

Lottery Type C Host Stakeholder Meeting

March 10, 2022



House Bill 29

*As passed December 8, 2021
(effective March 23, 2022)*

Sports Gaming Licenses

TYPE A:

Online Sports Gaming

- Online sportsbook through computers & mobile applications
- Maximum Number: 25
- May partner with 1-2 mobile skins or sportsbooks
- Must also hold a Type B license or have an operational place of business in the state

TYPE B:

Brick-and-Mortar Sportsbook

- Brick-and-mortar facilities with betting windows and terminals
- Maximum Number: 40
- May partner with 1 mobile skin or sportsbook
- Located according to county population limits and economic activity

TYPE C:

Sports Gaming Lottery Product

- Self-service terminals in establishments with Type D liquor permits
- Maximum Number: 20
- Proprietors may place kiosks at an unlimited amount of Type C Gaming Hosts
- Limits on bet types, number of kiosks, weekly betting amounts

Type C Sports Gaming

The language states that the OCCC shall license at least two and not more than twenty Type C Sports Gaming Proprietors. Must enter a contract with the Lottery for the operation of lottery sports gaming at the hosts.

The Proprietor will operate the Sports Book

- Writes house rules
- Establishes betting odds
- Provide, install and maintain type-C sports gaming equipment
- Maintains player accounts if offered
- Responds to customer complaints
- Pay prizes over \$600

Host and Proprietor enter into an agreement.

The Proprietor provides directly to the Host:

- Equipment selection and installation
- Equipment service and supplies (paper)
- Marketing materials (daily bet sheets, venue signage)
- Terminal training
- Payment to the Host
 - Rate parameters have not been established
 - *Reference: HB 29 lines 4045-4055, ORC section 3775.07*

The following four bet types on events will be approved by the OCCC for Type C.

1. **Over / Under** - A bet on whether a specific statistic for a game will be higher or lower than a pre-agreed value. This type of bet is also known as a total bet.
2. **Moneyline** - A straight up bet, without any point spread, where bettors need to predict the outright winner. Favorites are posted with a negative (-185) odds while underdogs are listed with a positive (+165) price. If you bet the favorite, you will receive less money than if you bet the underdog and they win.

- 3. Spread** - Odds posted on a match that are designed to level the playing field. Favorites are listed with a negative (-6.5) point spread while the underdog is given a ‘head start’ with positive (+6.5) odds.
- 4. Parlay** - A single bet, that consists of two or more sides. Each side must win to produce a winning ticket. **The Legislation allows for up to 4 components of the parlay.**

HB 29 permits betting on collegiate and professional sporting events as approved by the Casino Control Commission.

Players are permitted to wager using cash, debit, credit, and digital accounts.

Players may be able to create digital playslips scannable at the kiosk.

Prizes less than \$599 may be credited to the player's debit/credit account or may be validated through a terminal for cash payment at the sports gaming Host.

Prizes over \$600 are subject to state and federal tax withholding, child and spousal support intercept, and state debt intercept therefore they must be processed differently.

HB 29 set forth Responsible Gambling controls for the Type C sports gaming program.

- Creates the Sports Gaming Voluntary Exclusion Program
 - Sports gaming VEP will be integrated into the statewide Ohio VEP program which is run by the OCCC and OLC
- Limits player spending to \$700 / week regardless of payment type.

“(5) A self-service terminal or clerk shall not accept wagers aggregating more than seven hundred dollars in a calendar week from any one participant.” -HB 29 reference (Page 67/Lines 1966-68)

- Signage, advertising and marketing materials should include a responsible gambling message with referral information to the Ohio Problem Gambling Helpline 1-800-589-9966 and reference the ORG website (<https://org.ohio.gov>).

About the Type C Host

- HB 29 allows select licensed lottery sales agents who also hold the proper liquor permit to apply for a Type C Sports Gaming Host license through the Ohio Casino Control Commission.
- Interested sales agents will be required to be in good standing with the Lottery's rules and regulations and to obtain the Lottery's recommendation before applying for a license with the OCCC.
- Once licensed by the OCCC, Hosts will be able to enter into an agreement with a Type C Sports Gaming Proprietor to offer sports gaming in their venue.

Are you eligible?

- Must be a licensed lottery sales agent.
- Must hold a Type D1, D2, or D5 liquor permit.
- Must obtain a recommendation from the Lottery.
- Must apply with OCCC for a three-year license.
- Must pay a non-refundable \$1,000 application fee to OCCC.
- Must select a licensed Type C Sports Gaming Proprietor partner.

Lottery Sales Agents will receive an email link in May.

- Sales Agents need to verify that they are eligible.
 - Liquor Permit
 - Business Type
- Sales Agents will provide the following:
 - Agent Number
 - Business Name
 - Contact Person
 - Contact Method / Times

Lottery Host Account Representative

- Contact interested Sales Agents beginning in May.
- Updated Terms and Conditions
 - Maintain Lottery-installed equipment
 - Maintain good standing as a retailer
 - Ensure bettors are 21 and over
 - Display Responsible Gaming messaging
 - Abide by standards for sports gaming marketing
- Receive a Recommendation to license.



Licensing Process-Ohio Casino Control Commission

Rule & Application Drafting

- Licensing rules in development
- Applications cannot be filed until rules are in effect
- Application for the host will be solely online

Application Process

- Application window late summer/fall
- Host application is 100% online
- \$1,000 required fee paid online

Resources

- Sign up for the OCCC sports gaming listserv
- FAQs and online resources on the website
- User guides and tutorials will be developed

OCCC Sports Gaming Website and Listserv Sign-up: <https://casinocontrol.ohio.gov/sportsgaming.aspx>

Andromeda Morrison, General Counsel & Director of Skill Games: Andromeda.Morrison@casinocontrol.ohio.gov

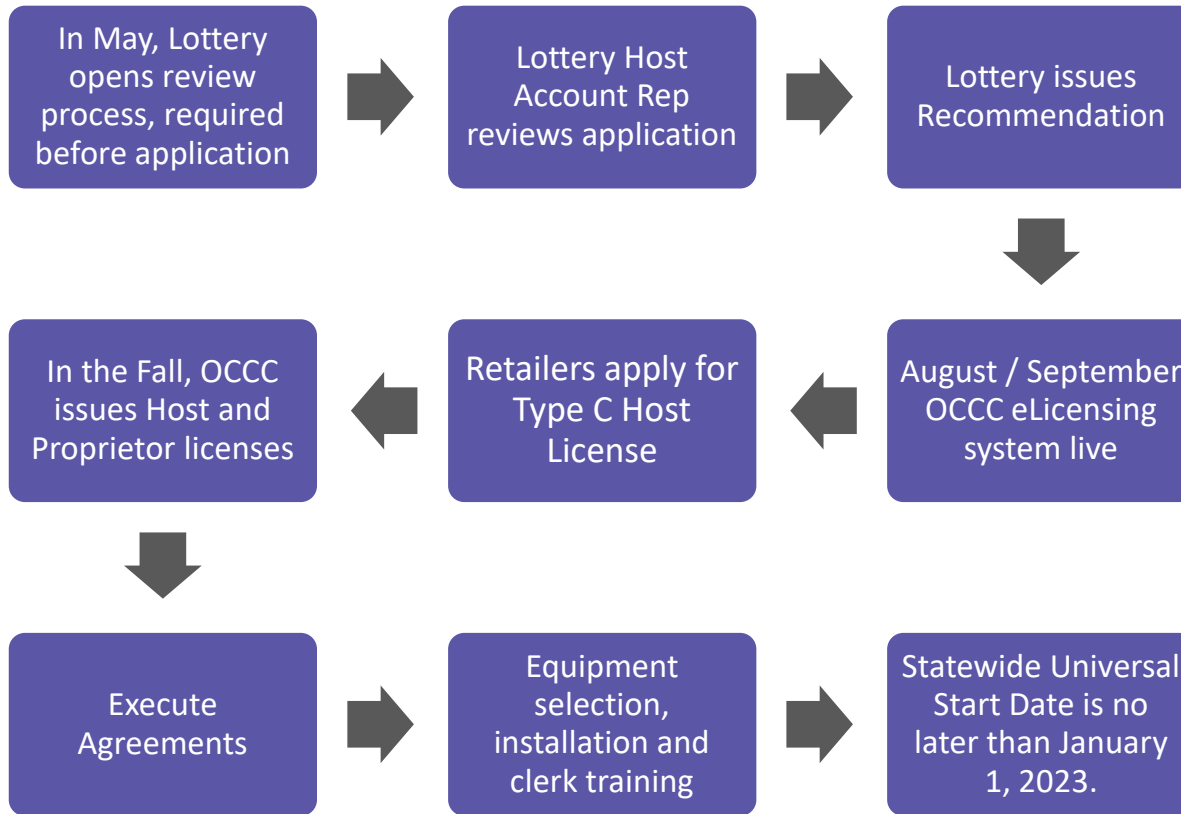


Casino Control has issued draft Type C Host and Proprietor licensing rules which are available for comment through close of business Friday, March 11, 2022.

When finalized, these rules will serve as the foundation for Lottery rules.

Rules will be forthcoming and posted on our website for stakeholder comment at: <https://www.ohiolottery.com/Sports-Gaming>.

Lottery Type C Host Stakeholder



Lottery website has been updated to include program information and a Frequently Asked Questions section.

<https://www.ohiolottery.com/Sports-Gaming>

Questions from today's presentation will be reviewed and responses will be posted on the FAQ page.

We are creating a distribution list for interested parties to receive notification of those updates.

THANK YOU!

Stay tuned to our webpage for updates & future meetings.

<https://www.ohiolottery.com/Sports-Gaming>

Submit questions to

sportsgaming@lottery.ohio.gov