

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

Agency Name

Video Lottery Gaming Terminals

Division

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Contact

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3770:2-7-02

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

**Video lottery game requirements; video lottery prize
payments.****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? **Yes**

Bill Number: **HB1**General Assembly: **128**Sponsor: **Vernon Sykes**

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, 3770.06, 3770.21**

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

To set forth rules pertaining to the operation of video lottery.

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:

Sets forth rules pertaining to video lottery prize payments under division 3770:2 of the Administrative Code.

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 If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation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

Not Applicable.

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 have no impact on revenues or expenditures.

0.00

It is not anticipated that this rule will have an impact on the Agency's budget during this biennium, but future bienniums may be impacted positively depending upon the date of implementation of video lottery.

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

The Ohio Lottery Commission is a Non-General Revenue Fund agency.

The operation of video lottery will require funding primarily in the following areas: VLT central monitoring system, VLT testing and certification, and Lottery personnel (e.g., security, legal compliance, audit, finance, etc.), but funding may also be necessary in other areas such as consulting services and other necessary contractual relationships.

Exact dollar figures and appropriation lines items are not yet determined. Video lottery expenses will be funded through the support of video lottery revenues.

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:

While this proposed rule may not involve specific or identifiable costs associated with compliance, the following information provides a general overview of costs that may be incurred by directly affected persons under division 3770:2 of the Administrative Code as it relates to operation of video lottery. Video lottery applicants and video lottery sales agents will have investment costs, application and licensing costs as well as continuing costs to ensure ongoing operations. Further, key gaming employees at video lottery facilities may have costs associated with application for a key gaming employee license. The exact dollar figures of the costs referred to above are not yet determined, and the types of costs referred to above may change or be subject to revisions based on unknown or unanticipated variables.

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**