

Executive

LOTCD3 Withholding from gambling winnings

R.C. 718.031, 3121.441, 3123.89-3123.90, 3770.071-3770.075, 3770.10, 3770.25, 3775.16, 5747.062-5747.064, Section 801.120

Changes, beginning on January 1, 2026, who is responsible for withholding certain required amounts from gambling winnings before paying the winner as follows:

- (1) LOT is responsible instead of the sports gaming proprietor for lottery sports gaming conducted on a terminal that also offers other lottery games;
- (2) The sports gaming proprietor or LOT, as applicable, is responsible instead of the video lottery sales agent for lottery sports gaming conducted in a racino.
- (3) Clarifies that the video lottery sales agent who operates a racino is responsible instead of LOT for video lottery terminal (VLT) gaming.

Fiscal effect: May create administrative efficiencies.

LOTCD1 Transfer of lottery prize annuities

R.C. 3770.072, 3770.10, 3770.12-3770.13

Modifies the procedures by which a lottery prize winner who is to be paid in installments via an annuity may transfer the prize winner's future installments to a third party (the transferee) in exchange for a lump sum or other consideration.

Allows the prize winner to conduct only one such transfer with respect to any single prize award and requires the transfer to be for the full remaining amount of the prize, unless LOT's rules permit additional transfers.

Prohibits the transferee from then transferring the right to receive future installments to another party.

Requires signed documentation that the prize winner complied with current law by receiving independent professional advice regarding the transfer from a licensed professional adviser. Adds a certified financial planner as a licensed professional adviser who may provide that service.

Fiscal effect: Minimal.

LOTCD2 Operating Expenses

Section: 329.20

Authorizes CEB, upon request, to approve additional expenditures for LOT operating expenses, up to a maximum of 10% of anticipated total revenue from the sale of lottery products. Appropriates additional expenditures approved by CEB.

LOTCD4 Direct Prize Payments

Section: 329.20

Appropriates any additional amounts needed to Fund 7044 ALI 950601, Direct Prize Payments, to fund prizes, bonuses, and commissions.

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LOTCD5 Responsible Gambling

Section: 329.20

Authorizes the LOT director, if revenue exceeds the amount appropriated for ALI 950605, Responsible Gambling, to certify that excess amount to the OBM Director, and authorizes the OBM Director to transfer up to that amount to the Responsible Gambling Services Fund (Fund 5T90). Appropriates the additional amounts approved by the OBM Director.

LOTCD6 Annuity Prizes

Section: 329.20

Authorizes the OBM Director to transfer an amount sufficient to fund deferred prizes from the State Lottery Fund (Fund 7044) to the Deferred Prizes Trust Fund (Fund 8710). Requires TOS to credit Fund 8710 the pro rata share of interest earned on invested balances. Appropriates any additional amounts needed to Fund 7044 ALI 950602, Annuity Prizes, to fund deferred prizes and interest earnings.

LOTCD7 Transfers to the Lottery Profits Education Fund

Section: 329.20

Declares the estimated revenues available for transfer from the State Lottery Fund (Fund 7044) to the Lottery Profits Education Fund (Fund 7017) to be \$1,462,000,000 in FY 2026 and \$1,467,000,000 in FY 2027. Requires that the transfers be administered as the law directs.

Executive**Appropriation Language****EDUCD63 Lottery Profits Education Reserve Fund****Section: 265.370**

Creates the Lottery Profits Education Reserve Fund (Fund 7018) in the State Treasury and requires investment earnings of the fund to be credited to the fund.

Permits the OBM Director to transfer cash from Fund 7018 to the Lottery Profits Education Fund (Fund 7017) in each fiscal year.

Requires the Director of the Ohio Lottery Commission, on July 15 of each fiscal year, to certify to the OBM Director the amount by which lottery profit transfers received by Fund 7017 exceeded \$1,440,000,000 in FY 2025 and \$1,462,000,000 in FY 2026, respectively.

Allows the OBM Director to transfer cash in excess of the amounts necessary to support appropriations in Fund 7017 from that fund to Fund 7018.