



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Joseph Baker, Director

MEMORANDUM

TO: Andromeda Morrison, Ohio Casino Control Commission

FROM: Caleb White, Business Advocate

DATE: August 6, 2024

RE: CSI Review – Licensing Rules Changes (OAC 3775-3-02, 3772-4-01, 3772-4-02, 3772-4-06, and 3772-7-01)

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 Commission as provided for in ORC 107.54.

Analysis

This rule package consists of four amended rules and one rescinded rule proposed by the Ohio Casino Control Commission (Commission). This rule package was submitted to the CSI Office on July 2, 2024, and the public comment period was held open through July 16, 2024. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on July 2, 2024.

Ohio Administrative Code (OAC) 3772-3-03 establishes the requirements an entity must meet to be qualified as an institutional investor. This rule is amended to remove the requirement that the entity must pay for all costs associated with providing any information required by the Commission. OAC 3772-4-01 establishes the process and requirements for casino operators, management companies, and holding companies to submit a license application to the Commission. This rule is amended to remove duplicative or unnecessary requirements such as requiring applications to be legible or fully completed. OAC 3772-4-02 establishes the information operator license applicants must submit to the Commission. This rule is to be rescinded as it is duplicative of ORC 3772.11. OAC 3774-4-06 establishes informational reporting requirements for casino operators, management companies, and holding companies related to changes in their status. This rule is amended to remove redundant

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language. OAC 3772-7-01 requires casino operators, management companies, holding companies, or gaming-related vendors to obtain and maintain a minimum amount of liability and casualty insurance, in addition to any other insurance the Commission may deem necessary. The insurance minimums are determined by the Commission at a public meeting under ORC 3772.02. This rule is amended to remove the requirement for these entities to have property and worker's compensation insurance.

During early stakeholder outreach, the Commission sent the proposed rules to industry stakeholders for feedback on April 25, 2024. This group of stakeholders included casino operators and employees, management companies, gaming related vendors, as well as independent testing laboratories. The Commission also provided an opportunity for stakeholders to comment on the rules during the Commission's public meeting on June 18, 2024. No comments were received during this period or during the CSI public comment period.

The business community impacted by the rules includes casino operators, management companies, holding companies, gaming-related vendors, and institutional investors. The adverse impacts created by the rules include the costs associated with completing applications which includes initial licensing fees, renewal fees, and reporting requirements, in addition to the costs associated with obtaining the minimum required amounts of certain types of insurance as determined by the Commission. The Commission notes that several amendments to the rules such as removing the requirement that the cost of an application is borne solely by the applicant, certain reporting requirements, two types of required insurance, and rescinding a duplicative rule will help reduce the adverse impact on business imposed by the rules. The Commission states that the adverse impacts are necessary to protect the integrity of Casino gaming through licensing and by ensuring minimum standards for operators are met.

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.