

THE AMERICAN LEGION DEPARTMENT OF



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Charities, Inc.

DATE: AUGUST 26, 2021
TO: ALL AMERICAN LEGION POSTS
FRATERNAL AND LODGES CONTRACTED WITH CHARITIES, INC.
DEPARTMENT EXECUTIVE COMMITTEE
FROM: GLENN HICKMAN
SUBJECT: ELECTRONIC CHARITABLE (VIDEO RAFFLE) GAMING UPDATE 8/20/21

The Ohio legislature recently passed legislation permitting electronic instant bingo at veterans and fraternal locations. The language was included in House Bill 110, the state operating budget bill. This is great news, as we have been fighting for electronic gaming legislation for nearly ten years.

Per the new law and pending the licensing of vendors and locations by the Attorney General's office, each location will be permitted to operate no more than ten electronic instant bingo devices effective April 1, 2022.

VIDEO RAFFLE STATUS

For locations that are currently operating OVFC video raffle machines; **you are permitted by law to continue operating those machines until December 31, 2021.** The Ohio Supreme Court has agreed to allow the OVFC to enter into mediation with the Attorney General, which means the Temporary Restraining Order permitting OVFC video raffle machines to operate is still in effect. However, **those machines need to be turned off by January 1, 2022.**

If you are operating video raffle machines on or after January 1, 2022, you will be prohibited from receiving an electronic instant bingo license. **ADDITIONALLY, THE ATTORNEY GENERAL HAS STRONGLY RECOMMENDED THAT VIDEO RAFFLE MACHINES BE PHYSICALLY REMOVED FROM THE PREMISES AFTER JANUARY 1ST BECAUSE HAVING INACTIVE MACHINES ON THE PREMISES COULD INITIATE A COMPLAINT AND SUBSEQUENT INVESTIGATION, WHICH COULD RESULT IN DELAYS WITH YOUR LOCATION'S ELECTRONIC INSTANT BINGO LICENSE.**

ELECTRONIC INSTANT BINGO TIMELINE

The Attorney General's office is currently drafting rules and regulations that will complement the state law and provide more detail on how the electronic instant bingo systems are to be licensed and operated. We expect to see a draft of those rules by October 1st. Once the rules are approved, the Attorney General will begin the process of licensing locations, distributors, and manufacturers, likely in late December or early January. For veterans and fraternal locations, the electronic instant bingo application will likely be much the same as traditional instant bingo.

ELECTRONIC INSTANT BINGO CONTRACTS AND VENDORS

You may have already been contacted by vendors marketing their prospective electronic instant bingo systems. But a strong word of caution; per the new law, vendors cannot sell or offer to sell electronic instant bingo systems until the systems have been tested by a laboratory and licensed by the Attorney General. **We strongly discourage you from entering into any new contractual agreement until the licensing process is finalized. It is perfectly fine to meet with prospective vendors to hear more about their anticipated product offerings, but vendors and locations are not permitted to enter into agreements until April 1, 2022.**

The Attorney General does not plan to oversee the contract process between vendors and locations. Locations will be free to work with vendors to establish whatever contractual agreement works best for them. Locations can decide things such as: 1) If they want to enter into a contractual agreement at all; 2) Duration of the contract; 3) The financial split; 4) Whether they want an exclusive contract with just one vendor or if they want the option to operate machines from multiple vendors.

The Attorney General may attempt to allow some flexibility regarding being able to place electronic instant bingo machines in locations prior to April 1st so that those machines can go live as soon as they are permitted by law; but there is still a lot of uncertainty with this, particularly because vendors are not permitted to sell or attempt to sell electronic instant bingo systems until they are licensed.

In conclusion, we will hopefully be up and running with electronic instant bingo on April 1, 2022. But there is still a lot of work to do on the part of the Attorney General to get the licensing process in place and the electronic instant bingo systems tested. We will keep you informed on important developments. If you have any questions, please do not hesitate to reach out to us. We are in constant communication with the Attorney General's office and working cooperatively to make electronic instant bingo implementation a success.

If you have any questions or wish to discuss this further, please call me on my cell phone any time (614) 906-6796 or leave a message at the Charities, Inc. office (740) 513-1722.

Sincerely,

Glenn Hickman, President