Common Sense Initiative

Mike DeWine, *Governor* Jim Tressel, *Lt. Governor*

Business Impact Analysis

Agency, Board, or Commission Name: Casino Control Commission

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Regulation/Package Title (a general description of the rules' substantive content):

Credit card rule

Rule Number(s): 3775-16-03

Date of Submission for CSI Review: July 7, 2026

Public Comment Period End Date: July 17, 2026

Rule Type/Number of Rules:

New/___ rules

Amended/__1__ rules (FYR? _No__)

No Change/____ rules (FYR? ___)

Rescinded/____ rules (FYR? ___)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Reason for Submission

1. **R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.**

   Which adverse impact(s) to businesses has the agency determined the rule(s) create?

   The rule(s):

   a. ☐ **Requires a license, permit, or any other prior authorization to engage in or operate a line of business.**

   b. ☒ **Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.**

   c. ☐ **Requires specific expenditures or the report of information as a condition of compliance.**

   d. ☒ **Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.**

Regulatory Intent

2. **Please briefly describe the draft regulation in plain language.**
   Please include the key provisions of the regulation as well as any proposed amendments.

   This rule governs the use of and requirements for sports gaming accounts. The rule specifically governs online accounts, digital wallets, and account registrations for in-person gaming above the anonymous wager threshold. The requirements of the rule largely center around ensuring an individual's identity is verified and that any individual establishing an account or placing wagers through an account is not a prohibited person. To that end, the rule states the general requirements of accounts, including ensuring proprietors gather standard identification data and perform a standard identification check of the patron, either through a data match or through examination of a government-issued identification. Additionally, the rule ensures that patrons are provided with responsible gambling information. For accounts that are deposit-enabled (online accounts or digital wallets), the rule also implements some further consumer protections, including limit setting, greater data collection for identity verification and contact and prompt payment requirements.

3. **Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.**

   Authorized By: 3775.02

   Amplifies: 3775.02, 3775.10, 3775.11, 3775.12

4. **Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**
If yes, please briefly explain the source and substance of the federal requirement.

No.

5. **If the regulation implements a federal requirement, but includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

N/A

6. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

R.C. Chapter 3775 requires the Commission to ensure the integrity of sports gaming and to prescribe rules for how sports gaming should be conducted, including rules related to sports gaming proprietor duties. To ensure the integrity of sports gaming and requirements of R.C. Chapters 3772 and 3775, it is imperative to protect sports gaming patrons by ensuring sports gaming proprietors comply with important, statutorily contemplated consumer protections. These include verifying patron identity and account information, protecting patron funds and information. R.C. 3775.02, 3775.10-3775.12.

7. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

Overall, the Commission will measure the success of these rules in terms of whether they help the Commission meet its statutory mission to ensure the integrity of sports gaming. This can be done in two ways: first, through evaluating whether the public benefit of implementing and enforcing these rules outweigh their administrative and business costs. And second, through analyzing the regulated community's comments about requests for amendments to the rules or for waivers or variances to or from the rules.

8. **Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931?**
If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No.

Development of the Regulation

9. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**
If applicable, please include the date and medium by which the stakeholders were initially contacted.

Two emails were sent to approximately 1,300 stakeholders on May 6, 2026. (Exhibits 1 and 2). The first email asked for stakeholder comment, but the included rule amendment contained a typo. The second email, sent later that morning, corrected the typo. Stakeholders were asked to submit any written comments on the rule by 5:00pm on May 15. (Exhibit 1). These stakeholders included employees or representatives from sports gaming vendors, proprietors, and service providers. (Exhibit 2). The Commission also specifically reached out to Visa, Mastercard, and American Express.

10. **What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Visa, Mastercard, and American Express had no objection. Two fantasy operators expressed concern, but the Commission informed them that the rule only applies to sports gaming, not fantasy contests, so they are welcome to continue allowing credit cards. Staff received a comment from the Problem Gambling Network of Ohio (PGNO) in support. Lastly, staff received a comment from DraftKings asking for a minor change to the proposed language, which staff agreed would increase clarity.

Regarding that minor change, the current version of the rule states that a request for withdrawal will be considered honored if it was processed notwithstanding a delay by a payment processor, credit card issuer, or custodian of a financial account. The version sent to stakeholders simply removed "credit card issuer" from that list. DraftKings asked if instead of removing the entire phrase, we would just remove "credit," leaving "card issuer" in place to clarify that a delay by a *debit* card issuer wouldn't impact whether a withdrawal is considered honored. The Commission agreed it would improve clarity and accepted the proposed change.

11. **What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

This question does not apply because no scientific data was necessary to develop or measure outcomes. Instead, the Commission reviewed its statutory mandates and generally considered approaches in other jurisdictions.

12. **What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**
Alternative regulations may include performance-based regulations, which define the required outcome, but do not dictate the process the regulated stakeholders must use to

comply.

In reviewing this rule, the Commission considered its past practices in its other regulatory frameworks, any stakeholder comments, and the current trends in the sports gaming regulatory environment.

13. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

This question does not apply because no other regulations on this topic currently exist with respect to sports gaming.

14. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The Commission ensures any issues that arise are funneled through the respective division director and vetted with the Legal Division before being brought to the Interim Executive Director, so that she can coordinate a consistent response and have staff conduct outreach to the regulated community. Specifically, those issues related to licensing are handled by the Commission's licensing staff, which is overseen by a single director in the Commission's central office. And any issues related to compliance are managed by the Commission's compliance staff, again overseen by a single director in the Commission's central office. Moreover, the issuance, denial, or sanctioning of any license (other than the issuance of provisional licenses) can only be approved by the Commission at a public meeting through a vote. Therefore, the regulated community can expect consistent and transparent licensing and compliance decisions.

Adverse Impact to Business

15. Provide a summary of the estimated cost of compliance with the rule(s). Specifically, please do the following:

a. Identify the scope of the impacted business community, and

The regulated business community consists of all persons who may conduct sports gaming in Ohio, including proprietors, services providers, suppliers, or employees. These include Ohio's professional sports teams and events, casinos and racinos, as well as, gaming-related supply or service companies, and sportsbook operators. Specifically, this rule impacts sports gaming proprietors that utilize online sports gaming accounts.

b. Quantify and identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance, etc.).

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a

representative business. Please include the source for your information/estimated impact.

The Commission anticipates an adverse business impact from this rule. These costs will vary based on the sports gaming proprietor's business, the types of accounts proprietors decide to allow, and the procedures proprietors institute to implement the rule. However, the requirement for sports gaming proprietors to have accounts through which wagers are to be placed is statutorily required by R.C. 3775.11 and further elucidated in R.C. 3775.12 when describing funded or deposit-enabled accounts, where the proprietor holds funds in a digital wallet on behalf of the patron. Most of the requirements in the rule ensure accounts are only created by, and are verified as only being used by, of-age individuals who are not otherwise prohibited from gaming (e.g. participants in the Voluntary Exclusion Program). These requirements, again, are made to comport with the statute and build off other state's requirements for accounts. Finally, there are further security and identity requirements for deposit-enabled or funded accounts, ensuring those accounts, and the patron money in them, are more fully protected and promptly paid. Again, those requirements are common in the industry and include important problem gambling protections including allowing patrons to engage in personalized limit setting.

The amendment to this rule removes credit cards as a permissible funding method for sports gaming accounts. This change is not expected to have any additional adverse impact, as the industry has broadly moved away from allowing credit cards. Thus, the proposed change simply aligns Ohio's standards with the direction industry has moved.

16. Are there any proposed changes to the rules that will <u>reduce</u> a regulatory burden imposed on the business community? Please identify. ***(Reductions in regulatory burden may include streamlining reporting processes, simplifying rules to improve readability, eliminating requirements, reducing compliance time or fees, or other related factors).***

No.

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

The regulatory intent justifies any adverse impact because R.C. 3775 requires the Commission to ensure the integrity of sports gaming, specifically by licensing, regulating, investigating, and penalizing those involved in sports gaming in a manner consistent with the Commission's authority to do the same with respect to casino gaming. Moreover, the R.C. 3775 gives the Commission broad authority to adopt rules that cover topics such as licensure, required procedures, and proprietor duties. As such, any business impact is justified as statutorily contemplated and inherent in the business of sports gaming.

Moreover, the regulatory intent justifies any adverse impact because sports gaming is a highly regulated industry and is accustomed to detailed regulations in every jurisdiction. Unregulated gaming poses a threat to public welfare and raises the potential for fraud and abuse. To mitigate these threats, the Commission, like other gaming regulatory bodies, is using its regulatory authority to establish a best practice framework in consultation with the regulated community.

Regulatory Flexibility

18. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

Yes, through Ohio Adm. Code 3775-1-04, which permits the Commission, upon written request, to grant waivers and variances from the rules adopted under R.C. Chapter 3775, including these rules, if doing so is in the best interest of the public and will maintain the integrity of sports gaming in the State of Ohio.

19. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

To the extent R.C. 119.14 would apply to a violation of these rules, the Commission will provide verbal and written notification to the small business to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable amount of time to correct the violation. The Commission and its staff would also offer any additional assistance necessary to aid in remediation of the violation. No administrative action would be taken unless the small business fails to remedy the violation within the reasonable time allotted by the Commission.

20. What resources are available to assist small businesses with compliance of the regulation?

The Commission and its staff are dedicated to working with members of the regulated community and the public to effectively and efficiently regulate casino gaming in this state. As a result, the following resources are available:

- Commission's mailing address: 100 E. Broad St., 20th Floor, Columbus, OH 43215
- Commission's toll-free telephone number: (855) 800-0058
- Commission's Division of Licensing telephone number: (614) 387-5688
- Commission's fax number: (614) 485-1007
- Commission's website: http://www.casinocontrol.ohio.gov/
- Commission's email: info@casinocontrol.ohio.gov
- Commission's sports gaming listserv: http://eepurl.com/iCYGaY

Also, all members of the regulated community and public may, in accordance with Rule 3772-2-04, request to address the Commission during a public meeting. Finally, all members of the regulated community may, pursuant to Rule 3775-1-04, request waivers and variances from the Commission's casino gaming regulations.