



Ohio Legislative Service Commission

Bill Analysis

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H.B. 605

129th General Assembly
(As Introduced)

Reps. Huffman, Blessing

BILL SUMMARY

- Requires the State Lottery Commission to adopt rules describing the types of schemes of chance that are prohibited lotteries under the Gambling Law.
- Provides certain scenarios that must be included in the Commission's adopted rules as prohibited lotteries.
- Permits the Bureau of Criminal Identification and Investigation to investigate criminal activity involving the operation of a scheme of chance.

CONTENT AND OPERATION

Schemes of chance that are prohibited lotteries

Definitions

The bill clarifies the definition of "scheme of chance" under the Gambling Law to mean a slot machine *unless authorized under the Casino Law*, lottery *unless authorized under the Lottery Law*, numbers game, pool conducted for profit, or other scheme in which a participant gives a valuable consideration for a chance to win a prize, but does not include bingo, a skill-based amusement machine, or a pool not conducted for profit.¹

Under the bill and for the purposes of the Gambling Law, a "lottery" means a scheme of chance in which valuable consideration is paid and the winner of a prize is

¹ R.C. 2915.01(C).

determined by lot or chance, and includes games in which the outcome is predetermined.²

State Lottery Commission rules

The bill requires the State Lottery Commission to adopt rules under the Administrative Procedure Act describing the types of schemes of chance that are prohibited lotteries under the Gambling Law. The bill provides that these rules are for the purposes of the Gambling Law provision that prohibits a person from establishing, promoting, or operating or knowingly engaging in conduct that facilitates any scheme of chance.

The rules must include, as such a prohibited lottery, the use of an electronic device to reveal the results of a game entry if valuable consideration is paid, directly or indirectly, for a chance to win a prize. The rules also must include each of the following scenarios as prohibited lotteries:

(1) Less than 50% of the goods or services sold by a scheme of chance operator in exchange for game entries are used or redeemed by participants at any one location.

(2) Less than 50% of participants who purchase goods or services at any one location do not accept, use, or redeem the goods or services sold or purportedly sold.

(3) More than 50% of prizes at any one location are revealed to participants through use of an electronic device simulating a game of chance or a "casino game" (see below).

(4) The good or service sold by a scheme of chance operator in exchange for a game entry cannot be used or redeemed in the manner advertised.

(5) A participant pays more than fair market value for goods or services offered by a scheme of chance operator in order to receive one or more game entries.

(6) A participant can use the electronic device to purchase additional game entries.

(7) A participant can purchase additional game entries by using points or credits won as prizes while using the electronic device.

(8) A scheme of chance operator pays out in prize money more than 20% of the gross revenue received at one location.

² R.C. 2915.01(AAA).

(9) A participant makes a purchase or exchange in order to obtain any good or service that may be used to facilitate play on the electronic device.

(10) Any other scenario the Commission describes in the rules.

Under continuing law whoever violates this provision is guilty of gambling, a first degree misdemeanor. If the offender previously has been convicted of any gambling offense, gambling is a fifth degree felony.³

A "casino game" means a slot machine or table game as defined under the Casino Law (R.C. Chapter 3772.). Under that law, a "slot machine" means any mechanical, electrical, or other device or machine which, upon insertion of a coin, token, ticket, or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance, or both, makes individual prize determinations for individual participants in cash, premiums, merchandise, tokens, or any thing of value, whether the payoff is made automatically from the machine or in any other manner, but does not include any device that is a skill-based amusement machine. Additionally, a "table game" means any game played with cards, dice, or any mechanical, electromechanical, or electronic device or machine for money, casino credit, or any representative of value. "Table game" does not include slot machines.

Bureau of Criminal Identification and Investigation

The bill permits the Bureau of Criminal Identification and Investigation to investigate any criminal activity in Ohio involving the operation of a scheme of chance under the Gambling Law.⁴

HISTORY

ACTION	DATE
Introduced	11-15-12

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³ R.C. 2915.02(F) and (G) and 3770.03(E).

⁴ R.C. 109.54(A).

