



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Michelle Siba, Ohio Casino Control Commission

FROM: Danielle Dillard, Regulatory Policy Advocate

DATE: April 9, 2019

RE: **CSI Review – Player Against Player Contests (OAC 3772-10-22, 3772-10-29, 3772-11-01, 3772-11-11, 3772-11-18, 3772-11-21, 3772-11-25, 3772-11-35, 3772-11-42, 3772-11-43, 3772-13-01, 3772-13-02, 3772-13-03, 3772-14-01, 3772-14-02, and 3772-14-03)**

On behalf of Lt. Governor Jon Husted, 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This rule package contains three new rules, nine amended rules, and four rescinded rules submitted by the Ohio Casino Control Commission (Commission). The rule package was submitted to the CSI Office on February 26, 2019 and the public comment period was held open through March 13, 2019. No comments were received during this time.

The rules in this package relate to “player against player contests,” which encompasses poker, poker tournaments, table game tournaments, and slot tournaments, where the only stake the casino has is a rake which includes commissions and entry fees. The four rescinded rules are having their content distributed among the three new rules, to better articulate the Commission's expectations and promote compliance. None of the provisions are being eliminated. The remaining proposed amendments distinguish advertisements, promotions, and player against player contests. The distinctions are necessary because these items require different levels of regulatory scrutiny. Player against player contests merit the most regulatory scrutiny, but still generally require less scrutiny

77 South High Street | 30th Floor | Columbus, Ohio 43215-6117
CSIOhio@governor.ohio.gov

than standard table game or slot machine play. The Commission is also codifying the Executive Director's approval authority in the rules. The amendments are intended to allow for easy day-to-day operation of casinos, without sacrificing regulatory oversight.

As part of early stakeholder outreach, the Commission provided an opportunity for casino operators to comment on the amendments. It also conducted multiple phone calls with both JACK Entertainment and Penn National Gaming, Inc., to answer questions and discuss the structure and intent of the amendments. The Commission also held a public meeting on February 20, 2019 where stakeholders were able to provide feedback. It notes that all stakeholder concerns and questions were addressed prior to finalizing the amendments. No comments were received during the CSI public comment period.

The rules impact all casino operators and management companies. Casino operators must comply with various regulations regarding tips and gratuities; tournaments; table games; advertisements; promotions; and, player against player contests. Operators may incur fines for noncompliance, and administrative costs associated with developing internal procedures, training, and reporting to the Commission. The Commission notes that there is no increased regulatory burden as a result of the amendments, because the amendments are only being made to clarify existing policies. It justifies any adverse impact by emphasizing that the rules are necessary to maintain the integrity of casino gaming in the state of Ohio.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Commission should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.