
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.

Withholding child and spousal support from winnings

- Eliminates references in the law to an obsolete paper-based process for LOT to withhold past due child or spousal support from a person's lottery winnings.
- Requires LOT still to withhold those amounts using a computerized database maintained by the Department of Job and Family Services (ODJFS).

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).¹³⁵

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.

Withholding child and spousal support from winnings

(R.C. 3123.89, 3770.071, and 3770.99)

The bill eliminates references in the law to an obsolete paper-based process for LOT to withhold past due child or spousal support from a person's lottery winnings. However, LOT still must withhold those amounts using a computerized database.

Under continuing law, when a person's lottery winnings meet a certain dollar threshold, LOT must check a Department of Job and Family Services (ODJFS) database to determine whether the person owes any past due child or spousal support. If the person does owe past due support, LOT must withhold the past due amount from the person's winnings and send the money to ODJFS. Continuing law also requires LOT to withhold income taxes and any debts owed to the government. The dollar threshold for withholding is based on the federal income tax reporting threshold for gambling winnings, which is generally \$600 for lottery games.¹³⁶

In addition to referencing the ODJFS database, existing law describes an older process that requires ODJFS and LOT to communicate with each other using paper forms to identify lottery winners who owe past due support and withhold the amount from the winnings. The bill removes that process and requires LOT and ODJFS to use the database.

¹³⁵ For more information, see LSC's Members Brief, [Administrative Rulemaking \(PDF\)](#), available at lsc.ohio.gov/publications.

¹³⁶ See R.C. 3770.072 and 3770.073, not in the bill; 26 U.S.C. 6041; and Internal Revenue Service, [Instructions for Forms W-2G and 5754 \(01/2021\)](#), available at irs.gov under "Forms and Instructions."