



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Cody Weisbrodt

S.B. 356

131st General Assembly
(As Introduced)

Sen. Coley

BILL SUMMARY

- Classifies a fantasy sports contest as a scheme of chance.
- Prohibits a person from establishing, promoting, operating, or knowingly engaging in a fantasy sports contest.
- Classifies betting on an E sports contest as a scheme of chance.
- Prohibits a person from establishing, promoting, operating, or knowingly engaging in the act of betting on the outcome of an E sports contest.
- Grants the Ohio Casino Control Commission jurisdiction over anyone conducting or participating in pools not conducted for profit.
- Authorizes the Commission, with respect to pools not conducted for profit, to issue licenses, regulate, investigate, and penalize violations of the Gambling Law, in a manner consistent with the Commission's authority over casino gaming.
- Permits the Commission to adopt rules to ensure the integrity of pools not conducted for profit, including rules that set fees and penalties.

CONTENT AND OPERATION

The bill defines fantasy sports contests and E sports contests in the Gambling Law, and incorporates these into the existing laws prohibiting schemes of chance. The bill also grants the Ohio Casino Control Commission the authority to regulate pools not conducted for profit, which are currently described in the Gambling Law but not regulated by the Commission.

Fantasy sports contests

Under the bill, only contests that meet all of the following criteria are considered fantasy sports contests: any game or contest in which: (1) a winner is determined based on the accumulated statistical performance of individual athletes or teams of athletes, (2) a person must pay an entry fee for a chance to win a prize, and (3) not all of the money paid as entry fees in the contest is paid as a prize to the contest winner or winners.¹

Under the Gambling Law, the bill classifies fantasy sports contests as "schemes of chance." Continuing law prohibits a person from establishing, promoting, operating, or knowingly engaging in conduct that facilitates a scheme of chance. Continuing law also states that anyone who violates this prohibition is guilty of a first degree misdemeanor, but if the person has been previously convicted of a gambling offense, the person is guilty of a fifth degree felony.² Therefore, by classifying fantasy sports contests as schemes of chance, the bill prohibits a person from establishing, promoting, operating, or knowingly engaging in conduct that facilitates a fantasy sports contest.

Additionally, the bill excludes devices used to conduct fantasy sports contests from the definition of "slot machines" in current law.³ Because slot machines are also classified as schemes of chance, not exempting these devices could extend the definition of slot machine to encompass computers and smart phones, if these are used in connection with a fantasy sports contest.

E sports contests

Under the bill, an "E sports contest" is any game or contest in which players compete against each other on an electronic, virtual, or digital platform, and the outcome of the contest is determined at least in part by a player's performance as compared to another player or the platform itself.⁴ Unlike a fantasy sports contest, an E sports contest itself is not classified as a "scheme of chance," and therefore is not prohibited. Instead, the bill classifies the act of betting on the outcome of an E sports contest as a scheme of chance. This classification means that the bill prohibits a person from establishing, promoting, operating, or knowingly engaging in conduct that facilitates *the act of betting on* an E sports contest. Continuing law provides that any person who violates this prohibition is guilty of a first degree misdemeanor, but if that

¹ R.C. 2915.01(CCC).

² R.C. 2915.02(A)(2) and (K), not in the bill.

³ R.C. 2915.01(QQ)(2).

⁴ R.C. 2915.01(DDD).



person has been previously convicted of a gambling offense, the person is guilty of a fifth degree felony.⁵

Finally, under the bill, devices used to conduct E sports contests are exempt from the Gambling Law's definition of "slot machine."⁶ This exemption prevents devices used to conduct E sports contests (such as computers, smart phones, and video game consoles) from being classified as slot machines under the Gambling Law.

Pools not conducted for profit

Under continuing law, a pool not conducted for profit is a scheme in which participants give something of value for a chance to win a prize, and the total amount wagered is distributed to a winner or winners.⁷ Under current law, a pool not conducted for profit is exempt from the definition of a scheme of chance in the Gambling Law and therefore is not prohibited. However, a pool conducted for profit is a scheme of chance under the Gambling Law and is prohibited.⁸ The bill authorizes the Ohio Casino Control Commission to ensure that pools not conducted for profit are operated in a manner consistent with the current definition. The bill also grants the Commission jurisdiction, in a manner consistent with the Commission's authority over casino gaming, over anyone conducting or participating in a pool not conducted for profit. To this end, the Commission can issue licenses, regulate, investigate, seize evidence, and penalize those persons who violate the Gambling Law. The Commission may adopt rules under the Administrative Procedure Act to carry out these functions and to ensure the integrity of pools not conducted for profit, including rules that establish fees and penalties.⁹

HISTORY

ACTION	DATE
Introduced	09-26-16

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⁵ R.C. 2915.02(A)(2) and (K).

⁶ R.C. 2915.01(QQ)(2).

⁷ R.C. 2915.01(XX).

⁸ R.C. 2915.01(C) and 2915.02, not in the bill.

⁹ R.C. 3772.03.

