

OHIO CASINO CONTROL COMMISSION



Sports Gaming Presentation – December 2021 Meeting

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Ohio Sports Gaming Types

Type A Online Sports Gaming

Online sportsbooks through computers and mobile applications

Maximum Number of Type A Proprietors: 25*

May partner with 1-2 Mobile Management Services Providers (MMSPs)* or sportsbooks

Must also hold a Type B license or have an operational place of business in the state

Type B Brick-and-Mortar Sportsbooks

Brick-and-mortar facilities with betting windows and terminals

Maximum Number of Type B Proprietors: 40

May partner with only 1 Management Services Provider (MSPs) or sportsbooks

Located according to county population limits and economic activity conducted in that county

Type C Sports Gaming Lottery Product

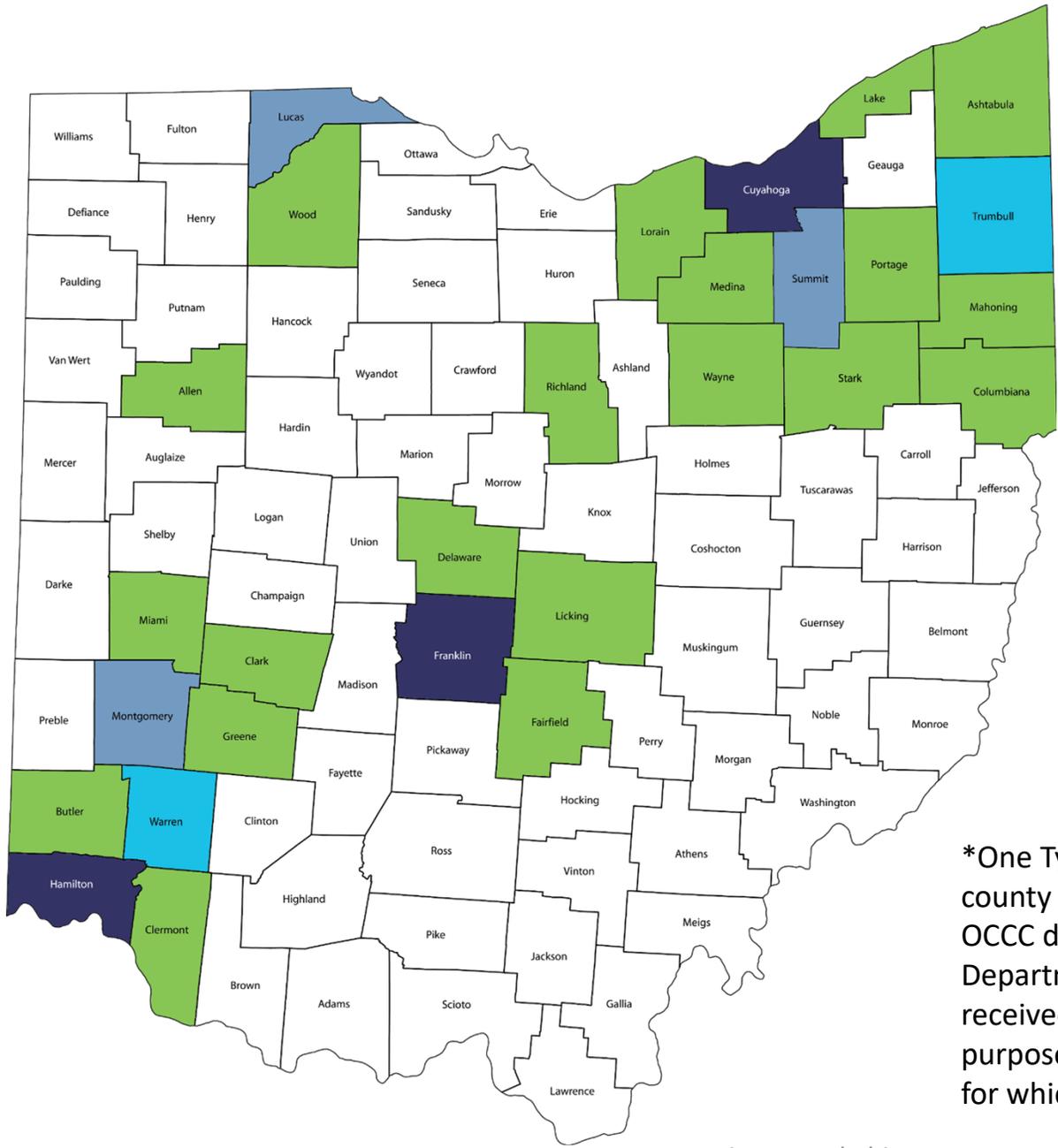
Self-service or clerk-operated terminals in establishments with D-1, D-2, or D-5 liquor permits

Maximum Number of Type C Proprietors: 20

Proprietors may place kiosks at an unlimited amount of Type C Gaming Hosts (liquor establishments)

Limits on bet types, number of kiosks at an establishment, and money a person may bet per week

*Additional Type A Proprietors and MMSPs are subject to an economic benefit analysis



Counties Eligible for Type B Sportsbook

- 1 Physical Location
- Up to 2 Locations
- Up to 3 Locations
- Up to 5 Locations

*One Type B sportsbook may be located in a county with a population of 50,000-99,999 if OCCC determines, in consultation with the Department of Development, the county received at least 5 million visitors for tourism purposes during the most recent calendar year for which the necessary data is available.

Ohio Sports Gaming – License Types

Type A Online Sports Gaming

Type A Sports Gaming
Proprietors

Mobile Management
Services Providers

Type B Brick-and-Mortar Sportsbooks

Type B Sports Gaming
Proprietors

Management Services
Providers

Type C Sports Gaming Lottery Product

Type C Sports Gaming
Proprietors

Type C Gaming Hosts

All Types

Sports Gaming Suppliers

Occupational Licenses

Licensing Standards

Preferences for Type-A and Type-B Proprietors

10 Sports
Teams/Events

- 2 NFL, MLB, & MLS Teams
- 1 NHL & NBA Team
- 1 NASCAR & PGA Event

11
Casinos/Racinos

- 4 Casinos
- 11 Racinos

Assuming all eligible preferred proprietors apply and are suitable for licensure:

- 4 Remaining Initial Type A Proprietor Licenses & 19 Remaining Type B Proprietors

Licensing Standards

Economic Development Factors

All proprietor applicants must additionally be evaluated based on the following contributions to or in Ohio:

- The current or intended physical presence, including expenditures for physical infrastructure
- The length of time the applicant has been doing business
- The total amount of taxable income the applicant pays, or will pay, to its employees
- The applicant's current or intended local and statewide economic involvement
- The applicant's current or intended contributions, including promoting tourism

Licensing Standards

Suitability Factors

All applicants, except for Type C gaming hosts and occupational licenses, are to be evaluated based on:

Criminal History

Bankruptcy History

Reputation,
Experience, &
Financial Integrity

Tax Compliance

Business Practice
Litigation History

Insurance and
Surety Bonds

Compliance with
Gaming-Related
Laws & Regulations

Public Confidence

License Fees – Type A Entities

Type A Proprietors – per 5-year license

- Who are professional sports organizations with:
 - One MMSP: \$1 million initial and renewal
 - Two MMSPs: \$3.33 million initial; \$1 million renewal
- Any other licensee with:
 - One MMSP: \$1.5 million initial and renewal
 - Two MMSPs: \$5 million initial; \$1.5 million renewal

Mobile Management Services Providers – per 5-year license

- Who are contracting with a professional sports organization:
 - First designated partner: \$2 million initial and renewal
 - Second designated partner: \$6.67 million initial; \$2 million renewal
- Who are contracting with any other licensee:
 - First designated partner: \$1.5 million
 - Second designated partner: \$5 million initial; \$1.5 renewal

Type A Proprietor and MMSP application fees set by Commission rule

License Fees – All Others

Type B Sports Gaming – per 5-year license

- Type B Proprietor
 - If also a Type A Proprietor: \$140,000
 - Any other licensee: \$90,000
- Management Services Provider
 - If contracting with a licensee who is also a Type A Proprietor: \$140,000
 - If contracting with any other licensee: \$90,000

Type C Sports Gaming – license length listed below

- Type C Proprietor: \$100,000 – per 5-year license
- Type C Gaming Host: \$1,000 – per 3-year license

For All Sports Gaming Types – per 3-year license

- Occupational: \$50 with a \$100 application fee
- Supplier: \$15,000 with a \$10,000 application fee

Unless otherwise noted: All application fees set by Commission rule

Compliance

Equipment

- All equipment (e.g. kiosks, software, hardware) must be approved by the Commission
- Testing labs may be certified to review equipment

Integrity Monitoring

- Commission must monitor sports gaming to ensure integrity
- May certify a third-party integrity monitor
 - Allows for access to multi-jurisdictional data

Provider Contracts

- Sports Gaming Proprietors and (Mobile) Management Service Providers must enter written contracts
- Contracts must be Commission-approved
- Statute requires a provider to comply with requirements of a proprietor when acting on behalf of the proprietor

Compliance

Sports gaming Proprietors must adopt approved Internal controls and house rules, including:

Payment of
Winnings

Patron Betting
Account Creation
& Management

Age (21+) &
Identity
Verification

Responsible
Gaming

Physical & Online
Security

Consumer
Protections

Compliance

Areas of additional compliance rules include:

Facility Minimums

Cage or betting windows

Count procedures

Security & Surveillance

Wagering

Allowed bet types and events

Wagering tickets or receipts

Procedures to accept wagers

Consumer Protections

Audit & Accounting Standards

Player fund protection

Responsible Gaming

Age & Identity verification minimums

Advertising restrictions

Statutory Rule-Filing Process



Rule Drafting Process

Research

- Review other state laws & regulations
- Stakeholder meetings
- Review market analysis and case studies

Initial Drafting

- Drafts developed by members of Licensing, Compliance, Responsible Gambling, and Legal Divisions
- Rules will be developed and reviewed by subject matter to ensure full comprehension

External Feedback

- Rule batches will be sent to stakeholders via mailing group & website
- Drafts revised, based on feedback and send for 2nd round of comment
- Final drafts presented for initial filing

Rule Drafting Process

CSI Filing

- Stakeholders provided comment period
- Commission & Stakeholders work together with CSI during the review
- Revisions made if necessary

JCARR Filing

- Commission staff holds public hearing
- JCARR holds public committee hearing
- Jurisdiction ends 65 days after filing

Final Filing

- After JCARR jurisdiction, Commission adopts rules for final filing
- Rules are submitted for final filing
- Rules must wait at least 10 days to become effective

Application Process

- Applications drafted alongside the rulemaking process
 - Will be made available before that process is completed
- All stakeholders to be notified when applications may be submitted
 - Currently estimated for Summer/Fall 2022
 - Staff to be available for questions and assistance
- Applicants must be thoroughly vetted based on the factors laid out in the bill and Commission rule
- Executive Director may grant each applicant a provisional license of not more than 3 months
 - Provisionals may be renewed once
 - All provisional licensing expires on June 30, 2023

Universal Start Date (USD)

- Application deadlines to start on the USD set by the Executive Director, to include:
 - An earlier date for Proprietors, First Designated MMSPs, MSPs and associated applicants
 - A later date for Type C Gaming Hosts, Second Designated MMSPs, and associated applicants
- All timely applications must be reviewed and considered for licensing by the USD
- All types of sports gaming must be allowed to start at the same time
- Sports gaming to start by January 1, 2023

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