



# Casino Control Commission

Mike DeWine  
*Governor*

Thomas J. Stickrath  
*Chair*

## NOTICE OF PUBLIC HEARING

A public hearing will be held by the Ohio Casino Control Commission (“Commission”) on **July 1, 2024, at 10:00 a.m.** at its main office, located at 100 E. Broad Street, 20<sup>th</sup> Floor, Columbus, Ohio 43215. The purpose of the hearing is to solicit public comment on the rules contained in ERF package number 202630, the summary of which is below.

All interested parties are invited to attend the hearing and present testimony. Written comments may also be submitted to the attention of Andromeda Morrison, General Counsel and Director of Skill Games, Ohio Casino Control Commission, at 100 E. Broad Street, 20<sup>th</sup> Floor, Columbus, OH 43215, or by electronic mail at [rulecomments@casinocontrol.ohio.gov](mailto:rulecomments@casinocontrol.ohio.gov).

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### Rule Summaries

The rules presented here are being reviewed pursuant to the state’s rule-review requirement in R.C. 106.03 and are those rules contained in, Ohio Adm.Code Chapter 3772-74 (Fantasy Contests). Many of the revisions are meant to improve clarity or readability or to reduce redundancies in and between the Administrative and Revised Codes. Some changes made throughout remove references to the Fantasy Contest management company license and better specify what is required as a part of the yearly financial audit. In addition, many changes have been made to update, streamline, and standardize rule language.

- **3772-74-02 (amendment), titled “Authority and purpose.”** This rule covers and its purpose is to provide the general authority of the Commission to adopt rules ensuring the integrity of fantasy contests. The rule also further specifies how such rules will be adopted and contains authority for the Commission to delegate responsibilities to the Executive Director and other employees in accordance with how the Commission does so under its other regulatory frameworks. The amendment to this rule removes the requirement that all notice, requests of, or correspondence to the Commission related to fantasy contest be made to the executive director. The amendment also gives fantasy contest operators more options and flexibility in how they contact the Commission, while not compromising the integrity of fantasy contests.

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- **3772-74-08 (rescind), titled “Management company licensure.”** This rule governed the management company license process and largely mirrored the process and requirements for fantasy contest operators. In addition, the rule listed the fee amount for the management company license. The removal of the management company license will simplify the application process for operators as there will now only be one license application to consider, the Fantasy Contest Operator License. The fantasy contest management company license is not required to be offered by R.C. 3774 and the Commission has not received a management company application since this rule was first promulgated in 2019. The removal of this rule will streamline the Fantasy Contest rules.
- **3772-74-10.1 (rescind), titled “Initial internal procedures submissions.”** This was a temporary rule in which the Commission drafted in additional time for first-time applicants in 2019 to provide internal procedures to the Commission. This rule was applicable to first time applicants who were already in operation in Ohio at the time the Fantasy Contest law was passed and comported with the statutory safe harbor created in Section 3 of House Bill 132 of the 132nd General Assembly. Due to this rule no longer being relevant or applicable, it is being rescinded.
- **3774-74-11 (amendment), titled “Prohibited activities.”** This rule states certain prohibitions under fantasy contest law, including operating or promoting a fantasy contest without a license, operating under names not provided to the Commission, extending credit to players, failing to provide requested information to the Commission, or making false statements to the Commission. This rule also prohibits certain conduct that would lead to fantasy contests not being based on the skill of fantasy contest players, as required by statute. The amendments to this rule clarify that the prohibition on auto draft functionality only applies to fantasy contest players for fantasy contests without input or control by a fantasy contest player. The purpose of this rule is to ensure that fantasy contests are only offered by those authorized to do so and that those who are authorized to offer fantasy contests do so in accordance with fantasy contest law and any guidance issued by the Commission.
- **3772-74-12 (amendment), titled, “Duties of fantasy contest operators.”** This rule contains certain duties of fantasy contests operators. Generally speaking, the rule requires operators to provide patrons with the rules and terms of fantasy contests, to comply with those rules and terms, and to comply with their own internal controls. Additionally, operators are required to notify the executive director if they intend to cease doing business in Ohio and provide a description of how the operator will ensure fantasy contest player funds will be distributed to their rightful owners. The purpose of this law is to ensure that fantasy contest operators comply with fantasy contest law and facilitate the Commission in its goal to ensure the integrity of fantasy contests. The amendment to this rule removes several regulatory restrictions including, that operators must train their employees, that operators must provide documentation of patron fund protection every six months, and that operators must ensure the proper maintenance of records. In addition, this amendment removes language stating that operators must comply with notices and directives from the Commission, ensure prompt responses to the Commission, and notify the Commission of

any violations of fantasy contest law. The amendment streamlines and removes language redundancies that are already found in R.C. Chapter 3774.

- **3772-74-13 (rescind), titled “Duties of key employees.”** This rule contained certain duties of key employees. These duties included serving as the representative of the operator, ensuring the operator timely meets all filing deadlines, ensuring the operator issues prompt responses to the Commission, notifying the Commission of any violations of fantasy contest law, and complying with all notices or directives from the Commission. This rule is being rescinded to reduce the number of regulatory restrictions pursuant to S.B. 9 of the 134<sup>th</sup> General Assembly. The removal of this rule will not hurt the integrity of fantasy contest because operators still have a duty to respond to all deadlines and inquires.
- **3772-74-14 (rescind), titled “Duties of management company applicants or licensees.”** This rule contained the duties of management company applicants or licensees. These duties included ensuring the fantasy contest operator associated with the management company is compliant with fantasy contest law, notifying the Commission of any violations of fantasy contests law, retaining all records required by law, promptly responding to all inquiries from the Commission, and complying with all notices or directives from the Commission. This rule is being eliminated to reduce the number of regulatory restrictions pursuant to S.B. 9 of the 134<sup>th</sup> General Assembly. Additionally, this rule is no longer relevant or applicable because the management company license will no longer be offered due to rescinding Ohio Adm.Code 3772-74-08 (see above).
- **3772-74-15 (amendment), titled “Inspections and audits.”** This rule details the process by which fantasy contest operators will obtain third-party audits to be conducted by approved, qualified certified public accountants. These audits are to be conducted and provided once every year for financial audits and once every three years (the license period) for compliance audits. The rule allows the Executive Director to waive any audit requirements under the rule, provided sufficient reason provided by the operator and allows the operator to have the Commission to instead conduct any audits, at cost. Finally, the rule provides that the Commission may require any production of documents or inspections needed from those participating in the conduct of fantasy contests and that those persons shall cooperate with such requirements. The purpose of this rule is to ensure that operators are complying with fantasy contest law through the use of audits and inspections. The amendments to this rule update and streamline language to remain consistent with other rules. The changes also clarify that the financial audit must be on a comparative basis for the current and prior fiscal years and must include both the operator’s operational and separate patron-fund entities. In addition, an operator that is publicly traded may submit its Form 10-K filed to the SEC to satisfy the requirement. Moreover, the amendment specifies that the financial report must be provided to the Commission within 120 days of the end of the fiscal year or upon receipt, whichever is earlier. The changes to this rule also removal the auditor approval requirement, instead allowing the Commission to terminate audit engagements if the requirements are not met or the auditor’s independence or qualifications come into question. The rule also removes a requirement that the audit come directly from the auditor, instead allowing the audit to be submitted by the operator.

- **3772-74-17 (amendment), titled “Hearings.”** This rule governs any administrative action taken under fantasy contest law and provides that the provisions of R.C. Chapter 119 and Chapter 3772-21 of the Administrative Code will apply. These rules currently apply in any administrative action taken under the Commission’s other regulatory frameworks. The purpose of this rule is to ensure compliance with the due process of law as articulated in R.C. Chapter 119. The amendment to this rule removes the reference to Rule 3772-21-04 which no longer exists and is no longer applicable as of October 2021.