

# Sports Wagering License Application Process

## 17 Named Facility Applicants

September 14, 2021

The agencies involved in licensing sports wagering are:

- SWARC** – Sports Wagering Application Review Commission
- MLGCC** – Maryland Lottery and Gaming Control Commission
- MLGCA** – Maryland Lottery and Gaming Control Agency

The new Sports Wagering bill identifies 17 named entities that may apply for facility licenses. The Sports Wagering Application Review Commission (SWARC) has deferred any review of the named entities to the Maryland Lottery and Gaming Control Commission (MLGCC). These entities must provide various documents and information to the MLGCC and submit the appropriate applications using the MLGCC's eLicensing system in order to formally apply for a sports wagering facility license. Additionally, employees must submit individual applications using eLicensing.

The following are the requirements for submission of an application.

1. *Business Description* — A summary of the facility license applicant, including the following:
  - a. State the name and address of the location to be licensed; (Each facility license is for a single location, with the exception of the license shared by Pimlico and Laurel Park.)
  - b. State the name and address of the entity that owns the applicant, if different; and
  - c. State the names, addresses and tax identification numbers of all entities and individuals controlling 5% or more of the applicant.
2. *Wire Transfer* — Confirmation of wire transfer for the full amount of the applicable non-refundable sports wagering license fee. Include an explanation of the source of funds used for the license application fee.
  - a. License Fees:

LICENSE CLASS	LICENSE FEE
A-1	\$2 Million
A-2	\$1 Million
B-1	\$250 Thousand
B-2	\$50 Thousand

b. Wires are to be sent to:

Account Name:	Maryland State Lottery VLT Escrow
Account Number:	492-8823376
Type of Account:	Checking
Bank Name:	Wells Fargo Bank, N.A.
Bank Address:	420 Montgomery Street, San Francisco, CA 94101
ABA Routing Number:	12100248
Swift Code:	WFBIUS6S
Chips Code:	0407

3. *Affidavit* — Completed affidavit detailing minority involvement, as required in State Government Article § 9-1E-07(A)(2), (Attachment 1)
4. *Facility and Employee Licensing* — Access to the eLicensing system is restricted and must be requested by all applicants.
  - a. Include contact information for the Human Resources employee who will manage granting access to the eLicensing system for the applicant’s staff.
  - b. Estimated investigatory fees are to be paid before the MLGCC begins the necessary background investigations on the entity and its employees. Those fees are:

Background Investigation Costs		
Entity (1)	Company applying to offer sports wagering	\$20,000 to \$50,000
Principal Employee	Executives, owners who can influence an entity	\$5,287
Wagering Employee	Employee whose duties relate, or may relate to the operation of sports wagering	\$437
Non-wagering Employee	Employee who may be present where wagering occurs but who is not involved in wagering	\$187
<i>(1) Please contact the MLGCA Licensing Department at 410-230-8934 to determine the appropriate fee.</i>		

- c. Submit a list of principals and their Maryland gaming license status, if any.
  - d. Submit a list of sports wagering employees and their Maryland gaming license status, if any. This should include the employee’s title with a brief description of the job function.
  - e. NOTE: All individuals applying for sports wagering licenses who do not hold an equivalent gaming license must undergo a complete background investigation and qualification process before commencing employment directly related to sports wagering in Maryland.
5. *Sports Wagering Applications Submitted by entities with Maryland gaming licenses* — The MLGCC will assume that these licensees continue to be qualified on an interim basis since they have already undergone detailed background investigations. Entities with Maryland gaming licenses must complete applications and submit current financial statements, but a full

- investigation and review of updated materials will not be completed until the MLGCC has completed investigations into entities not currently licensed by the MLGCC.
6. *Facility Operator Licenses (Entities that operate sports wagering on behalf of a facility or mobile sports wagering licensee.)*
    - a. The Maryland Lottery and Gaming Control Agency (MLGCA) has identified approximately 16 states that conduct gaming or sports wagering investigations that it considers comparable to the standards used in Maryland.
    - b. An operator applicant that is licensed for sports wagering in at least three (3) of these jurisdictions and has submitted all required documents using the eLicensing system, including the payment of all fees, may be granted an interim license by the MLGCC.
    - c. The MLGCC will perform a full investigation upon completion of investigations into entities not currently licensed by the MLGCC.
  7. *Sports Wagering Contractor Licenses (Entities that provide equipment or services related to sports wagering to a facility or mobile licensee or operator.)*
    - a. The MLGCA has identified approximately 16 states that conduct gaming or sports wagering investigations that it considers comparable to the standards used in Maryland.
    - b. A contractor applicant that is licensed for sports wagering in at least three (3) of these jurisdictions and has submitted all required documents using the eLicensing system, including the payment of all fees, may be granted an interim license by the MLGCC.
    - c. The MLGCC will perform a full investigation upon completion of investigations into entities not currently licensed by the MLGCC.
  8. *Interim Approval* — Should any entity granted an interim license by the MLGCC be subsequently found not qualified, the entity will either have to correct the issue identified or surrender its license. Any applicant receiving interim licensing must sign an affidavit (Attachment 2) that it meets Maryland qualification requirements and an acknowledgement that if its license is revoked, there is no liability assumed by the State of Maryland, the MLGCC, or the MLGCA.
  9. *Operational Controls* — An applicant may begin submitting documents for MLGCA review (Internal Controls, Responsible Gaming Plan, etc.) at any time after submitting its application and fees. All operational controls must be approved by the MLGCA before a licensee may begin sports wagering.
  10. *Identification and Contact Information* — An applicant must provide the name and contact information of the applicant's technology provider(s) for sports wagering systems and equipment in order for the MLGCA to conduct an initial license qualification of the operator. Technology providers include, but are not limited to, wagering system providers, geolocation and know-your customer applications, player's clubs and kiosk manufacturers.
  11. *Applicant Assistance* — Any applicant may contact the MLGCA Licensing division to arrange a conference call during which we can explain more about licensing or operational matters. If you would like to schedule such a meeting, please contact us at 410-230-8934.

### **Next Steps for Named Applicants**

At this time the 17 named applicants for a license are able to access the system and begin the application process. Applicants must provide contact information for the individual who will manage the application process for your company so the Agency can give you the credentials required to access eLicensing.

Please provide the following information for your company. Additionally please provide the information for any Operator, Contractor, Principal Entity, Institutional Investor, etc. that you anticipate being involved in your Sports Wagering operations.

- Individual requiring access to eLicensing
- Email address and title for the above individual
- Full Company Name
- Full Company Address
- Telephone number

Finally, please provide a Point of Contact with phone number, email and title for the Agency to use if we have questions about your application.

This information should be sent to [gaming.services@maryland.gov](mailto:gaming.services@maryland.gov).

### **License Review Process for Named Facility Applicants**

The following are the general steps that named applicants, their operators and contractors will go through as their licenses are reviewed by the MLGCC and the SWARC.

1. *eLicensing system opens to named applicants, and their operators and contractors on September 14, 2021*
2. Access to the system must be granted by MLGCA staff
3. Completed applications submitted for MLGCA review beginning September 21, 2021
4. The MLGCA completes initial review of submissions:
  - a. *Facilities with Maryland gaming licenses* — Confirm all Principal employees and owners of 5% or more have been previously licensed by the MLGCC and current financial statements have been provided
  - b. *Operators and Contractors* — Contact three jurisdictions that have already licensed the entity and its employees to confirm they remain in good standing
5. The MLGCC approves entities found qualified for licensure by the MLGCA, and denies entities found not qualified
6. The MLGCC awards licenses to Operators and Contractors
7. The MLGCA notifies SWARC of findings for named Facility applicants
8. The SWARC awards licenses to qualified applicants
9. The MLGCC issues licenses to entities awarded by SWARC

### License Review Process for Competitive Applicants

The following are the general steps that competitive applicants, their operators and contractors will go through as their applications are reviewed by the MLGCC and the SWARC. **Dates are all to be determined.**

1. *The SWARC will issue guidelines and criteria identifying what documents will be required from Class B and Mobile applicants*
2. Completed applications submitted for review by the SWARC
3. *eLicensing system opens to applicants, operators and contractors*
4. The SWARC performs an initial review of applications to identify any disqualifying issues
5. The MLGCA begins its review of eLicensing submissions. As above, an entity licensed by gaming regulators in three states may be qualified on an interim basis.
6. The MLGCC approves entities found qualified for licensure by the MLGCA, and denies entities found not qualified
7. The MLGCC awards licenses to Operators and Contractors
8. The MLGCA notifies the SWARC of findings for facility and mobile license applicants
9. The SWARC ranks applicants and awards licenses to qualified applicants
10. The MLGCC issues licenses to entities awarded by SWARC

**AFFIDAVIT**

This Affidavit is to be completed by applicants for a sports wagering license that is issued by the Commission that authorizes the holder to accept wagers on sporting events.

**A. AUTHORIZED REPRESENTATIVE:**

**I HEREBY AFFIRM THAT:**

I, \_\_\_\_\_ (printed name) \_\_\_\_\_ (title)  
of \_\_\_\_\_ (business name) with  
a principal place of business at \_\_\_\_\_ (address),  
an applicant for a \_\_\_\_\_ (type of  
sports wagering license application the business is submitting), possess the legal authority to make  
this Affidavit on behalf of the Applicant.

**B. ATTESTATION OF MINORITY- AND WOMEN-OWNED INTERESTS OF THE APPLICANT:**

**I HEREBY ATTEST THAT: Pursuant to State Government Article, § 9-1E-07(a)(2), Annotated Code of Maryland:**

- i. The number of minority and women owners of the applicant is: \_\_\_\_\_.
- ii. The ownership interest of any minority and women owners of the applicant is: \_\_\_\_\_.
- iii. The number of minority and women employees of the applicant is: \_\_\_\_\_.
- iv. The number of current contracts the applicant has with minority- and women-owned subcontractors is: \_\_\_\_\_.

**C. I ACKNOWLEDGE THAT:**

The applicant shall provide any information considered necessary by the Commission or the Sports Wagering Application Review Commission.

**TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Representative and Affiant

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**A. AUTHORIZED REPRESENTATIVE**

**I HEREBY AFFIRM THAT:**

I, \_\_\_\_\_ (printed name) \_\_\_\_\_ (title) of \_\_\_\_\_ (name) with an address at \_\_\_\_\_ (address), an applicant for a \_\_\_\_\_ (title of application you intend to submit) possess the legal authority to make this Affidavit on behalf of the Applicant.

**B. APPLICABLE LAW**

**I UNDERSTAND AND ACKNOWLEDGE THAT:** Maryland Gaming Law in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland and the regulations promulgated by the Maryland Gaming Control Commission (“Commission”) are found in Code of Maryland Regulations 36.03 (collectively “Gaming Law”). Maryland’s Sports Wagering Law in SG Title 9, Subtitle 1E, and the regulations promulgated the Commission are found in COMAR 36.10 (collectively “Sports Wagering Law”).

**C. ACKNOWLEDGMENTS**

**I HEREBY ACKNOWLEDGE THAT:** unless the context requires otherwise, the requirements under the Sports Wagering Law and Gaming Law apply to the authority, duties, and responsibilities of the Commission, and a sports wagering license applicant or licensee.

**I UNDERSTAND THAT:** an applicant for a license issued by the Commission under the Sports Wagering Law may submit a written request to the Commission to apply an abbreviated process for licensing an applicant who holds a valid license in another state if the Commission determines that the licensing standards of the issuing agency in the other state.

**I UNDERSTAND THAT:** if the Commission applies an alternative licensing standard to qualify the above-named person to be issued a license, the Commission will ultimately complete a full investigation on the applicant to fully investigate and determine whether the alternatively licensed person is qualified to hold a license.

**I UNDERSTAND THAT:** if after this full background investigation, the Commission determines that the alternatively licensed person is not qualified to hold a license, then the Commission may take any enforcement action on the license up to and including revocation of the license.

**D. CERTIFICATION**

**I AFFIRM THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative and Affiant

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title