



Gambling in Ohio

A Guide to What is Legal, What is Not, and What Needs to be Fixed

The issue of gambling and what is or is not legal in Ohio continues to generate questions from law enforcement, charitable groups, and citizens. Internet cafes, gambling rooms, slot machines, and skill-based amusement machines that are skirting the law are growing in our communities. Added to the confusion is the advent of casino gambling in Ohio at four casinos in 2012, which may lead Ohioans to erroneously assume that since the statewide vote in 2009, all gambling is legal.

When Attorney General DeWine travels in Ohio, he continually gets questions about what is legal and what is not. While there have been many forms of gambling that are illegal in Ohio, there are also games of chance, bingo, and skill-based games that are legal and whose proceeds go to charitable groups or non-profit entities like the Eagles, Veterans of Foreign Wars, or churches.

The following is intended to help clarify what is — and is not — legal in Ohio, and what the Ohio Attorney General's Office is proposing to help regulate some of the unregulated games. The Office is working to protect Ohio families and ensure that our state doesn't turn into the "Wild, Wild West" with unregulated operators taking advantage of Ohioans, doing whatever they want without regulation, and keeping the profits for themselves.

What is Regulated in Ohio and Who Regulates It

Currently, state agencies regulate several gambling activities:

- The Attorney General's Office licenses bingo and instant bingo and has investigative and civil authority over charitable raffles and games of chance conducted at charitable festivals.
- Betting at horse races is regulated by the Ohio Racing Commission.
- The Ohio Lottery Commission oversees state lotteries and Keno.
- The recently created Casino Control Commission *will regulate Ohio casinos and will have jurisdiction over skill-based amusement machines beginning on July 1, 2011.*

Skill-Based Amusement Machines

True skill-based amusement machines are legal under Ohio law. Examples of legal skill-based amusement machines include pop-a-shot basketball games, skee-ball, or other games that require some sort of skill for the player to be successful at the game.

One important characteristic of skill-based amusement machines is that prizes **cannot include cash or cash equivalents such as gift cards. Additionally, merchandise prizes must not exceed \$10 wholesale value per play.**

Sweepstakes Games

Legitimate sweepstakes games, like those promoted by fast food restaurants, must be incidental to merely promote the purchase of a product. For example, this would include contests or sweepstakes where a customer is given a scratch off or other type of game piece that could lead to receiving a prize. Legitimate sweepstakes games do not require any money to play. (If participants pay to play, then the game is not a sweepstakes.)

Ohio currently lacks a sweepstakes law. (Federal laws require that no purchase be necessary to participate in the sweepstakes. Purchasing a product may not increase the odds of winning, and odds must be publicly disclosed. Additionally, games complying with federal laws should make a list of winners available and show a beginning and ending date for the sweepstakes.)



What is Not Regulated in Ohio

Slot Machines

Slot machines are illegal under Ohio law. Slot machines include “any mechanical, electronic, video, or digital device that is capable of accepting anything of value, directly or indirectly, from or on behalf of a player who gives the thing of value in the hope of gain.”

Exception: Slot machines will only be legal in the four licensed casinos. Slot machines are illegal everywhere else.

Problem Areas

Sweepstakes/Internet Cafes

Currently in Ohio, many establishments are operating sweepstakes parlors or internet cafes. These operations claim that they are not gambling, but instead are selling phone cards or internet time and provide sweepstakes entries to promote these products. Entries are “revealed” through electronic displays. The problem is, often people pay to play the games rather than to purchase a product. The real purpose of these sweepstakes is not to promote sale of a product; rather it is to get people to play the electronic machines. These operators answer to no one and often rip-off their customers.

Electronic games that do not follow the rules are most likely illegal slot machines. These machines used for sweepstakes/internet cafes look very much, and operate similarly to illegal slot machines, which can cause confusion for law enforcement and also mislead players who think that they are playing a regulated game like they would in a casino.

Skill-Based Amusement Machines

Some operators of skill-based amusement machines are also skirting gambling laws by operating machines that require no demonstrable skills to operate and resemble illegal slot machines. Machines that do not meet the very specific skill-based rules are most likely illegal slot machines. By operating based on chance, giving out cash prizes, gift cards or merchandise with excessive value, the games are slot machines and not legal skill-based amusement machines.

Action Items

Attorney General DeWine's Office is proposing the following steps to make the legality of skill-based amusement machines sweepstakes/internet café games clear for law enforcement and to provide assurance to Ohio consumers who want to play them that they are not being swindled.

The Attorney General's Office is asking the General Assembly to enact legislation that would:

- Require the Ohio Casino Control Commission to establish a pre-play certification process for skill-based amusement machines and sweepstakes machines.
- Require a license for skill-based amusement machines and sweepstakes machines issued by the Casino Control Commission and paid for by the applicant that certifies that the machines have been tested by an outside laboratory. The license would be required to be displayed for easy public inspection.
- Require that a sticker proving that the operator has a license and that each machine has passed inspection be posted on each machine, providing an instant, verifiable sign for law enforcement.
- Limit the number of sweepstakes machines and limit prizes to merchandise prizes only.
- Create criminal penalties for violating the licensing and payout requirements.



Conclusion

If Ohioans are visiting entertainment establishments to play electronic games, including sweepstakes and skill-based amusement machines that appear to them to be just like slot machines, they expect that these machines are inspected by regulators and not rigged unfairly against them.

By requiring a license, and that a sticker be applied to these machines, the legality of them will be immediately clear for law enforcement.

