

Gaming



JUNE 24, 2021 • NO. 3

Ohio Schools Win Big under Latest Sports Betting Bill

In a sign of continued expansion of the sports betting industry, on June 16, 2021, the Ohio Senate has shown its willingness to put Ohio on the sports betting map in a big way. It passed a bill that, if approved by the House, would legalize a very significant and highly competitive sports betting opportunity in the state. [Senate Bill 176](#) would ultimately create three types of licenses, each valid for three years:

- Type A – Mobile:

- o The bill would provide for up to 25 type A licenses for online gaming businesses, including companies that have mobile apps. Significantly, this is not tied to a casino operator, but would be available to experienced operators.
- o The initial and renewed type A sports gaming proprietor license fee will be \$1,000,000.
- o The Ohio Casino Control Commission shall give preference to applicants that are professional sports organizations.

- Type B – Brick & Mortar:

- o The bill would provide for up to 33 type B licenses for brick-and-mortar casinos, racinos, and in-person sports book businesses.
- o The initial type B sports gaming proprietor license will be \$100,000 the first year, with a renewal fee of \$25,000.
- o Type B licenses shall be awarded to applicants with significant economic activity in the county with a preference given to professional sports organizations.
- o There are strict population and county requirements:
 - o Counties with 100,000 to 500,000 citizens can have one sports gaming facility.
 - o Counties with 500,000 to one million citizens can have two sports gaming facilities.

- o Counties with more than one million citizens can have three sports gaming facilities.
- Type C – Kiosk:
 - o The bill would provide up to 20 type C licenses for self-service terminals and kiosks that bars, restaurants, bowling alleys and similar liquor permit holders can obtain.
 - o The initial type C sports gaming proprietor license will be \$100,000 the first year, with a renewal fee of \$25,000.

The current version of SB 176 would impose a 10 percent tax on the net revenue from sports betting received by sports gaming license holders. Notably, Ohio would transfer 98 percent of the revenues it receives from these operations to fund the education needs of the state. The remaining two percent of revenue would go towards the Problem Sports Gaming and Addiction Fund.

The bill anticipates that sports betting and licensing will be regulated by the Ohio Casino Control Commission, which present regulates the state’s casinos. It is proposed that the Commission will begin accepting applications for sports betting on January 1, 2022, and start issuing those licenses on April 1, 2022. As ambitious as this bill is, it still needs approval from the Ohio House of Representatives and Governor Mike DeWine. Critics of the bill assert that it unfairly benefits professional sports teams because, in Cuyahoga County (Cleveland), for example, the Browns, Indians, and Cavaliers could grab all three type B licenses before Jack Cleveland Casino and Jack Thistledown Racino due to the preference given to pro sports organizations. However, it seems clear that it is only a matter of time before Ohio joins the growing list of sports betting jurisdictions. “Life is about the intangible. Sports provide that intangible ... If this bill brings a little more excitement to Ohioans watching a soccer game or a little more joy to fans watching a hockey game, then I think it is worth it.”

(Niraj Antani, cosponsor of SB 176, [Law360](#), “[Ohio Senate Greenlights Mobile, In-Person Sports Betting.](#)”)

Blank Rome is well positioned with a leading team of attorneys in our Cincinnati office and highly recognized sports betting practice nationwide. Blank Rome’s gaming attorneys have assisted clients in launching the first sports betting operations outside Nevada, as well as the first online casino gaming operations in the United States. We are presently assisting operators, investors, vendors, and suppliers in sports betting and online casino in multiple states.

For additional information, please contact:

Stephen D. Schrier
215.569.5651 | schrier@blankrome.com

Michael P. Trainor
215.569.5685 | mtrainor@blankrome.com

Danielle B. Catalan
215.569.5405 | dcatalan@blankrome.com

Michael L. Cioffi
513.362.8701 | cioffi@blankrome.com