

Ohio Legislative Service Commission

Wendy Zhan, Director

Office of Research and Drafting Legislative Budget Office



Primary Sponsors: Sens. Antani and Manning

Impacted Professions: Sports betting professionals and bingo distributors and manufacturers

Prince Senayah, LSC Fellow Eric Makela, Economist

LSC is required by law to issue a report for each introduced bill that substantially changes or enacts an occupational regulation. The report must: (1) explain the bill's regulatory framework in the context of Ohio's statutory policy of using the least restrictive regulation necessary to protect consumers, (2) compare the regulatory schemes governing the same occupation in other states, and (3) examine the bill's potential impact on employment, consumer choice, market competition, and cost to government.¹

LEAST RESTRICTIVE REGULATION COMPARISON Ohio's general regulatory policy

The general policy of the state is reliance on market competition and private remedies to protect the interests of consumers in commercial transactions involving the sale of goods or services. For circumstances in which the General Assembly determines that additional safeguards are necessary to protect consumers from "present, significant, and substantiated harms that threaten health, safety, or welfare," the state's expressed intent is to enact the "least restrictive regulation that will adequately protect consumers from such harms."²

^{*} This report addresses the "As Introduced" version of S.B. 176. It does not account for changes that may have been adopted after the bill's introduction.

¹ R.C. 103.26, not in the bill.

² R.C. 4798.01 and 4798.02, neither in the bill.

The degree of "restrictiveness" of an occupational regulation is prescribed by statute. The following graphic identifies each type of occupational regulation expressly mentioned in the state's policy by least to most restrictive:



*CSPL – The Consumer Sales Practices Law

The bill establishes four new occupational licenses in connection with the legalization of sports gaming ("betting"). For two of those licenses – type A and type B sports gaming agents – the bill requires a surety bond as a condition of initial licensure and renewal. The bill prescribes numerous process regulations in connection with the new licenses and the sports betting industry in general. Some of these process regulations are to be prescribed by rule of the State Lottery Commission or the Ohio Casino Control Commission, while others are expressly prescribed by the statute.

The bill legalizes electronic instant bingo for certain licensed charitable organizations and revises an existing license requirement for distributors and manufacturers of bingo supplies by creating an electronic instant bingo endorsement and establishing a surety bond requirement. It also prescribes several process regulations and an inspection requirement for charitable organizations that administer electronic instant bingo but since those regulations apply only to charitable organizations and do not involve individuals engaged in a lawful occupation, they do not appear to be "occupational regulations" for the purposes of the state's general policy and are outside the scope of this report.

The regulatory framework prescribed by the bill for the sports betting and electronic instant bingo is substantial. However, both activities are prohibited by current law. Therefore, the bill decreases the restrictiveness of occupational regulations by allowing the practice of a trade or profession that is currently illegal in this state.

Necessity of regulations

The bill's sponsors did not expressly identify public health, safety, or welfare concerns that led to the bill's regulations. However, several concerns can be gleaned from committee testimony, research, reporting, and other literature on sports betting. Some common concerns associated with unregulated sports betting are problem gambling, economic impact on low income households, integrity of athletic competitions, and crime.

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Problem gambling

Several interested parties submitted testimony suggesting that legalizing sports betting will increase the prevalence and severity of gambling disorders in Ohio.³

Economic impact

Other interested parties expressed concerns about the economic impact of sports gaming on low-income Ohioans. According to *Market Watch*, Americans spent \$107 billion on legal gambling in 2017. That number was expected to increase to \$118.5 billion in 2018.⁴ In Ohio, total lottery sales in FY 2020 were \$3.5 billion up from \$3.2 billion in 2019.⁵ Ohio casinos and racinos collected \$1.94 billion in revenue during the 2019 calendar year and \$1.44 billion in 2020. The revenue shortfall is likely due to pandemic-related closures.⁶ According to a recent study, individuals in the lowest socioeconomic quintile exhibit the highest rate of lottery gambling. The study also suggests that persons of lower income are more likely to exhibit characteristics of problem gambling.⁷

Integrity of athletics

Until recently, the major U.S. professional and amateur sports leagues and associations universally opposed the widespread legalization of sports gaming. Today, the leagues are split in terms of their favored approach to sports gaming.⁸ There are a number of highly publicized examples of sports betting scandals in professional and amateur athletics. However, there is not a substantial base of empirical data on the subject.

Crime

Other interested parties expressed concerns about the usefulness of a sports gaming operation to a person engaged in criminal activity.⁹ Sports gaming is a cash-heavy business that combines funds from lots of different sources.

³ See, e.g., Mary Ann Bassitt, Senate Bill 176 opponent testimony, May 19, 2021.

⁴ Quentin Fottrell, This is how much Americans Lost on State-Sanctioned Gambling Last Year, Market Watch, May, 15, 2018.

⁵ Ohio Lottery Commission, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020, p. 25.

⁶ Rich Exner, Ohio's casino, racino business dips 26% in 2020, a year of coronavirus disruptions; state out \$165 million in taxes and fees, Cleveland.com, January 7, 2021.

⁷ Grace M. Barnes et. al., *Gambling on the Lottery: Sociodemographic Correlates Across the Lifespan*, Journal of Gambling Studies (2011).

⁸ Wayne Parry, US Sports Leagues Split on How to Monetize Sports Betting, Associated Press, February 4, 2019; NCAA, Sports Wagering.

⁹ See, e.g., Mary Ann Bassitt, Senate Bill 176 opponent testimony, May 19, 2021.

Restrictiveness of regulations

Whether the bill's regulations are the least restrictive measures sufficient to protect the public is a policy judgment. However, some insight into this question can be garnered by comparing the bill's regulatory system to the objective guidance included in the state's regulatory policy.

Licensure requirement

Licensure is the most restrictive of all regulatory options identified within the state's continuum of regulations. Accordingly, the state's policy prescribes a narrow range of situations in which required licensure is appropriate; specifically, when all of the following circumstances are present: (1) the occupation involves providing a service regulated by both state and federal law, (2) the licensing framework allows individuals licensed in other states and territories to practice in Ohio, and (3) the licensing requirement is based on uniform national laws, practices, and examinations that have been adopted by at least 50 U.S. states and territories.¹⁰

Sports betting and bingo (when it involves a monetary exchange) is regulated by both state and federal law.¹¹ The bill authorizes the Ohio Casino Control Commission, through administrative rules, to establish reciprocity procedures for granting an Ohio sports gaming occupational license to persons licensed in another state, if that state has a similar license with similar qualifications.¹² Similarly, the Commission is permitted to accept another jurisdiction's license as evidence that an applicant meets the requirements for an Ohio sports gaming supplier license.¹³ The bill's reciprocity provisions are optional – the Commission is not required to recognize out-of-state licenses for any purpose. Furthermore, it does not appear as though the bill permits the Commission to engage in full reciprocity, whereby an out-of-state licensee could practice in this state without first applying for and obtaining an Ohio license. The bill includes no reciprocity provisions respecting the type A and type B sports gaming agent licenses or the electronic instant bingo endorsement administered by the Attorney General.

None of the four sports gaming licenses or the electronic instant bingo endorsement appear to be modeled after a uniform national law. According to the American Gaming Association, 21 states currently offer legal sports betting and an addition nine states have enacted sports betting legislation that is not yet operational.¹⁴ Despite the barrage of sports betting legislation in the wake of the U.S. Supreme Court's decision in *Murphy v. National Collegiate Athletic Association*, the type of broad national consensus contemplated by the state's general policy is not yet possible for sports gaming licensure. The industry is not yet permitted to exist in 40% the country. However, with the exception of New Mexico, all states that allow sports

¹⁰ R.C. 4798.02, not in the bill.

¹¹ See, 18 United States Code 1804; R.C. 2915.02, not in the bill; and *Murphy v. National Collegiate Athletic Association*, 584 138 S.Ct. 1461

¹² R.C. 3775.05(D).

¹³ R.C. 3775.06(A).

¹⁴ American Gaming Association, Interactive Map: Sports Betting in the U.S., June 10, 2021.

gaming have enacted comprehensive regulations that include licensure requirements. The bill's licensure requirements are neither the least nor the most restrictive among these states (see "COMPARISON TO OTHER STATES," below).

Bond requirement

The state's policy provides that a bond requirement is appropriate when the intention of the regulation is to protect against externalities such as damages to third parties that are not the buyer or the seller. The bill provides that the purpose of the bond requirement for type A and type B sports gaming agents is to guarantee that the licensee makes all payments required under the sports betting law – presumably including taxes and fees payable to the state and payments to patrons.¹⁵ The bill states that the purpose of the bond for bingo distributors and manufacturers is to compensate the state or any person that incurs damages as a result of conduct that violates charitable bingo law or associated administrative rules.¹⁶ In both cases, it appears that the bond requirement addresses the type of harms contemplated in the state's general policy.

Regulations of process

The state's policy does not provide specific guidance as to when a regulation of process is the best means of protecting the health, safety, and welfare of consumers. However, the policy as a whole suggests that regulations of process are the most preferred method of regulation when market competition, ratings and reviews, private certifications, private causes of action, and actions under the state's Consumer Sales Practices Law (CSPL) do not provide sufficient protection.

The sufficiency of private remedies in Ohio is a policy judgment. Nearly all other states that allow sports betting have adopted a system of regulations to supplement the consumer protections afforded by private remedies. Even New Mexico, which has no statutory sports betting regulations, is not an unfettered market. In that state, a series of gambling compacts allow tribal casinos to engage in sports betting activities without authorization under state law. It remains illegal for other parties to conduct sports betting.¹⁷

IMPACT STATEMENT

Opportunities for employment

Under current law, sports betting is illegal in Ohio, so, without the bill, there is no opportunity to legally engage in employment in the field.

The bill's regulations limit opportunities for employment in operating newly legalized sports betting to those who qualify for and obtain an occupational license. The qualifications have been discussed above and are also detailed in the ORD bill analysis. They include

¹⁵ R.C. 3775.04(C)(3).

¹⁶ R.C. 2915.081(B)(2) and 2915.082(B).

¹⁷ Will Webber, Early Line Indicates New Mexico Sportsbooks Good for Casinos, Santa Fe New Mexican, April 20, 2019.

requirements for the licensee to be at least 21 years of age, pass a background check which must be paid for by the employer, and pay \$100, which may be paid by the employer. Each occupational license is valid for three years and may be renewed through the same process as the initial application. The regulations also provide controls for the employees of sports gaming companies who are not domiciled in Ohio but participate in the state's sports betting market.

Market competition

Again, without the bill there is no legal market for sports betting in Ohio. The bill's regulations limit entry into the newly legalized sports betting industry to employees of sports gaming agents or management service providers who meet the occupational qualifications as outlined in the bill and as determined by the Ohio Casino Control Commission.

Consumer choice

Once again, under current law, Ohio consumers are not permitted to legally engage in sports betting within the state. The bill allows sports wagering online and via mobile device, as well on the premises of a sports gaming facility; in addition, the bill provides for a limited sports betting lottery through licensed lottery retailers.

Cost to government

For the costs of the bill to government, please see the LBO fiscal note.

SUMMARY OF PROPOSED REGULATIONS

Sports gaming regulations

The bill legalizes sports betting through two channels: (1) a sports gaming lottery operated by the State Lottery Commission and (2) sports gaming agents licensed by the Ohio Casino Control Commission to offer betting online and at sports gaming facilities. The sports gaming lottery would largely be administered through the existing regulatory structure in place for lottery sales agents. The bill establishes process regulations for the type of betting permitted under the sports gaming lottery – i.e., fixed fee per ticket, even distribution of proceeds based on number of winning tickets sold, and no odds-making. It also allows the State Lottery Commission (with the advice and consent of the Ohio Casino Control Commission) to adopt rules to implement the sports gaming lottery. However, the bill does not establish new occupational licenses in connection with the lottery nor does it directly modify requirements or qualifications associated with the existing licenses administered by the Ohio Lottery Commission.¹⁸

Conversely, the bill creates four new "sports gaming licenses" for persons involved in online or in-person sports betting administered by the Ohio Casino Control Commission. The licenses are obtained through an application process administered by the Commission. The Commission is empowered to penalize, limit, condition, restrict, suspend, revoke, deny, or refuse to renew sports gaming licenses.

Licenses

The basic characteristics, qualifications, and conditions associated with each sports gaming license are described in the table below. Please see LSC's analysis of the bill for more detailed descriptions.

| Sports Gaming Licenses | | | | |
|------------------------|---|---|--|---|
| | Sports Gaming Agent Type A | Sports Gaming Agent Type B | Sports Gaming Occupational License | Sports Gaming Supplier License |
| Description | Permitted to offer sports betting through an online sports pool under one | Permitted to offer sports betting at one sports gaming facility (R.C. 3775.04(B)). | Permitted to accept wagers, handle money, provide security, and perform other duties on | Permitted to provide sports gaming equipment or related services to a |

¹⁸ R.C. 3770.23.

| | Sports Gaming Licenses | | | | |
|----------------------------|---|---|--|--|--|
| | Sports Gaming Agent Type A | Sports Gaming Agent Type B | Sports Gaming Occupational License | Sports Gaming Supplier License | |
| | brand name (R.C. 3775.04(A)). | | behalf of a sports gaming agent. Individuals engaged in nongaming activities like entertainment, maintenance, or food and beverage preparation are not required to hold a license. (<i>R.C. 3775.05(A</i>).) | sports gaming agent (R.C. 3775.06(A)). | |
| Overall number of licenses | Maximum of 20 total licenses and no more than five licenses per sports gaming agency (R.C. 3775.04(A)). | Maximum of 20 licenses and no more than five licenses per sports gaming agency (R.C. 3775.04(B)). | No restriction. | No restriction. | |
| Background check | Criminal records check through the Ohio Bureau of Criminal Identification and Investigation (BCII) (R.C. 3775.03(B)). | Criminal records check through BCII (R.C. 3775.03(B)). | Criminal records check through BCII (R.C. 3775.03(B)). | Criminal records check through BCII (R.C. 3775.03(B)). | |
| Qualifications | Available to individuals above 21 years old and all companies and agencies except nonprofit organizations (R.C. 3775.07(C)). | Available to individuals above 21 years old and all companies and agencies except nonprofit organizations (R.C. 3775.07(C)). | Established by Commission rule. Qualifications may differ depending on job classification. (R.C. 3775.02 and 3775.05(A)(3) and (B).) | Established by Commission rule (R.C. 3775.02 and 3775.06(A)). | |

| | Sports Gaming Licenses | | | | |
|--------------------------------|--|--|--|--|--|
| | Sports Gaming Agent Type A | Sports Gaming Agent Type B | Sports Gaming Occupational License | Sports Gaming Supplier License | |
| Other conditions | Give the state a surety bond, in an amount and in the form approved by the Commission (R.C. 3775.04(C)). | Give the state a surety bond, in an amount and in the form approved by the Commission (R.C. 3775.04(C)). | N/A | N/A | |
| Application fees | Application fee established by Commission rule plus fee for background check determined by BCII (R.C. 3775.04(C)(2)). | Application fee established by Commission rule plus fee for background check determined by BCII (R.C. 3775.04(C)(2)). | \$100 (may be paid by employer) plus fee for background check (must be paid by the employer). Application fee may be increased annually by the Commission to account for inflation. (R.C. 3775.05(C).) | \$10,000 application fee, which may be increased annually by the Commission to account for inflation (R.C. 3775.06(B)). | |
| Post-licensure requirements | Display license or make available for inspection upon request of law enforcement (<i>R.C. 3775.03(D)</i>). Submit to annual audit of financial transactions (<i>R.C. 3775.04(F)</i>). Adopt and publish house rules establishing details such as amounts paid on winning wagers and the effect of schedule | Display license or make available for inspection upon request of law enforcement (<i>R.C. 3775.03(D)</i>). Submit to annual audit of financial transactions (<i>R.C. 3775.04(F)</i>). Adopt and publish house rules establishing details such as amounts paid on winning wagers and the effect of schedule | Pay a nonrefundable license fee of \$50 after receiving the license (<i>R.C. 3775.05(C)(2)</i>). Display an indicator of licensure when present at a sports gaming facility (<i>R.C. 3775.03(D</i>)). | Pay a nonrefundable license fee of \$15,000 after receiving the license (R.C. 3775.06(C)). | |

| | Sports Gaming Licenses | | | | | |
|---------------------------|---|---|--|--|--|--|
| | Sports Gaming Agent Type A | Sports Gaming Agent Type B | Sports Gaming Occupational License | Sports Gaming Supplier License | | |
| | changes (R.C. 3775.08(A)(2)). | changes (R.C. 3775.08(A)(2)). | | | | |
| | Offer sports gaming to patrons under the license at least once per year to avoid revocation of the license (<i>R.C. 3775.04(A)(2)</i>). Pay a nonrefundable license fee of \$1 million (<i>R.C. 3775.04(D)(1)</i>). | Pay a nonrefundable license fee of \$1 million (R.C. 3775.04(D)(1)). | | | | |
| Duration and renewal fees | License expires every three years. Renewal fee is determined by the Commission. (R.C. 3775.04(D)(2) and (E)(1).) | License expires every three years. Renewal fee is determined by the Commission. (R.C. 3775.04(D)(2) and (E)(1).) | License expires every three years. Renewal fees include \$100 application fee (plus inflation), background check fee, and \$50 license fee. (R.C. 3775.05(E).) | License expires every three years. Renewal fees include \$10,000 application fee (plus inflation), background check fee, and \$15,000 license fee. (R.C. 3775.06(D).) | | |

If an applicant for a sports gaming agent license is a business entity, the bill requires the Commission to evaluate all persons who control the entity (e.g., affiliates, persons holding a proprietary interest in the applicant, and key personnel) in determining whether to issue the license. The Commission is prohibited from granting a license to any applicant that:

- Knowingly made a false statement of material fact to the Commission;
- Has been suspended from operating a gambling game, gaming device, or gaming operation, or had a license revoked by any government;

- Has been convicted of a crime of moral turpitude;
- Has been directly employed by any offshore wagering market that serviced the U.S. or otherwise accepted illegal wagers from individuals located in the U.S.

Other terms and conditions of licensure will be established by rules adopted by the Commission under the Administrative Procedure Act. The bill allows the Commission to deny a sports gaming agent license to any applicant, reprimand any sports gaming agent, or suspend or revoke a sports gaming license if the applicant or licensee (1) does not demonstrate sufficient financial responsibility, (2) has not disclosed the existence or identity of other persons who have an ownership interest in the business, or (3) sells assets (other than those sold in the ordinary course of business) or more than 5% of voting stock in the business to a person that has not already been determined by the Commission to meet the qualifications of a licensee.¹⁹

Bond requirement

The bill requires type A and type B sports gaming agents to give a surety bond to the state to ensure that the agent can make all payments required by law. The amount of the surety bond is established by the Commission. No surety bond is required of persons holding a sports gaming occupational license or a sports gaming supplier license.²⁰

Process regulations

The bill restricts the places where sports betting may occur, the manner in which it is conducted, and the persons that may participate. Many of the regulations will be established by rule of the Commission. Others are expressly prescribed by the bill. For example, the bill prohibits sports gaming agents from offering sports betting to persons under age 21, persons expressly excluded by the Commission, persons licensed as a sports gaming agent (or persons living in the same household as a sports gaming agent), members or employees of the Commission, and persons involved in a sporting event (such as an athlete, coach, or referee) respecting which sports betting is permitted.²¹

¹⁹ R.C. 3775.07.

²⁰ R.C. 3775.04(C)(3).

²¹ R.C. 3772.03, 3775.01(O), and 3775.11.

Another process regulation requires type A sports gaming agents to use location-based technology to prevent individuals who are not physically present in Ohio from participating in sports betting. The server responsible for accepting wagers through the type A sports gaming agent's online sports pool must be located in a secure facility in Ohio.²²

The bill prescribes minimum operational requirements for sports gaming agents, including:

- Conduct all sports betting activities and functions in a manner that does not pose a threat to the public health, safety, or welfare of the citizens of Ohio;
- Adopt comprehensive house rules for game play governing sports betting transactions with its patrons, including rules that specify the amounts to be paid on winning wagers and the effect of schedule changes, and submit them to the Commission for approval before implementing them. The sports gaming agent must publish its house rules as part of its minimum internal control standards, must display the house rules, together with any other information the Commission considers appropriate, conspicuously in each sports gaming facility and in any other place or manner prescribed by the Commission, and must make copies of its house rules readily available to patrons.
- Keep current in all payments and obligations to the Commission;
- Provide a secure location for the placement, operation, and use of sports gaming equipment;
- Prevent any person from tampering with or interfering with the operation of sports betting;
- Employ commercially reasonable methods to prevent the sports gaming agent and its agents and employees from disclosing any confidential information in the possession of the sports gaming agent that could affect the conduct of sports betting;
- Maintain the confidentiality of any confidential information provided to the sports gaming agent by a sports governing body, except as otherwise required by law or by order of the Commission;
- Ensure that sports betting conducted at a sports gaming facility is within the sight and control of designated employees of the sports gaming agent and that sports gaming is conducted under continuous observation by security equipment in conformity with the Commission's specifications and requirements;
- Ensure that sports betting occurs only in the locations and manner approved by the Commission;
- Ensure that all sports betting is monitored in accordance with the bill;

²² R.C. 3775.04(A) and 3775.09.

- Maintain sufficient funds and other supplies to conduct sports betting at all times;
- Maintain daily records showing the sports gaming agent's sports gaming receipts and timely file with the Commission any additional reports required by rule or by other provisions of the Revised Code.²³

Electronic instant bingo regulations

The bill also allows certain charitable organizations holding a type II or type III bingo license to offer electronic instant bingo. Continuing law requires distributors and manufacturers of bingo supplies to be licensed by the Attorney General, and electronic instant bingo systems are considered bingo supplies under the bill. In addition to being licensed as a distributor or manufacturer, as applicable, the bill requires a distributor or manufacturer of electronic instant bingo systems to obtain an electronic instant bingo endorsement to the distributor's or manufacturer's license. An endorsement issued under the bill is good for the term of the underlying license.

To obtain an endorsement, a distributor or manufacturer must apply to the Attorney General, on a form prescribed by the Attorney General, submit fingerprints for a criminal records check, and pay any applicable fee charged by BCII. (No criminal records check is required to receive a distributor or manufacturer license, generally.) The Attorney General must not issue the endorsement if the distributor or manufacturer, any partner or officer of the distributor or manufacturer, or any person who has an ownership interest of 10% or more in the distributor or manufacturer has violated any Ohio gambling law or rule or any existing or former law or rule of Ohio, any other state, or the U.S. that is substantially equivalent to any Ohio gambling law or rule. The distributor or manufacturer also must provide the Attorney General with a surety bond in the amount of \$50,000 and maintain the bond as long as the distributor or manufacturer is licensed. The bond may be in the form of a rider to a larger blanket liability bond. The bond must run to the state and to any person who may have a cause of action against the distributor or manufacturer for any violation of the Bingo Law or related administrative rules.

For a manufacturer endorsement, the bill requires the Attorney General to establish by rule an application and renewal fee in an amount sufficient to cover the cost of processing applications and investigating applicants' suitability. If the cost of processing a particular application and investigating the applicant's suitability exceeds the amount of the application and renewal fee, the Attorney General may charge the applicant an additional fee as necessary to cover that cost. The Attorney General must not issue the endorsement until all fees are paid in full.

²³ R.C. 3775.08.

COMPARISON TO OTHER STATES

Four states (Delaware, Montana, Nevada, and Oregon) allowed sports betting before the Professional and Amateur Sports Protection Act of 1992 (PASPA) and were permitted to continue doing so after its enactment by Congress. In the wake of the *Murphy* decision overturning the law, 26 additional states have legalized sports betting in some capacity. In some instances, the states enacted new legislation. In others, previously pre-empted laws were activated by PASPA's demise.²⁴ All U.S. states other than New Mexico have either subjected sports betting to a comprehensive regulatory framework or prohibited it altogether. Of the surrounding states, Indiana, Michigan, Pennsylvania, and West Virginia have legalized sports betting. The table below summarizes some of the occupational regulations that apply to the sports betting industry in those states.

| | Regulation of the Sports Gaming Industry | | | | |
|-----------------------|--|--|---|---|--|
| State | Year Legalized | Occupational Licenses | Selected Qualifications | Fees | |
| Indiana ²⁵ | 2019 | Certificate of authority | Must be a licensed owner of a riverboat casino, a licensed operating agent contracted by a licensed owner to conduct gambling activities on the owner's behalf, a permit holder authorized to conduct pari-mutuel wagering on horse racing, or a gambling game facility. | \$100,000 initial fee. \$50,000 administrative fee applies each year thereafter. | |
| | | Vendor (conducts sports betting under contract with a certificate holder). | Must demonstrate character, reputation, experience, and financial integrity. | \$100,000 application fee. \$50,000 administrative fee each year thereafter. | |

²⁴ American Gaming Association, Interactive Map: Sports Betting in the U.S., June 10, 2021.

²⁵ Ind. Code Ann. § 4-38-1-1, et. seq. and 4-33-8-1, et. seq.; 68 Ind. Admin. Code 2-3-1, et. seq.; Indiana Gaming Commission, Emergency Rule LSA Document #21-170(E).

| | Regulation of the Sports Gaming Industry | | | | |
|------------------------|--|---|---|---|--|
| State | Year Legalized | Occupational Licenses | Selected Qualifications | Fees | |
| | | Service provider (contracts with certificate holder or vendor to provide or maintain sports betting devices or equipment or provide risk management services, integrity services, or odds). | Requires a background check. All key persons and substantial owners must apply for and receive Level 1 occupational licenses. Applicant must be at least 21 years of age; demonstrate requisite skill, experience, knowledge; and ability, and must be in compliance with all state and federal tax laws. | \$10,000 application fee. | |
| | | Occupational license (Level 1 license required for all key persons and substantial owners. Level 2 license required for employees and independent contractors to the extent required by the Indiana Gaming Commission). | Must be at least 18 years of age, never convicted of a felony, demonstrate necessary knowledge or skill, and meet other standards adopted by the Commission. Requires background check and financial disclosure. | \$1,000 application fee plus \$100 annual license fee for Level 1 license. \$200 application fee plus \$50 annual license fee for Level 2 license. | |
| Michigan ²⁶ | 2019 | Sports betting operator | Commercial casino, tribal casino, or online operator. Must demonstrate suitable character, reputation, integrity, business probity, and financial ability. | \$50,000 initial application fee. \$100,000 license fee upon issuance of initial license, and \$50,000 each year thereafter. License expires and is subject to renewal every five years. | |

²⁶ Mich. Comp. Laws 432.401 to 432.419; Mich. Admin. Code R. 432.721 to 432.729; Michigan Gaming Control Board, Vendor Registration Application.

| | Regulation of the Sports Gaming Industry | | | | |
|-------|--|--|---|--|--|
| State | Year Legalized | Occupational Licenses | Selected Qualifications | Fees | |
| | | Sports betting or internet gaming occupational license (required if duties directly impact the integrity of internet sports betting or internet gaming). | Requires background check. Application must include a written statement from a sports betting operator or sports betting supplier confirming employment. Must demonstrate suitability, integrity, and character. | \$250 application fee. \$250 upon issuance of initial license and every two years thereafter. | |
| | | Sports betting supplier (required to provide goods, software, or services to a sports betting operator). | Requires background check. Must be determined "eligible and suitable." | \$2,500 application fee. \$5,000 license fee upon issuance of initial license and \$2,500 each year thereafter. License expires and is subject to renewal every five years. | |
| | | Vendor registration (required to provide goods or services to a sports betting operator or sports betting platform provider). | Requires criminal records check and an investigation into the vendor's business reputation, including whether a similar license has been suspended or revoked in another jurisdiction and whether the prospective registrant has complied with gaming laws. | \$200 application fee. Renewal fee of \$100 applies every five years. | |

| | Regulation of the Sports Gaming Industry | | | | |
|----------------------------|--|---|--|---|--|
| State | Year Legalized | Occupational Licenses | Selected Qualifications | Fees | |
| Pennsylvania ²⁷ | 2017 | Sports wagering license | Gaming may be conducted at a slot machine licensee's facility, a temporary facility authorized by the Gaming Control Board, an off-track betting facility operated by a racetrack casino, or through an internet system. Must demonstrate that the applicant is in good standing with the Gaming Control Board, the conduct of sports wagering at the facility will increase revenues and employment, the applicant possesses adequate funds to pay applicable fees and finance the sports betting operation, the applicant is financially stable, the applicant has sufficient business ability and experience, and the applicant has adequate security and surveillance measures in place. | \$10 million license fee and \$250,000 annual renewal fee. | |
| | | Sports wagering manufacturer (required for persons who manufacture, build, repair, program, or otherwise modify sports wagering devices). | Gaming Control Board considers financial fitness, character, integrity of financial backers, results of background check, and compliance with tax and unemployment compensation rules. | \$10,000 for initial licensure. \$10,000 renewal every five years. | |

²⁷ 4 Pa. Cons. Stat. Ann. 1317.1, 1317.2, 13C11, 13C13, 13C16, 13C21, and 13C61; 58 Pa. Code 1403.2 and 1404.2; Pennsylvania Gaming Control Board, License, Registration, Certification, Permit, and Application Fees.

| | Regulation of the Sports Gaming Industry | | | | |
|-----------------------------|--|--|--|--|--|
| State | Year Legalized | Occupational Licenses | Selected Qualifications | Fees | |
| | | Sports wagering supplier (required to sell, lease, offer, distribute, or service sports wagering devices or associated equipment). | Gaming Control Board considers financial fitness, character, integrity of financial backers, results of background check, and compliance with tax and unemployment compensation rules. | \$10,000 for initial licensure. \$10,000 renewal every five years. | |
| | | Sports wagering gaming service provider (required to provide services related to odds or risk management). | Required to register and provide certain financial information to the Gaming Control Board | \$2,500 for initial registration. \$2,500 renewal every five years. | |
| | | Sports wagering gaming principals, key employees, employees, and nongaming employees (required if day-to-day duties require interaction with gaming patrons, equipment, or revenue). | Various application and eligibility requirements. | | |
| West Virginia ²⁸ | 2018 | Operator | Must be a casino located at the state's four horse racetracks and one "historic resort hotel." | \$100,000 application fee and \$100,000 renewal fee every five years. | |
| | | Management service provider | Contract with the sports wagering operator is subject to the approval of the West Virginia Lottery Commission. | \$1,000 application fee and \$1,000 annual renewal fee. | |

²⁸ W. Va. Code 29-22D-2, 5, 6, 7, 8, 9, and 14.

| ar Legalized | Occupational Licenses | Selected Qualifications | Fees |
|--------------|---|---|--|
| | Supplier (sells or leases sports wagering equipment, systems, or other gaming items). Occupational (employed to be engaged in sports-wagering activities) | Must demonstrate that equipment and systems meet standards established by the Commission. Subject to background check. | \$1,000 application fee and \$1,000 annual renewal fee. \$100 application fee and \$100 annual |
| ar | Legalized | Supplier (sells or leases sports wagering equipment, systems, or other gaming items). | Supplier (sells or leases sports wagering equipment, systems, or other gaming items).Must demonstrate that equipment and systems meet standards established by the Commission.Occupational (employed to beSubject to background check. |

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