



**S.B. 31**

125th General Assembly  
(As Introduced)

**Sen. Robert Gardner**

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**BILL SUMMARY**

- Authorizes the State Lottery Commission to conduct lottery games through the use of the Internet.
- Requires the Commission to adopt rules under which those lottery games may be conducted, including rules requiring that the person participating (1) be at least age 18 and (2) purchase the right to participate in the lottery game only inside Ohio and only from a licensed lottery sales agent.

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**CONTENT AND OPERATION**

*Addition of Internet lottery games*

*Conducting the games pursuant to Commission rules*

(R.C. 3770.03)

The State Lottery Commission is the state agency authorized by the General Assembly, under Article XV, Section 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 specifies that "a statewide lottery" includes lottery games in which persons may participate through the use of the Internet. Consequently, the Commission must adopt rules under which such games 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 (1) be at least age

18 and (2) 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 in the lottery or the locations at which lottery tickets may be sold, the bill requires that the rules establish the prices of "rights to participate in the lottery games" and the locations at which "rights to participate in lottery games" 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 lottery games," rather than in the sale of lottery tickets as under existing law. All existing licensing requirements for lottery sales agents apply to agents that sell rights to participate in Internet lottery games. The agents are to collect funds on behalf of the Commission through the sale of rights to participate in lottery games, and activity for which the agents receive 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:

--That agents must mail net proceeds to the Commission or deposit them to the credit of the State Lottery Fund, and file with the Director of the Commission reports of receipts and transactions in the sale of rights to participate in lottery games.

--A prohibition against the issuance of a license to any person to engage in the sale of rights to participate in lottery games as the person's sole occupation or business.

--A prohibition against the sale of rights to participate in lottery games at a price greater than that fixed by the Commission's rules, and against persons, other than licensed lottery sales agents, selling rights to participate in lottery games.

*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 lottery games" must be deposited in the State Lottery Gross Revenue Fund. Total disbursements for monetary prize awards to winning lottery participants must be equal to at least 50% of the total revenue accruing from the sale of rights to participate in lottery games (rather than from the sale of lottery tickets, as under existing law).

*Conforming changes*

(R.C. 1711.09, 1711.11, 3770.051, 3770.07, and 4301.03)

The bill makes necessary conforming changes throughout the Revised Code to reflect the addition of Internet lottery games to the types of lotteries the Commission may conduct. For example, references to the sale of "lottery tickets" are changed to the sale of "rights to participate in lottery games"; references to "holders of winning lottery tickets" are changed to "winning lottery participants."

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	02-11-03	p. 107

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