

Sports Betting Legalized in Ohio

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It has taken more than three years and hundreds of hours of debate, but Ohio has finally passed legislation to legalize sports betting. In 2018, the United States Supreme Court overturned the federal Professional and Amateur Sports Protection Act of 1992 which prohibited states from legalizing sports betting on the grounds that it violated the states' right under the 10th Amendment. Sports betting is now legal in 29 states and the District of Columbia, include four neighboring states of Pennsylvania, West Virginia, Indiana and Michigan.

Once the bill is signed into law by Governor Mike DeWine, the bill will:

- Legalize sports betting at brick-and-mortar locations in Ohio and via internet, mobile devices and kiosks under the regulatory oversight of the Ohio Casino Control Commission.
- Create the Sports Gaming Revenue Fund (SGRF), Sports Gaming Tax Administration Fund (SGTAF), Sports Gaming Profits Education Fund (SGPEF), Sports Gaming Profits Veterans Fund (SGPVF), and Problem Sports Gaming Fund (PSGF) in the state treasury.
- Require Sports Gaming Proprietors to hold an online/mobile, sports books, or gaming kiosks licenses, and creates the mobile management service provider license and the management service provider license.
- Create a nine-member Select Committee on Sports Gaming and Problem Gambling to investigate problem gambling and problem gambling funding and requires the Committee to report its findings. The bill also creates the Joint Committee on Sport Gaming to monitor the implementation of sports gaming.

The new law will legalize and regulate sports gaming/betting in Ohio through sports gaming proprietors licensed and regulated by the Ohio Casino Control Commission (OCCC) to offer sports gaming online, at sports gaming facilities, and through terminals located in establishments with class D liquor permits (bars and restaurants). Participants must be 21 years of age and physically present in Ohio.

Establishments will have to apply for one of three types of proprietor licenses.

Type A will apply to mobile apps and sportsbooks/pools. There will not be more than 25 at a time and each will be given a five-year term.

Type B will apply to those located at a sports gaming facility - "a designated area of a building or structure in which patrons may place wagers on sporting events with a Type B sports license either in person or using self-service sports gaming terminals." There will not be more than 40 licenses

given at any one time with a maximum number of sports gaming facilities that may be located in a county based on 2010 census. These will also be given a five-year term.

Type C will authorize a proprietor to offer sports gaming through self-service terminals located at one or more Type C sports gaming hosts' facilities. The Casino Commission must license at least two and not more than 20 at any one time, with a five-year term.

Other notable provisions include the state applying a 10% tax levy on net revenue from sports gaming receipts and specifically allowing wagering on "esports events."

If you are interested in pursuing sports betting business ventures, or have any questions regarding this new legislation, the Benesch Government Relations team stands by to help. Our team has years of experience representing clients applying for licenses in highly regulated markets and is prepared to assist businesses secure these highly sought after licenses. Reach out to one of our Government Relations experts to learn how we can assist.

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