
LOTTERY COMMISSION

Rules and operating procedures

- Allows the State Lottery Commission (LOT) to adopt operating procedures for the conduct of lottery games, instead of adopting administrative rules.
- Requires LOT to publish its operating procedures on its official website by 30 days after these provisions of the bill take effect.
- Requires LOT still to adopt rules under the Administrative Procedure Act concerning specific topics listed in current law as matters that must be addressed under the Administrative Procedure Act.
- Provides generally that LOT's existing rules remain in effect unless LOT formally rescinds them.
- Allows LOT to eliminate rules that it replaces with operating procedures on or before the date that is 30 days after the provision's effective date, by notifying LSC to remove them from the Administrative Code, instead of by formally rescinding them.

Internal audits

- Prohibits the LOT's internal audit records from being disclosed to the public until after the final annual audit report is submitted to LOT's director and chairperson.

Rules and operating procedures

(R.C. 3770.03; Section 737.10)

The bill allows LOT to adopt operating procedures for the conduct of lottery games, instead of adopting administrative rules. The operating procedures must include all of the following:

- The type of lottery to be conducted;
- The prices of tickets in the lottery;
- The number, nature, and value of prize awards;
- The manner and frequency of prize drawings;
- The manner in which prizes must be awarded to winners.

Under the bill, LOT must publish all of its operating procedures on its official website and make copies available to the public upon request. LOT must publish all of its operating procedures not later than 30 days after these provisions of the bill take effect.

Currently, LOT must adopt lottery rules under the Administrative Procedure Act (R.C. Chapter 119), except that instant game rules are adopted under R.C. 111.15. (The Administrative Procedure Act prescribes notice, hearing, and other requirements for

administrative rulemaking, while R.C. 111.15 prescribes a separate, less restrictive set of rulemaking procedures that typically applies to internal management matters.) Rules for instant games are not subject to review by the Joint Committee on Agency Rule Review (JCARR).⁵⁷

The bill requires LOT to continue to follow the Administrative Procedure Act in adopting rules about matters that are specifically listed as being subject to that requirement under continuing law. For example, the Administrative Procedure Act continues to apply to LOT rules concerning lottery sports gaming, the location and manner of selling lottery tickets, and the licensing and compensation of lottery sales agents.

All of LOT's existing rules remain in effect unless LOT rescinds them in accordance with the Administrative Procedure Act or R.C. 111.15, as applicable. However, the bill allows LOT to eliminate any rule that it replaces with an operating procedure during the 30 days after these provisions of the bill take effect, without formally rescinding it. LOT must notify LSC's Director of any eliminated rule, and LSC must remove the rule from the Ohio Administrative Code.

Internal audits

(R.C. 3770.06)

The bill limits the extent to which LOT's internal audit records are subject to disclosure as public records. Continuing law requires LOT to conduct an annual internal audit and submit it to the Office of Budget and Management's Office of Internal Audit at the end of each fiscal year. The bill specifies that any preliminary or final report of the findings and recommendations of LOT's internal audit, and all associated work papers, are confidential and are not public records until after LOT staff submit the final report of the audit's findings and recommendations to LOT's Director and to LOT's chairperson or the chair's designee.

⁵⁷ For more information, see LSC's Members Brief, [Administrative Rulemaking \(PDF\)](#), available at lsc.ohio.gov under "Publications," "Members Briefs."