



S.B. 308

124th General Assembly
(As Introduced)

Sen. Robert Gardner

BILL SUMMARY

- Adds to the types of lotteries the State Lottery Commission may conduct games played through the use of the Internet.
- Requires that the Commission adopt rules under which those lottery games may be conducted, including rules requiring that only persons at least age 18 may participate in them.
- Provides that the rules must limit the purchase of the right to participate in those lottery games to only inside Ohio, and from only licensed lottery sales agents.

CONTENT AND OPERATION

Addition of Internet lottery games to the lottery lineup

Conducting the games pursuant to Commission rules

(R.C. 3770.03)

The State Lottery Commission (Commission) is the state agency authorized by the General Assembly, under Article XV, §6 of the Ohio Constitution, "to conduct lotteries, to sell rights to participate therein, and to award prizes by chance to participants." Under existing law, the Commission may conduct a statewide lottery and statewide joint lottery games, and is required to promulgate rules under which that lottery and those games may be conducted.

The bill authorizes the Commission to conduct lottery games through the use of the Internet. Under the bill, the Commission must adopt rules under which lotteries, including, but not limited to, games in which persons may participate through the use of the Internet, may be conducted. Any rule of the Commission that authorizes participation in an Internet lottery game must require that

participation comply with existing state lottery law and the other rules adopted under it that otherwise govern participation in and the conduct of lottery games, including requiring that the person participating be at least age 18, and purchase the right to participate in the lottery game only inside Ohio and from only a licensed lottery sales agent.

The bill also requires that the Commission's rules reflect the addition of Internet lottery games to the types of lotteries that may be conducted. For example, rather than establishing the prices of tickets or the locations at which lottery tickets may be sold, the bill requires that the rules adopted include the prices of rights to participate in the lotteries and the locations at which rights to participate in lotteries may be sold.

Lottery sales agents

(R.C. 3770.02(H), 3770.05, and 3770.08)

The bill authorizes licensed lottery sales agents to engage in the sale of rights to participate in lotteries, rather than just the sale of lottery tickets under existing law. All existing licensing requirements for lottery sales agents apply to agents that sell rights to participate in Internet lottery games. The agent collects funds on behalf of the Commission through the sale of rights to participate in lotteries for which the agent receives compensation.

The bill extends existing requirements that apply to lottery sales agents to the sale of rights to participate in Internet lottery games by those agents. The requirements include:

- Mailing net proceeds to the Commission or depositing them to the credit of the State Lottery Fund, and filing with the Director of the Commission reports of receipts and transactions in the sale of rights to participate in lotteries.
- Providing that a license cannot be issued to a person to engage in the sale of rights to participate in lotteries as the person's sole occupation or business.
- Prohibiting the sale of rights to participate in lotteries at a price greater than that fixed by the Commission's rules, and prohibiting persons, other than licensed lottery sales agents, from selling rights to participate in lotteries.

Use of revenues from Internet lottery games

(R.C. 3770.06)

The bill provides that all gross revenues received from sales of rights to participate in lotteries must be deposited in the State Lottery Gross Revenue Fund. Total disbursements for monetary prize awards to winning lottery participants must be equal to 50% of the total revenue accruing from the sale of rights to participate in lotteries (rather than just from the sale of lottery tickets, as required by existing law).

Claiming prize awards

(R.C. 3770.07)

The bill applies the existing law regarding claiming lottery prize awards to winning lottery participants (instead of holders of winning tickets), and provides that if participants are under age 18 or under a legal disability, the Director must order that the payment be made to the order of the participant's legal guardian. Under continuing law, prize awards must be claimed within 180 days after the date on which the award was announced or after the close of the game, if it is an instant game.

Miscellaneous changes

(R.C. 3770.02, 3770.06, and 4301.03)

Throughout the bill, the language "sale of lottery tickets" is changed to "rights to participate in lotteries," to reflect the addition of Internet lottery games to the types of lotteries the Commission may conduct.

The bill also changes "winning ticket holder" to "winning participant," since Internet lottery games may not involve selling lottery tickets.

Applicability of bill to fairs

(R.C. 1711.09 and 1711.11(H))

During fairs, existing law prohibits lottery devices, games of chance, and gambling of any kind on fairgrounds, but the Commission may sell lottery tickets at the state fairground during the state fair. The bill provides that the Commission may sell rights to participate in lotteries at the fairground during the state fair.

Existing law also requires that a person holding a license issued by the Director of Agriculture to operate a concession at any fair or exposition must

forfeit the license (and cannot obtain another license until two years from the forfeiture) if the person's concession is operating any lottery device, game of chance, or gambling of any kind. Under existing law, this license forfeiture requirement does not apply to the sale of lottery tickets by the Commission at the state fairground during the state fair. The bill provides that the requirement does not apply to the sale of rights to participate in lotteries by the Commission at the state fairground during the state fair.

HISTORY

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