



TED STRICKLAND
GOVERNOR
STATE OF OHIO

Executive Order 2009 – 17S

Immediate Adoption and Amendment of Rules to Implement Video Lottery Terminals

- 1. Lottery Revenues Are an Important Component of the State's Contribution to Local Education Programs.** In the State's recently enacted two-year budget, the State of Ohio dedicated more than \$13 billion to elementary, secondary, vocational, and special education programs ("education programs"). Lottery net proceeds were projected to provide approximately \$2.3 billion of that sum.
- 2. The Implementation of Video Lottery Terminals (VLTs) Will Raise a Significant Portion of the Lottery Net Proceeds Budgeted for Education Programs.** The rapid implementation of VLTs by the Lottery Commission is projected to generate approximately \$933 million in net proceeds. Unless continuing, significant efforts are undertaken to implement VLTs as quickly as is responsibly feasible, the projected VLT revenue will not be realized, necessitating cuts to education programs or the diversion of state resources from already underfunded state services to education programs.
- 3. Making the Rules Effective on August 18, 2009.** The Ohio Constitution and Ohio law establish the Lottery Commission's authority to implement video lottery terminals. One critical element of the VLT implementation effort is the adoption, as soon as possible, of administrative rules authorized by and amplifying Ohio law with regard to VLTs.
- 4. Procedure for Immediate Enactment of Rule Changes.** Section 119.03(F) of the Ohio Revised Code authorizes the Governor, on the request of a state agency, to suspend the normal rule-making procedures with respect to a specific rule when an emergency exists necessitating the immediate adoption, amendment, or rescission of the rule. When such a determination is made, the agency may

immediately adopt, amend, or rescind a rule, but the rule is only valid for ninety (90) days.

5. **Determination of an Emergency.** I believe that an emergency exists justifying the suspension of the normal rule-making process when the failure to act immediately would negatively impact the citizens of Ohio. The Lottery Commission has asked me to determine, and I have determined, that the failure to immediately adopt and amend rules necessary to the implementation of video lottery terminals will negatively impact Ohioans because the failure to do so will result in shortfalls in projected state revenues dedicated to education programs, necessitating cuts in those or other critical state funded programs. Therefore, an emergency exists necessitating the immediate amendment of administrative rules in this regard.
6. **Authorization for Immediate Rule Implementation.** Accordingly, the normal rule-making procedures are suspended with respect to the adoption or amendment of Rules 3770:2-1-01, 3770:2-1-02, 3770:2-2-01, 3770:2-3-01, 3770:2-3-02, 3770:2-3-03, 3770:2-3-04, 3770:2-3-05, 3770:2-3-06, 3770:2-3-07, 3770:2-3-08, 3770:2-3-09, 3770:2-4-01, 3770:2-4-02, 3770:2-4-03, 3770:2-4-04, 3770:2-4-05, 3770:2-4-06, 3770:2-4-07, 3770:2-4-08, 3770:2-5-01, 3770:2-6-01, 3770:2-6-02, 3770:2-6-03, 3770:2-6-04, 3770:2-6-05, 3770:2-7-01, 3770:2-7-02, 3770:2-8-01, 3770:2-9-01, 3770:2-10-60 of the Ohio Administrative Code regarding the implementation and/or operation of video lottery terminals. These rules will be electronically filed by the Lottery Commission with the Ohio Secretary of State, the Director of the Legislative Service Commission, and the Joint Committee on Agency Rule Review. The Lottery Commission may, therefore, adopt and/or amend these rules immediately.
7. I signed this Executive Order on August 18, 2009, in Columbus, Ohio, and it will expire at the end of the ninetieth day it is in effect, November 16, 2009.



Ted Strickland

Ted Strickland, Governor

ATTEST:

Jennifer Brunner, Secretary of State