

**MEMORANDUM**

TO: Lawrence J. Miltner, Chief Legal Counsel, Ohio Lottery Commission

FROM: Mark Hamlin, Director of Regulatory Policy

DATE: April 22, 2013

RE: **CSI Review – Video Lottery Terminals (OAC 3770:2-2-01 and 3770:2-3-08)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of two existing rules being proposed with amendments by the Ohio Lottery Commission as a result of recently-enacted House Bill 386 of the 129th General Assembly. Rule 3770:2-2-01 defines terms used throughout the Commission's rule chapter dealing with video lottery terminals (VLTs), and the Commission is proposing to add or amend three definitions (and associated cross-references) to align with the new statutory definitions. Rule 3770:2-3-08 adds language to fulfill a statutory mandate for the Commission to collect one-half of one percent of VLT agent commissions to fund gambling and other addiction services, beginning on July 1, 2013.

In its BIA, the Commission identifies the adverse impacts from the proposed rules changes as the required payments by VLT sales agents for addiction services. The BIA also describes outreach to the state's seven licensed horse racing tracks, and noted that it did receive one comment about the proposed definition of "video lottery terminal." However, the definition aligns with the statutory definition, and the adverse impact was required by the Ohio Revised Code as well. No comments were received during the CSI review period.

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Recommendations

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Ohio Lottery Commission should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.