

**Rule Summary and Fiscal Analysis (Part A)****Ohio Casino Control Commission**

Agency Name

Division

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**3772-10-08**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Procedures for monitoring and reviewing game operations.****RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **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: **3772.03**5. Statute(s) the rule, as filed, amplifies or implements: **3772.03**

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

The purpose of this rule is to streamline the requirements for monitoring slot machine and table game operations in the state.

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:

Presently, the rule mandates several specific requirements a casino operator must have in its internal controls and must follow in operating slot machines. This

amendment combines Ohio Adm. Code 3772-10-08 with 3772-11-43, which mandates several specific requirements for table game operations. Additionally, the rule requires casino operators to compare actual payout percentages to forecasted theoretical percentages.

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 If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation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. If applicable, indicate each specific paragraph of the rule that has been modified:

*Not Applicable.*

12. Five Year Review (FYR) 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

N/A

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:

Once again, the changes in this rule are largely housekeeping and contain existing requirements that have been removed from other rules and placed here. The amendments are a combination of Ohio Adm. Code 3772-10-08, as it presently exists, and provisions from Ohio Adm. Code 3772-11-43, with some of the language rearranged for the sake of clarity and to reduce confusion. Additionally, many of the requirements of this rule are already processes and procedures which are currently carried out by the Ohio casino operators. Finally, we are also proposing the removal of unnecessary regulatory requirements from both sections.

The one substantive addition is a new requirement that casino operators create monthly forecasts, and then compare those forecasts to the actual results for the period with any significant variances investigated. This is a common industry requirement which is carried out in other gaming jurisdictions. Additionally, casino operators already generate similar forecasts as part of their monthly budgeting process.

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**

**S.B. 2 (129th General Assembly) Questions**

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **Yes**

Pursuant to R.C. 3772.08, casino gaming shall only be conducted by licensed casino operators (governed by R.C. 3772.11, 3772.111, and Ohio Adm. Code 3772-4) or by a licensed management company (governed by R.C. 3772.11, 3772.111, and Ohio Adm. Code 3772-4) retained by a casino operator. Further, all electronic gaming equipment and/or table games equipment must be supplied by a licensed gaming-related vendor, pursuant to R.C. 3772.12, 3772.121, and Ohio Adm. Code 3772-6.

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? **No**

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

Although this rule, in its entirety, does require the report of information as a condition of compliance, the purpose of this amendment is to reduce the amount of information that must be provided. This amendment is a result of several Commission audits and many of the processes and procedures contained within are already in place. The only substantive addition is that casino operators must submit monthly forecasts to the Commission and then compare them to actual results, which is common in the gaming industry and similar reports are already created as part of the casino operators' monthly budgeting processes. As a result, the Commission does not anticipate any negative economic impact to the regulated community because the amendment does not impose any new restrictions. Rather, it clarifies existing language and more accurately reflects the Commission's interpretation and expectation under the existing language of this rule.