

Rule 3770:3-8-01 | Revenue and compensation.

- (A) As used in this rule “gross sports gaming revenue” means sports gaming revenue minus cancels minus approved promotional credits minus prizes paid.
- (B) Director's authority to collect lottery sports gaming sales revenues.
- (1) The director shall collect the revenues received from the sale of lottery sports gaming by type C sports gaming proprietors at weekly intervals established by the director. The director shall designate a day or days during any week on which type C sports gaming proprietors shall be required to deposit to the credit of the lottery fund, in accounts which are recommended to be used exclusively for lottery-related transactions at lawfully designated banking institutions. All gross sports gaming revenues due the lottery by such type C sports gaming proprietors from the sale of sports gaming, less an amount retained as compensation as determined by the director, for sale of such games.
 - (2) The director may arrange for any banking institution to perform the functions and services necessary to collect the revenues received from the sale of lottery sports gaming by proprietors and may arrange the compensation for such performance as deemed necessary and advisable. The director shall establish detailed record keeping and operating procedures to be followed by such banking institutions to carry out the purposes of the Lottery Act and lottery rules.
 - (3) A type C sports gaming proprietor who operates a system independent of the current lottery system, shall remit to the lottery ten percent of gross sports gaming revenue. The director shall establish procedures for the prompt payment by each type C sports gaming proprietor to the lottery.
 - (4) A type C sports gaming proprietor who operates an existing self-service or clerk-operated lottery terminal and who is approved by the director to adapt existing self-service or clerk-operated lottery terminals, owned or operated by the sports gaming proprietor or the state lottery commission, to also serve as lottery sports gaming terminals for that proprietor shall remit to the lottery sixty percent of gross sports gaming revenue.
 - (5) If the amount of gross sports gaming revenue in a gaming week is a negative figure, the type C sports gaming proprietor shall remit no funds for that gaming week. The director may approve any negative adjusted gross receipts to be carried over and calculated as a deduction on the subsequent gaming week until the negative balance becomes a zero balance or for some other period as determined by the director.
 - (6) A type C sports gaming proprietor must enter into an agreement with a licensed type C sports gaming host including compensation directly to the host as agreed upon between the type C sports gaming proprietor and the type C sports gaming host.
- (B) Reimbursement of expenses. The director shall establish procedures for the prompt reimbursement of all expenses incurred by a type C sports gaming proprietor as authorized by the director.

Rule 3770:3-8-02 | Prize payment.

- (A) A prize resulting from a type C sports gaming wager must be able to be validated immediately upon completion of the sports wagering event, by the type C sports gaming proprietor with which the wager was placed. The type C sports gaming proprietor will create a credit voucher for the prize, which can be redeemed by the player for cash or the monetary equivalent of cash. A credit voucher must be redeemed within one hundred eighty days of the completion of the sports gaming event.
- (B) A type C sports gaming proprietor will allow its host locations to pay credit vouchers of less than six hundred dollars. Such prizes will be paid in cash from the host's proceeds of their sports gaming sales, which will be reimbursed by the type C sports gaming proprietor.
- (C) A type C sports gaming proprietor will allow for credit vouchers of less than six hundred dollars to be credited to the player's credit, debit, or electronic payment account utilized to purchase the wager.
- (D) A type C sports gaming proprietor will establish a procedure by which players can redeem credit vouchers by mail.
- (E) A type C sports gaming proprietor may offer electronic player prize payments with the approval of the director. The type C sports gaming proprietor must have procedures for ensuring sports gaming accounts comply with the player identification standards established in OAC 3775-16-03 and any other requirements of Chapters 3770. and 3775. of the Revised Code and the rules adopted thereunder.
- (F) Subject to the approval of the director, a player may redeem credit vouchers at the lottery headquarters or at a regional office location of the lottery.
- (G) In connection with sports gaming prize winnings, credit vouchers, and/or prize payments, the type C sports gaming proprietor shall comply with all applicable laws regarding withholding of taxes, debts, and obligations and reporting requirements. Compliance with the applicable laws may include, but is not limited to, submission of name, address, date of birth and social security number of prize winner prior to redemption of a credit voucher.
- (H) A sports gaming participant's submission of name, address, date of birth and social security number shall include authorization to the director and type C sports gaming proprietor to use said information for verification of debts or obligations owed and/or reporting requirements. By participating in sports gaming and/or by submitting a claim to be paid, a sports gaming participant consents, agrees and authorizes access to and use of information submitted in connection with a prize payment claim for all necessary purposes under the Lottery Act by the director, its authorized representatives and agents, and the type C sports gaming proprietor.
- (I) After any required withholding, unless otherwise specified by the director, payment and/or redemption of a valid credit voucher shall be made by the type C sports gaming proprietor that issued the credit voucher.

- (1) A credit voucher shall be deemed valid provided that:
 - (a) It is presented on paper or other media approved by the director;
 - (b) It contains all information necessary to process payment of the credit voucher and all such information is legible;
 - (c) It is not mutilated, altered, tampered with, or otherwise illegible;
 - (d) It has not previously been paid;
 - (e) It meets all other rules, regulations, policies, and directives adopted, promulgated or issued by the commission or director regarding valid sports gaming wagers and credit vouchers.
- (2) In the event that the type C sports gaming proprietor or director makes a determination that a credit voucher is not subject to payment, the sports gaming participant presenting the credit voucher may submit a written request, on a form approved by the director, or the director's designee, for a reconstruction of the credit voucher by the type C sports gaming proprietor or director and a written determination of the type C sports gaming proprietor's or director's decision regarding the invalidity of the credit voucher. In regard to any such request submitted to a type C sports gaming proprietor, the director shall be provided a copy of all such requests and shall be provided with a copy of the type C sports gaming proprietor's written determination.
- (3) The director shall have final authority to honor or declare a credit voucher void. If a credit voucher is declared void by the director, there shall be no further liability to redeem or issue payment in connection with the voided credit voucher.
- (J) The state and the Lottery and its directors, commissioners, and employees shall be discharged of any and all liability upon payment of a type C sports gaming prize including, but not limited to, redemption and payment of a credit voucher.
- (K) The state and the Lottery and its directors, commissioners, and employees shall be discharged of any and all liability associated with a misplaced, stolen, lost, or otherwise missing credit voucher.

3770:3-8-03 | Accounting and revenue audit.

- (A) Each type C sports gaming proprietor must have procedures and systems for the preparation, use, and maintenance of complete, accurate, and legible accounting and gaming records, which must include all transactions.
- (B) All books, forms, records, documents, and data submitted to the director must have the name of the entity, date of completion, and the title of the book, form, record, document, or stored data.
- (C) General accounting records must be maintained on a double-entry system of accounting with transactions recorded on a basis consistent with generally accepted accounting principles.
- (D) Each type C sports gaming proprietor must comply with Chapter 5753. of the Revised Code and with any requests of the tax commissioner.
- (E) Each type C sports gaming proprietor must have documented revenue audit procedures. Documentation must be maintained evidencing the performance of all revenue audit procedures, any exceptions noted, and follow-up of all exceptions. The director will prescribe the method of documentation and may require additions or modifications to revenue audit procedures.