



OHIO LEGISLATIVE SERVICE COMMISSION

Jean J. Botomogno

Fiscal Note & Local Impact Statement

Bill: H.B. 132 of the 132nd G.A.

Status: As Passed by the Senate

Sponsor: Reps. Dever and McColley

Local Impact Statement Procedure Required: No

Subject: Regulation of fantasy contests

State & Local Fiscal Highlights

- The bill grants the Ohio Casino Control Commission the authority to regulate "fantasy contests."
- A fantasy contest operator must pay a nonrefundable license fee set by the Commission, not to exceed \$10,000 per year. The bill also permits the Commission to impose other fees and penalties related to the operation of fantasy contests. The bill specifies that any revenue from fees and penalties imposed by the Commission will be deposited in the Casino Control Commission Fund (Fund 5HS0) from which all expenses for the proposed regulation will be paid.
- The bill is likely to have no local fiscal effect.

Detailed Fiscal Analysis

The bill grants the Ohio Casino Control Commission the authority to investigate, license, penalize, and regulate anyone conducting or participating in a "fantasy contest" in Ohio. The bill also directs the Commission to adopt rules governing the operation of a fantasy contest. "Fantasy contests" are defined as simulated games or contests a person must pay an entry fee to enter, in which: (1) the values of all prizes and awards are established and made known ahead of the contest, (2) all winning outcomes are based on the relative skill and knowledge of the players, as determined by accumulated statistical results of the performance of a roster of athletes in actual sporting events, and (3) winning outcomes are not based on randomized or historical events, or on the score or performance of any individual athlete, single team, or combination of teams in an actual sporting event.¹ Fantasy contests offered according to the bill and the rules subsequently adopted by the Commission are exempted from the Gambling Law (which does not currently directly address fantasy contests). The bill imposes a number of requirements on fantasy contest operators that have no direct fiscal effect, other than costs for the Commission to enforce the requirements. Details on those requirements are available in the LSC Bill Analysis.

¹ The bill specifically exempts horses and horse racing from the definition of a fantasy contest.

Under the bill, no one can offer a fantasy contest in Ohio without first obtaining a license from the Casino Control Commission. However, the bill specifies that a person operating a pool not conducted for profit (like an office sports pool in which all the money collected from the players in the contest is paid as prize money) is not a fantasy contest operator. To obtain or renew a license, a fantasy contest operator must pay a nonrefundable license fee set by the Commission, not to exceed \$10,000 for a one-year license, or \$30,000 for a three-year license. The bill also permits the Commission to impose other fees and penalties related to the operation of fantasy contests. The bill specifies that revenue from fees or penalties is to be deposited in the Casino Control Commission Fund (Fund 5HS0), a non-GRF fund, from which all expenses to regulate fantasy contests will be paid. At this time, no information is available on the potential costs the Commission would incur to regulate fantasy contests. The bill is likely to have no local fiscal effect.