

**As Passed by the Senate**

**134th General Assembly**

**Regular Session**

**2021-2022**

**Sub. S. B. No. 269**

**Senator Manning**

**Cosponsors: Senators Cirino, Thomas, Yuko**

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**A BILL**

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

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

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

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

terminals as described in section 3770.21 of the Revised Code, or internet lottery gaming. The rules shall be promulgated pursuant to Chapter 119. of the Revised Code, except that instant game rules shall be promulgated pursuant to section 111.15 of the Revised Code but are not subject to division (D) of that section. Subjects covered in these rules shall include, but need not be limited to, the following:

- (1) The type of lottery to be conducted;
- (2) The prices of tickets in the lottery;
- (3) The number, nature, and value of prize awards, the manner and frequency of prize drawings, and the manner in which prizes shall be awarded to holders of winning tickets.

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

- (1) The locations at which lottery tickets may be sold and the manner in which they are to be sold. These rules may authorize the sale of lottery tickets by commission personnel or other licensed individuals from traveling show wagons at the state fair, and at any other expositions the director of the commission considers acceptable. These rules shall prohibit commission personnel or other licensed individuals from soliciting from an exposition the right to sell lottery tickets at that exposition, but shall allow commission personnel or other licensed individuals to sell lottery tickets at an exposition if the exposition requests commission personnel or

licensed individuals to do so. These rules may also address the 48  
accessibility of sales agent locations to commission products in 49  
accordance with the "Americans with Disabilities Act of 1990," 50  
104 Stat. 327, 42 U.S.C.A. 12101 et seq. 51

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

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

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

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

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

(5) Special game rules to implement any agreements signed 77  
by the governor that the director enters into with other lottery 78  
jurisdictions under division (J) of section 3770.02 of the 79  
Revised Code to conduct statewide joint lottery games. The rules 80  
shall require that the entire net proceeds of those games that 81  
remain, after associated operating expenses, prize 82  
disbursements, lottery sales agent bonuses, commissions, and 83  
reimbursements, and any other expenses necessary to comply with 84  
the agreements or the rules are deducted from the gross proceeds 85  
of those games, be transferred to the lottery profits education 86  
fund under division (B) of section 3770.06 of the Revised Code. 87

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

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

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

(E) (1) The commission shall meet with the director at 107  
least once each month and shall convene other meetings at the 108  
request of the chairperson or any five of the members. No action 109  
taken by the commission shall be binding unless at least five of 110  
the members present vote in favor of the action. A written 111  
record shall be made of the proceedings of each meeting and 112  
shall be transmitted forthwith to the governor, the president of 113  
the senate, the senate minority leader, the speaker of the house 114  
of representatives, and the house minority leader. 115

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

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

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

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

<u>(1) Electronic facsimiles of any of the following games:</u>	136
<u>(a) Rule 3770:1-7-20 ("Pick 3") of the Administrative Code;</u>	137
<u>(b) Rule 3770:1-7-25 ("Pick 4") of the Administrative Code;</u>	139
<u>(c) Rule 3770:1-7-101 ("Pick 5") of the Administrative Code;</u>	141
<u>(d) Rule 3770:1-9-23 ("Rolling Cash Five") of the Administrative Code;</u>	143
<u>(e) Rule 3770:1-9-53 ("Classic Lotto") of the Administrative Code.</u>	145
<u>(2) Electronic facsimiles of any game of chance, as defined in section 2915.01 of the Revised Code;</u>	147
<u>(3) Wagering on horse racing;</u>	148
<u>(4) Casino gaming as authorized in Section 6(C)(4) of Article XV, Ohio Constitution and Chapter 3772. of the Revised Code;</u>	149
<u>(5) Fantasy contests authorized under Chapter 3774. of the Revised Code;</u>	150
<u>(6) Sports gaming authorized under Chapter 3775. of the Revised Code, including lottery sports gaming;</u>	151
<u>(7) Any type of game that represents or simulates a casino game, as defined in section 3772.01 of the Revised Code, or video lottery terminal game, that features the ability to reveal all of the symbols in the game through a single action, such as by activating a "reveal all" game control or operation.</u>	152
<u>(D) For one year following the effective date of this</u>	153
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section, internet lottery gaming does not include statewide 163  
joint lottery games. 164

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

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