



Common Sense Initiative

Mike DeWine, *Governor*
Jim Tressel, *Lt. Governor*

Joseph Baker, *Director*

MEMORANDUM

TO: Tanya Boulmetis, Ohio State Racing Commission

FROM: Michael Bender, Business Advocate

DATE: March 28, 2025

RE: CSI Review – Chapter 2 Revision (OAC 3769-2-01, 3769-2-03, 3769-2-10, 3760-2-14, 3769-2-18, 3769-2-23, 3769-2-24, 3769-2-35, and 3769-2-99)

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This rule package consists of eight amended rules and one rescinded rule proposed by the Ohio State Racing Commission (Commission). This rule package was submitted to the CSI Office on February 18, 2025, and the public comment period was held open through February 25, 2025. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on February 18, 2025.

Ohio Administrative Code (OAC) 3769-2-01 authorizes the Commission and its representatives to conduct searches to ensure compliance. The rule is amended to update language. OAC 3769-2-03 establishes the procedure by which the Commission adopts rules. The rule is proposed for rescission. OAC 3769-2-10 requires applicants for a commercial permit to file a list of the names of certain personnel. The rule is amended to update the types of personnel that need to be provided on the list to the Commission. OAC 3769-2-14 requires horse racing permit holders and other related personnel

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to enforce the ORC and the Commission's rules. The rule is amended to update the names of positions that are considered officials.

OAC 3769-2-18 describes how applications for Commission licensure are properly completed. The rule is amended to make a grammatical correction, require licensees to report pending criminal charges or convictions to the Commission, and remove a duplicative provision concerning penalties for violations concerning personal information. OAC 3769-2-23 sets forth the qualifications for Commission licensure. The rule is amended to update the rule title, make grammatical corrections, and add descriptions for various licensed positions. OAC 3769-2-24 requires those holding certain positions to obtain an annual license from the Commission and pay an accompanying fee. The rule is amended to update the list of positions that are licensed, revise the license fees, and clarify which fair licenses are needed to participate in racing at a fair. OAC 3769-2-35 specifies requirements for the simulcasting of horse races. The rule is amended to remove a prohibition for a permit holder to simulcast more than two races per race day. OAC 3769-2-99 authorizes the Commission to impose penalties for certain violations. The rule is amended to update language.

During early stakeholder outreach, the Commission circulated the proposed rules in January 2025 among the seven commercial permit holders and members of the horsemen's associations who implement and/or follow the rules. The Commission received no comments during this time or during the CSI public comment period, although it did make a few technical corrections to the rules.

The business community impacted by the rules includes seven commercial permit holders and the licensees associated with horse racing. The adverse impacts created by the rules include the time and costs associated with completing applications, undergoing Commission searches, and obtaining a permit or license. Annual license fees range from \$10 to \$100, although totalizator companies must pay \$1,000 for licensure. The Commission notes that violations of the rules can result in fines of up to \$1,000, in addition to permits and licenses being denied, suspended, or revoked. According to the Commission, several license categories are being revised or eliminated due to the passage of House Bill 238 of the 135th General Assembly. The Commission states that the adverse impacts to business are justified to ensure safe and fair horse racing in 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.