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## STATE RACING COMMISSION

- Requires, instead of permits, the State Racing Commission to direct through rule that a percentage of a video lottery sales agent's commission be paid to the State Racing Commission for the benefit of breeding and racing in Ohio, unless video lottery sales agents and horsemen's associations enter into agreements regarding the percentage by certain dates.
- Specifies that the percentage (not less than 9% or more than 11% of the video lottery terminal income) must be a sliding scale based upon capital expenditures necessary to build the video lottery sales agent's facility.
- Clarifies the municipal corporations and townships that are eligible to receive annual \$500,000 payments under an agreement between the Governor and necessary parties.
- Removes the requirement that the agreement be made by December 11, 2012.
- States that payments from the Casino Operator Settlement Fund must be made to the municipal corporation or township in which more than 50% of the real property of a racetrack was located on June 11, 2012, or to a municipal corporation or township to which more than 50% of the real property of a racetrack is to relocate.
- Requires the Director of Budget and Management to make an eligibility determination so that not more than six municipal corporations or townships receive the payments.

### **Video lottery sales agent commission percentage to the Commission**

(R.C. 3769.087(C))

The act requires the State Racing Commission to direct through rule that a percentage of a video lottery sales agent's commission, as determined by the State Lottery Commission, for conducting video lottery terminal gaming on behalf of the state (currently set at 66.5%), be paid to the State Racing Commission for the benefit of breeding and racing in Ohio. This provision was permissive under prior law.

Continuing law specifies that the payment directed by rule must be not less than 9% or more than 11% of video lottery terminal income. The act adds that the percentage also must be a sliding scale based upon capital expenditures necessary to build the video lottery sales agent's facility. Under continuing law, video lottery terminal income



means credits played, minus approved video lottery terminal promotional gaming credits, minus video lottery prize awards.<sup>208</sup>

Continuing law specifies that a video lottery sales agent and the applicable horsemen's association may agree to a payment other than the one that otherwise would be prescribed by rule. The act specifies that any such agreement must be made by December 28, 2013, in the case of a video lottery sales agent who is operating as such on September 29, 2013, or within six months after the date on which operations begin in the case of a video lottery sales agent who begins operating as such after September 29, 2013.

## **Racetrack payments**

### **Payments to communities under agreement**

(Sections 605.33 and 605.34 amending Am. Sub. H.B. 386, 129th General Assembly, Section 9)

The act clarifies that the municipal corporations and townships eligible to receive annual \$500,000 payments under an agreement between the Governor and necessary parties are the municipal corporations or townships that are entitled to receive payments from the Casino Operator Settlement Fund (see below). An incorrect cross-reference made the identity of the eligible municipal corporations and townships uncertain.

The act also removes the requirement that the agreement be made by December 11, 2012 (that is, within six months of the provision's effective date in H.B. 386 of the 129th General Assembly, which was June 11, 2012).

### **Payments from Casino Operator Settlement Fund**

(Sections 610.15.10 and 610.15.11 amending H.B. 386, 129th General Assembly, Section 10)

Under the act, to the extent that sufficient cash is available, within three months after the receipt of moneys into the Casino Operator Settlement Fund, the Director of Budget and Management must pay \$1 million to the municipal corporation or township in which more than 50% of the real property of a commercial racetrack was located on June 11, 2012, or to a municipal corporation or township to which more than 50% of the real property of a commercial racetrack is to relocate, but excluding the previous municipal corporation or township of each moved or moving commercial racetrack,

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<sup>208</sup> R.C. 3770.21, not in the act; O.A.C. 3770:2-3-08.



and excluding a municipal corporation or township in a county with a population between 1,100,000 and 1,200,000 in the most recent federal decennial census. Additionally, within six months after the first payments are made, the Director must pay an additional \$1 million to each of these municipal corporations and townships. The act specifies that not more than six municipal corporations or townships are eligible for these payments. The determination of which six municipal corporations or townships are eligible to receive payments must be made solely by the Director of Budget and Management.

Former law did not specify that not more than six municipal corporations or townships were eligible for the payments and also did not specify that eligibility only applied to municipal corporations or townships in which more than 50% of the commercial racetrack real property is or will be located.

