

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3772-10-08

Rule Type: Amendment

Rule Title/Tagline: Procedures for monitoring and reviewing game operations.

Agency Name: Ohio Casino Control Commission

Division:

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I. Rule Summary

1. Is this a five year rule review? Yes
 - A. What is the rule's five year review date? 11/23/2021
2. Is this rule the result of recent legislation? No
3. What statute is this rule being promulgated under? 119.03
4. What statute(s) grant rule writing authority? 3772.03
5. What statute(s) does the rule implement or amplify? 3772.03, 3772.033, 3772.20
6. What are the reasons for proposing the rule?

The purpose of this rule is to ensure that casino games are operating within those standards adopted pursuant to R.C. 3772.03(D)(8) and 3772.20 and to allow the Commission to meet its statutory mandate to audit casino-gaming processes pursuant to R.C. 3772.033.

7. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

This rule contains requirements a casino operator must have in its internal controls and must follow in monitoring and reviewing the operation of slot machines and table

games. This includes operators comparing actual payout percentages to forecasted theoretical percentages and investigating any material variances. While many of the amendments to this rule are streamlining, one substantive change is that operators will no longer need to forecast theoretical payout percentages and will instead compare actual payout percentages to historical averages. This change will be less burdensome on operators but will also not meaningfully impact the integrity of casino gaming. Now that the state has a decade of casino gaming to look back on, historical averages should represent an accurate depiction of expected game operation.

8. **Does the rule incorporate material by reference?** No
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

10. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

11. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

N/A

Not Applicable.

12. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

The Commission anticipates a minimal adverse impact to business from this rule as it relates to certain requirements the casino operators must have in their internal controls and must follow in monitoring and reviewing the operation of slot machines and table games. However, this rule is necessary implement certain statutory requirements, including requirements to ensure that casino games are operating within those standards adopted under or specified by R.C.3772.03(D)(8) and 3772.20. The Commission is also directed by R.C. 3772.033 to audit casino-gaming processes,

and this rule is one way in which the Commission is able to do so, minimizing the business impact

One amendment to this rule is that casino operators will no longer need to forecast theoretical payout percentages and will instead compare actual payout percentages to historical averages. The Commission anticipates this amendment having a positive impact to business, as the elimination of forecasts eliminates a requirement on the casino operators. This amendment is now possible, as the state has ten years of casino gaming to look back on, whereas forecasts were necessary and appropriate before, given the limited casino gaming data the state had to look back on.

13. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**
14. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**
15. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable.

III. Common Sense Initiative (CSI) Questions

16. **Was this rule filed with the Common Sense Initiative Office? Yes**
17. **Does this rule have an adverse impact on business? Yes**
 - A. **Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No**
 - B. **Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? Yes**

While this rule does not specifically impose a penalty for failure to comply with its terms, failure to comply with R.C. Chapter 3772 or any rules adopted thereunder could result in the Commission commencing administrative action pursuant to R.C. Chapter 119, including, but not limited to, fines for noncompliance, denial, suspension or revocation of a license, or other civil penalties. In addition, certain noncompliant activity, as described in R.C. 3772.99, could result in criminal penalties.

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

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D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? Yes

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IV. Regulatory Restrictions (This section only applies to agencies indicated in R.C. 121.95 (A))

18. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No

A. How many new regulatory restrictions do you propose adding?

Not Applicable

B. How many existing regulatory restrictions do you propose removing?

Not Applicable