Ohio Sports Gaming Types

**Type A**
Online Sports Gaming

- Online sportsbooks through computers and mobile applications
- Maximum Number of Type A Proprietors: 25*
- May partner with 1-2 Mobile Management Services Providers (MMSPs)* or sportsbooks
- Must also hold a Type B license or have an operational place of business in the state

**Type B**
Brick-and-Mortar Sportsbooks

- Brick-and-mortar facilities with betting windows and terminals
- Maximum Number of Type B Proprietors: 40
- May partner with only 1 Management Services Provider (MSPs) or sportsbooks
- Located according to county population limits and economic activity conducted in that county

**Type C**
Sports Gaming Lottery Product

- Self-service or clerk-operated terminals in establishments with D-1, D-2, or D-5 liquor permits
- Maximum Number of Type C Proprietors: 20
- Proprietors may place kiosks at an unlimited amount of Type C Gaming Hosts (liquor establishments)
- Limits on bet types, number of kiosks at an establishment, and money a person may bet per week

*Additional Type A Proprietors and MMSPs are subject to an economic benefit analysis
*One Type B sportsbook may be located in a county with a population of 50,000-99,999 if OCCC determines, in consultation with the Department of Development, the county received at least 5 million visitors for tourism purposes during the most recent calendar year for which the necessary data is available.
Ohio Sports Gaming – License Types

**Type A**
- **Online Sports Gaming**
  - Type A Sports Gaming Proprietors
  - Mobile Management Services Providers

**Type B**
- **Brick-and-Mortar Sportsbooks**
  - Type B Sports Gaming Proprietors
  - Management Services Providers

**Type C**
- **Sports Gaming Lottery Product**
  - Type C Sports Gaming Proprietors
  - Type C Gaming Hosts

**All Types**
- Sports Gaming Suppliers
- Occupational Licenses

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Licensing Standards
Preferences for Type-A and Type-B Proprietors

10 Sports Teams/Events
- 2 NFL, MLB, & MLS Teams
- 1 NHL & NBA Team
- 1 NASCAR & PGA Event

11 Casinos/Racinos
- 4 Casinos
- 7 Racinos

Assuming all eligible preferred proprietors apply and are suitable for licensure:
- 4 Remaining Initial Type A Proprietor Licenses & 19 Remaining Type B Proprietors
All proprietor applicants must additionally be evaluated based on the following contributions to or in Ohio:

- The current or intended physical presence, including expenditures for physical infrastructure
- The length of time the applicant has been doing business
- The total amount of taxable income the applicant pays, or will pay, to its employees
- The applicant’s current or intended local and statewide economic involvement
- The applicant’s current or intended contributions, including promoting tourism
Licensing Standards

Suitability Factors

All applicants, except for Type C gaming hosts and occupational licenses, are to be evaluated based on:

- Criminal History
- Bankruptcy History
- Tax Compliance
- Business Practice
- Litigation History
- Insurance and Surety Bonds
- Compliance with Gaming-Related Laws & Regulations
- Public Confidence
- Reputation, Experience, & Financial Integrity
License Fees – Type A Entities

Type A Proprietors – per 5-year license

- Who are professional sports organizations with:
  - One MMSP: $1 million initial and renewal
  - Two MMSPs: $3.33 million initial; $1 million renewal
- Any other licensee with:
  - One MMSP: $1.5 million initial and renewal
  - Two MMSPs: $5 million initial; $1.5 million renewal

Mobile Management Services Providers – per 5-year license

- Who are contracting with a professional sports organization:
  - First designated partner: $2 million initial and renewal
  - Second designated partner: $6.67 million initial; $2 million renewal
- Who are contracting with any other licensee:
  - First designated partner: $1.5 million
  - Second designated partner: $5 million initial; $1.5 million renewal

Type A Proprietor and MMSP application fees set by Commission rule
License Fees – All Others

Type B Sports Gaming – per 5-year license

- Type B Proprietor
  - If also a Type A Proprietor: $140,000
  - Any other licensee: $90,000
- Management Services Provider
  - If contracting with a licensee who is also a Type A Proprietor: $140,000
  - If contracting with any other licensee: $90,000

Type C Sports Gaming – license length listed below

- Type C Proprietor: $100,000 – per 5-year license
- Type C Gaming Host: $1,000 – per 3-year license

For All Sports Gaming Types – per 3-year license

- Occupational: $50 with a $100 application fee
- Supplier: $15,000 with a $10,000 application fee

Unless otherwise noted: All application fees set by Commission rule

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### Compliance

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Integrity Monitoring</th>
<th>Provider Contracts</th>
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| • All equipment (e.g. kiosks, software, hardware) must be approved by the Commission
• Testing labs may be certified to review equipment | • Commission must monitor sports gaming to ensure integrity
• May certify a third-party integrity monitor
• Allows for access to multi-jurisdictional data | • Sports Gaming Proprietors and (Mobile) Management Service Providers must enter written contracts
• Contracts must be Commission-approved
• Statute requires a provider to comply with requirements of a proprietor when acting on behalf of the proprietor |

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Compliance

Sports gaming Proprietors must adopt approved Internal controls and house rules, including:

- Payment of Winnings
- Patron Betting Account Creation & Management
- Age (21+) & Identity Verification
- Responsible Gaming
- Physical & Online Security
- Consumer Protections
Compliance

Areas of additional compliance rules include:

**Facility Minimums**
- Cage or betting windows
- Count procedures
- Security & Surveillance

**Wagering**
- Allowed bet types and events
- Wagering tickets or receipts
- Procedures to accept wagers

**Consumer Protections**
- Audit & Accounting Standards
- Player fund protection
- Responsible Gaming
- Age & Identity verification minimums
- Advertising restrictions

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Statutory Rule-Filing Process

CSI Informal Comment 14 Days

Edits to drafts 14 Days

Initial Commission Approval 1 Day

JCARR Review 65 Days

CSI Review 30-60 Days

CSI Filing & Formal Comment 14 Days

Final Commission Approval 1 Day

Effective Date Wait 10 Days

Rule Effective Total: 149-179 Days

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Rule Drafting Process

Research
• Review other state laws & regulations
• Stakeholder meetings
• Review market analysis and case studies

Initial Drafting
• Drafts developed by members of Licensing, Compliance, Responsible Gambling, and Legal Divisions
• Rules will be developed and reviewed by subject matter to ensure full comprehension

External Feedback
• Rule batches will be sent to stakeholders via mailing group & website
• Drafts revised, based on feedback and send for 2nd round of comment
• Final drafts presented for initial filing

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Rule Drafting Process

CSI Filing
- Stakeholders provided comment period
- Commission & Stakeholders work together with CSI during the review
- Revisions made if necessary

JCARR Filing
- Commission staff holds public hearing
- JCARR holds public committee hearing
- Jurisdiction ends 65 days after filing

Final Filing
- After JCARR jurisdiction, Commission adopts rules for final filing
- Rules are submitted for final filing
- Rules must wait at least 10 days to become effective

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Application Process

- Applications drafted alongside the rulemaking process
  - Will be made available before that process is completed
- All stakeholders to be notified when applications may be submitted
  - Currently estimated for Summer/Fall 2022
  - Staff to be available for questions and assistance
- Applicants must be thoroughly vetted based on the factors laid out in the bill and Commission rule
- Executive Director may grant each applicant a provisional license of not more than 3 months
  - Provisionals may be renewed once
  - All provisional licensing expires on June 30, 2023
Universal Start Date (USD)

• Application deadlines to start on the USD set by the Executive Director, to include:
  – An earlier date for Proprietors, First Designated MMSPs, MSPs and associated applicants
  – A later date for Type C Gaming Hosts, Second Designated MMSPs, and associated applicants
• All timely applications must be reviewed and considered for licensing by the USD
• All types of sports gaming must be allowed to start at the same time
• Sports gaming to start by January 1, 2023