

Rule Summary and Fiscal Analysis (Part A)**State Lottery Commission**

Agency Name

Lottery Commission

Division

Debbie Warren

Contact

615 W. Superior Avenue Cleveland OH 44113-0000 216-774-5759

Agency Mailing Address (Plus Zip)

Phone

Fax

3770:2-11-01

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Licensing fees.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **3770.03**

5. Statute(s) the rule, as filed, amplifies or implements: **3770.01, 3770.02, 3770.03, 3770.05, 3770.21**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

To set forth rules pertaining to the fees for a video lottery sales agent license, a gaming employee license and a technology provider license.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

N/A

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Added paragraph (C) setting forth the licensing fees for "Key Gaming Employees" and "Gaming Employees" and providing that fees will not be required of "Non-Gaming Employees" and "Temporary Employees." Added paragraph (D) setting forth the fee for a "Technology Provider." Added paragraph (E) setting forth the fee for a "Technology Provider Individual License."

12. 119.032 Rule Review Date:

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues/ expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase revenues.

unknown at this time

The implementation of the VLT program will have a positive net impact on the Lottery's operations in the biennium enacted. Specifically, this rule will allow the Ohio Lottery to collect license fees as outlined in this rule. Each sales agent shall pay the Lottery a license fee of \$50 million in three installments. Each Sales Agent shall pay the Lottery Commission \$10 million with the submission of a completed initial application. The Lottery anticipates an initial license payment of \$10 million from seven (7) race tracks between December 2011 and June 2012.

A second installment of \$15 million is payable upon the commencement of VLT operations at each facility. Although the timeline of openings at each facility is not known at this time, it is anticipated that some of the facilities will be operational in FY 2012. A third installment of \$25 million is payable to the Lottery one year following commencement of VLT sales.

Rvenues will also increase during this biennium as a result of the payment of license fees for key gaming employees (\$250), gaming employees (\$100), technology providers (\$2,500) and technology provider individuals (\$100). The number of such license request is not known at this time and cannot be estimated.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

N/A

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

See item 13 above.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**