purpose of identifying prize winners who 891
owe amounts to the state or a political subdivision. 892

(C) If a person is entitled to a lottery prize award and 893
is indebted to the state for the payment of any tax, workers' 894
compensation premium, unemployment contribution, payment in lieu 895
of unemployment contribution, or certified claim under section 896
131.02 or 131.021 of the Revised Code, is indebted to a 897
political subdivision that has a certified claim under section 898
131.02 of the Revised Code, owes lottery sales receipts held in 899
trust on behalf of the state lottery commission as described in 900
division (H) (4) of section 3770.05 of the Revised Code, or owes 901
any charge, penalty, or interest arising from any of those debts 902
and if the amount of the prize money or the cost of goods or 903
services awarded as a lottery prize award meets or exceeds the 904
reportable winnings amount set by 26 U.S.C. 6041, the director 905
of the state lottery commission, or the director's designee, 906
shall do either of the following: 907

(1) If the prize award will be paid in a lump sum, deduct 908
from the prize award and pay to the attorney general an amount 909
in satisfaction of the debt and pay any remainder to that 910
person. If the amount of the prize award is less than the amount 911
of the debt, the entire amount of the prize award shall be 912
deducted and paid in partial satisfaction of the debt. 913

(2) If the prize award will be paid in annual 914
installments, on the date the initial installment payment is 915
due, deduct from that installment and pay to the attorney 916
general an amount in satisfaction of the debt and, if necessary 917
to collect the full amount of the debt, do the same for any 918
subsequent annual installments, at the time the installments 919
become due and owing to the person, until the debt is fully 920
satisfied. 921

(D) If a person entitled to a lottery prize award owes 922
more than one debt, any debt owed to the state shall be 923
satisfied first, subject to both section 5739.33 and division 924
(G) of section 5747.07 of the Revised Code having first 925
priority, and subject to division (E) of this section. 926

(E) Any debt owed under section 3770.071 of the Revised 927
Code shall be satisfied with first priority over debts owed 928
under this section. 929

(F) Except as provided in section 131.021 of the Revised 930
Code, this section applies only to debts that have become final. 931

Sec. 3770.10. As used in sections 3770.07 to 3770.075 and 932
3770.10 to 3770.14 of the Revised Code: 933

(A) "Court of competent jurisdiction" means either the 934
general division or the probate division of the court of common 935
pleas of the county in which the prize winner resides, or, if 936

the prize winner is not a resident of this state, either the 937
general division or the probate division of the court of common 938
pleas of Franklin county or a federal court having jurisdiction 939
over the lottery prize award. 940

(B) "Discounted present value" means the present value of 941
the future payments of a lottery prize award that is determined 942
by discounting those payments to the present, using the most 943
recently published applicable federal rate for determining the 944
present value of an annuity as issued by the United States 945
internal revenue service and assuming daily compounding. 946

(C) "Independent professional advice" means the advice of 947
a licensed professional adviser if all of the following apply: 948

(1) The prize winner has engaged the services of the 949
licensed professional adviser to render advice concerning the 950
legal, financial, and other implications of a transfer of the 951
lottery prize award. 952

(2) The licensed professional adviser is not affiliated in 953
any manner with or compensated in any manner by the transferee 954
of the lottery prize award. 955

(3) The compensation of the licensed professional adviser 956
is not affected by whether or not a transfer of a lottery prize 957
award occurs. 958

(D) "Prize winner" means any person that holds the right 959
to receive all or any part of a lottery prize award as a result 960
of being any of the following: 961

(1) A person who is a claimant under division (A) of 962
section 3770.07 of the Revised Code; 963

(2) A person who is entitled to a prize award and who is 964

under a legal disability as described in division (B) of section 965
3770.07 of the Revised Code; 966

(3) A person who was awarded a prize award to which 967
another has claimed title by a federal bankruptcy court order or 968
other court order referred to in division (D) of section 3770.07 969
of the Revised Code; 970

(4) A person who is receiving payments upon the death of a 971
prize winner as provided in division (D) of section 3770.07 of 972
the Revised Code. 973

(E) "Transfer" means any form of sale, assignment, or 974
redirection of payment of the remainder of a lottery prize award 975
for consideration. 976

(F) "Transfer agreement" means an agreement that is 977
complete and valid, and that provides for the transfer of the 978
remainder of a lottery prize award from a prize winner to a 979
transferee. A transfer agreement is incomplete and invalid 980
unless the agreement contains both of the following: 981

(1) A statement, signed by the prize winner under 982
penalties of perjury, that the prize winner irrevocably agrees 983
that the prize winner is subject to the tax imposed by Chapter 984
5733. or 5747. of the Revised Code with respect to gain or 985
income which the prize winner will recognize in connection with 986
the transfer. 987

(2) A statement, signed by the transferee, that the 988
transferee irrevocably agrees that the transferee is subject to 989
the withholding requirements imposed by division (C) of section 990
3770.072 of the Revised Code and that the transferee is subject 991
to the tax imposed by Chapter 5733. or 5747. of the Revised Code 992
with respect to gain or income which the transferee will 993

recognize in connection with a lottery prize award to be 994
received as a result of the transfer. If the transferee is a 995
pass-through entity, as defined in section 5733.04 of the 996
Revised Code, each investor in the pass-through entity shall 997
also sign under penalties of perjury a statement setting forth 998
that the investor irrevocably agrees that the investor is 999
subject to the withholding requirements imposed by division (C) 1000
of section 3770.072 of the Revised Code and is subject to the 1001
tax imposed by Chapter 5733. or 5747. of the Revised Code with 1002
respect to gain or income which the transferee and the investor 1003
will recognize in connection with a lottery prize award to be 1004
received as a result of the transfer. 1005

(G) "Transferee" means a party acquiring or proposing to 1006
acquire the remainder of a lottery prize award from a prize 1007
winner through a transfer. 1008

(H) "Licensed professional adviser" means any of the 1009
following: 1010

(1) An attorney; 1011

(2) A certified public accountant; 1012

(3) An actuary; 1013

(4) A financial planner who is accredited by a nationally 1014
recognized accreditation agency. 1015

~~(I) "Lottery prize award" includes winnings from lottery-~~ 1016
~~sports gaming, except as otherwise specified in the applicable~~ 1017
~~section of the Revised Code.~~ 1018

~~(J)~~ "Video lottery terminal" has the same meaning as in 1019
section 3770.21 of the Revised Code. 1020

~~(K)~~ (J) "Video lottery sales agent" means an agent of the 1021

state lottery authorized to operate video lottery terminals 1022
under section 3770.21 of the Revised Code. 1023

Sec. 3772.01. As used in this chapter: 1024

(A) "Applicant" means any person who applies to the 1025
commission for a license under this chapter. 1026

(B) "Casino control commission fund" means the casino 1027
control commission fund described in Section 6(C)(3)(d) of 1028
Article XV, Ohio Constitution, the money in which shall be used 1029
to fund the commission and its related affairs. 1030

(C) "Casino facility" means a casino facility as defined 1031
in Section 6(C)(9) of Article XV, Ohio Constitution. 1032

(D) "Casino game" means any slot machine or table game as 1033
defined in this chapter. 1034

(E) "Casino gaming" means any type of slot machine or 1035
table game wagering, using money, casino credit, or any 1036
representative of value, authorized in any of the states of 1037
Indiana, Michigan, Pennsylvania, and West Virginia as of January 1038
1, 2009, and includes slot machine and table game wagering 1039
subsequently authorized by, but shall not be limited by, 1040
subsequent restrictions placed on such wagering in such states. 1041
"Casino gaming" does not include bingo, as authorized in Section 1042
6 of Article XV, Ohio Constitution and conducted as of January 1043
1, 2009; horse racing where the pari-mutuel system of wagering 1044
is conducted, as authorized under the laws of this state as of 1045
January 1, 2009; or sports gaming. 1046

(F) "Casino gaming employee" means any employee of a 1047
casino operator or management company, but not a key employee, 1048
and as further defined in section 3772.131 of the Revised Code. 1049

(G) "Casino operator" means any person, trust, 1050
corporation, partnership, limited partnership, association, 1051
limited liability company, or other business enterprise that 1052
directly or indirectly holds an ownership or leasehold interest 1053
in a casino facility. "Casino operator" does not include an 1054
agency of the state, any political subdivision of the state, any 1055
person, trust, corporation, partnership, limited partnership, 1056
association, limited liability company, or other business 1057
enterprise that may have an interest in a casino facility, but 1058
who is legally or contractually restricted from conducting 1059
casino gaming. 1060

(H) "Central system" means a computer system that provides 1061
the following functions related to casino gaming equipment used 1062
in connection with casino gaming authorized under this chapter: 1063
security, auditing, data and information retrieval, and other 1064
purposes deemed necessary and authorized by the commission. 1065

(I) "Cheat" means to alter the result of a casino game, 1066
the element of chance, the operation of a machine used in a 1067
casino game, or the method of selection of criteria that 1068
determines (a) the result of the casino game, (b) the amount or 1069
frequency of payment in a casino game, (c) the value of a 1070
wagering instrument, or (d) the value of a wagering credit. 1071
"Cheat" does not include an individual who, without the 1072
assistance of another individual or without the use of a 1073
physical aid or device of any kind, uses the individual's own 1074
ability to keep track of the value of cards played and uses 1075
predictions formed as a result of the tracking information in 1076
the individual's playing and betting strategy. 1077

(J) "Commission" means the Ohio casino control commission. 1078

(K) "Gaming agent" means a peace officer employed by the 1079

commission that is vested with duties to enforce this chapter 1080
and conduct other investigations into the conduct of the casino 1081
gaming and the maintenance of the equipment that the commission 1082
considers necessary and proper and is in compliance with section 1083
109.77 of the Revised Code. 1084

(L) "Gaming-related vendor" means any individual, 1085
partnership, corporation, association, trust, or any other group 1086
of individuals, however organized, who supplies gaming-related 1087
equipment, goods, or services to a casino operator or management 1088
company, that are directly related to or affect casino gaming 1089
authorized under this chapter, including, but not limited to, 1090
the manufacture, sale, distribution, or repair of slot machines 1091
and table game equipment. 1092

(M) "Holding company" means any corporation, firm, 1093
partnership, limited partnership, limited liability company, 1094
trust, or other form of business organization not a natural 1095
person which directly or indirectly does any of the following: 1096

(1) Has the power or right to control a casino operator, 1097
management company, or gaming-related vendor license applicant 1098
or licensee; 1099

(2) Holds an ownership interest of five per cent or more, 1100
as determined by the commission, in a casino operator, 1101
management company, or gaming-related vendor license applicant 1102
or licensee; 1103

(3) Holds voting rights with the power to vote five per 1104
cent or more of the outstanding voting rights of a casino 1105
operator, management company, or gaming-related vendor applicant 1106
or licensee. 1107

(N) "Initial investment" includes costs related to 1108

demolition, engineering, architecture, design, site preparation, 1109
construction, infrastructure improvements, land acquisition, 1110
fixtures and equipment, insurance related to construction, and 1111
leasehold improvements. 1112

(O) "Institutional investor" means any of the following 1113
entities owning five per cent or more, but less than twenty-five 1114
per cent, of an ownership interest in a casino facility, casino 1115
operator, management company, or holding company: a corporation, 1116
bank, insurance company, pension fund or pension fund trust, 1117
retirement fund, including funds administered by a public 1118
agency, employees' profit-sharing fund or employees' profit- 1119
sharing trust, any association engaged, as a substantial part of 1120
its business or operations, in purchasing or holding securities, 1121
including a hedge fund, mutual fund, or private equity fund, or 1122
any trust in respect of which a bank is trustee or cotrustee, 1123
investment company registered under the "Investment Company Act 1124
of 1940," 15 U.S.C. 80a-1 et seq., collective investment trust 1125
organized by banks under Part Nine of the Rules of the 1126
Comptroller of the Currency, closed-end investment trust, 1127
chartered or licensed life insurance company or property and 1128
casualty insurance company, investment advisor registered under 1129
the "Investment Advisors Act of 1940," 15 U.S.C. 80 b-1 et seq., 1130
and such other persons as the commission may reasonably 1131
determine to qualify as an institutional investor for reasons 1132
consistent with this chapter, and that does not exercise control 1133
over the affairs of a licensee and its ownership interest in a 1134
licensee is for investment purposes only, as set forth in 1135
division (F) of section 3772.10 of the Revised Code. 1136

(P) "Key employee" means any executive, employee, agent, 1137
or other individual who has the power to exercise significant 1138
influence over decisions concerning any part of the operation of 1139

a person that has applied for or holds a casino operator, 1140
management company, or gaming-related vendor license or the 1141
operation of a holding company of a person that has applied for 1142
or holds a casino operator, management company, or gaming- 1143
related vendor license, including: 1144

(1) An officer, director, trustee, partner, or an 1145
equivalent fiduciary; 1146

(2) An individual who holds a direct or indirect ownership 1147
interest of five per cent or more; 1148

(3) An individual who performs the function of a principal 1149
executive officer, principal operating officer, principal 1150
accounting officer, or an equivalent officer; 1151

(4) Any other individual the commission determines to have 1152
the power to exercise significant influence over decisions 1153
concerning any part of the operation. 1154

(Q) "Licensed casino operator" means a casino operator 1155
that has been issued a license by the commission and that has 1156
been certified annually by the commission to have paid all 1157
applicable fees, taxes, and debts to the state. 1158

(R) "Majority ownership interest" in a license or in a 1159
casino facility, as the case may be, means ownership of more 1160
than fifty per cent of such license or casino facility, as the 1161
case may be. For purposes of the foregoing, whether a majority 1162
ownership interest is held in a license or in a casino facility, 1163
as the case may be, shall be determined under the rules for 1164
constructive ownership of stock provided in Treas. Reg. 1165
1.409A-3(i)(5)(iii) as in effect on January 1, 2009. 1166

(S) "Management company" means an organization retained by 1167
a casino operator to manage a casino facility and provide 1168

services such as accounting, general administration, 1169
maintenance, recruitment, and other operational services. 1170

(T) "Ohio law enforcement training fund" means the state 1171
law enforcement training fund described in Section 6(C) (3) (f) of 1172
Article XV, Ohio Constitution, the money in which shall be used 1173
to enhance public safety by providing training opportunities to 1174
the law enforcement community. 1175

(U) "Person" includes, but is not limited to, an 1176
individual or a combination of individuals; a sole 1177
proprietorship, a firm, a company, a joint venture, a 1178
partnership of any type, a joint-stock company, a corporation of 1179
any type, a corporate subsidiary of any type, a limited 1180
liability company, a business trust, or any other business 1181
entity or organization; an assignee; a receiver; a trustee in 1182
bankruptcy; an unincorporated association, club, society, or 1183
other unincorporated entity or organization; entities that are 1184
disregarded for federal income tax purposes; and any other 1185
nongovernmental, artificial, legal entity that is capable of 1186
engaging in business. 1187

(V) "Problem casino gambling and addictions fund" means 1188
the state problem gambling and addictions fund described in 1189
Section 6(C) (3) (g) of Article XV, Ohio Constitution, the money 1190
in which shall be used for treatment of problem gambling and 1191
substance abuse, and for related research. 1192

(W) "Promotional gaming credit" means a slot machine or 1193
table game credit, discount, or other similar item issued to a 1194
patron to enable the placement of, or increase in, a wager at a 1195
slot machine or table game. 1196

(X) "Slot machine" means any mechanical, electrical, or 1197

other device or machine which, upon insertion of a coin, token, 1198
ticket, or similar object, or upon payment of any consideration, 1199
is available to play or operate, the play or operation of which, 1200
whether by reason of the skill of the operator or application of 1201
the element of chance, or both, makes individual prize 1202
determinations for individual participants in cash, premiums, 1203
merchandise, tokens, or any thing of value, whether the payoff 1204
is made automatically from the machine or in any other manner, 1205
but does not include any device that is a skill-based amusement 1206
machine, or an electronic instant bingo system, as defined in 1207
section 2915.01 of the Revised Code. 1208

(Y) "Table game" means any game played with cards, dice, 1209
or any mechanical, electromechanical, or electronic device or 1210
machine for money, casino credit, or any representative of 1211
value. "Table game" does not include slot machines. 1212

(Z) "Upfront license" means the first plenary license 1213
issued to a casino operator. 1214

(AA) "Voluntary exclusion program" means a program 1215
provided by the commission that allows persons to voluntarily 1216
exclude themselves from the gaming areas of facilities under the 1217
jurisdiction of the commission by placing their name on a 1218
voluntary exclusion list and following the procedures set forth 1219
by the commission. 1220

(BB) "Sports gaming," "sports gaming proprietor," "sports 1221
gaming facility," "sporting event," ~~"mobile management services~~ 1222
~~provider,"~~ and "management services provider" have the same 1223
meanings as in section 3775.01 of the Revised Code. A person is 1224
considered to be involved in a sporting event if division (F) (3) 1225
of section 3775.13 of the Revised Code applies to the person 1226
with respect to that sporting event. 1227

Sec. 3772.02. (A) There is hereby created the Ohio casino control commission described in Section 6(C)(4) of Article XV, Ohio Constitution.

(B) The commission shall consist of seven members appointed within one month of September 10, 2010, by the governor with the advice and consent of the senate. The governor shall forward all appointments to the senate within twenty-four hours.

(1) Each commission member is eligible for reappointment at the discretion of the governor. No commission member shall be appointed for more than three terms in total.

(2) Each commission member shall be a resident of Ohio.

(3) At least one commission member shall be experienced in law enforcement and criminal investigation.

(4) At least one commission member shall be a certified public accountant experienced in accounting and auditing.

(5) At least one commission member shall be an attorney admitted to the practice of law in Ohio.

(6) At least one commission member shall be a resident of a county where one of the casino facilities is located.

(7) Not more than four commission members shall be of the same political party.

(8) No commission member shall have any affiliation with an Ohio casino operator or facility or with a sports gaming proprietor, ~~mobile management services provider,~~ or management services provider licensed under Chapter 3775. of the Revised Code.

(C) Commission members shall serve four-year terms, except 1255
that when the governor makes initial appointments to the 1256
commission under this chapter, the governor shall appoint three 1257
members to serve four-year terms with not more than two such 1258
members from the same political party, two members to serve 1259
three-year terms with such members not being from the same 1260
political party, and two members to serve two-year terms with 1261
such members not being from the same political party. 1262

(D) Each commission member shall hold office from the date 1263
of appointment until the end of the term for which the member 1264
was appointed. Any member appointed to fill a vacancy occurring 1265
before the expiration of the term for which the member's 1266
predecessor was appointed shall hold office for the remainder of 1267
the unexpired term. Any member shall continue in office after 1268
the expiration date of the member's term until the member's 1269
successor takes office, or until a period of sixty days has 1270
elapsed, whichever occurs first. A vacancy in the commission 1271
membership shall be filled in the same manner as the original 1272
appointment. 1273

(E) The governor shall select one member to serve as 1274
chairperson and the commission members shall select one member 1275
from a different party than the chairperson to serve as vice- 1276
chairperson. The governor may remove and replace the chairperson 1277
at any time. No such member shall serve as chairperson for more 1278
than six successive years. The vice-chairperson shall assume the 1279
duties of the chairperson in the absence of the chairperson. The 1280
chairperson and vice-chairperson shall perform but shall not be 1281
limited to additional duties as are prescribed by commission 1282
rule. 1283

(F) A commission member is not required to devote the 1284

member's full time to membership on the commission. Beginning on 1285
September 29, 2015, each member of the commission shall receive 1286
compensation of fifty thousand dollars per year. Beginning July 1287
1, 2016, each member of the commission shall receive 1288
compensation of forty thousand dollars per year. Beginning July 1289
1, 2017, each member of the commission shall receive 1290
compensation of thirty thousand dollars per year. Each member 1291
shall receive the member's actual and necessary expenses 1292
incurred in the discharge of the member's official duties. 1293

(G) The governor shall not appoint an individual to the 1294
commission, and an individual shall not serve on the commission, 1295
if the individual is ineligible to be appointed or retained 1296
under section 3772.07 of the Revised Code. A member who comes 1297
under indictment or bill of information of an offense that, if 1298
the member were convicted of the offense, would make the member 1299
ineligible to be appointed or retained under that section shall 1300
resign from the commission immediately upon indictment. 1301

(H) At least five commission members shall be present for 1302
the commission to meet. The concurrence of four members is 1303
necessary for the commission to take any action. All members 1304
shall vote on the adoption of rules, and the approval of, and 1305
the suspension or revocation of, the licenses of casino 1306
operators or management companies, unless a member has a written 1307
leave of absence filed with and approved by the chairperson. 1308

(I) A commission member may be removed or suspended from 1309
office in accordance with section 3.04 of the Revised Code. 1310

(J) Each commission member, before entering upon the 1311
discharge of the member's official duties, shall make an oath to 1312
uphold the Ohio Constitution and laws of the state of Ohio and 1313
shall give a bond, payable by the commission, to the treasurer 1314

of state, in the sum of ten thousand dollars with sufficient 1315
sureties to be approved by the treasurer of state, which bond 1316
shall be filed with the secretary of state. 1317

(K) The commission shall hold one regular meeting each 1318
month and shall convene other meetings at the request of the 1319
chairperson or a majority of the members. A member who fails to 1320
attend at least three-fifths of the regular and special meetings 1321
of the commission during any two-year period forfeits membership 1322
on the commission. All meetings of the commission shall be open 1323
meetings under section 121.22 of the Revised Code except as 1324
otherwise allowed by law. 1325

(L) The commission is exempt from the requirements of 1326
sections 101.82 to 101.87 of the Revised Code. 1327

Sec. 3775.01. As used in this chapter: 1328

(A) "Applicant" means a person that applies to the Ohio 1329
casino control commission for a license under this chapter. 1330

(B) ~~"Casino operator" has~~ "Casino operator," "licensed 1331
casino operator," and "casino facility" have the same meaning~~—~~ 1332
meanings as in section 3772.01 of the Revised Code. 1333

(C) "Collegiate sport or athletic event" means a sport or 1334
athletic event offered or sponsored by, or played in connection 1335
with, a public or private institution that offers educational 1336
services beyond the secondary level. 1337

(D) "Commission" means the Ohio casino control commission. 1338

(E) "Esports event" means an organized video game 1339
competition that is regulated by a sports governing body and 1340
that is held between professional players who play individually 1341
or as teams. 1342

~~(F) "Lottery sports gaming" has the same meaning as in section 3770.23 of the Revised Code.~~ 1343
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~~(G)(1) "Mobile management services provider" means a person that contracts with a type A sports gaming proprietor under section 3775.05 of the Revised Code to operate sports gaming on behalf of the sports gaming proprietor and that is licensed by the Ohio casino control commission as a mobile management services provider under that section.~~ 1345
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~~(2) "Management services provider" means a person that contracts with a type B sports gaming proprietor under section 3775.051-3775.05 of the Revised Code to operate sports gaming on behalf of the sports gaming proprietor and that is licensed by the Ohio casino control commission as a management services provider under that section.~~ 1351
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~~(H)~~ (G) "Official league data" means statistics, results, outcomes, and other data related to a sporting event provided by the appropriate sports governing body or its designee. 1357
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~~(I) "Online sports pool" means sports gaming in which a wager on a sporting event is made through a computer or mobile device and accepted through an online gaming web site that is operated by a type A sports gaming proprietor or mobile management services provider.~~ 1360
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~~(J)~~ (H) "Professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and receive compensation, or the potential for compensation based on their performance, in excess of actual expenses for their participation in the event. 1365
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~~(K) "Professional sports organization" means any of the following:~~ 1370
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~~(1) The owner of a professional sports team in this state that is a member of the national football league, the national hockey league, major league baseball, major league soccer, or the national basketball association;~~ 1372
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~~(2) The owner of a sports facility in this state that hosts an annual tournament on the professional golf association tour or a wholly owned for-profit subsidiary of the owner, if the owner is a nonprofit corporation or organization;~~ 1376
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~~(3) A promoter of a national association for stock car auto racing national touring race conducted in this state.~~ 1380
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~~(L)~~ (I) "Promotional gaming credit" means a credit, discount, or other similar item issued to a patron to enable the placement of, or increase in, a wager on a sporting event. 1382
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~~(M)~~ (J) "Proposition bet" means a wager on a sporting event that is based on whether an identified instance or statistical achievement will occur, will be achieved, or will be surpassed, other than the score or outcome of the sporting event or parts of the sporting event, such as quarters, halves, periods, or innings. 1385
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~~(N) (1) Except as otherwise provided in divisions (N) (2) and (3) of this section, "sporting~~ (K) (1) "Sporting event" means a match, game, race, athletic contest, or other organized competitive activity, the individual performance statistics of athletes or participants in such an event, or a combination of those. 1391
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(2) "Authorized sporting event" means any professional sport or athletic event, any collegiate sport or athletic event, any Olympic or international sports competition event, any motor race event, any esports event, or any other special event the 1397
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Ohio casino control commission authorizes for sports gaming, ~~the individual performance statistics of athletes or participants in such an event, or a combination of these.~~ 1401
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~~(2) "Sporting (a) "Authorized sporting event" does not include a collegiate sport or athletic event, an event for primary or secondary school students, whether conducted or sponsored by a primary or secondary school or by another person, or the individual performance statistics of athletes or participants in such an event.~~ 1404
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~~(3) "Sporting (b) "Authorized sporting event" includes an event that involves athletes or participants who are under eighteen years of age, or the individual performance statistics of athletes or participants in the event, only if the Ohio casino control commission authorizes the event for sports gaming.~~ 1410
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~~(1) (L) (1) "Sports gaming" means the business of accepting wagers on sporting events.~~ 1416
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(2) Except as otherwise provided in division ~~(1) (3) (L) (3)~~ of this section ~~and in section 3770.25 of the Revised Code,~~ "authorized sports gaming" ~~includes~~ means sports gaming conducted using any system or method of wagering on authorized sporting events that the Ohio casino control commission approves, including exchange wagering, parlays, spreads, over-under, moneyline, in-game wagering, single game bets, teaser bets, in-play bets, proposition bets, pools, pari-mutuel sports wagering pools, or straight bets, and not including parlays, in-game wagering, in-play bets, or proposition bets. 1418
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(3) "Sports gaming" ~~does~~ and "authorized sports gaming" do not include any of the following: 1428
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(a) Wagering on horse racing;	1430
(b) Lottery games authorized under Chapter 3770. of the Revised Code, including video lottery terminals, other than lottery sports gaming authorized under sections 3770.23 to 3770.25 of the Revised Code;	1431 1432 1433 1434
(c) Casino gaming authorized under division (C) of Section 6 of Article XV, Ohio Constitution and Chapter 3772. of the Revised Code;	1435 1436 1437
(d) Fantasy contests authorized under Chapter 3774. of the Revised Code.	1438 1439
(P) <u>(M)</u> "Sports gaming equipment" means any of the following that directly relate to or affect, or are used or consumed in, the operation of sports gaming:	1440 1441 1442
(1) Any mechanical, electronic, or other device, mechanism, or equipment, including a self-service sports gaming terminal;	1443 1444 1445
(2) Any software, application, components, or other goods;	1446
(3) Anything to be installed or used on a patron's personal device.	1447 1448
(Q) <u>(N)</u> "Sports gaming facility" means a designated area of a building or structure <u>casino facility</u> in which patrons may place wagers on sporting events with a type B sports gaming proprietor either in person or using self-service sports gaming terminals.	1449 1450 1451 1452 1453
(R) <u>(O)</u> "Sports gaming license" means a sports gaming proprietor license, a mobile management services provider license, a management services provider license, a sports gaming occupational license, a type C sports gaming host license, or a	1454 1455 1456 1457

sports gaming supplier license issued by the Ohio casino control 1458
commission under this chapter. 1459

~~(S)~~(P) "Sports gaming licensee" means a person who holds a 1460
valid sports gaming license. 1461

~~(T)~~(Q) "Sports gaming proprietor" means a person licensed 1462
by the Ohio casino control commission to offer sports gaming in 1463
this state as a type A, type B, or type C sports gaming 1464
proprietor. 1465

~~(U)~~(R) "Sports gaming receipts" has the same meaning as in 1466
section 5753.01 of the Revised Code. 1467

~~(V)~~(1)(S) (1) "Sports gaming supplier" means a person or 1468
entity that provides sports gaming equipment or related services 1469
to a sports gaming proprietor, ~~mobile management services~~ 1470
~~provider~~, or management services provider, including providing 1471
services, directly or indirectly, that are necessary to create a 1472
betting market or to determine bet outcomes. 1473

(2) A sports gaming supplier that provides sports gaming 1474
equipment or services to be used through a sports gaming 1475
proprietor, ~~mobile management services provider~~, or management 1476
services provider is not considered a sports gaming proprietor, 1477
~~mobile management services provider~~, or management services 1478
provider solely on that basis. 1479

(3) A sports governing body that provides official league 1480
data concerning its own sporting event to a sports gaming 1481
proprietor, ~~mobile management services provider~~, management 1482
services provider, or sports gaming supplier is not considered a 1483
sports gaming supplier solely on that basis. 1484

~~(W)~~(T) "Sports gaming voluntary exclusion program" means 1485
the program described in division (B) (11) of section 3775.02 of 1486

the Revised Code. 1487

~~(X)~~ (U) "Sports governing body" means a regional, national, 1488
or international organization having ultimate authority over the 1489
rules and codes of conduct with respect to a sporting event and 1490
the participants in the sporting event. 1491

~~(Y)~~ "Type A sports gaming proprietor" means a sports 1492
gaming proprietor licensed by the Ohio casino control commission 1493
to offer sports gaming through an online sports pool. 1494

~~(Z)~~ "Type B sports gaming proprietor" means a sports 1495
gaming proprietor licensed by the Ohio casino control commission 1496
to offer sports gaming at a sports gaming facility. 1497

~~(AA)~~ "Type C sports gaming proprietor" means a sports 1498
gaming proprietor licensed by the Ohio casino control commission 1499
to offer sports gaming through self-service or clerk-operated 1500
sports gaming terminals located at type C sports gaming hosts' 1501
facilities. 1502

~~(BB)~~ "Type C sports gaming host" means the owner of a 1503
facility with an A-1-A, A-1c, D-1, D-2, or D-5 liquor permit 1504
issued under Chapter 4303. of the Revised Code who is licensed 1505
by the Ohio casino control commission to offer sports gaming at 1506
the facility through a type C sports gaming proprietor. 1507

~~(CC)~~ "Video lottery sales agent" means an agent of the 1508
state lottery authorized to operate video lottery terminals 1509
under section 3770.21 of the Revised Code. 1510

~~(DD)~~ (V) "Wager" or "bet" means to risk a sum of money or 1511
thing of value on an uncertain occurrence. 1512

(W) "In-game wager" or "in-play bet" means a wager or bet 1513
placed on a sporting event after play of the sporting event 1514

begins and before play of the sporting event ends. 1515

Sec. 3775.02. (A) The Ohio casino control commission shall 1516
have jurisdiction over all persons conducting or participating 1517
in the conduct of sports gaming authorized by as described in 1518
this chapter ~~or by sections 3770.23 to 3770.25 of the Revised~~ 1519
~~Code~~, including the authority to license, regulate, investigate, 1520
and penalize those persons in a manner that is consistent with 1521
the commission's authority with respect to casino gaming. In all 1522
cases in which this chapter requires or allows the commission to 1523
adopt rules concerning sports gaming, the commission shall adopt 1524
those rules under Chapter 119. of the Revised Code. 1525

(B) The commission shall adopt rules that include all of 1526
the following: 1527

(1) Procedures for a sports gaming proprietor to accept 1528
wagers on a sporting event or series of sporting events; 1529

(2) The types of wagering tickets sports gaming 1530
proprietors are to use; 1531

(3) The manner in which sports gaming proprietors are to 1532
issue tickets; 1533

(4) The type of records sports gaming licensees are to 1534
keep; 1535

(5) The system to be used to place a wager with a sports 1536
gaming proprietor; 1537

(6) The manner in which sports gaming proprietors must 1538
verify that their patrons are at least twenty-one years of age; 1539

(7) Protections for a player placing a wager with a sports 1540
gaming proprietor; 1541

(8) Measures to promote responsible sports gaming;	1542
(9) Penalties and fines for violating this section or rules adopted under this section;	1543 1544
(10) Restrictions to ensure that sports gaming proprietors' advertisements for sports gaming meet all of the following requirements:	1545 1546 1547
(a) They clearly convey the conditions under which sports gaming is being offered, including information about the cost to participate and the nature of any promotions and information to assist patrons in understanding the odds of winning;	1548 1549 1550 1551
(b) They disclose the identity of the sports gaming proprietor and, if applicable, the mobile management services provider or management services provider;	1552 1553 1554
(c) They do not target individuals under twenty-one years of age, other individuals who are ineligible to participate in sports gaming, problem gamblers, or other vulnerable individuals;	1555 1556 1557 1558
(d) They include messages designed to prevent problem gambling and provide information about how to access resources related to problem gambling;	1559 1560 1561
(e) They are not false, misleading, or deceptive to a reasonable consumer.	1562 1563
(f) <u>They are not displayed within the venue of a collegiate sport or athletic event.</u>	1564 1565
(g) <u>They are not broadcast in conjunction with any live broadcast of a sporting event.</u>	1566 1567
(11) A sports gaming voluntary exclusion program, which	1568

shall allow a person to voluntarily exclude the person's self 1569
from participating in sports gaming conducted under this chapter 1570
by placing the person's name on a voluntary exclusion list and 1571
following procedures set forth by the commission. 1572

(a) All of the following apply to the sports gaming 1573
voluntary exclusion program: 1574

(i) Except as provided by the commission by rule, a person 1575
who participates in the program shall agree to refrain from 1576
participating in sports gaming conducted under this chapter. 1577

(ii) The name of a person participating in the program 1578
shall be included on a list of persons excluded from 1579
participating in sports gaming conducted under this chapter. 1580

(iii) Except as provided by the commission by rule, no 1581
person who participates in the program shall petition the 1582
commission for admittance into a sports gaming facility or for 1583
permission to participate in sports gaming conducted under this 1584
chapter. 1585

(iv) The list of persons participating in the program and 1586
the personal information of those persons shall be confidential 1587
and shall only be disseminated by the commission to the state 1588
lottery commission, to a sports gaming proprietor and its agents 1589
and employees for purposes of enforcement, and to other 1590
entities, upon request of the participant and agreement by the 1591
commission. 1592

(v) A sports gaming proprietor shall make all reasonable 1593
attempts as determined by the commission to cease all direct 1594
marketing efforts to a person participating in the program. 1595

(vi) A sports gaming proprietor shall not cash the check 1596
of a person participating in the program or extend credit to the 1597

person in any manner. However, the program shall not exclude a 1598
sports gaming proprietor from seeking the payment of a debt 1599
accrued by a person before participating in the program. 1600

(vii) Any and all locations at which a person may register 1601
as a participant in the program shall be published. 1602

(b) The commission shall determine, by rule, whether a 1603
participant in the sports gaming voluntary exclusion program 1604
also automatically becomes a participant in the voluntary 1605
exclusion program established under Chapter 3772. of the Revised 1606
Code. The state lottery commission shall determine, by rule, 1607
whether a participant in the sports gaming voluntary exclusion 1608
program also automatically becomes a participant in any 1609
voluntary exclusion program established under Chapter 3770. of 1610
the Revised Code. 1611

(12) A procedure by which a sports governing body may 1612
request anonymized sports gaming data from a sports gaming 1613
proprietor if the sports governing body believes that the 1614
integrity of one of its sporting events is in question. 1615

(13) A procedure by which a state university may request 1616
anonymized sports gaming data from a sports gaming proprietor 1617
for the purpose of conducting research to assist the commission 1618
in ensuring the integrity of sports gaming or to improve state- 1619
funded services related to responsible gambling and problem 1620
gambling. The data are not a public record, and the state 1621
university shall not disclose the data to any person, except for 1622
the purpose of conducting the research described in this 1623
division, as part of a peer-reviewed research report, or 1624
pursuant to an agreement between the state university and the 1625
sports gaming proprietor. As used in this division, "state 1626
university" has the same meaning as in section 3345.011 of the 1627

Revised Code. 1628

(14) Any other procedure or thing the commission 1629
determines necessary to ensure the integrity of sports gaming 1630
regulated by the commission. 1631

(C) (1) The commission may, independently or at the request 1632
of any person, including a sports governing body, adopt rules to 1633
prohibit or restrict sports gaming proprietors from accepting 1634
wagers on a particular sporting event or to prohibit or restrict 1635
sports gaming proprietors from accepting a particular type of 1636
wager. 1637

(2) The commission shall adopt rules prescribing a process 1638
by which the commission may prohibit or restrict sports gaming 1639
proprietors from accepting wagers on a particular sporting event 1640
or prohibit or restrict sports gaming proprietors from accepting 1641
a particular type of wager on a temporary emergency basis 1642
instead of by rule. 1643

(3) (a) A sports governing body may formally request the 1644
commission to prohibit or restrict sports gaming proprietors 1645
from accepting wagers on a particular sporting event or to 1646
prohibit or restrict sports gaming proprietors from accepting a 1647
particular type of wager. The sports governing body shall submit 1648
the formal request in the form and manner prescribed by the 1649
commission. Upon receiving the request, the commission promptly 1650
shall send written notice of the request to every sports gaming 1651
proprietor and shall consider any timely response submitted by a 1652
sports gaming proprietor. 1653

(b) If the commission determines that the sports governing 1654
body has shown good cause through its formal request to grant 1655
the requested prohibition or restriction, the commission 1656

promptly shall adopt the prohibition or restriction. 1657

(c) If the commission determines that the sports governing 1658
body has not shown good cause through its formal request to 1659
grant the requested prohibition or restriction, the commission 1660
promptly shall provide the sports governing body with notice and 1661
an opportunity for a hearing to offer further evidence in 1662
support of granting the requested prohibition or restriction. 1663

(D) The commission shall adopt rules establishing minimum 1664
internal control standards for the administration of sports 1665
gaming proprietors' operations, sports gaming equipment, 1666
systems, or other items used by sports gaming proprietors to 1667
conduct sports gaming, and the maintenance of sports gaming 1668
proprietors' financial records and other required records. The 1669
commission may approve minimum internal control standards 1670
proposed by sports gaming proprietors. 1671

(E) (1) The commission shall approve all sports gaming 1672
equipment and each form, variation, or composite of sports 1673
gaming to be used by sports gaming proprietors. 1674

(2) (a) Before approving a piece of sports gaming equipment 1675
or a form, variation, or composite of sports gaming, the 1676
commission shall require it to undergo scientific testing or 1677
technical evaluation, as the commission determines appropriate. 1678
The commission may require the testing or evaluation to be 1679
conducted at the expense of the sports gaming supplier or sports 1680
gaming proprietor, as applicable, by an independent testing 1681
laboratory certified by the commission. 1682

(b) The commission may certify an independent testing 1683
laboratory to test and evaluate sports gaming equipment and 1684
forms, variations, or composites of sports gaming if both of the 1685

following apply: 1686

(i) The laboratory is competent and qualified to 1687
scientifically test and technically evaluate sports gaming 1688
equipment and forms, variations, or composites of sports gaming 1689
for compliance with this chapter and with the rules of the 1690
commission and otherwise to perform the functions assigned to 1691
the laboratory by the commission; 1692

(ii) The laboratory is not owned or controlled by, is not 1693
affiliated with, and does not have any interest in a sports 1694
gaming proprietor, ~~mobile management services provider,~~ 1695
management services provider, sports gaming supplier, or sports 1696
governing body. 1697

(c) The commission shall adopt rules prescribing the 1698
certification standards, fees, and duties that apply to a 1699
certified independent testing laboratory under division (E) of 1700
this section. 1701

(3) The commission shall adopt rules requiring sports 1702
gaming licensees and sports gaming facilities to use only 1703
approved sports gaming equipment acquired from a licensed sports 1704
gaming supplier and to use only approved forms, variations, or 1705
composites of sports gaming. 1706

(F) (1) The commission shall determine a person's 1707
eligibility to hold or renew a sports gaming license under this 1708
chapter, shall issue all sports gaming licenses, and shall 1709
maintain a record of all sports gaming licenses issued under 1710
this chapter. 1711

(2) The commission shall conduct a complete investigation 1712
of each applicant for a sports gaming license to determine 1713
whether the applicant meets the requirements of this chapter and 1714

of the commission's rules each time the applicant applies for an 1715
initial or renewed sports gaming license. The commission may 1716
initiate an additional licensing investigation or adjudication 1717
or reopen an existing licensing investigation or adjudication at 1718
any time. 1719

(G) (1) Except as otherwise provided in divisions (G) (2) 1720
and (3) of this section, the commission shall levy and collect 1721
all fees and surcharges imposed under this chapter and rules 1722
adopted under this chapter and shall deposit all moneys 1723
collected in the casino control commission fund created under 1724
section 5753.03 of the Revised Code. 1725

(2) Of the license fees described in division ~~(E)~~ (C) of 1726
section 3775.04, and division (B) (3) of section 3775.05, ~~and~~ 1727
~~division (B) (3) of section 3775.051~~ of the Revised Code, the 1728
commission shall deposit ~~one-half~~ one-half of one per cent in 1729
the sports gaming profits veterans fund created under section 1730
5902.22 of the Revised Code and shall deposit the remainder in 1731
the sports gaming revenue fund created under section 5753.031 of 1732
the Revised Code. 1733

(3) The commission shall levy and collect fines for 1734
noncriminal violations of the provisions of this chapter and of 1735
rules adopted under this chapter and shall deposit all such 1736
fines in the sports gaming revenue fund created under section 1737
5753.031 of the Revised Code. 1738

(H) (1) The commission, in an adjudication conducted under 1739
Chapter 119. of the Revised Code and in accordance with section 1740
3772.04 of the Revised Code, may do any of the following: 1741

(a) Penalize or fine any sports gaming licensee, applicant 1742
for a sports gaming license, or other person who is subject to 1743

the commission's jurisdiction under this chapter; 1744

(b) Limit, condition, restrict, suspend, revoke, deny, or 1745
refuse to renew any sports gaming license. 1746

(2) The executive director of the commission may issue an 1747
emergency order with respect to sports gaming under division (G) 1748
of section 3772.04 of the Revised Code. 1749

(I) (1) The commission shall monitor all sports gaming 1750
conducted in this state by sports gaming proprietors, or shall 1751
contract with an independent integrity monitoring provider for 1752
that purpose, in order to identify any unusual betting 1753
activities or patterns that may indicate a need for further 1754
investigation. The commission shall require each sports gaming 1755
proprietor to participate in the monitoring system as part of 1756
the minimum internal control standards described in division (D) 1757
of this section. 1758

(2) The information in the monitoring system described in 1759
division (I) (1) of this section is not a public record. The 1760
commission may disclose the information in the monitoring system 1761
only as necessary for investigative or law enforcement purposes 1762
or pursuant to a court order. 1763

(J) (1) The executive director of the commission promptly 1764
shall report to the commission any facts or circumstances 1765
related to the operation of a sports gaming licensee that 1766
constitute a violation of state or federal law and immediately 1767
report any suspicious wagering to the appropriate state or 1768
federal authorities. 1769

(2) The commission shall cooperate with any investigation 1770
conducted by a law enforcement agency or sports governing body, 1771
including by providing, or facilitating the provision of, 1772

wagering information and audio or video files related to persons 1773
placing wagers, provided that the commission shall not be 1774
required to provide any information to a sports governing body 1775
that would jeopardize an ongoing criminal investigation. 1776

(3) A sheriff, chief of police, or prosecuting attorney 1777
shall furnish to the commission, on forms prescribed by the 1778
commission, any information obtained concerning any apparent 1779
violation of this chapter or rules adopted under this chapter. 1780
If the information is considered a confidential law enforcement 1781
investigatory record under section 149.43 of the Revised Code, 1782
the commission shall not disclose the information to the public. 1783

(K) (1) The attorney general has a civil cause of action to 1784
restrain any violation of this chapter or of rules adopted under 1785
this chapter. Upon the request of the commission or its 1786
executive director, the attorney general shall commence and 1787
prosecute such an action to completion. The court shall give 1788
priority to such an action over all other civil actions. 1789

(2) An action brought under division (K) (1) of this 1790
section does not preclude an administrative or criminal 1791
proceeding on the same facts. 1792

(3) The attorney general may enter into an agreement with 1793
a state or local law enforcement agency to carry out the duties 1794
described in division (K) (1) of this section. 1795

Sec. 3775.03. ~~(A) (1) Except as otherwise provided in~~ 1796
~~division (A) (2) of this section, no~~ (A) No person shall operate, 1797
conduct, or assist in operating or conducting sports gaming in 1798
this state without first obtaining an appropriate sports gaming 1799
license from the Ohio casino control commission. 1800

~~(2) The state lottery commission is not required to~~ 1801

~~receive a sports gaming license in order to operate lottery~~ 1802
~~sports gaming under sections 3770.23 to 3770.25 of the Revised~~ 1803
~~Code.~~ 1804

(B) Each person applying for an initial or renewed sports 1805
gaming license issued under this chapter, ~~other than a type C~~ 1806
~~sports gaming host license,~~ and each individual who has control 1807
of the applicant as described in division (C) of this section, 1808
shall submit two complete sets of fingerprints to the commission 1809
for the purpose of conducting a criminal records check, 1810
including obtaining any available information from the federal 1811
bureau of investigation. The person shall provide the 1812
fingerprints using a method the superintendent of the bureau of 1813
criminal identification and investigation prescribes pursuant to 1814
division (C) (2) of section 109.572 of the Revised Code and fill 1815
out the form the superintendent of the bureau of criminal 1816
identification and investigation prescribes pursuant to division 1817
(C) (1) of section 109.572 of the Revised Code. Upon receiving an 1818
application under this section, the executive director of the 1819
Ohio casino control commission shall request the superintendent 1820
of the bureau of criminal identification and investigation, or a 1821
vendor approved by the bureau, to conduct a criminal records 1822
check based on the fingerprint impressions in accordance with 1823
division (A) (19) of section 109.572 of the Revised Code. Any fee 1824
required under division (C) (3) of section 109.572 of the Revised 1825
Code shall be paid by the applicant, or in the case of an 1826
occupational license, by the applicant's employer. Any applicant 1827
convicted of any disqualifying offense, as defined in section 1828
3772.07 of the Revised Code, shall not be issued a license. 1829

(C) The Ohio casino control commission shall not grant a 1830
sports gaming proprietor, ~~mobile management services provider,~~ 1831
management services provider, or sports gaming supplier license 1832

until it has determined that each person who has control of the 1833
applicant has met the qualifications for sports gaming licensure 1834
established in this chapter and in rules adopted by the 1835
commission. All of the following persons are considered to have 1836
control of an applicant: 1837

(1) Each person associated with a corporate applicant, 1838
including any corporate holding company, parent company, or 1839
subsidiary company of the applicant, that has the ability to 1840
control the activities of the corporate applicant or elect a 1841
majority of the board of directors of that corporation, other 1842
than any bank or other licensed lending institution that holds a 1843
mortgage or other lien acquired in the ordinary course of 1844
business; 1845

(2) Each person associated with a noncorporate applicant 1846
that directly or indirectly holds a beneficial or proprietary 1847
interest in the applicant's business operation or that the 1848
commission otherwise determines has the ability to control the 1849
applicant; 1850

(3) Key personnel of an applicant, including any 1851
executive, employee, or agency, having the power to exercise 1852
significant influence over decisions concerning any part of the 1853
applicant's business operation. 1854

(D) A sports gaming proprietor, ~~mobile management services~~ 1855
~~provider~~, or management services provider shall display its 1856
license conspicuously in its place of business or have the 1857
license available for inspection by any agent of the Ohio casino 1858
control commission or any law enforcement agency. Each holder of 1859
an occupational license issued under section 3775.06 of the 1860
Revised Code shall have an indicator of licensure prominently 1861
displayed when present in a sports gaming facility at all times, 1862

in accordance with the rules of the commission. ~~Each type C sports gaming host shall display its license conspicuously in its place of business.~~ 1863
1864
1865

(E) A sports gaming licensee shall give the Ohio casino control commission written notice within ten days of any material change to any information provided in the licensee's application for a license or renewal. The commission shall specify by rule which changes to that information it considers to be material. 1866
1867
1868
1869
1870
1871

Sec. 3775.04. (A) (1) ~~A type A sports gaming proprietor license authorizes a sports gaming proprietor to offer sports gaming through one or more online sports pools.~~ 1872
1873
1874

~~(2) (a) Except as otherwise provided under division (A) (2) (b) of this section, the Ohio casino control commission shall license not more than twenty-five type A sports gaming proprietors at any one time.~~ 1875
1876
1877
1878

~~(b) When twenty-five type A sports gaming proprietors are licensed in this state, the commission may issue additional type A sports gaming proprietor licenses to eligible applicants who demonstrate to the commission that the sports gaming market in this state needs additional type A sports gaming proprietors.~~ 1879
1880
1881
1882
1883

~~(3) A type A sports gaming proprietor shall meet at least one of the following requirements at all times:~~ 1884
1885

~~(a) The type A sports gaming proprietor also shall operate a sports gaming facility under a type B sports gaming proprietor license.~~ 1886
1887
1888

~~(b) The type A sports gaming proprietor shall maintain at least one operational place of business in this state at which the sports gaming proprietor regularly maintains multiple~~ 1889
1890
1891

employees. 1892

~~(4) The commission shall adopt by rule a procedure 1893
allowing the commission to revoke a type A sports gaming 1894
proprietor license if the licensee does not offer sports gaming 1895
to patrons under the license for a continuous period of one year 1896
or more. 1897~~

~~(B)(1) A type B sports gaming proprietor license 1898
authorizes a sports gaming proprietor to offer sports gaming at 1899
one sports gaming facility at a location casino facility 1900
specified on the license. 1901~~

~~(2) The commission shall license not more than forty type 1902
B sports gaming proprietors at any one time. 1903~~

~~(3)(a)(i) Except as otherwise provided in division (B)(3) 1904
(a)(ii) of this section, no sports gaming facility shall be 1905
located in a county with a population of less than one hundred 1906
thousand, as determined by the 2010 federal decennial census. 1907~~

~~(ii) The commission may issue an initial or renewed type B 1908
sports gaming proprietor license for one sports gaming facility 1909
to be located in a county with a population of fifty thousand or 1910
more, but less than one hundred thousand, as determined by the 1911
2010 federal decennial census, at any one time, if the 1912
commission determines, in consultation with the department of 1913
development, that the county received at least five million 1914
visitors for purposes of tourism during the most recent calendar 1915
year for which the necessary data are available. 1916~~

~~(b)(i) Except as otherwise provided in division (B)(3)(b) 1917
(ii) of this section, not more than one sports gaming facility 1918
shall be located in a county with a population of one hundred 1919
thousand or more, but less than four hundred thousand, as 1920~~

~~determined by the 2010 federal decennial census, at any one
time.~~ 1921
1922

~~(ii) Not more than two sports gaming facilities shall be
located in a county with a population of one hundred thousand or
more, but less than four hundred thousand, as determined by the
2010 federal decennial census, at any one time, if a video
lottery sales agent operates video lottery terminals at a
facility in the county.~~ 1923
1924
1925
1926
1927
1928

~~(c) Not more than three sports gaming facilities shall be
located in a county with a population of four hundred thousand
or more, but less than eight hundred thousand, as determined by
the 2010 federal decennial census, at any one time.~~ 1929
1930
1931
1932

~~(d) Not more than five sports gaming facilities shall be
located in a county with a population of eight hundred thousand
or more, as determined by the 2010 federal decennial census, at
any one time.~~ 1933
1934
1935
1936

~~(4)-(2) The commission shall issue an initial type B a
sports gaming proprietor license only to a person who conducts
significant economic activity in the county in which the sports
gaming facility is to be located, as determined by the
commission in consultation with the department of development
licensed casino operator.~~ 1937
1938
1939
1940
1941
1942

~~(C) (1) A type C sports gaming proprietor license
authorizes a sports gaming proprietor to offer sports gaming
through self-service or clerk-operated sports gaming terminals
located at one or more type C sports gaming hosts' facilities
under section 3770.25 of the Revised Code.~~ 1943
1944
1945
1946
1947

~~(2) The commission shall license at least two, and not
more than twenty, type C sports gaming proprietors at any one~~ 1948
1949

~~time. However, if only one eligible and suitable person applies for a type C sports gaming proprietor license, the commission shall issue the license.~~ 1950
1951
1952

~~(D)(B)~~ An applicant for an initial or renewed ~~type A, type B, or type C~~ sports gaming proprietor license shall do all of the following: 1953
1954
1955

(1) Submit a written application on a form furnished by the commission; 1956
1957

~~(a) If the application is for an initial type B sports gaming proprietor license, the application shall specify both of the following:~~ 1958
1959
1960

~~(i) The intended location of the sports gaming facility or, at a minimum, the county in which the sports gaming facility is to be located if the license is granted;~~ 1961
1962
1963

~~(ii) The expected overall capital investment in the sports gaming facility, including its size, furnishings, and equipment.~~ 1964
1965

~~(b) If the application is for a renewed type B sports gaming proprietor license, the application shall specify one of the following, as applicable:~~ 1966
1967
1968

~~(i) If the sports gaming proprietor does not intend to relocate the sports gaming facility, the location of the sports gaming facility;~~ 1969
1970
1971

~~(ii) If the sports gaming proprietor intends to relocate the sports gaming facility, the intended new location of the sports gaming facility or, at a minimum, the county in which the sports gaming facility is to be located if the renewal is granted.~~ 1972
1973
1974
1975
1976

(2) Pay the fee required under division (C) (3) of section 1977

109.572 of the Revised Code, along with a nonrefundable application fee in an amount prescribed by the commission by rule;

(3) Submit an audit of the applicant's financial transactions and the condition of the applicant's total operations for the previous fiscal year prepared by a certified public accountant in accordance with generally accepted accounting principles and state and federal laws;

(4) Satisfy any other requirements for licensure under this chapter and rules adopted under this chapter.

~~(E)~~ (C) After receiving a sports gaming proprietor license, the sports gaming proprietor shall pay the following nonrefundable license fees, as applicable, not later than the dates indicated, and shall give to the state a surety bond, in an amount and in the form approved by the commission, to guarantee that the sports gaming proprietor faithfully makes all payments required by this chapter and rules adopted under this chapter during the period of the license:

~~(1) For an initial or renewed type A sports gaming proprietor license:~~

	1	2	3	4	5	6
A		Upon issuance of license	One year after license issued	Two years after license issued	Three years after license issued	Four years after license issued
B	Initial or	\$500,000	\$125,000	\$125,000	\$125,000	\$125,000

~~renewed license—
type A sports—
gaming proprietor
that is a—
professional—
sports—
organization and
that is not—
contracting with—
more than one—
mobile management
services provider~~

C	Initial or	\$750,000	\$187,500	\$187,500	\$187,500	\$187,500
---	------------	-----------	-----------	-----------	-----------	-----------

~~renewed license—
any other type A—
sports gaming—
proprietor that—
is not—
contracting with—
more than one—
mobile management
services provider~~

D	Initial license—	\$1,666,667	\$416,667	\$416,667	\$416,667	\$416,667
---	------------------	-------------	-----------	-----------	-----------	-----------

~~type A sports—
gaming proprietor
that is a—
professional—
sports—
organization and~~

~~that is—
contracting with—
two mobile—
management—
services—
providers~~

E ~~Initial license—~~ \$2,500,000 \$625,000 \$625,000 \$625,000 \$625,000

~~any other type A—
sports gaming—
proprietor that—
is contracting—
with two mobile—
management—
services—
providers~~

F ~~Renewed license—~~ \$500,000 \$125,000 \$125,000 \$125,000 \$125,000

~~type A sports—
gaming proprietor
that is a—
professional—
sports—
organization and—
that is—
contracting with—
two mobile—
management—
services—
providers~~

G ~~Renewed license—~~ \$750,000 \$187,500 \$187,500 \$187,500 \$187,500

~~any other type A sports gaming proprietor that is contracting with two mobile management services providers~~

~~(2) For an initial or renewed type B sports gaming proprietor license:~~ 1999
2000
2001

	1	2	3	4	5	6
A		Upon issuance of license	One year after license issued	Two years after license issued	Three years after license issued	Four years after license issued
B	Type B sports gaming proprietor that is also a type A sports gaming proprietor	\$100,000	\$10,000	\$10,000	\$10,000	\$10,000
C	Type B sports gaming proprietor that is not also a type A sports gaming proprietor	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000

~~(3) For a type C sports gaming proprietor license, one hundred thousand dollars upon being issued an initial license and twenty-five thousand dollars upon being issued a renewed license.~~ 2002
2003
2004
2005

~~(F)(1)~~ (D)(1) A sports gaming proprietor license shall be valid for a term of five years. 2006
2007

(2) Upon the expiration of a sports gaming proprietor license, the sports gaming proprietor may apply to renew the license in the same manner as for an initial license, unless the license is suspended or revoked or the commission determines that the sports gaming proprietor is not in compliance with this chapter and the rules adopted under this chapter. 2008
2009
2010
2011
2012
2013

Sec. 3775.041. ~~(A) In issuing initial and renewed type A and type B sports gaming proprietor licenses, the Ohio casino control commission shall give preference to applicants that are professional sports organizations, casino operators, or video lottery sales agents, subject to the factors described in divisions (B) and (C) of this section, as applicable. The commission shall give equal preference to professional sports organizations, casino operators, and video lottery sales agents for that purpose.~~ 2014
2015
2016
2017
2018
2019
2020
2021
2022

~~(B)~~ In issuing initial and renewed sports gaming proprietor, ~~mobile management services provider, management services provider,~~ and sports gaming supplier licenses, the commission shall consider all of the following factors, in addition to all other requirements for licensure specified under this chapter and in the rules of the commission: 2023
2024
2025
2026
2027
2028

~~(1)~~ (A) The reputation, experience, and financial integrity of the applicant and any person that controls the 2029
2030

applicant, as determined under division (C) of section 3775.03 2031
of the Revised Code; 2032

~~(2)~~ (B) The financial ability of the applicant to purchase 2033
and maintain adequate liability and casualty insurance and to 2034
provide an adequate surety bond; 2035

~~(3)~~ (C) The past and present compliance of the applicant 2036
and its affiliates or affiliated companies with gambling-related 2037
licensing requirements in this state or any other jurisdiction, 2038
including whether the applicant has a history of noncompliance 2039
with those requirements; 2040

~~(4)~~ (D) Whether the applicant has been charged with, 2041
indicted for, or convicted of any felony or misdemeanor criminal 2042
offense under the laws of any jurisdiction, not including any 2043
traffic violation; 2044

~~(5)~~ (E) Whether the applicant has filed, or had filed 2045
against it, a proceeding for bankruptcy, or has ever been 2046
involved in any formal process to adjust, defer, suspend, or 2047
otherwise work out the payment of any debt; 2048

~~(6)~~ (F) Whether the applicant has been served with a 2049
complaint or other notice filed with any public body regarding a 2050
payment of any tax required under federal, state, or local law 2051
that has been delinquent for one or more years; 2052

~~(7)~~ (G) Whether the applicant is or has been a defendant 2053
in litigation involving its business practices; 2054

~~(8)~~ (H) Whether awarding a license would undermine the 2055
public's confidence in the sports gaming industry in this state. 2056

~~(C) In the case of a sports gaming proprietor license, the 2057
Ohio casino control commission also shall consider all of the 2058~~

following:	2059
(1) The nature of the applicant's current or intended physical presence in this state, including any expenditures for physical infrastructure;	2060 2061 2062
(2) The length of time, if any, for which the applicant has been doing any kind of business in this state;	2063 2064
(3) The total amount of taxable income the applicant pays, or will pay, to its employees in this state;	2065 2066
(4) The applicant's current or intended local and statewide economic involvement in this state;	2067 2068
(5) The applicant's other current or intended contributions to this state, including promoting tourism.	2069 2070
(D) Notwithstanding any contrary provision of division (A), (B), or (C) of this section, the Ohio casino control commission shall not give preference to an applicant for a sports gaming proprietor license on the basis that any of the following persons currently contract, or have contracted, with the state lottery commission or any other agency of this state:	2071 2072 2073 2074 2075 2076
(1) The applicant;	2077
(2) A person that has control over the applicant, as determined under division (C) of section 3775.03 of the Revised Code;	2078 2079 2080
(3) A person over which the applicant has control, as determined under that division.	2081 2082
Sec. 3775.051 <u>3775.05</u>. (A)(1) <u>(A)</u> A type B sports gaming proprietor may contract with one management services provider to offer sports gaming at a sports gaming facility on the sports	2083 2084 2085

gaming proprietor's behalf, in a manner authorized under the 2086
contract. 2087

~~(2) (a) If the holder of a type B sports gaming proprietor 2088
license is a professional sports organization and is a member of 2089
a league, association, or organization that prevents the holder 2090
from being subject to the regulatory control of the Ohio casino- 2091
control commission or from otherwise operating under the 2092
license, the professional sports organization may contractually 2093
appoint a designee operator that is considered the management 2094
services provider for all aspects of commission oversight and 2095
operating under the license. The professional sports 2096
organization shall not have control over the management services 2097
provider, and the management services provider shall not have 2098
control over the professional sports organization, as determined 2099
by the commission under division (C) of section 3775.03 of the 2100
Revised Code. 2101~~

~~(b) A professional sports organization and a management 2102
services provider described in division (A) (2) (a) of this 2103
section shall not exchange any information that may compromise 2104
the integrity of sporting events or of sports gaming. The 2105
commission shall adopt by rule procedures for the professional 2106
sports organization and the management services provider to 2107
follow to ensure the integrity of sporting events and of sports 2108
gaming, including procedures to prevent any exchange of 2109
information or conflict of interest between the professional 2110
sports organization and the management services provider. 2111~~

~~(3) A type C sports gaming proprietor shall not contract 2112
with a mobile management services provider or a management 2113
services provider to offer sports gaming under the type C sports 2114
gaming proprietor license on the sports gaming proprietor's 2115~~

~~behalf.~~ 2116

~~(4)~~A management services provider may offer sports gaming 2117
only in accordance with this chapter, with the rules adopted by 2118
the Ohio casino control commission under this chapter, and with 2119
the nature of the sports gaming proprietor's license. 2120

(B) (1) A management services provider shall be licensed 2121
under this section before entering into a contract with a ~~type B~~ 2122
sports gaming proprietor as described in division (A) of this 2123
section. A management services provider license entitles the 2124
holder to contract with one ~~type B~~ sports gaming proprietor. An 2125
applicant for an initial or renewed management services provider 2126
license shall meet all requirements for licensure established by 2127
the commission by rule and shall pay the fee required under 2128
division (C) (3) of section 109.572 of the Revised Code, along 2129
with a nonrefundable application fee in an amount determined by 2130
the commission by rule. 2131

(2) The commission may accept another jurisdiction's 2132
license, if the commission determines it has similar licensing 2133
requirements, as evidence that the applicant meets the 2134
requirements for a license issued under this section. 2135

(3) After receiving an initial or renewed management 2136
services provider license, the applicant shall pay the following 2137
nonrefundable license fees, as applicable, not later than the 2138
dates indicated: 2139

2140

	1	2	3	4	5	6
A		Upon	One year	Two years	Three	Four
		issuance	after	after	years	years
		of	license	license	after	after

	license	issued	issued	license issued	license issued
B Management services provider that is contracting with a type B sports gaming proprietor that is also a type A sports gaming proprietor	\$100,000	\$10,000	\$10,000	\$10,000	\$10,000
C Any other management services provider <u>Initial or renewed license</u>	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000

(C) A management services provider license shall be valid 2141
for a term of five years. In order to renew a management 2142
services provider license, the licensee shall apply to the 2143
commission for a renewed license in the same manner as for an 2144
initial license. 2145

(D) In order to permit a management services provider to 2146
offer sports gaming on behalf of a ~~type B~~ sports gaming 2147
proprietor, the sports gaming proprietor and the management 2148
services provider shall enter into a written contract that has 2149
been approved by the commission. If the sports gaming proprietor 2150
and the management services provider wish to make a material 2151
change to the contract, the sports gaming proprietor first shall 2152

submit the change to the commission for its approval or 2153
rejection. The sports gaming proprietor or the management 2154
services provider shall not assign, delegate, subcontract, or 2155
transfer the management service provider's duties and 2156
responsibilities under the contract to a third party. 2157

(E) (1) Subject to division (E) (2) of this section, the 2158
provisions of this chapter concerning a ~~type B~~ sports gaming 2159
proprietor apply to a management services provider that 2160
contracts with the sports gaming proprietor with respect to all 2161
rights, duties, and liabilities of the sports gaming proprietor 2162
assigned, delegated, subcontracted, or transferred to the 2163
management services provider as though the management services 2164
provider were a ~~type B~~ sports gaming proprietor. Unless the 2165
context requires otherwise, references in the Revised Code to a 2166
sports gaming proprietor apply to a management services provider 2167
to the extent that the management services provider is acting on 2168
behalf of a ~~type B~~ sports gaming proprietor pursuant to the 2169
contract. 2170

(2) Division (E) (1) of this section does not permit a 2171
management services provider to operate sports gaming other than 2172
pursuant to a contract with a ~~type B~~ sports gaming proprietor to 2173
operate sports gaming on behalf of the sports gaming proprietor. 2174

(F) The commission shall adopt a rule setting a maximum 2175
number of management services provider licenses a person may 2176
hold at any one time. 2177

Sec. 3775.06. (A) (1) An individual whose duties include 2178
any of the following shall hold an appropriate and valid sports 2179
gaming occupational license issued by the Ohio casino control 2180
commission at all times: 2181

(a) Accepting wagers on sporting events on behalf of a sports gaming proprietor;	2182 2183
(b) Handling money as part of operating sports gaming on behalf of a sports gaming proprietor, including a cashier, change person, count team, or coin wrapper;	2184 2185 2186
(c) Providing security for the operation of sports gaming by a sports gaming proprietor, including a guard or observer, — other than providing general security at a type C sports gaming host's facility;	2187 2188 2189 2190
(d) Performing other duties such that the individual has the ability to alter material aspects of sports gaming conducted by a sports gaming proprietor.	2191 2192 2193
(2) An individual is not required to have a sports gaming occupational license if the individual's duties are related solely to nongaming activities such as entertainment, maintenance, or preparing or serving food or beverages, — including an individual who is, or is employed by, a type C sports gaming host.	2194 2195 2196 2197 2198 2199
(3) The commission shall issue a sports gaming occupational license to an individual who meets the requirements of this chapter and of the commission's rules, provided that the commission's rules shall not require an applicant for a sports gaming occupational license who currently holds a video lottery license issued under Chapter 3770. or a license issued under Chapter 3772. of the Revised Code to take action to satisfy any additional requirement for the sports gaming occupational license that is substantially similar to any requirement the applicant previously has satisfied in order to obtain or renew the applicant's video lottery license or license issued under	2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210

Chapter 3772. of the Revised Code. 2211

(B) A sports gaming occupational license permits the 2212
licensee to be employed in the capacity the commission 2213
designates during the duration of the license. The commission 2214
may establish by rule job classifications with different 2215
requirements. 2216

(C) (1) An applicant for an initial or renewed sports 2217
gaming occupational license shall apply for the license on a 2218
form prescribed by the commission and shall pay the fee required 2219
under division (C) (3) of section 109.572 of the Revised Code, 2220
along with a nonrefundable application fee of one hundred 2221
dollars. The commission may annually increase the amount of the 2222
application fee in an amount that does not exceed the percentage 2223
increase in the consumer price index for the previous year, as 2224
necessary to cover the cost of processing the application. As 2225
used in this division, "consumer price index" means the consumer 2226
price index for all urban consumers or its successive 2227
equivalent, as determined by the United States department of 2228
labor, bureau of labor statistics, or its successor in 2229
responsibility, for all items, Series A. 2230

(2) Upon receiving an initial or renewed sports gaming 2231
occupational license, the applicant shall pay a nonrefundable 2232
license fee of fifty dollars. 2233

(3) An applicant's employer may pay the fees described in 2234
divisions (C) (1) and (2) of this section on behalf of the 2235
applicant. 2236

(D) The commission may adopt rules allowing an individual 2237
who holds a sports gaming occupational license from another 2238
jurisdiction to be licensed in this state by reciprocity, so 2239

long as that jurisdiction's requirements to receive that license 2240
and the activities authorized by the license are substantially 2241
similar to those of this state with respect to the license the 2242
individual seeks. 2243

(E) A sports gaming occupational license shall be valid 2244
for a term of three years. In order to renew a sports gaming 2245
occupational license, the licensee shall apply to the commission 2246
for a renewed license in the same manner as for an initial 2247
license. 2248

Sec. 3775.09. (A) An applicant for a sports gaming 2249
license, ~~other than a type C sports gaming host license,~~ shall 2250
establish the applicant's suitability for the license by clear 2251
and convincing evidence. 2252

(B) The Ohio casino control commission shall not grant a 2253
sports gaming license, ~~other than a type C sports gaming host-~~ 2254
~~license,~~ to an applicant if evidence satisfactory to the 2255
commission exists that the applicant has done any of the 2256
following: 2257

(1) Knowingly made a false statement to the commission; 2258

(2) Been suspended from operating a gambling game, gaming 2259
device, or gaming operation, or had a license revoked by any 2260
governmental unit of a national, state, or local body exercising 2261
governmental functions; 2262

(3) Been convicted of a disqualifying offense, as defined 2263
in section 3772.07 of the Revised Code; 2264

(4) Been directly involved in or employed by any offshore 2265
wagering market that illegally serviced the United States or 2266
otherwise accepted illegal wagers from individuals located in 2267
the United States on or after April 16, 2015. 2268

(C) The commission may deny a sports gaming proprietor, ~~mobile management services provider,~~ or management services provider license to any applicant, reprimand any sports gaming proprietor, ~~mobile management services provider,~~ or management services provider, or suspend or revoke a sports gaming proprietor, ~~mobile management services provider,~~ or management services provider license if any of the following are true:

(1) The applicant or licensee has not demonstrated to the commission's satisfaction financial responsibility sufficient to adequately meet the requirements of the enterprise.

(2) The applicant or licensee is not the true owner of the business or is not the sole owner and has not disclosed the existence or identity of other persons who have an ownership interest in the business.

(3) The applicant or licensee is a corporation that sells more than five per cent of the corporation's voting stock, or more than five per cent of the voting stock of a corporation that controls the corporation, or sells the corporation's assets, other than those bought and sold in the ordinary course of business, or any interest in the assets, to any person who, under division (C) of section 3775.03 of the Revised Code, must meet the qualifications of a sports gaming proprietor, ~~mobile management services provider,~~ or management services provider, as applicable, and who has not already been determined by the commission to have met the applicable qualifications.

~~(D)(1)~~ (D) The commission shall revoke a sports gaming proprietor license ~~that was issued or renewed because of the preference described in division (A) of section 3775.041 of the Revised Code if the sports gaming proprietor ceases to qualify as a professional sports organization, if the casino operator~~

~~sports gaming proprietor ceases to be a casino operator, or if
the video lottery sales agent ceases to be a video lottery sales
agent, as applicable.~~ 2299
2300
2301

~~(2) The commission shall revoke a type C sports gaming
host license if the licensee ceases to hold a valid class D
liquor permit for the facility issued under Chapter 4303. of the
Revised Code.~~ 2302
2303
2304
2305

(E) The commission shall not grant a sports gaming license 2306
to any of the following persons: 2307

(1) A nonprofit corporation or organization; 2308

(2) An individual who is under twenty-one years of age; 2309

(3) An employee of the commission. 2310

Sec. 3775.10. (A) A sports gaming proprietor shall do all 2311
of the following: 2312

(1) Conduct all sports gaming activities and functions in 2313
a manner that does not pose a threat to the public health, 2314
safety, or welfare of the citizens of this state; 2315

(2) Adopt comprehensive house rules for game play 2316
governing sports gaming transactions with its patrons, including 2317
rules that specify the amounts to be paid on winning wagers and 2318
the effect of schedule changes, and submit them to the Ohio 2319
casino control commission for approval before implementing them. 2320
The sports gaming proprietor shall publish its house rules as 2321
part of its minimum internal control standards, shall display 2322
the house rules, together with any other information the 2323
commission considers appropriate, conspicuously in each sports 2324
gaming facility and in any other place or manner prescribed by 2325
the commission, and shall make copies of its house rules readily 2326

available to patrons.	2327
(3) Keep current in all payments and obligations to the commission;	2328 2329
(4) Provide a secure location for the placement, operation, and use of sports gaming equipment;	2330 2331
(5) Prevent any person from tampering with or interfering with the operation of sports gaming;	2332 2333
(6) Employ commercially reasonable methods to prevent the sports gaming proprietor and its agents and employees from disclosing any confidential information in the possession of the sports gaming proprietor that could affect the conduct of sports gaming;	2334 2335 2336 2337 2338
(7) Ensure that sports gaming conducted at a sports gaming facility is within the sight and control of designated employees of the sports gaming proprietor and that sports gaming is conducted under continuous observation by security equipment in conformity with the specifications and requirements of the commission;	2339 2340 2341 2342 2343 2344
(8) Ensure that sports gaming occurs only in the locations and manner approved by the commission <u>and that the sports gaming proprietor conducts only authorized sports gaming;</u>	2345 2346 2347
(9) Ensure that all sports gaming is monitored in accordance with division (I) of section 3775.02 of the Revised Code;	2348 2349 2350
(10) Maintain sufficient funds and other supplies to conduct sports gaming at all times;	2351 2352
(11) Maintain daily records showing the sports gaming proprietor's sports gaming receipts and timely file with the	2353 2354

commission any additional reports required by rule or by other provisions of the Revised Code;	2355 2356
(12) Withhold all required amounts from patrons' sports gaming winnings;	2357 2358
(13) Submit to the commission, each fiscal year, an audit of the sports gaming proprietor's financial transactions and the condition of the sports gaming proprietor's total operations prepared by a certified public accountant in accordance with generally accepted accounting principles and applicable state and federal laws;	2359 2360 2361 2362 2363 2364
(14) Submit to the commission, at least once every three years, an audit of the sports gaming proprietor's information technology systems and security protocols prepared by a qualified, independent, and capable third party, as determined by, and in a manner approved by, the commission;	2365 2366 2367 2368 2369
(15) Promptly provide anonymized sports gaming data to a sports governing body or a state university that submits a valid request for the data under division (B) (13) or (14) of section 3775.02 of the Revised Code.	2370 2371 2372 2373
(B) A sports gaming proprietor immediately shall report to the commission any information in the sports gaming proprietor's possession related to any of the following:	2374 2375 2376
(1) Any wager in violation of this chapter or rules adopted under this chapter or of federal law;	2377 2378
(2) Abnormal sports gaming activity or patterns that may indicate a concern regarding the integrity of a sporting event;	2379 2380
(3) Suspicious wagering activities;	2381
(4) Any conduct that corrupts a wagering outcome of a	2382

sporting event for purposes of financial gain;	2383
(5) Any criminal or disciplinary proceedings commenced	2384
against the sports gaming proprietor by any person other than	2385
the commission in connection with the sports gaming proprietor's	2386
operations.	2387
(C) A sports gaming proprietor may manage risk associated	2388
with wagers by rejecting or pooling one or more wagers or by	2389
laying off one or more wagers with another sports gaming	2390
proprietor.	2391
(D) A sports gaming proprietor may employ a system that	2392
offsets loss or manages risk in the operation of sports gaming	2393
under this chapter through the use of a liquidity pool in	2394
another jurisdiction in which the sports gaming proprietor or an	2395
affiliate or other third party also holds licensure, provided	2396
that at all times adequate protections are maintained to ensure	2397
sufficient funds are available to pay patrons.	2398
(E) <u>A No sports gaming proprietor may provide shall do any</u>	2399
<u>of the following:</u>	2400
(1) <u>Provide a promotional gaming credits credit to</u>	2401
<u>patrons, subject to oversight by the commission a patron;</u>	2402
(2) <u>Accept payment by credit card for the placing of a</u>	2403
<u>wager on a sporting event, for the purchase of credits or other</u>	2404
<u>units of exchange that can be used or redeemed to place a wager</u>	2405
<u>on a sporting event, or for the purpose of funding a sports</u>	2406
<u>gaming account under section 3775.11 of the Revised Code;</u>	2407
(3) <u>Accept more than eight wagers on sporting events from</u>	2408
<u>any one person within a twenty-four hour period;</u>	2409
(4) <u>Accept any one wager of more than one hundred dollars</u>	2410

<u>on a sporting event;</u>	2411
<u>(5) Offer or accept a proposition bet, parlay, in-game</u>	2412
<u>wager, or in-play bet on a sporting event;</u>	2413
<u>(6) Offer or accept any bet or wager on a collegiate sport</u>	2414
<u>or athletic event.</u>	2415
(F) If a sports gaming patron does not claim a winning	2416
wager from a sports gaming proprietor within one year from the	2417
last day on which the sporting event is held, the sports gaming	2418
proprietor's obligation to pay the winnings shall expire, and	2419
the sports gaming proprietor shall remit the winnings to the	2420
commission, which shall deposit them in the sports gaming	2421
revenue fund.	2422
(G) A sports gaming proprietor is not liable under the	2423
laws of this state to any party, including a patron, for	2424
disclosing information as required under this chapter or for	2425
refusing to disclose information that is not required by law to	2426
be disclosed.	2427
(H) (1) A sports gaming proprietor shall maintain the	2428
confidentiality of any information provided to the sports gaming	2429
proprietor by a sports governing body that the sports governing	2430
body designates as confidential, except as otherwise required by	2431
law or by order of the commission. The sports gaming proprietor	2432
shall not use such confidential information for business or	2433
marketing purposes, except with the express written approval of	2434
the sports governing body.	2435
(2) A sports governing body shall maintain the	2436
confidentiality of any information provided to the sports	2437
governing body by a sports gaming proprietor that the sports	2438
gaming proprietor designates as confidential, except as	2439

otherwise required by law or by order of the commission. The 2440
sports governing body shall not use such confidential 2441
information for business or marketing purposes, except with the 2442
express written approval of the sports gaming proprietor. 2443

Sec. 3775.12. (A) A ~~type B~~ sports gaming proprietor may 2444
accept wagers on sporting events ~~that are made in person only~~ 2445
from individuals who are at least twenty-one years of age and 2446
who are physically present in a sports gaming facility. A sports 2447
gaming proprietor may accept wagers in person or using self- 2448
service sports gaming terminals. A sports gaming proprietor also 2449
may accept wagers through an application installed on an 2450
individual's personal device, so long as the application 2451
requires the individual to be physically present in the sports 2452
gaming facility in order to place a wager and otherwise meets 2453
the requirements of this chapter. 2454

(B) (1) Except as otherwise provided in division (B) (2) of 2455
this section, before accepting any wager on a sporting event, a 2456
~~type B~~ sports gaming proprietor shall require the individual to 2457
register with the sports gaming proprietor, provide the 2458
individual's full legal name and any other information required 2459
by the Ohio casino control commission or requested by the sports 2460
gaming proprietor, and place all wagers on sporting events 2461
placed with the sports gaming proprietor through that 2462
registration. 2463

(2) A ~~type B~~ sports gaming proprietor may accept an 2464
anonymous wager from an individual, so long as the amount of the 2465
wager does not exceed a dollar limit determined by the 2466
commission by rule. 2467

(C) Except as provided in divisions (C) (1) and (2) of this 2468
section, no individual who is under twenty-one years of age 2469

shall enter a sports gaming facility. 2470

(1) An employee of a sports gaming proprietor who is 2471
eighteen, nineteen, or twenty years of age may be present in a 2472
sports gaming facility, so long as the employee's duties are not 2473
related to sports gaming. 2474

(2) An individual who is under twenty-one years of age may 2475
enter a sports gaming facility in order to pass to another area 2476
where sports gaming is not being conducted, but only if the 2477
individual is personally escorted by an employee of the sports 2478
gaming proprietor who remains in close proximity to the 2479
individual at all times in accordance with the rules of the 2480
commission. 2481

Sec. 3775.14. (A) Notwithstanding any contrary provision 2482
of section 149.43 of the Revised Code, the Ohio casino control 2483
commission shall not disclose to the public any of the 2484
following: 2485

(1) Any of the following information or documents 2486
concerning a person who has applied for or been issued a license 2487
under this chapter or the person's spouse, dependent, or 2488
employee, unless the person authorizes the commission to 2489
disclose the information: 2490

(a) A social security number, passport number, or federal 2491
tax identification number; 2492

(b) A home address, telephone number, or electronic mail 2493
address; 2494

(c) A birth certificate; 2495

(d) A driver's license or state identification card 2496
number; 2497

(e) The name or address of a previous spouse;	2498
(f) A date or place of birth;	2499
(g) Any personal financial information or records, including personal tax returns and information and records of criminal proceedings;	2500 2501 2502
(h) Any information concerning a minor child;	2503
(i) Any information concerning a person the commission has reason to know is a victim of domestic violence, sexual assault, or stalking;	2504 2505 2506
(j) Any trade secret, medical records, or patents or exclusive licenses;	2507 2508
(k) Security information, including risk prevention plans, detection and countermeasures, location of count rooms or other money storage areas, emergency management plans, security and surveillance plans, equipment and usage protocols, and theft and fraud prevention plans and countermeasures;	2509 2510 2511 2512 2513
(l) Any other information that the commission receives from another jurisdiction relating to a person who holds, held, or has applied for a license under this chapter.	2514 2515 2516
(2) Any information in a list provided to the commission by a sports governing body under division (F) (2) of section 3775.13 of the Revised Code.	2517 2518 2519
(B) Except as otherwise provided in division (A) of this section, all of the following information is subject to disclosure as a public record under section 149.43 of the Revised Code:	2520 2521 2522 2523
(1) The information a sports gaming proprietor or an	2524

applicant for a sports gaming proprietor, ~~mobile management~~ 2525
~~services provider~~, or management services provider license has 2526
submitted to the commission as part of applying for or renewing 2527
a sports gaming proprietor, ~~mobile management services provider~~, 2528
or management services provider license; 2529

(2) The name, place of employment, job title, and gaming 2530
experience of a person who has applied for or been issued a 2531
license under this chapter; 2532

(3) The commission's reasons for denying or revoking a 2533
license under this chapter or for taking other disciplinary 2534
action under this chapter. 2535

(C) Division (A) of this section does not prohibit the 2536
commission from disclosing information and documents described 2537
in that division to the state lottery commission or to the 2538
inspector general, a prosecuting authority, a law enforcement 2539
agency, or any other appropriate governmental entity or 2540
licensing agency, provided that the recipient shall not disclose 2541
the information and documents to the public. 2542

Sec. 3775.15. (A) All shipments of gambling devices, 2543
including any sports gaming equipment, to sports gaming 2544
proprietors, ~~mobile management services providers~~, management 2545
services providers, or sports gaming suppliers, ~~or type C sports~~ 2546
~~gaming hosts~~ in this state are legal shipments of gambling 2547
devices into this state, as long as the supplier has completed 2548
the registering, recording, and labeling of the equipment in 2549
accordance with the "Gambling Devices Act of 1962," 15 U.S.C. 2550
1171 to 1178. 2551

(B) This state is exempt from section 2 of the "Gambling 2552
Devices Act of 1962," 15 U.S.C. 1172. 2553

Sec. 3775.16. (A) Pursuant to section 131.02 of the 2554
Revised Code, the attorney general shall develop and implement a 2555
real time data match program and make it available to each 2556
sports gaming proprietor to identify patrons who owe amounts to 2557
the state or a political subdivision. 2558

(B) (1) ~~Subject to division (E) of this section, before~~ 2559
Before disbursing any sports gaming winnings to a patron in an 2560
amount for which reporting to the internal revenue service of 2561
the amount is required by section 6041 of the Internal Revenue 2562
Code, as amended, a sports gaming proprietor shall consult the 2563
data match program to determine whether the patron owes any 2564
amounts to the state or a political subdivision. If the data 2565
match program indicates that the patron owes any amounts to the 2566
state or a political subdivision, the sports gaming proprietor 2567
shall withhold from the patron's winnings an amount sufficient 2568
to satisfy those amounts, up to the amount of the winnings. 2569

(2) If the data match program described in section 3123.90 2570
of the Revised Code indicates that the patron also is in default 2571
under a support order, the sports gaming proprietor shall 2572
transmit to the department of job and family services an amount 2573
sufficient to satisfy any past due support owed by the patron, 2574
up to the amount of the winnings, before transmitting any 2575
remaining amount to the attorney general under division (C) of 2576
this section. 2577

(C) (1) Not later than fourteen days after withholding an 2578
amount under division (B) of this section, the sports gaming 2579
proprietor shall transmit to the attorney general any amount 2580
withheld and not already disbursed to the department of job and 2581
family services under section 3123.90 of the Revised Code as 2582
payment on the amount owed. 2583

(2) If the patron owes more than one amount to the state 2584
or a political subdivision as identified by the data match 2585
program described in this section, the amount owed to the state 2586
shall be satisfied first, except that any amounts owed under 2587
section 5739.33 and division (G) of section 5747.07 of the 2588
Revised Code shall have first priority. 2589

(D) Except as otherwise provided in section 131.021 of the 2590
Revised Code, this section applies only to amounts owed that 2591
have become final. 2592

~~(E) A sports gaming proprietor that offers lottery sports-~~ 2593
~~gaming through a terminal described in division (B) (3) of-~~ 2594
~~section 3770.24 of the Revised Code shall not withhold amounts-~~ 2595
~~under this section from winnings from wagers placed through that~~ 2596
~~terminal. The state lottery commission shall withhold amounts-~~ 2597
~~from those winnings under section 3770.073 of the Revised Code.~~ 2598

~~(F)~~The attorney general, in consultation with the 2599
commission, may adopt rules under Chapter 119. of the Revised 2600
Code as necessary to implement this section. 2601

Sec. 3775.99. (A) Whoever knowingly does any of the 2602
following commits a misdemeanor of the first degree on the first 2603
offense and a felony of the fifth degree on a subsequent 2604
offense: 2605

(1) Makes a false statement on an application submitted 2606
under this chapter; 2607

(2) Permits an individual under twenty-one years of age to 2608
engage in sports gaming; 2609

(3) Aids, induces, or causes an individual under twenty- 2610
one years of age who is not an employee of the sports gaming 2611
proprietor to enter or attempt to enter a sports gaming 2612

facility;	2613
(4) Enters or attempts to enter a sports gaming facility	2614
while under twenty-one years of age, except as permitted under	2615
division (C) of section 3775.12 of the Revised Code;	2616
(5) Participates in sports gaming in violation of division	2617
(D) of section 3775.13 of the Revised Code, other than as part	2618
of operating sports gaming or as part of the employee's	2619
employment.	2620
(B) Whoever knowingly does any of the following commits a	2621
felony of the fifth degree on a first offense and a felony of	2622
the fourth degree on a subsequent offense. If the person is a	2623
sports gaming licensee under this chapter, the Ohio casino	2624
control commission shall revoke the person's license issued	2625
under this chapter after the first offense.	2626
(1) Offers, promises, or gives anything of value to anyone	2627
for the purpose of influencing the outcome of a sporting event	2628
or attempts to do so;	2629
(2) Places, increases, or decreases a wager after	2630
acquiring knowledge not available to the general public that	2631
anyone has been offered, promised, or given anything of value	2632
for the purpose of influencing the outcome of the sporting event	2633
upon which the wager is placed, increased, or decreased, or	2634
attempts to do so;	2635
(3) Manufactures, sells, or distributes any device that is	2636
intended by that person to be used to violate any provision of	2637
this chapter or the sports gaming laws of any other state;	2638
(4) Places a bet or aids any other person in placing a bet	2639
on a sporting event after unlawfully acquiring knowledge of the	2640
outcome on which winnings from that bet are contingent;	2641

(5) Claims, collects, or takes anything of value from a sports gaming proprietor with intent to defraud or attempts to do so without having made a wager in which the amount or value is legitimately won or owed;

(6) Places a wager using counterfeit currency or other counterfeit form of credit approved for wagering;

(7) Possesses any device intended to be used to violate this chapter or any rule adopted under this chapter, or any materials used to manufacture such a device. This division does not apply to a sports gaming proprietor or to an agent or employee of a sports gaming proprietor who is acting in furtherance of the sports gaming proprietor's interest.

~~(8) Changes or alters the normal outcome of any sports gaming conducted through an online sports pool, including any system used to monitor the online sports pool, or the way in which the outcome is reported to any patron;~~

~~(9) Operates sports gaming that is not authorized sports gaming;~~

(9) Otherwise operates sports gaming in a manner other than the manner required under this chapter. Premises or any internet web site used or occupied in violation of this division constitute a nuisance subject to abatement under Chapter 3767. of the Revised Code.

(10) Knowingly offers a sports gaming wager to, or accepts such wager from, an individual who is not physically located in a sports gaming facility.

(C) Whoever knowingly does any of the following commits a felony of the third degree. If the person is a sports gaming licensee under this chapter, the commission shall revoke the

person's license issued under this chapter after the first 2671
offense. If the person is a public servant or political party 2672
official, the person is forever disqualified from holding any 2673
public office, employment, or position of trust in this state. 2674

(1) Offers, promises, or gives anything of value or 2675
benefit to a person who is connected with a sports gaming 2676
proprietor, an agent or employee of a sports gaming proprietor, 2677
or a member, agent, or employee of the Ohio casino control 2678
commission or the state lottery commission, under an agreement 2679
to influence, or with the intent to influence, the actions of 2680
the person to whom the offer, promise, or gift is made in order 2681
to affect or attempt to affect the outcome of sports gaming or 2682
an official action of a member, agent, or employee of the Ohio 2683
casino control commission or the state lottery commission; 2684

(2) Solicits, accepts, or receives a promise of anything 2685
of value or benefit while the person is connected with a sports 2686
gaming proprietor, an agent or employee of a sports gaming 2687
proprietor, or a member, agent, or employee of the Ohio casino 2688
control commission or the state lottery commission, under an 2689
agreement to influence, or with the intent to influence, the 2690
actions of the person to affect or attempt to affect the outcome 2691
of sports gaming or an official action of a member, agent, or 2692
employee of the Ohio casino control commission or the state 2693
lottery commission. 2694

(D) Whoever knowingly does any of the following while 2695
participating in sports gaming or otherwise transacting with a 2696
sports gaming proprietor as permitted under this chapter ~~or~~ 2697
~~sections 3770.23 to 3770.25 of the Revised Code~~ commits a felony 2698
of the fifth degree on a first offense and a felony of the 2699
fourth degree on a subsequent offense: 2700

(1) Causes or attempts to cause the person to fail to file a report required under 31 U.S.C. 5313(a) or 5325 or any regulation prescribed thereunder or section 1315.53 of the Revised Code, or to fail to file a report or maintain a record required by an order issued under section 21 of the "Federal Deposit Insurance Act" or section 123 of Pub. L. No. 91-508;

(2) Causes or attempts to cause the person to file a report under 31 U.S.C. 5313(a) or 5325 or any regulation prescribed thereunder or section 1315.53 of the Revised Code, to file a report or to maintain a record required by any order issued under 31 U.S.C. 3126, or to maintain a record required under any regulation prescribed under section 21 of the "Federal Deposit Insurance Act" or section 123 of Pub. L. No. 91-508 that contains a material omission or misstatement of fact;

(3) With one or more sports gaming proprietors, structures a transaction, is complicit in structuring a transaction, attempts to structure a transaction, or is complicit in an attempt to structure a transaction. As used in this division:

(a) To be "complicit" means to engage in any conduct of a type described in divisions (A)(1) to (4) of section 2923.03 of the Revised Code.

(b) "Structure a transaction" has the same meaning as in section 1315.51 of the Revised Code.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning

as in section 5733.40 of the Revised Code. Any reference in this 2730
chapter to the Internal Revenue Code includes other laws of the 2731
United States relating to federal income taxes. 2732

As used in this chapter: 2733

(A) "Adjusted gross income" or "Ohio adjusted gross 2734
income" means federal adjusted gross income, as defined and used 2735
in the Internal Revenue Code, adjusted as provided in this 2736
section: 2737

(1) Add interest or dividends on obligations or securities 2738
of any state or of any political subdivision or authority of any 2739
state, other than this state and its subdivisions and 2740
authorities. 2741

(2) Add interest or dividends on obligations of any 2742
authority, commission, instrumentality, territory, or possession 2743
of the United States to the extent that the interest or 2744
dividends are exempt from federal income taxes but not from 2745
state income taxes. 2746

(3) Deduct interest or dividends on obligations of the 2747
United States and its territories and possessions or of any 2748
authority, commission, or instrumentality of the United States 2749
to the extent that the interest or dividends are included in 2750
federal adjusted gross income but exempt from state income taxes 2751
under the laws of the United States. 2752

(4) Deduct disability and survivor's benefits to the 2753
extent included in federal adjusted gross income. 2754

(5) Deduct the following, to the extent not otherwise 2755
deducted or excluded in computing federal or Ohio adjusted gross 2756
income: 2757

(a) Benefits under Title II of the Social Security Act and tier 1 railroad retirement;	2758 2759
(b) Railroad retirement benefits, other than tier 1 railroad retirement benefits, to the extent such amounts are exempt from state taxation under federal law.	2760 2761 2762
(6) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the work opportunity tax credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.	2763 2764 2765 2766 2767 2768
(7) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.	2769 2770 2771 2772
(8) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.	2773 2774 2775 2776
(9) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions made to or tuition units purchased under a qualified tuition program established pursuant to section 529 of the Internal Revenue Code.	2777 2778 2779 2780 2781
(10) (a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's	2782 2783 2784 2785 2786

spouse, and dependents. No deduction for medical care insurance 2787
under division (A) (10) (a) of this section shall be allowed 2788
either to any taxpayer who is eligible to participate in any 2789
subsidized health plan maintained by any employer of the 2790
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 2791
entitled to, or on application would be entitled to, benefits 2792
under part A of Title XVIII of the "Social Security Act," 49 2793
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 2794
division (A) (10) (a) of this section, "subsidized health plan" 2795
means a health plan for which the employer pays any portion of 2796
the plan's cost. The deduction allowed under division (A) (10) (a) 2797
of this section shall be the net of any related premium refunds, 2798
related premium reimbursements, or related insurance premium 2799
dividends received during the taxable year. 2800

(b) Deduct, to the extent not otherwise deducted or 2801
excluded in computing federal or Ohio adjusted gross income 2802
during the taxable year, the amount the taxpayer paid during the 2803
taxable year, not compensated for by any insurance or otherwise, 2804
for medical care of the taxpayer, the taxpayer's spouse, and 2805
dependents, to the extent the expenses exceed seven and one-half 2806
per cent of the taxpayer's federal adjusted gross income. 2807

(c) For purposes of division (A) (10) of this section, 2808
"medical care" has the meaning given in section 213 of the 2809
Internal Revenue Code, subject to the special rules, 2810
limitations, and exclusions set forth therein, and "qualified 2811
long-term care" has the same meaning given in section 7702B(c) 2812
of the Internal Revenue Code. Solely for purposes of division 2813
(A) (10) (a) of this section, "dependent" includes a person who 2814
otherwise would be a "qualifying relative" and thus a 2815
"dependent" under section 152 of the Internal Revenue Code but 2816
for the fact that the person fails to meet the income and 2817

support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(11) (a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A)(11)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.

(12) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;

(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.

(13) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the

taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A) (13) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.

(14) (a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A) (2) of section 3924.68 of the Revised Code during the taxable year.

(15) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(16) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax

commissioner, the taxpayer shall provide any information that, 2876
in the tax commissioner's opinion, is necessary to establish the 2877
amount deducted under division (A) (16) of this section. 2878

(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and 2879
(v) of this section, add five-sixths of the amount of 2880
depreciation expense allowed by subsection (k) of section 168 of 2881
the Internal Revenue Code, including the taxpayer's 2882
proportionate or distributive share of the amount of 2883
depreciation expense allowed by that subsection to a pass- 2884
through entity in which the taxpayer has a direct or indirect 2885
ownership interest. 2886

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 2887
of this section, add five-sixths of the amount of qualifying 2888
section 179 depreciation expense, including the taxpayer's 2889
proportionate or distributive share of the amount of qualifying 2890
section 179 depreciation expense allowed to any pass-through 2891
entity in which the taxpayer has a direct or indirect ownership 2892
interest. 2893

(iii) Subject to division (A) (17) (a) (v) of this section, 2894
for taxable years beginning in 2012 or thereafter, if the 2895
increase in income taxes withheld by the taxpayer is equal to or 2896
greater than ten per cent of income taxes withheld by the 2897
taxpayer during the taxpayer's immediately preceding taxable 2898
year, "two-thirds" shall be substituted for "five-sixths" for 2899
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 2900

(iv) Subject to division (A) (17) (a) (v) of this section, 2901
for taxable years beginning in 2012 or thereafter, a taxpayer is 2902
not required to add an amount under division (A) (17) of this 2903
section if the increase in income taxes withheld by the taxpayer 2904
and by any pass-through entity in which the taxpayer has a 2905

direct or indirect ownership interest is equal to or greater 2906
than the sum of (I) the amount of qualifying section 179 2907
depreciation expense and (II) the amount of depreciation expense 2908
allowed to the taxpayer by subsection (k) of section 168 of the 2909
Internal Revenue Code, and including the taxpayer's 2910
proportionate or distributive shares of such amounts allowed to 2911
any such pass-through entities. 2912

(v) If a taxpayer directly or indirectly incurs a net 2913
operating loss for the taxable year for federal income tax 2914
purposes, to the extent such loss resulted from depreciation 2915
expense allowed by subsection (k) of section 168 of the Internal 2916
Revenue Code and by qualifying section 179 depreciation expense, 2917
"the entire" shall be substituted for "five-sixths of the" for 2918
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 2919

The tax commissioner, under procedures established by the 2920
commissioner, may waive the add-backs related to a pass-through 2921
entity if the taxpayer owns, directly or indirectly, less than 2922
five per cent of the pass-through entity. 2923

(b) Nothing in division (A) (17) of this section shall be 2924
construed to adjust or modify the adjusted basis of any asset. 2925

(c) To the extent the add-back required under division (A) 2926
(17) (a) of this section is attributable to property generating 2927
nonbusiness income or loss allocated under section 5747.20 of 2928
the Revised Code, the add-back shall be situated to the same 2929
location as the nonbusiness income or loss generated by the 2930
property for the purpose of determining the credit under 2931
division (A) of section 5747.05 of the Revised Code. Otherwise, 2932
the add-back shall be apportioned, subject to one or more of the 2933
four alternative methods of apportionment enumerated in section 2934
5747.21 of the Revised Code. 2935

(d) For the purposes of division (A) (17) (a) (v) of this section, net operating loss carryback and carryforward shall not include the allowance of any net operating loss deduction carryback or carryforward to the taxable year to the extent such loss resulted from depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount.

(e) For the purposes of divisions (A) (17) and (18) of this section:

(i) "Income taxes withheld" means the total amount withheld and remitted under sections 5747.06 and 5747.07 of the Revised Code by an employer during the employer's taxable year.

(ii) "Increase in income taxes withheld" means the amount by which the amount of income taxes withheld by an employer during the employer's current taxable year exceeds the amount of income taxes withheld by that employer during the employer's immediately preceding taxable year.

(iii) "Qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to a taxpayer under section 179 of the Internal Revised Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

(18) (a) If the taxpayer was required to add an amount under division (A) (17) (a) of this section for a taxable year, deduct one of the following:

(i) One-fifth of the amount so added for each of the five succeeding taxable years if the amount so added was five-sixths

of qualifying section 179 depreciation expense or depreciation 2965
expense allowed by subsection (k) of section 168 of the Internal 2966
Revenue Code; 2967

(ii) One-half of the amount so added for each of the two 2968
succeeding taxable years if the amount so added was two-thirds 2969
of such depreciation expense; 2970

(iii) One-sixth of the amount so added for each of the six 2971
succeeding taxable years if the entire amount of such 2972
depreciation expense was so added. 2973

(b) If the amount deducted under division (A) (18) (a) of 2974
this section is attributable to an add-back allocated under 2975
division (A) (17) (c) of this section, the amount deducted shall 2976
be situated to the same location. Otherwise, the deduction shall 2977
be apportioned using the apportionment factors for the taxable 2978
year in which the deduction is taken, subject to one or more of 2979
the four alternative methods of apportionment enumerated in 2980
section 5747.21 of the Revised Code. 2981

(c) No deduction is available under division (A) (18) (a) of 2982
this section with regard to any depreciation allowed by section 2983
168(k) of the Internal Revenue Code and by the qualifying 2984
section 179 depreciation expense amount to the extent that such 2985
depreciation results in or increases a federal net operating 2986
loss carryback or carryforward. If no such deduction is 2987
available for a taxable year, the taxpayer may carry forward the 2988
amount not deducted in such taxable year to the next taxable 2989
year and add that amount to any deduction otherwise available 2990
under division (A) (18) (a) of this section for that next taxable 2991
year. The carryforward of amounts not so deducted shall continue 2992
until the entire addition required by division (A) (17) (a) of 2993
this section has been deducted. 2994

(19) Deduct, to the extent not otherwise deducted or 2995
excluded in computing federal or Ohio adjusted gross income for 2996
the taxable year, the amount the taxpayer received during the 2997
taxable year as reimbursement for life insurance premiums under 2998
section 5919.31 of the Revised Code. 2999

(20) Deduct, to the extent not otherwise deducted or 3000
excluded in computing federal or Ohio adjusted gross income for 3001
the taxable year, the amount the taxpayer received during the 3002
taxable year as a death benefit paid by the adjutant general 3003
under section 5919.33 of the Revised Code. 3004

(21) Deduct, to the extent included in federal adjusted 3005
gross income and not otherwise allowable as a deduction or 3006
exclusion in computing federal or Ohio adjusted gross income for 3007
the taxable year, military pay and allowances received by the 3008
taxpayer during the taxable year for active duty service in the 3009
armed forces of the United States, as defined in section 5907.01 3010
of the Revised Code, or reserve components thereof or the 3011
national guard. The deduction may not be claimed for military 3012
pay and allowances received by the taxpayer while the taxpayer 3013
is stationed in this state. 3014

(22) Deduct, to the extent not otherwise allowable as a 3015
deduction or exclusion in computing federal or Ohio adjusted 3016
gross income for the taxable year and not otherwise compensated 3017
for by any other source, the amount of qualified organ donation 3018
expenses incurred by the taxpayer during the taxable year, not 3019
to exceed ten thousand dollars. A taxpayer may deduct qualified 3020
organ donation expenses only once for all taxable years 3021
beginning with taxable years beginning in 2007. 3022

For the purposes of division (A) (22) of this section: 3023

(a) "Human organ" means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow.

(b) "Qualified organ donation expenses" means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer's donation, while living, of one or more of the taxpayer's human organs to another human being.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired personnel pay for service in the uniformed services or reserve components thereof, or the national guard, or received by the surviving spouse or former spouse of such a taxpayer under the survivor benefit plan on account of such a taxpayer's death. If the taxpayer receives income on account of retirement paid under the federal civil service retirement system or federal employees retirement system, or under any successor retirement program enacted by the congress of the United States that is established and maintained for retired employees of the United States government, and such retirement income is based, in whole or in part, on credit for the taxpayer's uniformed service, the deduction allowed under this division shall include only that portion of such retirement income that is attributable to the taxpayer's uniformed service, to the extent that portion of such retirement income is otherwise included in federal adjusted gross income and is not otherwise deducted under this section. Any amount deducted under division (A) (23) of this section is not included in a taxpayer's adjusted gross income for the purposes of section 5747.055 of the Revised Code. No amount may be deducted under division (A) (23) of this section on the basis

of which a credit was claimed under section 5747.055 of the Revised Code. 3055
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(24) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year from the military injury relief fund created in section 5902.05 of the Revised Code. 3057
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(25) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received as a veterans bonus during the taxable year from the Ohio department of veterans services as authorized by Section 2r of Article VIII, Ohio Constitution. 3062
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(26) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code. 3068
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(27) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, Ohio college opportunity or federal Pell grant amounts received by the taxpayer or the taxpayer's spouse or dependent pursuant to section 3333.122 of the Revised Code or 20 U.S.C. 1070a, et seq., and used to pay room or board furnished by the educational institution for which the grant was awarded at the institution's facilities, including meal plans administered by the institution. For the purposes of this division, receipt of a grant includes the distribution of a grant directly to an educational institution and the crediting of the grant to the enrollee's account with the institution. 3073
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(28) Deduct from the portion of an individual's federal 3085
adjusted gross income that is business income, to the extent not 3086
otherwise deducted or excluded in computing federal adjusted 3087
gross income for the taxable year, one hundred twenty-five 3088
thousand dollars for each spouse if spouses file separate 3089
returns under section 5747.08 of the Revised Code or two hundred 3090
fifty thousand dollars for all other individuals. 3091

(29) Deduct, as provided under section 5747.78 of the 3092
Revised Code, contributions to ABLE savings accounts made in 3093
accordance with sections 113.50 to 113.56 of the Revised Code. 3094

(30) (a) Deduct, to the extent not otherwise deducted or 3095
excluded in computing federal or Ohio adjusted gross income 3096
during the taxable year, all of the following: 3097

(i) Compensation paid to a qualifying employee described 3098
in division (A) (14) (a) of section 5703.94 of the Revised Code to 3099
the extent such compensation is for disaster work conducted in 3100
this state during a disaster response period pursuant to a 3101
qualifying solicitation received by the employee's employer; 3102

(ii) Compensation paid to a qualifying employee described 3103
in division (A) (14) (b) of section 5703.94 of the Revised Code to 3104
the extent such compensation is for disaster work conducted in 3105
this state by the employee during the disaster response period 3106
on critical infrastructure owned or used by the employee's 3107
employer; 3108

(iii) Income received by an out-of-state disaster business 3109
for disaster work conducted in this state during a disaster 3110
response period, or, if the out-of-state disaster business is a 3111
pass-through entity, a taxpayer's distributive share of the 3112
pass-through entity's income from the business conducting 3113

disaster work in this state during a disaster response period, 3114
if, in either case, the disaster work is conducted pursuant to a 3115
qualifying solicitation received by the business. 3116

(b) All terms used in division (A) (30) of this section 3117
have the same meanings as in section 5703.94 of the Revised 3118
Code. 3119

(31) For a taxpayer who is a qualifying Ohio educator, 3120
deduct, to the extent not otherwise deducted or excluded in 3121
computing federal or Ohio adjusted gross income for the taxable 3122
year, the lesser of three hundred dollars or the amount of 3123
expenses described in subsections (a) (2) (D) (i) and (ii) of 3124
section 62 of the Internal Revenue Code paid or incurred by the 3125
taxpayer during the taxpayer's taxable year in excess of the 3126
amount the taxpayer is authorized to deduct for that taxable 3127
year under subsection (a) (2) (D) of that section. 3128

(32) Deduct, to the extent not otherwise deducted or 3129
excluded in computing federal or Ohio adjusted gross income for 3130
the taxable year, amounts received by the taxpayer as a 3131
disability severance payment, computed under 10 U.S.C. 1212, 3132
following discharge or release under honorable conditions from 3133
the armed forces of the United States, as defined in section 3134
5907.01 of the Revised Code. 3135

(33) Deduct, to the extent not otherwise deducted or 3136
excluded in computing federal adjusted gross income or Ohio 3137
adjusted gross income, amounts not subject to tax due to an 3138
agreement entered into under division (A) (2) of section 5747.05 3139
of the Revised Code. 3140

(34) Deduct amounts as provided under section 5747.79 of 3141
the Revised Code related to the taxpayer's qualifying capital 3142

gains and deductible payroll. 3143

To the extent a qualifying capital gain described under 3144
division (A) (34) of this section is business income, the 3145
taxpayer shall deduct those gains under this division before 3146
deducting any such gains under division (A) (28) of this section. 3147

(35) (a) For taxable years beginning in or after 2026, 3148
deduct, to the extent not otherwise deducted or excluded in 3149
computing federal or Ohio adjusted gross income for the taxable 3150
year: 3151

(i) One hundred per cent of the capital gain received by 3152
the taxpayer in the taxable year from a qualifying interest in 3153
an Ohio venture capital operating company attributable to the 3154
company's investments in Ohio businesses during the period for 3155
which the company was an Ohio venture operating company; and 3156

(ii) Fifty per cent of the capital gain received by the 3157
taxpayer in the taxable year from a qualifying interest in an 3158
Ohio venture capital operating company attributable to the 3159
company's investments in all other businesses during the period 3160
for which the company was an Ohio venture operating company. 3161

(b) Add amounts previously deducted by the taxpayer under 3162
division (A) (35) (a) of this section if the director of 3163
development certifies to the tax commissioner that the 3164
requirements for the deduction were not met. 3165

(c) All terms used in division (A) (35) of this section 3166
have the same meanings as in section 122.851 of the Revised 3167
Code. 3168

(d) To the extent a capital gain described in division (A) 3169
(35) (a) of this section is business income, the taxpayer shall 3170
apply that division before applying division (A) (28) of this 3171

section. 3172

(36) Add, to the extent not otherwise included in 3173
computing federal or Ohio adjusted gross income for any taxable 3174
year, the taxpayer's proportionate share of the amount of the 3175
tax levied under section 5747.38 of the Revised Code and paid by 3176
an electing pass-through entity for the taxable year. 3177

Notwithstanding any provision of the Revised Code to the 3178
contrary, the portion of the addition required by division (A) 3179
(36) of this section related to the apportioned business income 3180
of the pass-through entity shall be considered business income 3181
under division (B) of this section. Such addition is eligible 3182
for the deduction in division (A) (28) of this section, subject 3183
to the applicable dollar limitations, and the tax rate 3184
prescribed by division (A) (4) (a) of section 5747.02 of the 3185
Revised Code. The taxpayer shall provide, upon request of the 3186
tax commissioner, any documentation necessary to verify the 3187
portion of the addition that is business income under this 3188
division. 3189

(37) Deduct, to the extent not otherwise deducted or 3190
excluded in computing federal or Ohio adjusted gross income for 3191
the taxable year, amounts delivered to a qualifying institution 3192
pursuant to section 3333.128 of the Revised Code for the benefit 3193
of the taxpayer or the taxpayer's spouse or dependent. 3194

(38) Deduct, to the extent not otherwise deducted or 3195
excluded in computing federal or Ohio adjusted gross income for 3196
the taxable year, amounts received under the Ohio adoption grant 3197
program pursuant to section 5180.451 of the Revised Code. 3198

(39) Deduct, to the extent included in federal adjusted 3199
gross income, income attributable to amounts provided to a 3200

taxpayer for any of the purposes for which an exclusion would 3201
have been authorized under section 139 of the Internal Revenue 3202
Code if the train derailment near the city of East Palestine on 3203
February 3, 2023, had been a qualified disaster pursuant to that 3204
section, or to compensate for lost business resulting from that 3205
derailment, if such amounts are provided by any of the 3206
following: 3207

(a) A federal, state, or local government agency; 3208

(b) A railroad company, as that term is defined in section 3209
5727.01 of the Revised Code; 3210

(c) Any subsidiary, insurer, or agent of a railroad 3211
company or any related person. 3212

Notwithstanding any provision to the contrary, the 3213
derailment is not required to meet the definition of a 3214
"qualified disaster" pursuant to section 139 of the Internal 3215
Revenue Code to qualify for the deduction under this section. 3216

(40) Deduct, to the extent included in federal adjusted 3217
gross income, income attributable to loan repayments on behalf 3218
of the taxpayer under the rural practice incentive program under 3219
section 3333.135 of the Revised Code. 3220

(41) Add any income taxes deducted in computing federal or 3221
Ohio adjusted gross income to the extent the income taxes were 3222
derived from income subject to a tax levied in another state or 3223
the District of Columbia when such tax was enacted for purposes 3224
of complying with internal revenue service notice 2020-75. 3225

Notwithstanding any provision of the Revised Code to the 3226
contrary, the portion of the addition required by division (A) 3227
(41) of this section related to the apportioned business income 3228
of the pass-through entity shall be considered business income 3229

under division (B) of this section. Such addition is eligible 3230
for the deduction in division (A) (28) of this section, subject 3231
to the applicable dollar limitations, and the tax rate 3232
prescribed by division (A) (4) (a) of section 5747.02 of the 3233
Revised Code. The taxpayer shall provide, upon request of the 3234
tax commissioner, any documentation necessary to verify the 3235
portion of the addition that is business income under this 3236
division. 3237

(42) Deduct amounts contributed to a homeownership savings 3238
account and calculated pursuant to divisions (B) and (C) of 3239
section 5747.85 of the Revised Code. 3240

(43) If the taxpayer is the account owner of a 3241
homeownership savings account, upon withdrawal or transfer of 3242
funds from the account, or closure of the account containing 3243
funds that are not used for eligible expenses, add the amount of 3244
such funds not used for an eligible expense. The addition 3245
required under this division shall not exceed the sum of the 3246
amounts deducted by the taxpayer for such account under division 3247
(A) (42) of this section in any taxable year and the amount of 3248
any funds deposited in the account by a contributor other than 3249
the account owner. As used in division (A) (43) of this section, 3250
"homeownership savings account," "contributor," "account owner," 3251
and "eligible expenses" have the same meanings as in section 3252
5747.85 of the Revised Code. 3253

(44) Deduct, to the extent not otherwise deducted or 3254
excluded in computing federal or Ohio adjusted gross income 3255
during the taxable year, up to seven hundred fifty dollars of 3256
contributions the taxpayer makes to a pregnancy resource center 3257
that meets the criteria in division (B) of section 5180.71 of 3258
the Revised Code. 3259

(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill or the sale of an equity or ownership interest in a business.

As used in this division, the "sale of an equity or ownership interest in a business" means sales to which either or both of the following apply:

(1) The sale is treated for federal income tax purposes as the sale of assets.

(2) The seller materially participated, as described in 26 C.F.R. 1.469-5T, in the activities of the business during the taxable year in which the sale occurs or during any of the five preceding taxable years.

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an employee for personal services.

(E) "Fiduciary" means a guardian, trustee, executor,

administrator, receiver, conservator, or any other person acting	3289
in any fiduciary capacity for any individual, trust, or estate.	3290
(F) "Fiscal year" means an accounting period of twelve	3291
months ending on the last day of any month other than December.	3292
(G) "Individual" means any natural person.	3293
(H) "Internal Revenue Code" means the "Internal Revenue	3294
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.	3295
(I) "Resident" means any of the following:	3296
(1) An individual who is domiciled in this state, subject	3297
to section 5747.24 of the Revised Code;	3298
(2) The estate of a decedent who at the time of death was	3299
domiciled in this state. The domicile tests of section 5747.24	3300
of the Revised Code are not controlling for purposes of division	3301
(I)(2) of this section.	3302
(3) A trust that, in whole or part, resides in this state.	3303
If only part of a trust resides in this state, the trust is a	3304
resident only with respect to that part.	3305
For the purposes of division (I)(3) of this section:	3306
(a) A trust resides in this state for the trust's current	3307
taxable year to the extent, as described in division (I)(3)(d)	3308
of this section, that the trust consists directly or indirectly,	3309
in whole or in part, of assets, net of any related liabilities,	3310
that were transferred, or caused to be transferred, directly or	3311
indirectly, to the trust by any of the following:	3312
(i) A person, a court, or a governmental entity or	3313
instrumentality on account of the death of a decedent, but only	3314
if the trust is described in division (I)(3)(e)(i) or (ii) of	3315

this section; 3316

(ii) A person who was domiciled in this state for the 3317
purposes of this chapter when the person directly or indirectly 3318
transferred assets to an irrevocable trust, but only if at least 3319
one of the trust's qualifying beneficiaries is domiciled in this 3320
state for the purposes of this chapter during all or some 3321
portion of the trust's current taxable year; 3322

(iii) A person who was domiciled in this state for the 3323
purposes of this chapter when the trust document or instrument 3324
or part of the trust document or instrument became irrevocable, 3325
but only if at least one of the trust's qualifying beneficiaries 3326
is a resident domiciled in this state for the purposes of this 3327
chapter during all or some portion of the trust's current 3328
taxable year. If a trust document or instrument became 3329
irrevocable upon the death of a person who at the time of death 3330
was domiciled in this state for purposes of this chapter, that 3331
person is a person described in division (I) (3) (a) (iii) of this 3332
section. 3333

(b) A trust is irrevocable to the extent that the 3334
transferor is not considered to be the owner of the net assets 3335
of the trust under sections 671 to 678 of the Internal Revenue 3336
Code. 3337

(c) With respect to a trust other than a charitable lead 3338
trust, "qualifying beneficiary" has the same meaning as 3339
"potential current beneficiary" as defined in section 1361(e) (2) 3340
of the Internal Revenue Code, and with respect to a charitable 3341
lead trust "qualifying beneficiary" is any current, future, or 3342
contingent beneficiary, but with respect to any trust 3343
"qualifying beneficiary" excludes a person or a governmental 3344
entity or instrumentality to any of which a contribution would 3345

qualify for the charitable deduction under section 170 of the Internal Revenue Code.

(d) For the purposes of division (I) (3) (a) of this section, the extent to which a trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred directly or indirectly, in whole or part, to the trust by any of the sources enumerated in that division shall be ascertained by multiplying the fair market value of the trust's assets, net of related liabilities, by the qualifying ratio, which shall be computed as follows:

(i) The first time the trust receives assets, the numerator of the qualifying ratio is the fair market value of those assets at that time, net of any related liabilities, from sources enumerated in division (I) (3) (a) of this section. The denominator of the qualifying ratio is the fair market value of all the trust's assets at that time, net of any related liabilities.

(ii) Each subsequent time the trust receives assets, a revised qualifying ratio shall be computed. The numerator of the revised qualifying ratio is the sum of (1) the fair market value of the trust's assets immediately prior to the subsequent transfer, net of any related liabilities, multiplied by the qualifying ratio last computed without regard to the subsequent transfer, and (2) the fair market value of the subsequently transferred assets at the time transferred, net of any related liabilities, from sources enumerated in division (I) (3) (a) of this section. The denominator of the revised qualifying ratio is the fair market value of all the trust's assets immediately after the subsequent transfer, net of any related liabilities.

(iii) Whether a transfer to the trust is by or from any of

the sources enumerated in division (I) (3) (a) of this section 3376
shall be ascertained without regard to the domicile of the 3377
trust's beneficiaries. 3378

(e) For the purposes of division (I) (3) (a) (i) of this 3379
section: 3380

(i) A trust is described in division (I) (3) (e) (i) of this 3381
section if the trust is a testamentary trust and the testator of 3382
that testamentary trust was domiciled in this state at the time 3383
of the testator's death for purposes of the taxes levied under 3384
Chapter 5731. of the Revised Code. 3385

(ii) A trust is described in division (I) (3) (e) (ii) of 3386
this section if the transfer is a qualifying transfer described 3387
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 3388
trust is an irrevocable inter vivos trust, and at least one of 3389
the trust's qualifying beneficiaries is domiciled in this state 3390
for purposes of this chapter during all or some portion of the 3391
trust's current taxable year. 3392

(f) For the purposes of division (I) (3) (e) (ii) of this 3393
section, a "qualifying transfer" is a transfer of assets, net of 3394
any related liabilities, directly or indirectly to a trust, if 3395
the transfer is described in any of the following: 3396

(i) The transfer is made to a trust, created by the 3397
decedent before the decedent's death and while the decedent was 3398
domiciled in this state for the purposes of this chapter, and, 3399
prior to the death of the decedent, the trust became irrevocable 3400
while the decedent was domiciled in this state for the purposes 3401
of this chapter. 3402

(ii) The transfer is made to a trust to which the 3403
decedent, prior to the decedent's death, had directly or 3404

indirectly transferred assets, net of any related liabilities, 3405
while the decedent was domiciled in this state for the purposes 3406
of this chapter, and prior to the death of the decedent the 3407
trust became irrevocable while the decedent was domiciled in 3408
this state for the purposes of this chapter. 3409

(iii) The transfer is made on account of a contractual 3410
relationship existing directly or indirectly between the 3411
transferor and either the decedent or the estate of the decedent 3412
at any time prior to the date of the decedent's death, and the 3413
decedent was domiciled in this state at the time of death for 3414
purposes of the taxes levied under Chapter 5731. of the Revised 3415
Code. 3416

(iv) The transfer is made to a trust on account of a 3417
contractual relationship existing directly or indirectly between 3418
the transferor and another person who at the time of the 3419
decedent's death was domiciled in this state for purposes of 3420
this chapter. 3421

(v) The transfer is made to a trust on account of the will 3422
of a testator who was domiciled in this state at the time of the 3423
testator's death for purposes of the taxes levied under Chapter 3424
5731. of the Revised Code. 3425

(vi) The transfer is made to a trust created by or caused 3426
to be created by a court, and the trust was directly or 3427
indirectly created in connection with or as a result of the 3428
death of an individual who, for purposes of the taxes levied 3429
under Chapter 5731. of the Revised Code, was domiciled in this 3430
state at the time of the individual's death. 3431

(g) The tax commissioner may adopt rules to ascertain the 3432
part of a trust residing in this state. 3433

(J) "Nonresident" means an individual or estate that is 3434
not a resident. An individual who is a resident for only part of 3435
a taxable year is a nonresident for the remainder of that 3436
taxable year. 3437

(K) "Pass-through entity" has the same meaning as in 3438
section 5733.04 of the Revised Code. 3439

(L) "Return" means the notifications and reports required 3440
to be filed pursuant to this chapter for the purpose of 3441
reporting the tax due and includes declarations of estimated tax 3442
when so required. 3443

(M) "Taxable year" means the calendar year or the 3444
taxpayer's fiscal year ending during the calendar year, or 3445
fractional part thereof, upon which the adjusted gross income is 3446
calculated pursuant to this chapter. 3447

(N) "Taxpayer" means any person subject to the tax imposed 3448
by section 5747.02 of the Revised Code or any pass-through 3449
entity that makes the election under division (D) of section 3450
5747.08 of the Revised Code. 3451

(O) "Dependents" means dependents as defined in the 3452
Internal Revenue Code. 3453

(P) "Principal county of employment" means, in the case of 3454
a nonresident, the county within the state in which a taxpayer 3455
performs services for an employer or, if those services are 3456
performed in more than one county, the county in which the major 3457
portion of the services are performed. 3458

(Q) As used in sections 5747.50 to 5747.55 of the Revised 3459
Code: 3460

(1) "Subdivision" means any county, municipal corporation, 3461

park district, or township. 3462

(2) "Essential local government purposes" includes all 3463
functions that any subdivision is required by general law to 3464
exercise, including like functions that are exercised under a 3465
charter adopted pursuant to the Ohio Constitution. 3466

(R) "Overpayment" means any amount already paid that 3467
exceeds the figure determined to be the correct amount of the 3468
tax. 3469

(S) "Taxable income" or "Ohio taxable income" applies only 3470
to estates and trusts, and means federal taxable income, as 3471
defined and used in the Internal Revenue Code, adjusted as 3472
follows: 3473

(1) Add interest or dividends, net of ordinary, necessary, 3474
and reasonable expenses not deducted in computing federal 3475
taxable income, on obligations or securities of any state or of 3476
any political subdivision or authority of any state, other than 3477
this state and its subdivisions and authorities, but only to the 3478
extent that such net amount is not otherwise includible in Ohio 3479
taxable income and is described in either division (S) (1) (a) or 3480
(b) of this section: 3481

(a) The net amount is not attributable to the S portion of 3482
an electing small business trust and has not been distributed to 3483
beneficiaries for the taxable year; 3484

(b) The net amount is attributable to the S portion of an 3485
electing small business trust for the taxable year. 3486

(2) Add interest or dividends, net of ordinary, necessary, 3487
and reasonable expenses not deducted in computing federal 3488
taxable income, on obligations of any authority, commission, 3489
instrumentality, territory, or possession of the United States 3490

to the extent that the interest or dividends are exempt from 3491
federal income taxes but not from state income taxes, but only 3492
to the extent that such net amount is not otherwise includible 3493
in Ohio taxable income and is described in either division (S) 3494
(1) (a) or (b) of this section; 3495

(3) Add the amount of personal exemption allowed to the 3496
estate pursuant to section 642(b) of the Internal Revenue Code; 3497

(4) Deduct interest or dividends, net of related expenses 3498
deducted in computing federal taxable income, on obligations of 3499
the United States and its territories and possessions or of any 3500
authority, commission, or instrumentality of the United States 3501
to the extent that the interest or dividends are exempt from 3502
state taxes under the laws of the United States, but only to the 3503
extent that such amount is included in federal taxable income 3504
and is described in either division (S) (1) (a) or (b) of this 3505
section; 3506

(5) Deduct the amount of wages and salaries, if any, not 3507
otherwise allowable as a deduction but that would have been 3508
allowable as a deduction in computing federal taxable income for 3509
the taxable year, had the work opportunity tax credit allowed 3510
under sections 38, 51, and 52 of the Internal Revenue Code not 3511
been in effect, but only to the extent such amount relates 3512
either to income included in federal taxable income for the 3513
taxable year or to income of the S portion of an electing small 3514
business trust for the taxable year; 3515

(6) Deduct any interest or interest equivalent, net of 3516
related expenses deducted in computing federal taxable income, 3517
on public obligations and purchase obligations, but only to the 3518
extent that such net amount relates either to income included in 3519
federal taxable income for the taxable year or to income of the 3520

S portion of an electing small business trust for the taxable 3521
year; 3522

(7) Add any loss or deduct any gain resulting from sale, 3523
exchange, or other disposition of public obligations to the 3524
extent that such loss has been deducted or such gain has been 3525
included in computing either federal taxable income or income of 3526
the S portion of an electing small business trust for the 3527
taxable year; 3528

(8) Except in the case of the final return of an estate, 3529
add any amount deducted by the taxpayer on both its Ohio estate 3530
tax return pursuant to section 5731.14 of the Revised Code, and 3531
on its federal income tax return in determining federal taxable 3532
income; 3533

(9) (a) Deduct any amount included in federal taxable 3534
income solely because the amount represents a reimbursement or 3535
refund of expenses that in a previous year the decedent had 3536
deducted as an itemized deduction pursuant to section 63 of the 3537
Internal Revenue Code and applicable treasury regulations. The 3538
deduction otherwise allowed under division (S) (9) (a) of this 3539
section shall be reduced to the extent the reimbursement is 3540
attributable to an amount the taxpayer or decedent deducted 3541
under this section in any taxable year. 3542

(b) Add any amount not otherwise included in Ohio taxable 3543
income for any taxable year to the extent that the amount is 3544
attributable to the recovery during the taxable year of any 3545
amount deducted or excluded in computing federal or Ohio taxable 3546
income in any taxable year, but only to the extent such amount 3547
has not been distributed to beneficiaries for the taxable year. 3548

(10) Deduct any portion of the deduction described in 3549

section 1341(a)(2) of the Internal Revenue Code, for repaying 3550
previously reported income received under a claim of right, that 3551
meets both of the following requirements: 3552

(a) It is allowable for repayment of an item that was 3553
included in the taxpayer's taxable income or the decedent's 3554
adjusted gross income for a prior taxable year and did not 3555
qualify for a credit under division (A) or (B) of section 3556
5747.05 of the Revised Code for that year. 3557

(b) It does not otherwise reduce the taxpayer's taxable 3558
income or the decedent's adjusted gross income for the current 3559
or any other taxable year. 3560

(11) Add any amount claimed as a credit under section 3561
5747.059 of the Revised Code to the extent that the amount 3562
satisfies either of the following: 3563

(a) The amount was deducted or excluded from the 3564
computation of the taxpayer's federal taxable income as required 3565
to be reported for the taxpayer's taxable year under the 3566
Internal Revenue Code; 3567

(b) The amount resulted in a reduction in the taxpayer's 3568
federal taxable income as required to be reported for any of the 3569
taxpayer's taxable years under the Internal Revenue Code. 3570

(12) Deduct any amount, net of related expenses deducted 3571
in computing federal taxable income, that a trust is required to 3572
report as farm income on its federal income tax return, but only 3573
if the assets of the trust include at least ten acres of land 3574
satisfying the definition of "land devoted exclusively to 3575
agricultural use" under section 5713.30 of the Revised Code, 3576
regardless of whether the land is valued for tax purposes as 3577
such land under sections 5713.30 to 5713.38 of the Revised Code. 3578

If the trust is a pass-through entity investor, section 5747.231 3579
of the Revised Code applies in ascertaining if the trust is 3580
eligible to claim the deduction provided by division (S) (12) of 3581
this section in connection with the pass-through entity's farm 3582
income. 3583

Except for farm income attributable to the S portion of an 3584
electing small business trust, the deduction provided by 3585
division (S) (12) of this section is allowed only to the extent 3586
that the trust has not distributed such farm income. 3587

(13) Add the net amount of income described in section 3588
641(c) of the Internal Revenue Code to the extent that amount is 3589
not included in federal taxable income. 3590

(14) Add or deduct the amount the taxpayer would be 3591
required to add or deduct under division (A) (17) or (18) of this 3592
section if the taxpayer's Ohio taxable income was computed in 3593
the same manner as an individual's Ohio adjusted gross income is 3594
computed under this section. 3595

(15) Add, to the extent not otherwise included in 3596
computing taxable income or Ohio taxable income for any taxable 3597
year, the taxpayer's proportionate share of the amount of the 3598
tax levied under section 5747.38 of the Revised Code and paid by 3599
an electing pass-through entity for the taxable year. 3600

(16) Add any income taxes deducted in computing federal 3601
taxable income or Ohio taxable income to the extent the income 3602
taxes were derived from income subject to a tax levied in 3603
another state or the District of Columbia when such tax was 3604
enacted for purposes of complying with internal revenue service 3605
notice 2020-75. 3606

(T) "School district income" and "school district income 3607

tax" have the same meanings as in section 5748.01 of the Revised Code. 3608
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(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) (7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code. 3610
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(V) "Limited liability company" means any limited liability company formed under former Chapter 1705. of the Revised Code as that chapter existed prior to February 11, 2022, Chapter 1706. of the Revised Code, or the laws of any other state. 3614
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(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity. 3619
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(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code. 3623
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(Y) "Month" means a calendar month. 3625

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year. 3626
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(AA) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any. 3629
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(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a 3633
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qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.

(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.

Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (AA) (4) (a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined

in section 5747.012 of the Revised Code, but only to the extent 3664
the qualifying investment income does not otherwise constitute 3665
modified business income and does not otherwise constitute a 3666
qualifying trust amount. 3667

(b) The qualifying trust amount multiplied by a fraction, 3668
the numerator of which is the sum of the book value of the 3669
qualifying investee's physical assets in this state on the last 3670
day of the qualifying investee's fiscal or calendar year ending 3671
immediately prior to the day on which the trust recognizes the 3672
qualifying trust amount, and the denominator of which is the sum 3673
of the book value of the qualifying investee's total physical 3674
assets everywhere on the last day of the qualifying investee's 3675
fiscal or calendar year ending immediately prior to the day on 3676
which the trust recognizes the qualifying trust amount. If, for 3677
a taxable year, the trust recognizes a qualifying trust amount 3678
with respect to more than one qualifying investee, the amount 3679
described in division (AA) (4) (b) of this section shall equal the 3680
sum of the products so computed for each such qualifying 3681
investee. 3682

(c) (i) With respect to a trust or portion of a trust that 3683
is a resident as ascertained in accordance with division (I) (3) 3684
(d) of this section, its modified nonbusiness income. 3685

(ii) With respect to a trust or portion of a trust that is 3686
not a resident as ascertained in accordance with division (I) (3) 3687
(d) of this section, the amount of its modified nonbusiness 3688
income satisfying the descriptions in divisions (B) (2) to (5) of 3689
section 5747.20 of the Revised Code, except as otherwise 3690
provided in division (AA) (4) (c) (ii) of this section. With 3691
respect to a trust or portion of a trust that is not a resident 3692
as ascertained in accordance with division (I) (3) (d) of this 3693

section, the trust's portion of modified nonbusiness income 3694
recognized from the sale, exchange, or other disposition of a 3695
debt interest in or equity interest in a section 5747.212 3696
entity, as defined in section 5747.212 of the Revised Code, 3697
without regard to division (A) of that section, shall not be 3698
allocated to this state in accordance with section 5747.20 of 3699
the Revised Code but shall be apportioned to this state in 3700
accordance with division (B) of section 5747.212 of the Revised 3701
Code without regard to division (A) of that section. 3702

If the allocation and apportionment of a trust's income 3703
under divisions (AA) (4) (a) and (c) of this section do not fairly 3704
represent the modified Ohio taxable income of the trust in this 3705
state, the alternative methods described in division (C) of 3706
section 5747.21 of the Revised Code may be applied in the manner 3707
and to the same extent provided in that section. 3708

(5) (a) Except as set forth in division (AA) (5) (b) of this 3709
section, "qualifying investee" means a person in which a trust 3710
has an equity or ownership interest, or a person or unit of 3711
government the debt obligations of either of which are owned by 3712
a trust. For the purposes of division (AA) (2) (a) of this section 3713
and for the purpose of computing the fraction described in 3714
division (AA) (4) (b) of this section, all of the following apply: 3715

(i) If the qualifying investee is a member of a qualifying 3716
controlled group on the last day of the qualifying investee's 3717
fiscal or calendar year ending immediately prior to the date on 3718
which the trust recognizes the gain or loss, then "qualifying 3719
investee" includes all persons in the qualifying controlled 3720
group on such last day. 3721

(ii) If the qualifying investee, or if the qualifying 3722
investee and any members of the qualifying controlled group of 3723

which the qualifying investee is a member on the last day of the 3724
qualifying investee's fiscal or calendar year ending immediately 3725
prior to the date on which the trust recognizes the gain or 3726
loss, separately or cumulatively own, directly or indirectly, on 3727
the last day of the qualifying investee's fiscal or calendar 3728
year ending immediately prior to the date on which the trust 3729
recognizes the qualifying trust amount, more than fifty per cent 3730
of the equity of a pass-through entity, then the qualifying 3731
investee and the other members are deemed to own the 3732
proportionate share of the pass-through entity's physical assets 3733
which the pass-through entity directly or indirectly owns on the 3734
last day of the pass-through entity's calendar or fiscal year 3735
ending within or with the last day of the qualifying investee's 3736
fiscal or calendar year ending immediately prior to the date on 3737
which the trust recognizes the qualifying trust amount. 3738

(iii) For the purposes of division (AA) (5) (a) (iii) of this 3739
section, "upper level pass-through entity" means a pass-through 3740
entity directly or indirectly owning any equity of another pass- 3741
through entity, and "lower level pass-through entity" means that 3742
other pass-through entity. 3743

An upper level pass-through entity, whether or not it is 3744
also a qualifying investee, is deemed to own, on the last day of 3745
the upper level pass-through entity's calendar or fiscal year, 3746
the proportionate share of the lower level pass-through entity's 3747
physical assets that the lower level pass-through entity 3748
directly or indirectly owns on the last day of the lower level 3749
pass-through entity's calendar or fiscal year ending within or 3750
with the last day of the upper level pass-through entity's 3751
fiscal or calendar year. If the upper level pass-through entity 3752
directly and indirectly owns less than fifty per cent of the 3753
equity of the lower level pass-through entity on each day of the 3754

upper level pass-through entity's calendar or fiscal year in 3755
which or with which ends the calendar or fiscal year of the 3756
lower level pass-through entity and if, based upon clear and 3757
convincing evidence, complete information about the location and 3758
cost of the physical assets of the lower pass-through entity is 3759
not available to the upper level pass-through entity, then 3760
solely for purposes of ascertaining if a gain or loss 3761
constitutes a qualifying trust amount, the upper level pass- 3762
through entity shall be deemed as owning no equity of the lower 3763
level pass-through entity for each day during the upper level 3764
pass-through entity's calendar or fiscal year in which or with 3765
which ends the lower level pass-through entity's calendar or 3766
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 3767
shall be construed to provide for any deduction or exclusion in 3768
computing any trust's Ohio taxable income. 3769

(b) With respect to a trust that is not a resident for the 3770
taxable year and with respect to a part of a trust that is not a 3771
resident for the taxable year, "qualifying investee" for that 3772
taxable year does not include a C corporation if both of the 3773
following apply: 3774

(i) During the taxable year the trust or part of the trust 3775
recognizes a gain or loss from the sale, exchange, or other 3776
disposition of equity or ownership interests in, or debt 3777
obligations of, the C corporation. 3778

(ii) Such gain or loss constitutes nonbusiness income. 3779

(6) "Available" means information is such that a person is 3780
able to learn of the information by the due date plus 3781
extensions, if any, for filing the return for the taxable year 3782
in which the trust recognizes the gain or loss. 3783

(BB) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code.	3784 3785
(CC) "Related member" has the same meaning as in section 5733.042 of the Revised Code.	3786 3787
(DD) (1) For the purposes of division (DD) of this section:	3788
(a) "Qualifying person" means any person other than a qualifying corporation.	3789 3790
(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:	3791 3792 3793
(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;	3794 3795 3796 3797
(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.	3798 3799 3800 3801 3802
(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.	3803 3804 3805
(EE) For purposes of this chapter and Chapter 5751. of the Revised Code:	3806 3807
(1) "Trust" does not include a qualified pre-income tax trust.	3808 3809
(2) A "qualified pre-income tax trust" is any pre-income	3810

tax trust that makes a qualifying pre-income tax trust election 3811
as described in division (EE) (3) of this section. 3812

(3) A "qualifying pre-income tax trust election" is an 3813
election by a pre-income tax trust to subject to the tax imposed 3814
by section 5751.02 of the Revised Code the pre-income tax trust 3815
and all pass-through entities of which the trust owns or 3816
controls, directly, indirectly, or constructively through 3817
related interests, five per cent or more of the ownership or 3818
equity interests. The trustee shall notify the tax commissioner 3819
in writing of the election on or before April 15, 2006. The 3820
election, if timely made, shall be effective on and after 3821
January 1, 2006, and shall apply for all tax periods and tax 3822
years until revoked by the trustee of the trust. 3823

(4) A "pre-income tax trust" is a trust that satisfies all 3824
of the following requirements: 3825

(a) The document or instrument creating the trust was 3826
executed by the grantor before January 1, 1972; 3827

(b) The trust became irrevocable upon the creation of the 3828
trust; and 3829

(c) The grantor was domiciled in this state at the time 3830
the trust was created. 3831

(FF) "Uniformed services" means all of the following: 3832

(1) "Armed forces of the United States" as defined in 3833
section 5907.01 of the Revised Code; 3834

(2) The commissioned corps of the national oceanic and 3835
atmospheric administration; 3836

(3) The commissioned corps of the public health service. 3837

(GG) "Taxable business income" means the amount by which 3838
an individual's business income that is included in federal 3839
adjusted gross income exceeds the amount of business income the 3840
individual is authorized to deduct under division (A) (28) of 3841
this section for the taxable year. 3842

(HH) "Employer" does not include a franchisor with respect 3843
to the franchisor's relationship with a franchisee or an 3844
employee of a franchisee, unless the franchisor agrees to assume 3845
that role in writing or a court of competent jurisdiction 3846
determines that the franchisor exercises a type or degree of 3847
control over the franchisee or the franchisee's employees that 3848
is not customarily exercised by a franchisor for the purpose of 3849
protecting the franchisor's trademark, brand, or both. For 3850
purposes of this division, "franchisor" and "franchisee" have 3851
the same meanings as in 16 C.F.R. 436.1. 3852

(II) "Modified adjusted gross income" means Ohio adjusted 3853
gross income plus any amount deducted under divisions (A) (28) 3854
and (34) of this section for the taxable year. 3855

(JJ) "Qualifying Ohio educator" means an individual who, 3856
for a taxable year, qualifies as an eligible educator, as that 3857
term is defined in section 62 of the Internal Revenue Code, and 3858
who holds a certificate, license, or permit described in Chapter 3859
3319. or section 3301.071 of the Revised Code. 3860

(KK) "Professional employer organization," "professional 3861
employer organization agreement," and "professional employer 3862
organization reporting entity" have the same meanings as in 3863
section 4125.01 of the Revised Code. 3864

(LL) "Alternate employer organization" and "alternate 3865
employer organization agreement" have the same meanings as in 3866

section 4133.01 of the Revised Code. 3867

(MM) "Casino gaming" has the same meaning as in section 3868
3772.01 of the Revised Code, ~~"lottery sports gaming" has the~~ 3869
~~same meaning as in section 3770.23 of the Revised Code,~~ "sports 3870
gaming" has the same meaning as in section 3775.01 of the 3871
Revised Code, and "video lottery terminal" has the same meaning 3872
as in section 3770.21 of the Revised Code. 3873

Sec. 5747.062. As used in this section: 3874

"Transferee" has the same meaning as in section 3770.10 of 3875
the Revised Code. 3876

"Recipient" includes a transferee. 3877

"Lottery prize award" does not include a prize award from 3878
a video lottery terminal ~~and does not include winnings from~~ 3879
~~lottery sports gaming, except that "lottery prize award"~~ 3880
~~includes winnings from lottery sports gaming wagers placed~~ 3881
~~through a terminal described in division (B) (3) of section~~ 3882
~~3770.24 of the Revised Code.~~ 3883

(A) (1) Before making any other deduction required by 3884
Chapter 3770. of the Revised Code, the state lottery commission 3885
shall deduct and withhold an amount equal to three and one- 3886
eighth per cent for calendar year 2025, after ~~the effective date~~ 3887
~~of this amendment~~ September 30, 2025, and two and three-quarters 3888
per cent for calendar year 2026 and thereafter of the payment 3889
from each lottery prize award payment that is of an amount for 3890
which reporting to the internal revenue service of the amount is 3891
required by section 6041 of the Internal Revenue Code, as 3892
amended. 3893

(2) On or before the tenth day of each month, the state 3894
lottery commission, and each transferee required to deduct and 3895

withhold amounts pursuant to section 3770.072 of the Revised Code, shall file a return and remit to the tax commissioner all amounts deducted and withheld pursuant to this section during the preceding month.

(3) On or before the thirty-first day of January of each year, the state lottery commission, and each transferee required to deduct and withhold amounts pursuant to section 3770.072 of the Revised Code, shall file with the commissioner an annual return, in the form prescribed by the tax commissioner, indicating the total amount deducted and withheld pursuant to this section or section 3770.072 of the Revised Code during the preceding calendar year. At the time of filing that return, the state lottery commission or transferee shall remit any amount deducted and withheld during the preceding calendar year that was not previously remitted.

(4) The state lottery commission, and each transferee required to deduct and withhold amounts pursuant to section 3770.072 of the Revised Code, shall issue to each person with respect to whom tax has been deducted and withheld by the commission or transferee pursuant to this section or section 3770.072 of the Revised Code during the preceding calendar year, an information return in the form prescribed by the commissioner.

(B)(1) Division (B)(1) of this section does not apply to persons classified for federal income tax purposes as associations taxable as corporations.

Amounts withheld pursuant to this section or section 3770.072 of the Revised Code shall be allowed as a credit against payment of the tax imposed pursuant to section 5747.02 of the Revised Code upon the lottery prize award recipient, upon

a beneficiary of such a recipient, or upon any investor in such 3926
a recipient if the recipient is a pass-through entity or 3927
disregarded entity, and shall be treated as taxes paid by the 3928
recipient, beneficiary, or investor for purposes of section 3929
5747.09 of the Revised Code. The credit is available to the 3930
recipient, beneficiary, or investor even if the commission or 3931
transferee does not remit to the tax commissioner the amount 3932
withheld. 3933

(2) Division (B) (2) of this section applies only to 3934
persons classified for federal income tax purposes as 3935
associations taxable as corporations. 3936

Amounts withheld pursuant to this section or section 3937
3770.072 of the Revised Code shall be treated as a credit 3938
against the tax imposed pursuant to section 5733.06 of the 3939
Revised Code for the tax year immediately following the date on 3940
which those amounts are deducted and withheld, upon the lottery 3941
prize award recipient, upon a beneficiary of such a recipient, 3942
or upon an investor in such a recipient if the recipient is a 3943
pass-through entity or disregarded entity, and shall be treated 3944
as paid by the recipient, beneficiary, or investor on the date 3945
on which those amounts are deducted and withheld. The credit is 3946
a refundable credit and shall be claimed in the order required 3947
under section 5733.98 of the Revised Code. The credit is 3948
available to the recipient, beneficiary, or investor even if the 3949
commission or transferee does not remit to the tax commissioner 3950
the amount withheld. 3951

(3) Nothing in division (B) (1) or (2) of this section 3952
shall be construed to allow more than one person to claim the 3953
credit for any portion of each amount deducted and withheld. 3954

(C) Failure of the commission or any transferee to deduct 3955

and withhold the required amounts from lottery prize awards or 3956
to remit amounts withheld as required by this section and 3957
section 3770.072 of the Revised Code shall not relieve a 3958
taxpayer described in division (B) of this section from 3959
liability for the tax imposed by section 5733.06 or 5747.02 of 3960
the Revised Code. 3961

Sec. 5747.063. The requirements imposed under this section 3962
are in addition to the municipal income tax withholding 3963
requirements under section 718.031 of the Revised Code. As used 3964
in this section, "sports gaming proprietor" and "sports gaming 3965
facility" have the same meanings as in section 3775.01 of the 3966
Revised Code. 3967

(A) (1) ~~Subject to division (F) of this section, if~~ If a 3968
person's winnings from casino gaming or from sports gaming are 3969
an amount for which reporting to the internal revenue service of 3970
the amount is required by section 6041 of the Internal Revenue 3971
Code, as amended, a casino operator or sports gaming proprietor 3972
shall deduct and withhold Ohio income tax from the person's 3973
winnings at a rate of three and one-eighth per cent for calendar 3974
year 2025, after ~~the effective date of this amendment~~ September 3975
30, 2025, and two and three-quarters per cent for calendar year 3976
2026 and thereafter of the amount won. A person's amount of 3977
winnings from casino gaming shall be determined each time the 3978
person exchanges amounts won in tokens, chips, casino credit, or 3979
other prepaid representations of value for cash or a cash 3980
equivalent. The casino operator or sports gaming proprietor 3981
shall issue, to a person from whose winnings an amount has been 3982
deducted and withheld, a receipt for the amount deducted and 3983
withheld, and also shall obtain from the person additional 3984
information that will be necessary for the casino operator or 3985
sports gaming proprietor to prepare the returns required by this 3986

section. 3987

(2) If a person's winnings from casino gaming or sports gaming require reporting to the internal revenue service under division (A) (1) of this section, the casino operator or sports gaming proprietor also shall require the person to state in writing, under penalty of falsification, whether the person is in default under a support order. 3988
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(B) Amounts deducted and withheld by a casino operator or sports gaming proprietor are held in trust for the benefit of the state. 3994
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(1) On or before the tenth day of each month, the casino operator or sports gaming proprietor shall file a return electronically with the tax commissioner identifying the persons from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming or sports gaming that resulted in such winnings, and any other information required by the tax commissioner. With the return, the casino operator or sports gaming proprietor shall remit electronically to the commissioner all the amounts deducted and withheld during the preceding month. 3997
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(2) (a) A casino operator or sports gaming proprietor shall maintain a record of each written statement provided under division (A) (2) of this section in which a person admits to being in default under a support order. The casino operator or sports gaming proprietor shall make these records available to the director of job and family services upon request. 4009
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(b) A casino operator or sports gaming proprietor shall 4015

maintain copies of receipts issued under division (A) (1) of this 4016
section and of written statements provided under division (A) (2) 4017
of this section and shall make these copies available to the tax 4018
commissioner upon request. 4019

(c) A casino operator or sports gaming proprietor shall 4020
maintain the information described in divisions (B) (2) (a) and 4021
(b) of this section in accordance with section 5747.17 of the 4022
Revised Code and any rules adopted pursuant thereto. 4023

(3) Annually, on or before the thirty-first day of 4024
January, a casino operator or sports gaming proprietor shall 4025
file an annual return electronically with the tax commissioner 4026
indicating the total amount deducted and withheld during the 4027
preceding calendar year. The casino operator or sports gaming 4028
proprietor shall remit electronically with the annual return any 4029
amount that was deducted and withheld and that was not 4030
previously remitted. If the identity of a person and the amount 4031
deducted and withheld with respect to that person were omitted 4032
on a monthly return, that information shall be indicated on the 4033
annual return. 4034

(4) (a) A casino operator or sports gaming proprietor who 4035
fails to file a return and remit the amounts deducted and 4036
withheld is personally liable for the amount deducted and 4037
withheld and not remitted. The commissioner may impose a penalty 4038
up to one thousand dollars if a return is filed late, if amounts 4039
deducted and withheld are remitted late, if a return is not 4040
filed, or if amounts deducted and withheld are not remitted. 4041
Interest accrues on past due amounts deducted and withheld at 4042
the rate prescribed in section 5703.47 of the Revised Code. The 4043
commissioner may collect past due amounts deducted and withheld 4044
and penalties and interest thereon by assessment under section 4045

5747.13 of the Revised Code as if they were income taxes 4046
collected by an employer. 4047

(b) If a casino operator or sports gaming proprietor sells 4048
the casino facility ~~or sports gaming facility,~~ or otherwise 4049
quits the casino or sports gaming business, the amounts deducted 4050
and withheld and any penalties and interest thereon are 4051
immediately due and payable. The successor shall withhold an 4052
amount of the purchase money that is sufficient to cover the 4053
amounts deducted and withheld and penalties and interest thereon 4054
until the predecessor casino operator or sports gaming 4055
proprietor produces either a receipt from the commissioner 4056
showing that the amounts deducted and withheld and penalties and 4057
interest thereon have been paid or a certificate from the 4058
commissioner indicating that no amounts deducted and withheld or 4059
penalties and interest thereon are due. If the successor fails 4060
to withhold purchase money, the successor is personally liable 4061
for payment of the amounts deducted and withheld and penalties 4062
and interest thereon, up to the amount of the purchase money. 4063

(C) Annually, on or before the thirty-first day of 4064
January, a casino operator or sports gaming proprietor shall 4065
issue an information return to each person with respect to whom 4066
an amount has been deducted and withheld during the preceding 4067
calendar year. The information return shall show the total 4068
amount deducted from the person's winnings by the casino 4069
operator or sports gaming proprietor during the preceding 4070
calendar year. 4071

(D) Amounts deducted and withheld shall be allowed as a 4072
credit against payment of the tax imposed by section 5747.02 of 4073
the Revised Code and shall be treated as taxes paid for purposes 4074
of section 5747.09 of the Revised Code. This division applies 4075

only to the person for whom the amount is deducted and withheld. 4076

(E) The failure of a casino operator or sports gaming 4077
proprietor to deduct and withhold the required amount from a 4078
person's winnings does not relieve the person from liability for 4079
the tax imposed by section 5747.02 of the Revised Code with 4080
respect to those winnings. And compliance with this section does 4081
not relieve a casino operator or sports gaming proprietor or a 4082
person who has winnings from casino gaming or sports gaming from 4083
compliance with relevant provisions of federal tax laws. 4084

~~(F) A sports gaming proprietor that offers lottery sports-~~ 4085
~~gaming through a terminal described in division (B) (3) of-~~ 4086
~~section 3770.24 of the Revised Code shall not withhold amounts-~~ 4087
~~under this section from winnings from wagers placed through that~~ 4088
~~terminal. The state lottery commission shall withhold amounts-~~ 4089
~~from those winnings under section 5747.062 of the Revised Code.~~ 4090

~~(G)~~The commissioner shall prescribe the form of the 4091
receipt and returns required by this section. The director of 4092
job and family services shall prescribe the form of the 4093
statement required by this section. 4094

~~(H)~~(G) The commissioner may adopt rules that are necessary 4095
to administer this section. 4096

Sec. 5753.01. As used in Chapter 5753. of the Revised Code 4097
and for no other purpose under Title LVII of the Revised Code: 4098

(A) "Casino facility" has the same meaning as in section 4099
3772.01 of the Revised Code. 4100

(B) "Casino gaming" has the same meaning as in section 4101
3772.01 of the Revised Code. 4102

(C) "Casino operator" has the same meaning as in section 4103

3772.01 of the Revised Code. 4104

(D) "Gross casino revenue" means the total amount of money 4105
exchanged for the purchase of chips, tokens, tickets, electronic 4106
cards, or similar objects by casino patrons, less winnings paid 4107
to wagerers. "Gross casino revenue" does not include either of 4108
the following: 4109

(1) The issuance to casino patrons or wagering by casino 4110
patrons of any promotional gaming credit as defined in section 4111
3772.01 of the Revised Code. When issuance of the promotional 4112
gaming credit requires money exchanged as a match from the 4113
patron, the excludible portion of the promotional gaming credit 4114
does not include the portion of the wager purchased by the 4115
patron. 4116

(2) Sports gaming receipts. 4117

(E) "Person" has the same meaning as in section 3772.01 of 4118
the Revised Code. 4119

(F) "Slot machine" has the same meaning as in section 4120
3772.01 of the Revised Code. 4121

(G) "Sports gaming facility" and "sports gaming 4122
proprietor" have the same meanings as in section 3775.01 of the 4123
Revised Code. 4124

(H) "Sports gaming receipts" means the total gross 4125
receipts received by a sports gaming proprietor from the 4126
operation of sports gaming in this state, less the total of the 4127
following: 4128

(1) All cash and cash equivalents paid as winnings to 4129
sports gaming patrons; 4130

(2) The dollar amount of all voided wagers. 4131

~~(3) Receipts received from the operation of lottery sports gaming on behalf of the state under sections 3770.23 to 3770.25 of the Revised Code.~~ 4132
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~~(4) (a) On and after January 1, 2027, but before January 1, 2032, ten per cent of the promotional gaming credits wagered by patrons;~~ 4135
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~~(b) On and after January 1, 2032, twenty per cent of the promotional gaming credits wagered by patrons.~~ 4138
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~~As used in division (H) of this section, "promotional gaming credit" has the same meaning as in section 3775.01 of the Revised Code. When issuance of a promotional gaming credit requires money exchanged as a match from the patron, the deductible portion of the promotional gaming credit does not include the portion of the wager purchased by the patron.~~ 4140
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(I) "Table game" has the same meaning as in section 3772.01 of the Revised Code. 4146
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(J) "Taxpayer" means a casino operator subject to the tax levied under section 5753.02 of the Revised Code or a sports gaming proprietor subject to the tax levied under section 5753.021 of the Revised Code. 4148
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(K) "Tax period" means one twenty-four-hour period with regard to which a casino operator is required to pay the tax levied by section 5753.02 of the Revised Code and one calendar month with regard to which a sports gaming proprietor is required to pay the tax levied by section 5753.021 of the Revised Code. 4152
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Sec. 5753.07. (A) (1) The tax commissioner may issue an assessment, based on any information in the tax commissioner's possession, against a taxpayer who fails to pay the tax levied 4158
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under section 5753.02 or 5753.021 of the Revised Code or to file 4161
a return under section 5753.04 of the Revised Code. The tax 4162
commissioner shall give the taxpayer written notice of the 4163
assessment under section 5703.37 of the Revised Code. With the 4164
notice, the tax commissioner shall include instructions on how 4165
to petition for reassessment and on how to request a hearing 4166
with respect to the petition. 4167

(2) Unless the taxpayer, within sixty days after service 4168
of the notice of assessment, files with the tax commissioner a 4169
written petition signed by the taxpayer, or by the taxpayer's 4170
authorized agent who has knowledge of the facts, the assessment 4171
becomes final, and the amount of the assessment is due and 4172
payable from the taxpayer to the treasurer of state. The 4173
petition shall indicate the taxpayer's objections to the 4174
assessment. Additional objections may be raised in writing if 4175
they are received by the tax commissioner before the date shown 4176
on the final determination. 4177

(3) If a petition for reassessment has been properly 4178
filed, the tax commissioner shall proceed under section 5703.60 4179
of the Revised Code. 4180

(4) After an assessment becomes final, if any portion of 4181
the assessment, including penalties and accrued interest, 4182
remains unpaid, the tax commissioner may file a certified copy 4183
of the entry making the assessment final in the office of the 4184
clerk of the court of common pleas of Franklin county or in the 4185
office of the clerk of the court of common pleas of the county 4186
in which the taxpayer resides, the taxpayer's casino facility ~~or~~ 4187
~~sports gaming facility~~ is located, or the taxpayer's principal 4188
place of business in this state is located. Immediately upon the 4189
filing of the entry, the clerk shall enter a judgment for the 4190

state against the taxpayer assessed in the amount shown on the 4191
entry. The judgment may be filed by the clerk in a loose-leaf 4192
book entitled, "special judgments for the gross casino revenue 4193
tax and sports gaming receipts tax." The judgment has the same 4194
effect as other judgments. Execution shall issue upon the 4195
judgment at the request of the tax commissioner, and all laws 4196
applicable to sales on execution apply to sales made under the 4197
judgment. 4198

(5) If the assessment is not paid in its entirety within 4199
sixty days after the day the assessment was issued, the portion 4200
of the assessment consisting of tax due shall bear interest at 4201
the rate per annum prescribed by section 5703.47 of the Revised 4202
Code from the day the tax commissioner issued the assessment 4203
until the assessment is paid or until it is certified to the 4204
attorney general for collection under section 131.02 of the 4205
Revised Code, whichever comes first. If the unpaid portion of 4206
the assessment is certified to the attorney general for 4207
collection, the entire unpaid portion of the assessment shall 4208
bear interest at the rate per annum prescribed by section 4209
5703.47 of the Revised Code from the date of certification until 4210
the date it is paid in its entirety. Interest shall be paid in 4211
the same manner as the tax levied under section 5753.02 or 4212
5753.021 of the Revised Code, as applicable, and may be 4213
collected by the issuance of an assessment under this section. 4214

(B) If the tax commissioner believes that collection of 4215
the tax levied under section 5753.02 or 5753.021 of the Revised 4216
Code will be jeopardized unless proceedings to collect or secure 4217
collection of the tax are instituted without delay, the 4218
commissioner may issue a jeopardy assessment against the 4219
taxpayer that is liable for the tax. Immediately upon the 4220
issuance of a jeopardy assessment, the tax commissioner shall 4221

file an entry with the clerk of the court of common pleas in the 4222
manner prescribed by division (A) (4) of this section, and the 4223
clerk shall proceed as directed in that division. Notice of the 4224
jeopardy assessment shall be served on the taxpayer or the 4225
taxpayer's authorized agent under section 5703.37 of the Revised 4226
Code within five days after the filing of the entry with the 4227
clerk. The total amount assessed is immediately due and payable, 4228
unless the taxpayer assessed files a petition for reassessment 4229
under division (A) (2) of this section and provides security in a 4230
form satisfactory to the tax commissioner that is in an amount 4231
sufficient to satisfy the unpaid balance of the assessment. If a 4232
petition for reassessment has been filed, and if satisfactory 4233
security has been provided, the tax commissioner shall proceed 4234
under division (A) (3) of this section. Full or partial payment 4235
of the assessment does not prejudice the tax commissioner's 4236
consideration of the petition for reassessment. 4237

(C) The tax commissioner shall immediately forward to the 4238
treasurer of state all amounts the tax commissioner receives 4239
under this section, and the amounts forwarded shall be treated 4240
as if they were revenue arising from the tax levied under 4241
section 5753.02 or 5753.021 of the Revised Code, as applicable. 4242

(D) Except as otherwise provided in this division, no 4243
assessment shall be issued against a taxpayer for the tax levied 4244
under section 5753.02 or 5753.021 of the Revised Code more than 4245
four years after the due date for filing the return for the tax 4246
period for which the tax was reported, or more than four years 4247
after the return for the tax period was filed, whichever is 4248
later. This division does not bar an assessment against a 4249
taxpayer who fails to file a return as required by section 4250
5753.04 of the Revised Code or who files a fraudulent return, or 4251
when the taxpayer and the tax commissioner waive in writing the 4252

time limitation. 4253

(E) If the tax commissioner possesses information that 4254
indicates that the amount of tax a taxpayer is liable to pay 4255
under section 5753.02 or 5753.021 of the Revised Code exceeds 4256
the amount the taxpayer paid, the tax commissioner may audit a 4257
sample of the taxpayer's gross casino revenue or sports gaming 4258
receipts, as applicable, over a representative period of time to 4259
ascertain the amount of tax due, and may issue an assessment 4260
based on the audit. The tax commissioner shall make a good faith 4261
effort to reach agreement with the taxpayer in selecting a 4262
representative sample. The tax commissioner may apply a sampling 4263
method only if the tax commissioner has prescribed the method by 4264
rule. 4265

(F) If the whereabouts of a taxpayer who is liable for the 4266
tax levied under section 5753.02 or 5753.021 of the Revised Code 4267
are unknown to the tax commissioner, the tax commissioner shall 4268
proceed under section 5703.37 of the Revised Code. 4269

Sec. 5753.08. If a taxpayer who is liable for the tax 4270
levied under section 5753.02 or 5753.021 of the Revised Code 4271
sells a casino facility ~~or sports gaming facility~~, disposes of a 4272
casino facility ~~or sports gaming facility~~ in any manner other 4273
than in the regular course of business, or quits the casino 4274
gaming or sports gaming business, any tax owed by that person 4275
becomes immediately due and payable, and the person shall pay 4276
the tax due, including any applicable penalties and interest. 4277
The person's successor shall withhold a sufficient amount of the 4278
purchase money to cover the amounts due and unpaid until the 4279
predecessor produces a receipt from the tax commissioner showing 4280
that the amounts due have been paid or a certificate indicating 4281
that no taxes are due. If the successor fails to withhold 4282

purchase money, the successor is personally liable, up to the 4283
purchase money amount, for amounts that were unpaid during the 4284
operation of the business by the predecessor. 4285

Section 2. That existing sections 718.031, 718.08, 4286
3123.89, 3123.90, 3770.03, 3770.06, 3770.07, 3770.071, 3770.073, 4287
3770.10, 3772.01, 3772.02, 3775.01, 3775.02, 3775.03, 3775.04, 4288
3775.041, 3775.051, 3775.06, 3775.09, 3775.10, 3775.12, 3775.14, 4289
3775.15, 3775.16, 3775.99, 5747.01, 5747.062, 5747.063, 5753.01, 4290
5753.07, and 5753.08 of the Revised Code are hereby repealed. 4291

Section 3. That sections 3770.23, 3770.24, 3770.25, 4292
3775.05, and 3775.11 of the Revised Code are hereby repealed. 4293

Section 4. Upon the effective date of this section, the 4294
Ohio Casino Control Commission shall do both of the following: 4295

(A) Remit to each person who held an active type A, type 4296
B, or type C sports gaming proprietor license or an active 4297
mobile management services provider license, and who paid 4298
licensing fees associated with the license pursuant to section 4299
3775.04 or 3775.05 of the Revised Code as those sections existed 4300
immediately before the effective date of this section, a portion 4301
of the fees paid by the person with respect to the license on a 4302
prorated basis as determined by the Commission in consideration 4303
of the time remaining in the term of the license on the 4304
effective date of this section; 4305

(B) Determine whether each person who held an active type 4306
A, type B, or type C sports gaming proprietor license 4307
immediately before the effective date of this section faithfully 4308
made all payments required by Chapter 3775. of the Revised Code, 4309
as that chapter existed immediately before the effective date of 4310
this section, up to that date. The Commission shall issue each 4311

such determination in writing within six months after the 4312
effective date of this section. 4313

(1) If the Commission determines that the person made all 4314
the required payments, the Commission shall return to the person 4315
the amount that the person gave to the state as a surety bond 4316
pursuant to section 3775.04 of the Revised Code as that section 4317
existed immediately before the effective date of this section. 4318

(2) If the Commission determines that the person did not 4319
make all required payments, the Commission shall return to the 4320
person the amount that the person gave to the state as a surety 4321
bond pursuant to section 3775.04 of the Revised Code as that 4322
section existed immediately before the effective date of this 4323
section, minus the amount of the required payments that the 4324
person did not make. 4325

Section 5. This act shall be known as the Save Ohio Sports 4326
Act. 4327