

September 27, 2021

VIA ONLINE PORTAL

James B. Butler
Managing Director
Organizational Compliance
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

Re: Ifrah Law's Comments on Maryland's Proposed Sports Wagering Regulations, COMAR 36.10.01 through 36.10.18

Dear Mr. Butler:

We are pleased to submit these comments on behalf of Ifrah Law PLLC ("Ifrah Law") regarding Maryland's proposed rules for sports wagering and the proposed rule on Vendor Registration and Certification, more specifically. As a preliminary matter, we applaud the citizens of Maryland, who voted in overwhelming numbers to legalize sports wagering; the Maryland legislature, which enacted comprehensive sports wagering legislation with bipartisan support; Governor Hogan, who signed the sports wagering bill into law; and the Maryland Lottery and Gaming Control Agency (the "Agency") which is working tirelessly to establish a regulatory framework that is both stringent enough to control illegal sports wagering practices and lenient enough to promote free-market enterprise and growth.

Ifrah Law submits these comments as an advocate of various stakeholders in the online gaming industry, including operators, suppliers, and vendors. Since the firm's inception in 2009, Ifrah has represented many gaming clients and now represents many of the largest iGaming companies and industry associations around the world. Ifrah Law has been at the center of most of the important prosecutions and lawsuits in the online gaming industry, and it was instrumental in the creation of the legislative and regulatory frameworks in states which currently permit online gaming, including Delaware, New Jersey and Nevada.

Nationally ranked by Chambers USA in Gaming & Licensing Law, Ifrah Law collectively brings decades of experience in betting and wagering law to advise companies on compliance with state and federal laws applicable to daily fantasy

sports, online gaming, and online sports wagering, including both real money and skill-based peer-to-peer competition sites. Ifrah Law has also gained a strong reputation in other innovative internet-based industries such as payment processing and money transmission.

Ifrah Law is a founding member of iDEA (iDevelopment and Economic Association), a trade association that seeks to grow jobs and expand the online interactive entertainment business in the United States through advocacy and education. On behalf of iDEA, Ifrah Law submitted an amicus brief to the U.S. Supreme Court in the seminal sports betting case *Murphy v. NCAA*, which was decided in favor of iDEA's argument supporting the rights of states to direct their own economies.

Ifrah Law advises online casino operators, poker and fantasy sports sites, and payment processors on class action lawsuits, mergers and acquisitions, vendor and supplier issues, government investigations and criminal matters. The firm is recognized for representing clients in cases involving progressive areas of the gaming industry, such as sports betting, social gaming, skins betting, iGaming, online sweepstakes, contests and lotteries, peer-to-peer betting and mobile gaming.

I. Ifrah Law Supports the Agency's Decision to Place Payment Processors Beyond the Reach of Perfunctory Vendor Registration and Certification Requirements.

Ifrah Law notes that the plain language of the Agency's proposed rule on registration and certification of sports wagering vendors has a narrower reach as compared to the Agency's analogous rules related to casinos and other gaming verticals. Ifrah Law supports the narrower sports wagering rule because it dispenses with a pro forma requirement that all payment processors who process gaming transactions be registered or certified by the state gaming authority. If the proposed rule is evidence that the Agency is rethinking long-standing presumptions in favor of regulation, the Agency is in good company. Indeed, gaming regulators in Nevada, Illinois, and Iowa, for example, are moving away from the automatic regulation of payment processors who process online gaming transactions. These states are doing so on grounds that payment processors are already heavily regulated by the state's banking authority and their necessary integration with licensed online gaming platforms makes the processors more susceptible to oversight by the licensee.

As proposed, COMAR 36.10.06.11B provides that “a sports wagering vendor that conducts business with a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such a license, shall be registered or certified by the Commission if the sports wagering vendor is not exempt” and (i) the sports wagering vendor is providing goods or services to a sports wagering licensee for a value described in § D or § E; or (ii) the Commission reviews the vendor’s services, determines that registration or certification is required to protect the public interest, and conveys that decision to the vendor. *See* Notice of Proposed Action, 48:18 Maryland Register 737, 741–42 (Aug. 27, 2021) (“Proposed Rule”).

By its terms, the proposed rule purports to impose a registration or certification requirement—not on all vendors generally, but on “sports wagering vendors.” Notably, section 11A(1) of COMAR 36.10.06 defines the term “Sports Wagering Vendor” to mean

a person who provides goods or services to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, and who is not required to be issued a sports wagering license or sports wagering contractor license . . . *and is a:*

- (a) Supplier of alcoholic beverages;
- (b) Supplier of food and nonalcoholic beverages;
- (c) refuse handler;
- (d) Vending machine provider, and its service personnel;
- (e) Janitorial and maintenance company;
- (f) Tenant business or franchise located within a sports wagering facility if such goods and services are not related to sports wagering;

(g) Provider of transportation services if such services are not related to sports wagering;

(h) Person involved in the construction of a portion of a sports wagering facility where sports wagering is conducted;

(i) Lessor of real property or goods;

(j) Provider of payroll, recruiting, and other employer-related services; and

(k) Person whose services the Commission reviews and determines must be registered or certified under this regulation.

Proposed Rule at 741 (emphasis added). Thus, under the proposed rule, the question of whether a particular vendor must be registered or certified hinges on a three-part test—that is, whether the vendor (i) serves or proposes to serve sports wagering licensees; (ii) does not itself require a sports wagering license or sports wagering contractor license; and (iii) supplies at least one of the goods or services enumerated under subsection (2). If the answer to any prong of the test is “no,” the vendor cannot be a “Sports Wagering Vendor” as defined under the proposed rule unless the Commission reviews the services the vendor provides, determines that registration or certification is required to protect the public interest, and conveys that decision to the vendor. Put another way, absent a vendor-specific review and determination by the Commission, a vendor that does not supply a good or service listed under subsection (2)—a payment processor, for example¹—cannot be a “Sports Wagering Vendor” for purposes of the rule and, thus, would not be subject to the registration or certification requirement under section 11B.

The limited reach of the Proposed Rule for sports wagering vendors is in contrast to analogous rules the Agency has promulgated for other verticals, such as casinos. For example, COMAR 36.03.02.17 sets forth vendor registration and certification requirements for Maryland’s Video Lottery Terminal and Table Games Program. COMAR 36.03.01.01. Section 17A(2) defines the generic term “Vendor” for purposes

¹ The undersigned searched for, but was unable to locate, support for the proposition that the Agency has reviewed payment processor services and determined that the public interest requires them to be registered or certified.

of that regulation. The definition, shown below, closely tracks the proposed definition for “Sports Wagering Vendor” except for the words in bold type that are crossed out (which appear in the definition of “Sports Wagering Vendor” but not the definition for “Vendor”) and underlined words in bold type (which appear in the definition for “Vendor” but not the definition for “Sports Wagering Vendor”):

~~“Sports Wagering Vendor” means a person who provides goods or services to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, **video lottery operation applicant or licensee** and who is not required to be issued a sports wagering license or sports wagering contractor license **licensed as a manufacturer or contractor**. . . and ~~is~~ **includes**:~~

- (a) Suppliers of alcoholic beverages;
- (b) Suppliers of food and nonalcoholic beverages;
- (c) refuse handlers;
- (d) Vending machine providers, and its service personnel;
- (e) Janitorial and maintenance companies;
- (f) Tenant businesses or franchises located within a sports wagering facility **ies** if such goods and services are not **gaming** related to sports wagering;
- (g) Providers of transportation services if such services are not **gaming** related to sports wagering;
- (h) Persons involved in the construction of a ~~portion of a sports wagering facility where sports wagering is conducted;~~

- (i) Lessors of real property or goods;
- (j) ~~Provider of payroll, recruiting,~~ **Payroll services** and other employer-related services;
~~and~~
- (k) **employee recruiting services; and**
- (l) Persons whose services the Commission reviews and determines must be registered or certified under this regulation.

COMAR 36.03.02.17A(2) (emphasis added). Perhaps the most significant difference between the two definitions is that the definition for “Vendor” provides a non-exhaustive list of vendors “included” within the definition. *See* COMAR 36.03.02.17A(2). The proposed definition for “Sports Wagering Vendor,” by contrast, limits the term by giving an exhaustive list of vendors that fall within the definition. Indeed, the proposed rule states that a vendor must be registered or certified, as the case may be only if it “*is a*” vendor listed under section 11A(2).

II. Maryland’s Proposed Rule on Vendor Registration and Certification Is Consistent With Other Gaming States That Have Decided to Leave the Regulation of Payment Processors to Financial Regulators or the Licensees They Service.

We assume for purposes of these comments that the Agency intended to propose a relatively narrow rule for registration and certification of vendors who service sports wagering licensees. Further, we assume the Agency did so based on a determination that wholesale regulation of all vendors connected to sports betting is ineffective and/or inefficient—especially in cases where the vendor is subject to stringent regulation by another regulatory agency. But even were that not the case, Ifrah Law would still support the adoption of narrower sports wagering rules that temper the Agency’s regulation of payment processor and other similarly situated vendors. Ifrah Law would do so for the same reasons gaming authorities in pro-gaming states like Nevada, Illinois and Iowa have backed away from “command and control” of all persons who touch gaming.

Nevada represents the most notable example. Prior to October 2019, the Nevada Gaming Commission imposed licensing and registration requirements on providers of geolocation services, patron identification services, and payment processing

services. However, seemingly under the dark of night, Nevada revised Regulation 5.240(2)(c)–(f) pertaining to Service Providers by removing certain clauses, the deletion of which eliminated any license or registration requirement for service providers who provide geolocation, identification, or payment processing services for online or mobile gaming. According to Commission staff, the licensing and registration requirements were eliminated because the Commission determined that each of the above-referenced providers would have to be integrated with the operator’s online platform or mobile site to provide their services, and the integration would make the service provider (as agent) more amenable to oversight by the licensee (as principal). For these same reasons, the Agency would be justified in adopting a more limited regulation for the registration and certification of vendors who service sports wagering operators.

Similarly, gaming regulators in Illinois and Iowa have stood down from regulating payment processors who service the gaming industry on grounds that they are already heavily regulated by state financial regulators and federal regulators.

III. Conclusion

In sum, Ifrah Law supports Maryland’s proposed sports wagering rules generally and its limited rule for registration and certification of sports wagering vendors specifically. By its terms, that rule applies only to vendors who fall within one or more of the vendor categories set forth under Section 11A(2) of COMAR 36.10.06.11. Because payment processors do not fall within the enumerated categories, they would not be required to obtain registration or certification under the proposed rules absent a Commission finding that such a requirement is required for the public interest.

Ifrah Law supports the Agency’s less stringent approach with respect to the regulation of certain providers who provide non-gaming related goods or services to gaming licensees. The Agency may decline to exercise command-and-control authority over every vendor that touches a gaming transaction in Maryland. The Agency would be in good company if it did so. Gaming regulators in Nevada, Illinois, Iowa, and a growing number of other states, are opting to forego regulation on grounds that such vendors are heavily regulated by other state authorities and/or are more amenable to regulation by private actors, such as the licensees they service.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.06 – Other Licenses

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 11:40 PM

To: sports.wagering@maryland.gov

From: Jeffrey R. Hamlin <jhamlin@ifrahlaw.com> (Ifrah Law | None)

Chapter:
36.10.06 – Other Licenses

Comment:

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



jrh-Sightline-Cmts-on-Md.-Proposed-Rules-on-Sports-Wagering-9.27.21-4.10-PM-AutoRecovered.pdf
235K



sports wagering -MLGCA- <sports.wagering@maryland.gov>

FanDuel Comments on Proposed Sports Wagering Regulations

1 message

Andrew Winchell <Andrew.Winchell@fanduel.com>

Mon, Sep 27, 2021 at 11:25 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: Cory Fox <Cory.Fox@fanduel.com>

Hello,

Thank you for the opportunity to provide comments. Attached please find FanDuel's comments on Maryland's Proposed Sports Wagering Regulations. Please do not hesitate to contact me if you have any questions or need more information from us.

Sincerely,

Andrew J. Winchell

Director, Government Affairs

Mobile: 845.325.6235

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FANDUELGROUP

FANDUEL | betfair | TVG



FanDuel Comments on Proposed Maryland Sports Wagering Regulations 9.27.21.pdf

538K



Cory Fox
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September 27, 2021

Via Email to sports.wagering@maryland.gov
James B. Butler, Managing Director - Organizational Compliance
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd.
Suite 330
Baltimore, MD 21230

Re: FanDuel Comments on “Proposed Sports Wagering Regulations”

Dear Managing Director Butler:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Maryland Lottery and Gaming Commission’s (“Commission”) “Proposed Sports Wagering Regulations” (“Proposed Regulations”). Based on our extensive experience as an operator in the sports betting industry and collaborator with regulators of sports betting in many states in the development of their regulations, we offer constructive feedback on ways in which the Proposed Regulations can be improved for effectiveness and consistency with other state regulations.

Following the Supreme Court’s decision to strike down the Professional and Amateur Sports Protection Act (PASPA) in May of 2018, FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates seventeen (17) brick and mortar sportsbooks in ten (10) states and online sports wagering in eleven (11) states. We appreciate the opportunity to share our perspective on sports betting regulation with you and have arranged our comments in three parts. Part I is focused on major issues of concern in the Proposed Regulations that may significantly impact the ability of sports wagering operators to successfully operate in Maryland. Part II is focused on areas in the Proposed Regulations where adjustments can provide significant improvement to the operations of sports wagering in Maryland. Part III is focused on less critical areas of improvement for the Proposed Regulations. Finally, Part IV is focused on requests for clarifications.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bracketed and struck through.

Part I - Major Concerns.

- *Issue 1 – Limitation on free promotional play.*

The Proposed Regulations include several provisions (COMAR 36.10.13.39(F)-(H)) which purport to limit the amount of free promotional play a sports wagering licensee may issue after their first year of operation to no more than 20 percent of the total sports wagering proceeds that the licensee generated in the prior year. These provisions appear to be intended to mimic the limit on free play issued by video lottery facilities under COMAR 36.03.10.36(F)-(H).

However, those provisions derive their statutory authority from State Government Article, Title 9, Subtitle 1A – Video Lottery Terminals. §9-1A-01(u) of that subtitle provides a definition for “proceeds” which explicitly authorizes the Commission to limit, by regulation, the amount of free promotional play issued by a video lottery facility after the first fiscal year of operations¹. By contrast, no such authorization for the Commission to establish a limit was included in the definition of “proceeds” for purpose of sports wagering under State Government Article, Title 9, Subtitle 1E – Sports Wagering².

The Maryland General Assembly made the deliberate decision not to place a cap on the amount of free promotional play that sports wagering licensees may issue and acknowledged the vital role that free promotional play holds in converting sports bettors from the illegal, offshore sports wagering market to legal, regulated market. We strongly urge the Commission to follow the intent of the legislature and strike proposed COMAR 36.10.13.39(F)-(H).

- ***Issue 2 – “Official league data” requirement.***

The Proposed Regulations include a section (COMAR 36.10.14.01(C)) which allows a “governing entity” to request that sports wagering licensees must use “official league data” to “settle a wager placed” unless the sport wagering licensee can prove that a feed of such “official league data” cannot be provided or is not being provided on commercially reasonable terms. While a number of states have provided a requirement for the use of official league data in certain circumstances, it is critical to understand that the provisions contained within the Proposed Regulations go far beyond the provisions found in any other jurisdiction in the United States.

Additionally, it is important to note that there is no requirement related to the use of “official league data” in the legislation adopted by the Maryland General Assembly. Major League Baseball, the National Basketball Association, and the PGA Tour provided joint testimony to the General Assembly on HB 940 urging the inclusion of an “official league data” requirement, and the General Assembly considered this request, and then made the deliberate decision not to include such a requirement³.

¹ State Government Article, §9-1A-01(u)(3)(ii), Annotated Code of Maryland

² State Government Article, §9-1E-01(h), Annotated Code of Maryland

³ “Written Testimony of Major League Baseball, the National Basketball Association and the PGA TOUR on Sports Wagering in Maryland”, March 25, 2021 -

https://mgaleg.maryland.gov/cmte_testimony/2021/bat/1hc1mJ4fxZhSjAlj5clsyIKa-NOYz7ocq.pdf

Further, the leagues themselves acknowledged in their testimony that the basis of their request is that other state statutes have included a requirement related to official league data – from their testimony – “Recently, Tennessee, Illinois, Michigan, and Virginia included official league data provisions in their sports betting *laws*,...” (emphasis added)⁴. As such, we suggest that the Commission respect the clear decision of the General Assembly not to include an “official league data” requirement and strike proposed COMAR 36.10.14.01(C) entirely.

Should the Commission decide to move forward with the administrative imposition of an “official league data” requirement, we strongly suggest that the Commission make a number of key changes to bring this provision into agreement with provisions related to “official league data” found in other US jurisdictions. First, as there is no definition of “governing entity” in either the statute or Proposed Regulations, it is unclear what entities are authorized to request the imposition of an “official league data” requirement. Further, the language of COMAR 36.10.14.01(C)(3), appears to allow a “governing entity” to require use of “official league data” for any wager placed, including for wagers placed on events unrelated to the “governing entity.” To address these concerns we suggest providing a clear definition of the term “governing entity” which utilizes a standard definition for sports governing bodies. Further, the Commission should follow the lead of other jurisdictions by limiting the ability to request an “official league data” requirement to those sports governing bodies which are headquartered in the United States and only allow the “governing entity” to make such a request for wagers placed on its own sporting events.

Second, the language of the Proposed Regulations includes a significant expansion of the ability for “governing entities” to request the use of “official league data” on any wager. The standard language found in other US jurisdictions, including the states cited by the leagues in their own testimony⁵, exempts wagers on the final score or outcome of a sporting event, which are placed prior to the start of the event, from inclusion in the “official league data” requirement. This is achieved through the limitation of the “official league data” provision to so-called “tier two” wagers or “live betting”⁶. To address this concern we suggest the Commission adopt the standard definitions of “tier one” and “tier two” sports wagers and limit the applicability of the “official league data” provision to “tier two” sports wagers.

Finally, there a number of other areas in which the provisions of the Proposed Regulations related to official league data can, and should, be updated to better reflect standard provisions found in other states. To address all of the concerns raised above, we suggest the following edits to COMAR 36.10.14.01(C), should the Commission be determined to administratively impose an “official league data” requirement:

⁴ Id at 2

⁵ Id at 2

⁶ 230 ILCS 45/25-25(g), 2019 PA 149, MCL 432.410a, §4-51-316 Tennessee Code Annotated, §58.1-4036 Code of Virginia

COMAR 36.10.14.01(C):

“C. Verifiable Outcome.

- (1) In this section, the following terms have the following meanings:
- (a) “governing entity” means an organization headquartered in the United States that prescribes final rules and enforces codes of conduct for a sporting event and the participants in the sporting event;
 - (b) “official league data” means statistics, results, outcomes, and other data relating to a sporting event obtained by a sports wagering licensee under an agreement with a governing entity or an entity expressly authorized by a governing entity for determining the outcome of a wager placed;
 - (c) “tier one sports wager” means a sports wager that is not a tier two sports wager;
 - (d) “tier two sports wager” means a sports wager that is placed after a sporting event has started.

- (2) A sports wagering licensee may use any ~~[Commission approved]~~ data source for determining the result of a tier one sports wager.

(3) A governing entity may submit a request to the Commission to require ~~[a]~~ sports wagering licensees to use official league data ~~[to settle a wager placed]~~ for determining the result of tier two sports wagers placed on its sporting events. A request under this subsection shall be made according to forms and procedures prescribed by the Commission. The Commission shall notify each sport wagering licensee of the governing entity’s request within five days after the Commission’s receipt of the request. If a governing entity does not notify the Commission of its desire to supply official league data, a sports wagering licensee may use any data source for determining the result of a tier two sports wager on a sporting event overseen by the governing entity.

(4) Within 60 days after the Commission ~~[approves the request from a governing entity]~~ notifies each sports wagering licensee as required under subsection (3), [a] sports wagering licensees [may] shall only use official league data to determine the result of [a] tier two sports wagers [placed] on sporting events of the governing entity which filed the request, unless any of the following apply:[:]

~~[(5) A sports wagering licensee may use data other than official league data if:]~~

(a) The governing entity is unable to provide, on commercially reasonable terms, ~~[as determined by the Commission,]~~ a timely feed of official league data to determine the results of tier two sports wagers, in which case sports wagering licensees may use any data source for determining the results of tier two sports wagers until the data feed becomes available on commercially reasonable terms; or

(b) A sports wagering licensee demonstrates to the Commission that a governing entity has not provided or offered to provide a feed of official league data to the sports wagering licensee on commercially reasonable terms, by providing the Commission with sufficient information to show:

(i) The availability of a governing entity's official league data for ~~[such bets]~~ **tier two sports wagers from more than one authorized source [on commercially reasonable terms from an alternative authorized source];**

(ii) Market information regarding the purchase, in Maryland and in other states, by sports wagering licensees of data from all authorized sources ~~[Costs paid by the sports wagering licensee for data from authorized sources, in Maryland and in other states];~~

(iii) **The extent to which sports governing bodies or their designees have made data used to settle tier two sports wagers available to sports wagering licensees;**

(iv) The **nature and quantity** ~~[reliability]~~ of the data, including the quality and complexity of the process used for collecting the data; and

(v) Any other information the Commission requires.

(5) While the Commission is considering whether official league data is available on commercially reasonable terms, a sports wagering licensee may use any other approved data source for determining the results of ~~[bets placed]~~ **any tier two sports wagers. The Commission shall make a determination under subsection 4 within 120 days after a sports wagering licensee notifies the Commission that it desires to demonstrate that a governing entity has not provided or offered to provide a feed of official league data to the sports wagering licensee on commercially reasonable terms.**

- *Issue 3 – Prevention of licensees from monitoring bettor activity.*

The Proposed Regulations contain two sets of concerning provisions which may severely limit the ability of sports wagering licensees to adequately identify and monitor the activity of sports bettors. This in turn poses significant concerns as it relates to the prevention of wagering by individuals who have self-excluded or are otherwise prohibited from wagering. Additionally, these provisions may hinder anti-money laundering efforts and processes used by sports wagering licensees to identify suspicious or unusual betting patterns.

The first set of concerning provisions relate to the definitions of “Registered bettor” (COMAR 36.10.01.02(B)(61)) and “Sports bettor tracking system” (COMAR 36.10.01.02(B)(68)). These definitions appear to be targeted to relate to customers who have established online sports wagering accounts with a sports wagering licensee. However, as written, these provisions prevent

a sports wagering licensee from tracking the activity of a sports bettor without the affirmative “opt-in” by a bettor to be included in a sports bettor tracking system. This would effectively prohibit sports wagering licensees from monitoring customer wagering activity unless the bettor affirmatively agrees to be monitored and runs contrary to the duty of sports wagering licensees to be able to determine patterns of unusual wagering activity and report it to the Commission (COMAR 36.10.13.03(B)(29)). To address this concern, we suggest clarification of the definition of “registered bettor” to be an individual who has established a sports betting account with a sports wagering licensee and to remove the limitation in the “sports bettor tracking system” to only including wagering data of registered bettors.

The second concerning provision is the authorization for the placement of wagers by “runners” found in COMAR 36.10.04.08(A). Most other US jurisdictions which have authorized sports wagering explicitly prohibit the use of “runners” or wagering by “proxy” as it serves an opportunity to obscure the true identity of the individual who is placing the wager. This includes the surrounding states of Pennsylvania, Virginia, and West Virginia⁷. It is industry best practice to prohibit the use of “runners” or “proxy” bettors and we suggest that the Commission remove the authorization for their use.

To address these concerns, we suggest edits to the following provisions of the Proposed Regulations:

COMAR 36.10.01.02(B)(61):

“(61) “Registered bettor” means a person who has ~~[registered]~~ created a sports wagering account with a sports wagering licensee ~~[for inclusion in the licensee’s bettor tracking system].~~”

COMAR 36.10.01.02(B)(68)(b):

“(68) “Sports bettor tracking system” means the hardware, software, communications technology, and other ancillary equipment owned or leased by a sports wagering licensee to collect, monitor, interpret, analyze, authorize, report, and audit data pertaining to:

(a) A sports wagering activity~~;~~ **and**

(b) ~~If a bettor has registered with the sports wagering licensee for inclusion in a bettor tracking system, a bettor’s sports wagering activity].~~”

COMAR 36.10.04.08(A):

“A. A sports wagering facility licensee may accept a wager made by an individual who is physically present at the sports wagering facility at a betting window ~~[or by a runner].~~”

⁷ PA - 58 PA. CODE Subpart Q §1401a.7(a)(3), VA - (11VAC5-70-10), WV - WV Administrative Code §179-9-2.19.

- ***Issue 4 – Requirement to utilize Maryland “iMAP” system for geolocation.***

The Proposed Regulations include a section (COMAR 36.10.05.04(A)(1)) which requires sports wagering licensees to utilize “MD iMAP, Maryland’s Mapping & GIS Data Portal” for purposes of geolocation of customers attempting to place mobile or online sports wagers. This section also appears to prohibit bettors from access their accounts when they are not in the state. Both of these provisions are not standard practice in the mobile sports wagering industry and are without precedent in other US jurisdictions.

As it relates to the MD iMAP requirement, most sports wagering licensees in other jurisdictions partner with industry leading third-party geolocation service providers who are appropriately licensed by the State – no other US jurisdiction requires the use of their state-run GIS system. In relation to the prohibition on sports bettors accessing their account while in another jurisdiction, this should be clarified to prohibit bettors from placing wagers while in another jurisdiction, but not prevent them from being able to access their account, see the status of their wagers, and make deposits and withdrawals. To address these concerns, we suggest the following edits:

COMAR 36.10.05.04(A)(1):

“A. A mobile sports wagering licensee shall:

(1) Use technical and operational measures to prevent access to its online wagering by individuals who are underage ~~[or]~~ **and prevent placement of wagers by individuals who are** physically located outside the state, including:

(a) Age **and identity** verification procedures, which may ~~[require]~~ **be satisfied through** the use of a third party acceptable to Commission staff that is in the business of verifying an individual’s personally identifiable information; and

(b) Geolocation technology to accurately verify a bettor’s geographic location within the State ~~[as determined by MD iMAP, Maryland’s Mapping & GIS Data Portal].”~~

- ***Issue 5 – Bettor complaint resolution process.***

The Proposed Regulations have a section dedicated to the resolution of bettor complaints (COMAR 36.10.13.37) which contain a number of standard provisions, however there are two significant concerns with the provisions of this section. First, the timeline for a sports wagering licensee to satisfactorily resolve a dispute with a bettor is set at three days of notice of the dispute. This timeframe is far too short and would be the shortest timeframe for any US jurisdiction. Most other jurisdictions allow between ten (10) to fifteen (15) days for an operator to respond to a

complaint, let alone resolve it to the satisfaction of the bettor⁸. The second concern with this section is the requirement on the sports wagering licensee to notify the Commission of any patron disputes that are unable to be resolved within the three day timeframe. Most other jurisdictions require operators to provide information to the bettor on how to file a complaint with the regulator as opposed to requiring the licensee to report the dispute to the regulator. We suggest that the Commission adopt this approach. To address these concerns, we suggest the following edits:

COMAR 36.10.13.37:

“A. A sports wagering licensee shall attempt to timely resolve a dispute with a bettor concerning the licensee’s sports wagering operation or payment of alleged winnings.

B. A sports wagering licensee who is unable to satisfactorily resolve a dispute with a bettor within **[3] 10** days of notice of the dispute shall ~~[notify the Commission of the dispute]~~ **inform the bettor that they may submit their complaint in writing to the Commission.**

C. ~~[On receipt of notice by the sports wagering licensee of the dispute, the Commission shall provide the bettor with a Commission bettor complaint form together with instructions for completing and submitting the form.~~

~~D.]~~ The Commission shall investigate a complaint submitted to the Commission and notify the bettor and sports wagering licensee of its determination.

~~[E.]~~ **D.** The Commission may provide a bettor with a complaint form at any time upon request.”

Part II – Secondary Concerns.

- ***Issue 1 – Ownership threshold for licensing.***

Throughout the Proposed Regulations, the Commission has established the threshold of ownership in an applicant which triggers licensing review at 5% ownership. The sports wagering statute does not stipulate a specific threshold of ownership which triggers licensing requirements. As the Commission and the Sports Wagering Application Review Commission will be tasked with reviewing applications for the up to 30 B-1 and B-2 facility licenses and 60 mobile sports wagering licenses, we suggest that a more manageable ownership threshold be established to reduce the administrative burden on the Commission and ensure the timely processing of applications, while still protecting the integrity of the licensing process in Maryland. We suggest the Commission

⁸ AZ – 10 days (A.A.C. R19-4-148(B)), CO – 10 business days (1 CCR 207-2 Rule 6.13(1)), IN – 10 calendar days (68 IAC 27-3-3(a)), MI – 10 calendar days (MI Administrative Code R432.741(3)), TN – 10 business days (Sports Gaming License Rules, Regulations and Standards 15.1.7(R)), VA – 15 days (11 VAC 5-80-30(B)), WV – 10 calendar days (WV Administrative Code §179-9-3.6), WY – 14 calendar days (Online Sports Wagering Rules, Chapter 4, Section 13(d))

embrace the 10% ownership licensing threshold utilized by Colorado and Pennsylvania⁹. To address this concern we suggest the following edits:

COMAR 36.10.01.02(B)(10):

“(10) “Beneficial owner” means a person that holds at least a **[5] 10** percent interest in an applicant for or holder of, a license awarded or issued under this subtitle, that is evidenced by:...”

COMAR 36.10.01.02(B)(28):

“(28) “Holding company” means a principal or principal entity that directly or indirectly owns:

(a) At least **[5] 10** percent of the stock, equity interest, or other voting security of a sports wagering applicant or licensee; or

(b) Through an interest in one or more subsidiaries, a power, right, or security of a sports wagering applicant or licensee.”

COMAR 36.10.01.02(B)(57)(a):

“(57) “Principal” means:

(a) An officer, director, or person who directly or indirectly owns or holds a legal or beneficial interest of at least **[5] 10** percent in the securities of an applicant for, holder of, a license awarded or issued under this subtitle;...”

COMAR 36.10.02.04(A)(4):

“A. Except as otherwise provided in the Commission’s regulations, the application documents shall include the information required under §B of this regulation, for a person who is:

...

(4) Any person who owns, controls, or directs a legal or beneficial interest of **[5] 10** percent or more in the applicant;...”

COMAR 36.10.02.10(B)(6):

“(6) If an approved institutional investor does not meet the requirements of §B(4) of this regulation with respect to one or more applicants or licensees:

(a) The approved institutional investor shall notify the Commission in writing if the institutional investor's ownership interest falls below **[5] 10** percent; and

(b) The Commission may require the institutional investor to submit a new waiver application if the institutional investor acquires an ownership interest of **[5] 10** percent or greater in any applicant or licensee.”

- ***Issue 2 – Prohibition on use of credit cards in sports wagering facilities.***

⁹ CO – 1 CCR 207-2 Rule 6.3(3), PA – 58 PA. CODE Subpart Q §1405a.3(b)(ii) and §1405a.4(a)(2)

The Proposed Regulations include a provision which prohibits the use of credit cards by a sports wagering licensee, other than an online sports wagering licensee (COMAR 36.10.13.28). This authorization for the use of credit cards to fund online sports wagering accounts, yet at the same time prohibit the use of credit cards at sports wagering facilities is surprising. We suggest removing this section entirely.

- ***Issue 3 – Prohibition on depiction of individuals under 21 in advertisements.***

The Proposed Regulations include a provision which prohibits a sports wagering licensee from using an advertisement or promotion which depicts an individual who is, or appears to be, under the age of 21 (COMAR 36.10.01.02(B)(56)(b)(i)). While we certainly understand and agree with the concern of the Commission to prevent the targeting of advertisements to minors, this language of this provision ignores the fact that there are numerous athletes, including professional athletes, who are under 21 and participate in sports events in which wagering is allowed. For example the Washington Wizards have a forward, Deni Avdija, who is 20 years old; the Detroit Lions have a tackle, Penei Sewell, who is 20 years old; and the Tampa Bay Rays have a shortstop, Wander Franco, who is also 20 years old. Additionally, there were 6 individuals on the US 2018 Winter Olympic team who were 17 at the time of the Olympics¹⁰, and 6 individuals on the US 2016 Summer Olympic team who were under 18 at the time of those Olympics as well¹¹.

We suggest that the age prohibition be reduced from 21 to 18 and to allow for the depiction of individuals who are participants in sports events upon which wagering has been approved by the Commission. To address this concern, we suggest the following edits:

COMAR 36.10.01.02(B)(56)(b)(i):

“(b) “Predatory marketing practice” includes an advertisement or promotion of an activity, product or service related to sports wagering that:

(i) Uses or depicts an individual who is, or appears to be, younger than **[21] 18** years old, **unless the individual is a participant in a sporting event upon which a wager may be placed,**”

- ***Issue 4 – Sports wagering employee licensure.***

The Proposed Regulations include two provisions (COMAR 36.10.01.02(B)(75)(a) and COMAR 36.10.06.05(A)) which provide the scope of the employees of sports wagering licensees who are required to be licensed by the Commission to perform their duties. These provisions are quite broad and capture a significant number of employees who are not required to be licensed in other jurisdictions. To reduce the administrative burden on both sports wagering licensees and the

¹⁰ <https://www.teamusa.org/pyeongchang-2018-olympic-winter-games/team-usa/athletes>

¹¹ <https://www.teamusa.org/road-to-rio-2016/team-usa/athletes>

Commission by removing the requirement for licensure of employees whose duties do not directly impact the integrity of sports wagering, we suggest the following edits:

COMAR 36.10.01.02(B)(75)(a):

“(75) “Sports wagering employee” or “wagering employee” means an individual who:

(a) Is or is seeking to be employed by an applicant for or holder of a sports wagering license, whose duties relate, or may relate to the operation of a sports wagering facility or sports wagering, and who performs or supervises or may perform or supervise the performance of:

(~~[a]~~ **i**) Operating, servicing, or maintaining sports wagering equipment or associated equipment or software at a sports wagering facility;

~~[(b) Accounting, maintaining, or auditing a licensee’s sports wagering financial records;]~~

(~~[e]~~ **ii**) Counting or processing sports wagering revenue, wagers, payouts, or proceeds at a sports wagering facility;

(~~[d]~~ **iii**) Conducting security or surveillance in or around a sports wagering facility or the operation center of a mobile sports wagering licensee or online sports wagering operator licensee;

(~~[e]~~ **iv**) ~~[Operating or maintaining a sports wagering licensee’s information systems]~~ Having ultimate managerial authority over employees who may impact the integrity of online sports wagering.”

COMAR 36.10.06.05(A):

“A. Unless a person holds a valid sports wagering employee license issued by the Commission, the person may not ~~[be employed]~~ act in a manner that directly impacts the integrity of sports wagering conducted by a sports wagering facility operator, mobile sports wagering licensee, sports wagering facility license operator, online mobile sports wagering operator, or sports wagering contractor to perform functions or provide services related to sports wagering under State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland.”

- *Issue 5 – Requirement for licensure of “affiliates” of a licensee.*

The Proposed Regulations include a provision which requires licensing information to be provided by affiliates of an applicant (COMAR 36.10.02.04(A)(9)). However, the definition of “affiliate” includes any person who has any ownership, direct or indirect, with the applicant, with no minimal ownership threshold (COMAR 36.10.01.02(B)(2)). This could require any shareholder of a publicly traded company, or even any minority owner of a privately held corporation who does not otherwise meet the minimal ownership threshold in COMAR 36.10.02.04(A)(4) to submit licensing information, which would be incredibly burdensome, unmanageable, and unnecessary. Since COMAR 36.10.02.04(A)(4) already requires persons who meet the minimal ownership threshold to submit licensing information, we suggest the following edit to remove the requirement for licensing information from affiliates of an applicant:

COMAR 36.10.02.04(A)(9):

“A. Except as otherwise provided in the Commission’s regulations, the application documents shall include the information required under §B of this regulation, for a person who is:

...

(7) A principal entity; **or**

(8) A holding company of the applicant~~;~~ **or**

~~(9) An affiliate of the applicant].”~~

- ***Issue 6 – Requirement to provide Social Security number in application.***

The Proposed Regulations require information to be provided by individuals who have significant ownership in, or hold high level positions within, a sports betting applicant. As part of the information required to be submitted, this includes an individual’s Social Security number. However, some of the individuals associated with applicants for licensure may not have Social Security numbers. As such, we suggest adding language to this section which allows those individuals to alternatively provide an equivalent identification number for a noncitizen applicant. To address this concern, we suggest the following edit:

COMAR 36.10.02.04(B)(6):

“B. An individual listed under §A of this regulation shall furnish the individual’s:

...

(6) Social Security number **or an equivalent identification number for a noncitizen applicant, such as a passport or taxpayer identification number;**...”

- ***Issue 7 – Requirement for two sets of fingerprint cards for background checks.***

The Proposed Regulations contain two provisions which relate to the submission of fingerprint cards for background checks (COMAR 36.10.02.04(B)(8)(b) and COMAR 36.10.02.05(A)(1)) which may increase the difficulty for processing licensing information from out of state residents. It appears, as written, that these provisions require the submission of one set of FBI fingerprint cards and another set of Maryland specific fingerprint cards. While we agree that the state should be able to conduct its own background check on applicants, we believe it is an unnecessary administrative burden to require collection of fingerprints on Maryland specific fingerprint cards. We suggest the following edits to clarify that out-of-state residents must submit two sets of FBI fingerprint cards – one which will go to the FBI and one which will go to the Maryland Criminal Justice Information System:

COMAR 36.10.02.04(B)(8)(b):

“B. An individual listed under §A of this regulation shall furnish the individual’s:

...

“(8) Fingerprints for a criminal records check:

...

(b) For an out-of-State resident, ~~[one]~~ two FBI ~~[and one State]~~ fingerprint cards, taken within the previous 45 days before submission to the Commission; and...”

- *Issue 8 – Standard for disqualification of an applicant.*

The Proposed Regulations include a provision which requires the mandatory disqualification of an applicant for a license if they provide information that is “untrue or misleading as to a material fact” (COMAR 36.10.03.02(C)(4)). While we do not condone the submission of false information in an application for licensure, the mandatory disqualification for submission of information which may be deemed “misleading” by the Commission is concerning. We suggest that the Commission follow the lead of Virginia by providing for a “knowingly false” standard¹². To address this concern, we suggest the following edit:

COMAR 36.10.03.02(C)(4):

“C. Mandatory Disqualification. The Commission shall disqualify an applicant from licensure, or find the applicant unqualified, on the basis of:

...

(4) Supplying, by the applicant or any person required to be qualified, information that is ~~[untrue or misleading]~~ knowingly false as to a material fact concerning the qualification criteria;...”

- *Issue 9 – Sports wagering vendor registration.*

The Proposed Regulations include a section related to the registration of vendors who do not fit the criteria to be licensed as sports wagering contractors (COMAR 36.10.06.11). This section requires the registration of significant number of non-gaming vendors, many of whom are not required to be licensed in other jurisdictions, are providing products or services that are not industry specific and provided to the public at large, and will, simply put, refuse to submit to registration. We suggest a number of edits to this section, most importantly increasing the monetary threshold for exemption from registration to match the threshold in other jurisdictions. For example, Tennessee has a \$500,000 annual exemption from vendor registration for non-gaming vendors¹³. To address these concerns, we suggest the following edits:

COMAR 36.10.06.11(A)(2):

“(2) Term Defined. “Sports Wagering Vendor” means a person who provides goods or services that are integral to the operation of sports wagering to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, and who is not required to be issued a sports wagering license or sports wagering contractor license under State Government Article Title 9, Subtitle 1E, Annotated Code of Maryland, and is a:...”

¹² 11 VAC 5-70-120(E)(2)

¹³ TN Sports Gaming License Rules, Regulations and Standards 15.1.4(C)(1)

COMAR 36.10.06.11(C)13:

“C. The following persons that provide any of the enumerated services to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license, are exempt from sports wagering vendor registration and certification requirements:

...

(13) Professional entertainers, sports figures, or other celebrities engaged by a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or applicant for such license to appear at a licensee-sponsored entertainment or promotional event, **or who endorse or promote such licensee through any means and do not receive a commission or other fee based on the number of registrations, wagering activity or a percentage of the proceeds of the licensee;**”

COMAR 36.10.06.11(C)(15):

“C. The following persons that provide any of the enumerated services to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license, are exempt from sports wagering vendor registration and certification requirements:

...

(15) A sports wagering vendor that provides, or anticipates providing, within a calendar year a combined total value of goods and services **in Maryland** that are not related to sports wagering to the State sports wagering facilities, mobile sports wagering licensees, online sports wagering operators, sports wagering facility operators, or sports wagering contractor[s] applicants or licensees of less than \$~~[2]~~**500,000**; or...”

COMAR 36.10.06.11(E):

“E. Sports Wagering Vendor Registration.

(1) A sports wagering vendor shall be registered with the Commission if it provides, or anticipates providing, goods or services that are not related to the sports wagering operation:

(a) To a single licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor;

(b) In a single calendar year; and

(c) That are valued ~~[from \$20,000 to \$299,999]~~ **at \$500,000 or more.**”

- ***Issue 10 – Standard for determining violations.***

The Proposed Regulations contain a number of provisions related to the standard by which a sports wagering licensee may be found to have committed a violation¹⁴. Similar to the concern raised in relation to the submission of “untrue or misleading” information in an application, we suggest that

¹⁴ COMAR 36.10.08.02; COMAR 36.10.08.06(A); and COMAR 36.10.10.01(F)(1)

the Commission follow the lead of Virginia by providing a “knowing” standard as it relates to determining violations¹⁵. To address this concern, we suggest the following edits:

COMAR 36.10.08.02:

“.02 Violations. A licensee may not **knowingly and intentionally**:...”

COMAR 36.10.08.06(A):

“A. General.

The Director or the Director’s designee may recommend the imposition of any sanction deemed appropriate against a licensee if the licensee **knowingly and intentionally**:...”

COMAR 36.10.10.01(F)(1):

“F. A sports wagering licensee may not:

(1) **Knowingly [P]** permit an individual on the voluntary exclusion list to:

(a) Enter the part of the premises of a sports wagering licensee where sports wagering is conducted; or

(b) Participate in sports wagering:...”

- *Issue 11 – Standard for reporting information to the Commission.*

The Proposed Regulations contain a number of provisions where sports wagering licensees are required to report information to the Commission either “immediately” or on very specific, and short, timeframes. While the Commission should be promptly notified of certain information, the Commission would be best served by allowing sports wagering licensees the flexibility to do an initial investigation and gather all relevant information on an issue before sending a report to the Commission. This standard would be similar to the one utilized in Michigan¹⁶. This way the information received by the Commission is thorough and accurate, as opposed to hastily sent over to meet an “immediate” deadline. To address this concern, we suggest the following edits:

COMAR 36.10.10.01(E)(1):

“E. If an individual on the voluntary exclusion list is found on part of the premises of a sports wagering licensee where sports wagering is conducted, the sports wagering licensee:

(1) Shall **[immediately] promptly** notify the Commission in person or via email; and...”

COMAR 36.10.10.02(A)(4):

“A. A sports wagering licensee shall establish a responsible gaming plan that sets forth its plan for addressing problem gambling that shall include at least the following elements of the plan:

...

¹⁵ 11 VAC 5-70-120(E)(12)

¹⁶ MI Administrative Code R432.743

(4) Procedures for **promptly** notifying the Commission of an unauthorized access to the list ~~[within twelve hours of the unauthorized access];...~~

COMAR 36.10.13.20(D)(4):

“D. A sports wagering licensee’s internal audit department operating procedures and standards shall, at a minimum, require the internal audit department to:

...

(4) ~~[Immediately]~~ **Promptly** report a deficiency in, or noncompliance with, the sports wagering licensee’s internal controls to:...”

COMAR 36.10.13.30(D):

“D. A sports wagering licensee shall ~~[immediately]~~ **promptly** report to the Commission evidence that a sports wagering ticket has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, or reliability of the sports wagering ticket.”

COMAR 36.10.13.39(C):

“C. A sports wagering licensee shall ~~[immediately]~~ **promptly** report to the Commission evidence that a promotional play instrument has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, or reliability of the promotional play instrument.”

COMAR 36.10.18.03(O):

“O. The sports wagering licensee shall **promptly** notify the Commission ~~[within 12 hours]~~ of a validation failure.”

- ***Issue 12 – Requirement to eject individuals who “may be” eligible for exclusion list.***

The Proposed Regulations contain a provision (COMAR 36.10.11.09(A)(1)(b)) which requires sports wagering licensees to exclude or eject individuals from a sport wagering facility who “may be” eligible for placement on the mandatory exclusion list. This amorphous standard is not useful and will only serve to create confusion. If individuals at a sports wagering facility are found to be on the voluntary or mandatory exclusion lists they should be excluded or ejected. However, sports wagering licensees should not be held responsible to eject individuals who may be added to the mandatory exclusion list at some unknown future date. As such we suggest the following edits to address this concern:

COMAR 36.10.11.09(A)(1)(b):

“A. A sports wagering licensee shall establish a plan for identifying and:

(1) Excluding or ejecting from a sports wagering facility or from participating in sports wagering{:

— ~~(a) E]~~excluded individuals; and

~~[(b) Individuals who may be eligible for placement on the mandatory exclusion list; and]...~~”

- *Issue 13 – Inconsistent authorization for shorter timeframe to submit documents and procedures.*

Throughout the Proposed Regulations there are distinct timeframes set for the submission of documents and procedures to the Commission. In a number of sections there is an authorization for the Commission to shorten the time, while other sections do not include this authorization. We suggest the uniform authorization for the Commission to shorten the timeframes for the submission of documents. To address this concern, we suggest the following edits:

COMAR 36.10.11.09(C)(1):

“C. A sports wagering licensee shall submit to the Commission for its approval:

(1) At least 60 days before sports wagering operations are to commence, **or within a time-period approved by the Commission**, the mandatory exclusion plan required under §A of this regulation;...”

COMAR 36.10.13.03(A):

“A. At least 60 days prior to commencing sports wagering, **or within a time-period approved by the Commission**, and any time a change is made thereafter, a sports wagering licensee shall submit to the Commission for approval internal controls for:...”

COMAR 36.10.13.09(C):

“C. At least 30 days before sports wagering operations are to commence, **or within a time-period approved by the Commission**, a sports wagering **facility** licensee shall submit to the Commission for review and written approval of a table of organization depicting all direct and indirect reporting lines for:...”

COMAR 36.10.13.11(C):

“C. At least 60 days before sports wagering operations are to commence, **or within a time-period approved by the Commission**, a sports wagering licensee shall submit to the Commission for review and written approval:...”

COMAR 36.10.13.12(C):

“C. At least 60 days before sports wagering operations are to commence, **or within a time-period approved by the Commission**, a sports wagering licensee shall submit its surveillance department minimum staffing plan to the Commission for review and written approval.”

COMAR 36.10.13.14(B):

“B. At least 60 days before sports wagering operations are to commence, **or within a time-period approved by the Commission**, a sports wagering licensee shall submit to the Commission for review and written approval:...”

COMAR 36.10.13.16(B)

“B. At least 60 days before sports wagering operations are to commence, or within a time-period approved by the Commission, a sports wagering licensee shall submit to the Commission for review and approval:...”

COMAR 36.10.13.17(C):

“C. At least 60 days before sports wagering operations are to commence or within another time period approved by the Commission, a sports wagering licensee shall submit to the Commission for review and written approval of its security department operating procedures.”

COMAR 36.10.13.18(C):

“C. At least 60 days before sports wagering operations are to commence or within another time period approved by the Commission, a sports wagering licensee shall submit its security department staffing plan to the Commission for review and written approval.”

COMAR 36.10.13.20(C):

“C. At least 60 days before sports wagering operations are set to commence or within another time period approved by the Commission, a sports wagering licensee shall submit to the Commission for review and approval internal audit department operating standards and procedures that:...”

COMAR 36.10.15.04(B):

“B. At least 60 days before sports wagering operations are to commence, or within a time-period approved by the Commission, a licensee shall submit a floor plan depicting its facility and all restricted areas to the Commission for review and approval.”

- *Issue 14 – Requirement to provide both narrative and dynamic representations of each procedure or internal control.*

The Proposed Regulations include a provision which requires sports wagering license applicants to provide “both narrative and diagrammatic representations” of each procedure or internal control (COMAR 36.10.13.03(B)). This requirement is incredibly burdensome and will require the submission of significant amounts of documents beyond what is required in other jurisdictions. We suggest changing this requirement to “a description” of each procedure and control. Since the Commission is empowered to approve or deny the internal control submission, if they feel they need more information on a particular control or procedure, they can request that information after reviewing the submission of the applicant. To address this concern, we suggest the following edit:

COMAR 36.10.13.03(B):

“B. Each procedure or control submission shall, at a minimum, include ~~[both narrative and diagrammatic representations]~~ a description of the system to be utilized including the following:

- ***Issue 15 – Requirement to verify customer address.***

The Proposed Regulations contain a provision which requires sports wagering licensees to authenticate “the age, identity and physical address” of an individual who is signing up for a sports wagering account (COMAR 36.10.13.03(B)(12)(a)). While authenticating or verifying a customer’s age and identity is standard practice, authenticating or verifying the customer’s address is not, and can lead to a significant number of unnecessary verification failures. We suggest the Commission follow the lead of states like Arizona, Colorado, Indiana, Michigan, Tennessee, and Virginia who do not require address verification in order to create a sports wagering account¹⁷. To address this concern, we suggest the following edits:

COMAR 36.10.13.03(B)(12)(a):

“(12) Procedures for the registration of a bettor and establishment of a sports wagering account, including a procedures for:

(a) Authenticating the age[,], **and** identity [~~and physical address~~] of an applicant for a sports wagering account; and...”

- ***Issue 16 – Requirement to submit any change to sports betting catalogue 72 hours in advance.***

The Proposed Regulations include a requirement that any change to a sports wagering licensee’s sports betting catalogue be submitted 72 hours in advance (COMAR 36.10.13.03(E)). This requirement can be problematic and we suggest the Commission adopt a standard similar to that of Arizona which requires any changes be submitted “prior to implementation”¹⁸. To address this concern, we suggest the following edits:

COMAR 36.10.13.03(E):

“E. A sports wagering licensee shall notify the Commission of any changes to the catalogue [~~at least 72 hours~~] in advance of implementation of these changes.”

- ***Issue 17 – Requirement that CEO or CLO and director of finance must certify the internal controls.***

The Proposed Regulations include provisions which require that a sports wagering licensee’s chief executive officer or chief legal officer and director of finance must submit a certification that the licensee’s internal controls conform to the requirements of the statute and regulations (COMAR

¹⁷ AZ - A.A.C. R19-4-133(B), CO - 1 CCR 207-2 Rule 7.11(2), IN – 68 IAC 27-12-2, MI - MI Administrative Code R432.751a, TN - Sports Gaming License Rules, Regulations and Standards 15.1.7(H)-(I); VA – 11 VAC 5-80-50(A) and 11 VAC 5-80-110(B);

¹⁸ A.A.C. R19-4-129(A)

36.10.13.04(B)(1)-(2)). We suggest that this requirement be loosened to allow for other authorized persons to sign the certification on behalf of the licensee. To address this concern, we suggest the following edits:

COMAR 36.10.13.04(B)(1)-(2):

“B. The internal controls shall be accompanied by:

(1) A certification by the sports wagering licensee’s chief executive officer, ~~[or]~~ chief legal officer, or other authorized person, that the submitted internal controls conform to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter;

(2) A certification by the sports wagering licensee’s director of finance, or other authorized person, that submitted internal controls:...”

- ***Issue 18 – Requirement for CPA to issue opinion letter on internal control procedures.***

The Proposed Regulations include provisions which requires a CPA to provide an opinion letter as to whether or not the internal controls of a sports wagering licensee comply with the provisions of statute and regulations (COMAR 36.10.13.04(B)(3) and COMAR 36.10.13.06(F)-(G)). This is not an industry standard practice, as it is the responsibility of the regulator to review internal control procedures and determine whether or not they conform with applicable statutes and regulations before approving them. We strongly suggest removing these provisions by striking these sections entirely.

- ***Issue 19 - Requirement to retain log of all changes to internal control procedures.***

The Proposed Regulations include a provision which requires sports wagering licensees to maintain a log of all changes to the internal control procedures (COMAR 36.10.13.04(G)(5)). Since all changes to the internal controls must be submitted to the Commission for review and approval, we are unsure as to the value the maintenance of such a log. As such, we suggest the removal of this requirement.

- ***Issue 20 – Requirement for CEO signoff on all reports of financial and statistical data.***

The Proposed Regulations include a provision which requires the chief executive officer to signoff on all reports of financial and statistical data (COMAR 36.10.13.05(C)). This is not standard industry practice and will place a significant unnecessary paperwork burden on chief executive officers. As such, we suggest the removal of this requirement.

- ***Issue 21 – Requirement for indefinite record retention for certain records.***

The Proposed Regulations include a provision which requires indefinite record retention for a number of different types of records (COMAR 36.10.13.07(C)). We suggest that this provision is

unnecessary and that a standard record retention period can be instituted. To address this concern we suggest the following edits:

COMAR 36.10.13.07(C)-(E):

~~“C. [Unless a request for destruction or alternate record retention schedule is submitted in writing and approved in writing by the Commission, a sports wagering licensee shall retain indefinitely original books and records documenting:~~

- ~~(1) Ownership of the sports wagering licensee’s facility if applicable;~~**
- ~~(2) Internally initiated investigations and due diligence;~~**
- ~~(3) Personnel matters;~~**
- ~~(4) Signature cards of current employees; and~~**
- ~~(5) Destruction of documents, including:~~**
 - ~~(a) The identity of the document;~~**
 - ~~(b) Period of retention; and~~**
 - ~~(c) Date of destruction.~~**

~~D.] Unless a request for destruction or alternate record retention schedule is submitted in writing and approved in writing by the Commission, a sports wagering licensee shall retain for a minimum of 5 years all original books and records not:~~

- ~~(1) [Identified for indefinite retention under §C of this regulation; or~~**
~~————(2)]Subject to an exemption under §[E]D of this regulation.~~

~~[E]D.~~ Exceptions...”

- *Issue 22 – Requirement to disclose bettors who receive \$5,000 or more in complimentary services.*

The Proposed Regulations include a requirement to disclose to the Commission any bettor who “together with guests, received \$5,000 or more in complimentary services within a period of 5 consecutive days” (COMAR 36.10.13.08(G)-(H)). This is not a standard practice in other sports wagering jurisdictions and we suggest removal of these sections entirely.

- *Issue 23 – Timeframe for notification to Commission for certain vacancies.*

The Proposed Regulations include a provision which requires that the Commission be notified within 5 days after the date of a vacancy, or the filling of a vacancy, in the position of chief executive officer or certain department heads of a sports wagering licensee (COMAR 36.10.13.09(R)(1) and (4)). We believe that the Commission should be notified of these important personnel changes, however, we believe the standard should be that the Commission be “promptly” notified. To address this concern, we suggest the following edits:

COMAR 36.10.13.09(R)(1):

“(1) ~~[No later than 5 days]~~ **Promptly** after the date of a vacancy, a sports wagering licensee shall notify the Commission in writing of:...”

COMAR 36.10.13.09(R)(4):

“(4) ~~[No later than 5 days]~~ **Promptly** after filling a vacancy, a sports wagering licensee shall notify the Commission in writing of:...”

- ***Issue 24 – Surveillance standards for mobile sports wagering licensees.***

The Proposed Regulations include very specific requirements for security and surveillance for mobile sports wagering licensees (COMAR 36.10.13.15 and COMAR 36.10.13.16). These requirements are not industry standard and are unnecessarily burdensome. We believe the Commission would be best served by striking these requirements entirely and replacing them with more general requirements – for example those found in Michigan¹⁹, which are similar to our suggested edits:

Strike entirely COMAR 36.10.13.15 and COMAR 36.10.13.16 and replace with a new COMAR 36.10.13.15:

“.15 Location of servers, security and cloud storage.

A. Unless otherwise approved by the Commission in writing, a mobile sports wagering licensee must place a server or other equipment that is capable of receiving online sports wagers in this state. The location selected must have adequate security, protections, and controls over the servers or other equipment that is capable of receiving online sports wagers. Mobile sports wagering licensees must provide the board with information on the location of all servers and other equipment.”

- ***Issue 25 – Internal audit requirement.***

The Proposed Regulations include a provision which relates to the operating procedures and standards of a sports wagering licensee’s internal audit department (COMAR 36.10.13.20(D)). As acknowledged throughout the licensing provisions of the Proposed Regulations, a sports wagering licensee may be owned by a parent company. That parent company may be the entity which

¹⁹ MI Administrative Code R432.734

performs the internal audit function of the sports wagering licensee. As such, we suggest that this provision be updated to clarify that the internal audit function may be performed by the parent company of the sports wagering licensee. To address this concern we suggest the following edit:

COMAR 36.10.13.20(D):

“(D) A sports wagering licensee’s internal audit department, or that of its’ parent company, operating procedures and standards shall, at a minimum, require the internal audit department to:...”

- ***Issue 26 – Standards for accepting checks.***

The Proposed Regulations contain a number of specific, and manual, processes which must be complied with in relation to the acceptance of checks (COMAR 36.10.13.24 through COMAR 36.10.13.27). The specificity and nature of these requirements is unnecessary and would be better addressed through specific processes outlined by sports wagering licensees in their internal controls which are reviewed and approved by the Commission. To address this concern we suggest removing COMAR 36.10.13.24 through COMAR 36.10.13.27 entirely.

- ***Issue 27 – Maximum wager requirement.***

The Proposed Regulations contain a provision which limits the maximum of any individual wager to \$5 million (COMAR 36.10.14.01(D)). The determination as to whether or not to accept a large wager should be up to an individual sports wagering licensee based upon their own risk analysis and their outstanding liability on the underlying sports event. Additionally, while a \$5 million wager on a single event is large and may seem extreme, there are situations where these large wagers are actually highly calculated business decisions by individual bettors. For example, there is a well-known owner of a furniture business who has promotions based on the performance of sports teams. He then places large sports wagers to offset the financial risk of the promotion²⁰. To address this concern we suggest removing COMAR 36.10.14.01(D) entirely.

- ***Issue 28 – Permissible wager types.***

The Proposed Regulations include a listing of acceptable types of wagers (COMAR 36.10.14.02(C)), however, this list does not include all the wager types listed in State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland²¹. To address this concern, we suggest the following edits:

COMAR 36.10.14.02(C):

²⁰ https://www.espn.com/chalk/story/_/id/31692746/mattress-mack-bets-335-million-astros-latest-promotion

²¹ State Government Article, Title 9, Subtitle 1E, Section 01(J), Annotated Code of Maryland

“C. The Commission may permit a sports wagering licensee on behalf of a sports wagering licensee to offer ~~[the]~~ any of the following types of wagers on the events contained in §B of this regulation:

(1) Exchange wagers;

(2) In-game wagers;

(3) **In-play wagers;**

~~(4) Moneyline wagers;~~

~~(5) Over-under wagers;~~

~~(6) Parlay wagers;~~

(7) Pool wagers;

~~[(4)] (8) Proposition wagers;~~

(9) Single game wagers;

~~[(5)] (10) Straight wagers;~~

(11) Teaser wagers; and

~~[(6)] (12) Other types of wagers as approved by the Commission.”~~

- *Issue 29 – Authorized forms of payment to fund sports wagering accounts.*

The Proposed Regulations include a provision which lists out the forms of payment that are authorized to fund sports wagering accounts (COMAR 36.10.14.05(A)). There are two concerns that we have with the provisions of this section. First, while other provisions of the draft regulations make clear the intent of the Commission to allow for the use of credit cards by bettors with mobile sports wagering licensees²², this provision does not include credit cards as an acceptable form of payment for funding a sports wagering account. Second, the provisions of this section also leave out online money transfers and are unclear on winnings which are authorized as forms of funding an account under COMAR 36.10.18.05(H). To address these concerns, we suggest the following edits:

COMAR 36.10.14.05(A):

“A. A bettor’s sports wagering account may be funded by:

(1) A cash deposit made directly with a sports wagering licensee;

(2) A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee;

(3) A bettor’s **credit**, debit, ~~[card]~~ or prepaid card;

(4) A bettor’s deposit of a sports wagering ticket at a sports wagering facility, **or other sports wagering winnings or payouts**, approved by the Commission;

(5) A cash complimentary, promotional credit, or bonus credit;

(6) An online or mobile payment system that supports online money transfers;

~~(7) If there is documents notification to the bettor, and adjustment made by a sports wagering licensee following the resolution of a dispute; or~~

²² COMAR 36.10.13.28 and COMAR 36.10.18.05(H)

[~~(7)~~] **(8)** Any other means approved by the Commission.”

- *Issue 30 – Operations of reserve fund.*

The Proposed Regulations include a provision which contains the requirements for the maintenance of a reserve fund by sports wagering licensees (COMAR 36.10.14.06). We have three concerns with the provisions of this section. First, we suggest a clarification to ensure that licensees are able to remove, release, or withdraw funds from the reserve account that are in excess of the amount necessary to satisfy the reserve requirements. Second, we suggest a clarification to bring the provisions of the calculation of the reserve in line with other sports wagering jurisdictions as it relates to the outstanding liability of a sports wagering licensee. Third, the provisions of this section require sports wagering licensees to notify the Commission within 24 hours of any deficiency in the reserve fund. We suggest that sports wagering licensees be required to correct any deficiency promptly and to report to the Commission if the deficiency continues for more than three business days. To address these concerns, we suggest the following edits:

COMAR 36.10.14.06:

“A. A sports wagering licensee shall maintain a reserve in cash, cash equivalents, irrevocable letter of credit, bond, or a combination thereof in an amount approved by the Commission to cover the outstanding liability of the sports wagering licensee to bettors **in the State**.

B. A sports wagering licensee may not remove, release, or withdraw funds **necessary to meet the licensee’s outstanding liability** from its reserve without the written approval of the Commission. **For the avoidance of doubt, sports wagering licensees may remove, release, or withdraw funds that are held in the reserve account that are in excess of the sports wagering licensee’s outstanding liability.**

C. The amount in the reserve shall be at least \$500,000 and equal or exceed the aggregate sum of:

- (1) Funds held by the sports wagering licensee in bettor accounts;
- (2) The total amount of funds ~~[to cover the potential liability for all wagers accepted by]~~ **wagered by bettors with** the sports wagering licensee on sporting events with outcomes that have not been determined; and
- (3) Money owed but unpaid by the sports wagering licensee to bettors on winning wagers.

...

E. A sports wagering licensee shall:

- (1) Calculate its reserve requirements each day; and
- (2) If the sports wagering licensee determines its reserve is insufficient to cover the requirements of this regulation, **promptly take steps to remedy the deficiency. The sports wagering licensee shall immediately** notify the Commission in writing **if such a deficiency continues for more than three business days.**

~~(a) Within 24 hours of the deficiency; and~~

~~(b) The steps to be taken to remedy the deficiency.]”~~

- *Issue 31 – Standard for prevention of cheating, past posting, and voiding of wagers after event outcome is known.*

The Proposed Regulations include a section which requires sports wagering licensees to prevent cheating, past posting, and the voiding of wagers after an event outcome is known (COMAR 36.10.18.03(L)). We suggest two updates to the provisions of this section. First, we suggest that sports wagering licensees be required to use “commercially reasonable best efforts” to prevent these situations from occurring. Second, we suggest an exemption from the prohibition on voiding of wagers after the outcome is known to address situations where a case of “obvious error” has occurred. This exemption is authorized in a number of jurisdictions, including Arizona, Colorado, Indiana, and Michigan²³. To address these concerns we suggest the following edits:

COMAR 36.10.18.03(L):

“L. A sports wagering platform shall **use commercially reasonable best efforts to** prevent:

(1) The electronic modification of data to facilitate cheating;

(2) The past posting of wagers; and

(3) **Except in the case of “obvious error,”** ~~[F]~~the voiding and cancellation of wagers after the outcome of an event is known.”

- *Issue 32 – Requirement that bettors provide full Social Security number to create an account.*

The Proposed Regulations include a section outlining the information a bettor must provide in order to create a sports wagering account. Included in the information required is the bettor’s Social Security number (COMAR 36.10.18.05(C)(6)). While certain information is necessary in order to verify the identity of an individual creating an account, often that verification can be accomplished using only the last four digits of a bettor’s Social Security number, along with other information provided. We suggest that the Commission follow the lead of a number of other jurisdictions including Arizona, Colorado, Indiana, Michigan, Tennessee, Virginia, and West Virginia²⁴ and allow for the submission of only the last four digits of the bettor’s Social Security Number. To address this concern we suggest the following edit:

²³ AZ – A.A.C. R19-4-130(E), CO - 1 CCR 207-2 Rule 6.10(12), IN – 68 IAC 27-7-12, MI – Michigan Administrative Code R 432.746a(8)

²⁴ AZ – A.A.C. R19-4-133(E)(3), CO - 1 CCR 207-2 Rule 7.11(4)(iii), IN – 68 IAC 27-12-4(1)(C), MI – Michigan Administrative Code R 432.755(a)(iii), TN - Sports Gaming License Rules, Regulations and Standards 15.1.8(B)(6), VA – 11 VAC 5-70-290(B)(6), WV – WV Administrative Code §179-9-14.2.1.3

COMAR 36.10.18.05(C)(6):

“C. The information recorded and maintained under §B of this regulations shall include:

...

(6) Bettor’s [s]Social [s]Security number, or the last four (4) digits thereof, or equivalent as approved by the Commission;...”

Part III - Tertiary Concerns

- *Issue 1 – Requirement for employees of sports governing bodies and member teams to register with the Commission.*

The Proposed Rules contain a provision which requires employees of a sports governing entity or its member teams, who is not otherwise prohibited from wagering, to register with the Commission prior to placing a sports wager (COMAR 36.10.01.02(29)(j)). Since these individuals are not prohibited from wagering, we are unsure as to what value, if any, is provided by the requirement that they register with the Commission. As such, we suggest the removal of this provision.

- *Issue 2 – Definition of “institutional investors.”*

The Proposed Regulations include a definition of “institutional investors” who may be exempted from certain licensing requirements related to sports wagering licensees (COMAR 36.10.01.02(B)(32)). We thank the Commission for including this exemption, however we suggest that it be expanded to provide the Commission with the authority to determine that other investors, beyond the ones specifically referenced, qualify as “institutional investors.” To address this concern, we suggest the following edits:

COMAR 36.10.01.02(B)(32):

“(32) “Institutional investor” means:

...

(h) An investment advisor registered under the Investment Advisors Act of 1940 (15 USC 80b-1 through 80b-21); ~~or~~

(i) Any other person registered in any foreign jurisdiction and regulated in accordance with a statute of any foreign jurisdiction that the Commission determines to be substantially similar to that regulated by the Investment Company Act of 1940 or the Investment Advisors Act of 1940; or
(j) Any other entity deemed an institutional investor as determined by the Commission.”

- *Issue 3 – Requirements for testing laboratories.*

The Proposed Regulations include a provision that defines the term “Independent certified testing laboratory” and provides very specific third-party certifications that such a lab may received before the Commission has the chance to review their credentials and approve them (COMAR 36.10.01.02(B)(36)). While we certainly support the Commission reviewing and approving any

independent testing laboratory, we suggest that the specific listed certifications be removed to allow the Commission more leeway in reviewing the credentials of a testing laboratory. To address this concern, we suggest the following edits:

COMAR 36.10.01.02(B)(36):

“(36) “Independent certified testing laboratory” means a person engaged in the testing and verification of sports wagering equipment and the equipment, systems, and software utilized to collect, monitor, interpret, analyze, authorize, issue, redeem, report, and audit data with regard to a sports wagering activity that[~~is~~]

~~_____ (a) Holds a certificate in good standing for compliance with:~~

~~_____ (i) International Organization for Standardization #17025 — General Requirements for the Competence of Testing and Calibration Laboratories; and~~

~~_____ (ii) International Organization for Standardization #17020 — General Criteria for the Operation of Various Types of Bodies Performing Inspections;~~

~~_____ (b) Has performed testing and certification of sports wagering equipment, systems, and software on behalf of a state within the United States for a period of 5 or more years; and~~

~~_____ (c) H]h~~as been approved by the Commission to test and certify equipment, systems, and software on its behalf.”

- *Issue 4 – Requirement for notarization of certain documents.*

The Proposed Regulations include a provision which requires applicants to submit a notarized statement that the information provided in the application is truthful (COMAR 36.10.02.03(B)(1)(b)). We believe that such an attestation should be provided, however, we have found that during the Covid-19 pandemic, that organizing the notarization of licensing submissions has been difficult. As such, we suggest the following edit to remove the notarization requirement:

COMAR 36.10.02.03(B)(1)(b):

“B. Applications.

(1) An application submitted to the Commission shall:

...

(b) ~~[Be sworn before a notary public]~~ Attest as to their truth and validity by the applicant or, if the applicant is not an individual, by the chief executive officer of the applicant.

- *Issue 5 – Requirement to notify Commission of employment status changes.*

The Proposed Regulations include a provision which requires a sports wagering employee to notify the commission of any change in an individual’s employment status (COMAR 36.10.06.06(E)). We suggest that this notification is better handled by the sports wagering licensee with regard to its employees and suggest the following edits:

COMAR 36.10.06.06(E):

“E. A sports wagering ~~[employee]~~ licensee shall submit a report to the Commission of any change in ~~[the individual’s]~~ a sports wagering employee’s employment status:...”

- *Issue 6 – Access to personally identifiable information and exclusion lists.*

The Proposed Regulations contain two provisions related to the sharing of personally identifiable information and exclusion lists (COMAR 36.10.10.01(C) and COMAR 36.10.13.40(B)). These two provisions, as written, appear to prevent sports wagering licensees from sharing this information with appropriately licensed or registered third-party vendors who need access to this information in order to provide their services. For example, third-party identity verification providers need access to personally identifiable information in order to properly verify a bettor who is looking to setup a sports wagering account and third-party marketing vendors need to have access to the voluntary exclusion list to ensure that direct marketing efforts are not targeting individuals who are self-excluded. To address these concerns, we suggest the following edits:

COMAR 36.10.10.01(C):

“C. A sports wagering licensee may disclose information about an individual on the voluntary exclusion list to:

(1) The Commission;

(2) The licensee’s:

(a) Managers;

(b) Security department;

(c) Surveillance department;

(d) Sports wagering contractors or sports wagering vendors as necessary for the provision of their goods or services pursuant to their contract with the sports wagering licensee; or

~~[(d)]~~ **(e) Employees who are directly responsible for excluding unauthorized individuals from sports wagering; and...**”

COMAR 36.10.13.40(B):

“B. A sports wagering licensee shall not share information that could be used to personally identify a bettor or their gaming habits with any third party other than the Commission, law enforcement with a warrant or subpoena, **a sports wagering contractor or sports wagering vendor as necessary for the provision of their goods or services pursuant to their contract with the sports wagering licensee,** or a credit-reporting agency when determining whether an individual is credit-worthy.”

- *Issue 7 – Annual submission of responsible gaming plan.*

The Proposed Regulations include a provision which requires sports wagering licensees to annually submit their responsible gaming plan (COMAR 36.10.10.02(D)). Since licensees are

already required to submit their responsible gaming plan in advance of commencing operations²⁵, and since they have to submit any amendments to the plan prior to implementation²⁶, the additional requirement to annually submit the plan is duplicative and unnecessary. As such we suggest removing this annual requirement entirely.

- ***Issue 8 – Required information for mandatory excluded bettors.***

The Proposed Regulations include a provision which outlines the information which may be utilized to identify an individual on the mandatory exclusion list (COMAR 36.10.11.04(E)). The information listed is significant but would be greatly improved with the inclusion of an individual's Social Security number. That is a key piece of information to assist licensees, especially mobile sports wagering licensee, in identifying individuals who must be excluded. To address this concern, we suggest the following edits:

COMAR 36.10.11.04(E):

“E. The information used to identify an excluded individual may include:

(1) The individual's:

- (a) Name and any nickname or alias;
- (b) Residential address;
- (c) Telephone numbers;
- (d) **Social Security number (or the last 4 digits);**
- ~~[(d)]~~ (e) Gender;
- ~~[(e)]~~ (f) Physical description, including any birthmarks, scars, or tattoos;
- ~~[(f)]~~ (g) Race or ethnic origin;
- ~~[(g)]~~ (h) For non-United States citizens, country of origin; and
- ~~[(h)]~~ (i) Photograph;...”

- ***Issue 9 – Carryover of negative sports wagering proceeds.***

The Proposed Regulations contain a section which describes the process by which a sports wagering licensee may carryover a negative amount of sports wagering proceeds to apply to future taxing periods (COMAR 36.10.12.03(C)). However, this provision does not directly correspond with the relevant provisions of statute²⁷ and should be amended to conform with the statutory provisions. To address these concerns, we suggest the following edits:

COMAR 36.10.12.03(C):

“C. Reconciliation of Gross Sports Wagering Receipts.

²⁵ COMAR 36.10.10.02(B)

²⁶ COMAR 36.10.10.02(C)

²⁷ State Government Article, Title 9, Subtitle 1E, Section 12(D), Annotated Code of Maryland

(1) If a sports wagering licensee returns to successful bettors more than the amount of money wagered ~~[on a sporting event]~~ **in any month**, the sports wagering licensee may subtract the difference between the amount wagered and the amount returned to bettors from its proceeds ~~[of up to 90 following wagering days]~~ **for the three following months**.

~~[(2) A sports wagering licensee may not subtract losses under §C(1) of this regulation for more than 90 consecutive wagering days.]”~~

- *Issue 10 – Submission of organizational chart.*

The Proposed Regulations include a provision which requires sports wagering licensees to provide an organizational chart of all employees involved in sports wagering (COMAR 36.10.13.03(B)(5)). We suggest a clarification that this requirement apply specifically to employees of a sports wagering licensee at the sports wagering facility. To address this concern, we suggest the following edits:

COMAR 36.10.13.03(B)(5):

“(5) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering **at the sports wagering licensee’s facility**;...”

- *Issue 11 – Verification of customer location.*

The Proposed Regulations include a provision which requires a sports wagering licensee’s internal controls to include procedures to verify “in near real time” the location of a bettor (COMAR 36.10.13.03(B)(27)(b)). We suggest that this be changed to being on a periodic basis as geolocation solutions often time their verifications based on how close to a border a bettor is. When a bettor is in the middle of a state and far from a border, the interval between verifications will be longer than the interval between verifications if a bettor is near the state line. To address this concern, we suggest the following edit:

COMAR 36.10.13.03(B)(27)(b):

“(27) Procedures to verify each registered bettor’s physical location:

...

(b) ~~[In near real time]~~ **Periodically** as the application is being used;...”

- *Issue 12 – Wager attempts above maximum threshold set by licensee.*

The Proposed Regulations include a provision which requires sports wagering licensees to have procedures to identify wagers and attempts to wager above any maximum wager threshold set by the licensee (COMAR 36.10.13.03(B)(35)). We request clarification from the Commission that this is intended to require procedures to identify and prevent such wagers as opposed to identify and maintain records of such wager attempts.

- *Issue 13 – Submission of audited financial statements.*

The Proposed Regulations include a provision which requires sports wagering licensees to provide audited financial statements to the Commission (COMAR 36.10.13.06). There is one adjustment that we are seeking to this provision, to allow for the submission of audited financial statements of the parent company of a sports wagering licensee. For many companies with complex ownership structures, their annual financial statements may only be audited at the parent company level and we suggest that the Commission should accept those to fulfill the requirements of this section. To address this concern, we suggest the following edit:

COMAR 36.10.13.06(A):

“A. A sports wagering licensee, or parent company of a sports wagering licensee, shall cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent certified public accountant.”

- *Issue 14 – Reporting of changes to compliance program.*

The Proposed Regulations include a provision which requires sports wagering licensees to submit any change or amendment to its compliance program (COMAR 36.10.13.06(R)). While we understand the desire of the Commission to be apprised of changes to a sports wagering licensee’s compliance program, we are routinely making minor edits and improvements to our compliance program and we suggest that this notification requirement be limited to new policies or major changes. To address this concern, we suggest the following edits:

COMAR 36.10.13.06(R):

“R. On or before the effective date, a sports wagering licensee shall submit to the Commission any new policy or major change or amendment to its compliance program required under 31 CFR §103.64.”

- *Issue 15 – Availability of records to the Commission.*

The Proposed Regulations include a provision which requires that records of a sports wagering licensee be “immediately” available for inspection by the Commission (COMAR 36.10.13.07(A)(4)-(5)). While we agree that the Commission should have access to these records, we suggest removal of the “immediate” standard and instead have the records available upon request of the Commission. To address this concern, we suggest the following edits:

COMAR 36.10.13.07(A)(4)-(5):

“A. All original books and records shall be:

...

(4) Kept [~~immediately~~] available upon request for inspection by the Commission during all hours of operation;

(5) Organized and indexed in a manner designed to provide **[immediate]** accessibility to the Commission; and...”

- *Issue 16 – Customer account closure.*

The Proposed Regulations include a section where a bettor is allowed to close their account at any time and “by any means” (COMAR 36.10.13.40(F)(6)). While we certainly agree with the requirement that a bettor be allowed to close their account at any time, the requirement to process such a request “by any means” leads to the potential for almost farcical situations that sports wagering licensees would have to accept requests for account closures – ranging from social media messages to singing telegrams, to skywriting, to carrier pigeons and beyond. We strongly suggest removing the “by any means” provision in this section. To address this concern, we suggest the following edits:

COMAR 36.10.13.40(F)(6):

“(6) Procedures that allow a bettor to permanently close a user account at any time and for any reason. ~~[The procedures shall allow for closing by any means, including by a bettor on any platform used by that bettor to make deposits into a segregated account.]~~

- *Issue 17 – Unclaimed balances in closed accounts.*

The Proposed Regulations include a provision which appears to require sports wagering licensees to deem abandoned any funds in a closed sports wagering account after 5 years (COMAR 36.10.13.40(I)). However, as written, this provision may include any sports wagering account that has not had funds withdrawn from it for 5 years, no matter whether it is dormant, closed, or still active. To address this concern, we suggest the following edits:

COMAR 36.10.13.40(I):

“(I) If **the funds in** a bettor's **[segregated] closed** account remain[s] unclaimed for 5 years after the balances are payable or deliverable to the bettor, the sports wagering licensee shall presume the account to be abandoned and shall report and remit all segregated accounts presumed abandoned to the State Comptroller.”

- *Issue 18 – Review of promotions.*

The Proposed Regulations include a provision which requires sports wagering licensees to submit promotions for approval at least seven days in advance of implementation (COMAR 36.10.13.41(B)). While we understand the request by the Commission to review and approve promotions, we would suggest that this only should apply to new promotional mechanisms that have not yet been approved (i.e. bet x get y in promotional credits). However, once the mechanism has been approved, it should be able to be utilized for new marketing campaigns without having

to be reapproved. It is important to note that sports, especially during playoffs, lend themselves to circumstances changing rapidly and sports wagering licensees need the flexibility to adapt their marketing campaigns to address these changes. To address this concern, we suggest the following edits:

COMAR 36.10.13.41(B):

“(B) Promotional Offers. A sports wagering licensee shall, at least seven days prior to implementing a new promotional mechanism, submit terms and conditions of each promotional mechanism to the Commission and must include, at a minimum, all of the following:

...

(C) Unless specifically requested by the Commission, sports wagering licensees shall not be required to submit terms and conditions of promotional mechanisms that substantively mirror mechanisms previously approved by the Commission.”

- *Issue 19 – Posting of promotional terms.*

The Proposed Rules include a provision which requires sports wagering licensees to provide the terms and conditions of all promotions on the home page of the sports wagering licensee as well as any websites of a sports betting contractor that operates on their behalf (COMAR 36.10.13.41(D)). While this information should be available on the website of a sports wagering licensee, as there will likely be many promotions being run simultaneously, and the terms and conditions may be rather substantial. Thus, this information should not be required to be all on the home page of the sports wagering licensee. To address this concern, we suggest the following edits:

COMAR 36.10.13.41(D):

“(D) The terms and conditions of all promotions communicated to bettors must be posted on the sports wagering licensee’s **[home]** website as well as any websites the sports betting contractor operates on behalf of a sports wagering licensee.”

- *Issue 20 – Requirement to provide hard copy of house rules.*

The Proposed Regulations include a provision which requires sports wagering licensees to make hard copies of their house rules available (COMAR 36.10.13.42(D)). We agree with this requirement, however, it should be limited to being available to bettors at a sports wagering facility. To address this concern, we suggest the following edits:

COMAR 36.10.13.42(D):

“A sports **[book]** wagering facility licensee shall ensure that its house rules are:

...

D. In hard copy, readily available to bettors at the sports wagering facility.

- *Issue 21 – Prohibited wagers by athletes and persons of influence.*

The Proposed Regulations include a provision which prohibits athletes from wagering on sports events overseen by their sports governing body and any athletic event of the type in which the athlete participates (COMAR 36.10.14.03(B)(2)). This goes beyond the prohibition in statute²⁸ and is not the standard practice in the industry. We suggest amending this provision to only prohibiting wagers by athletes on events overseen by their sports governing body. Additionally, there is no similar limit to events overseen by the relevant sports governing body applied to the prohibition on wagering by individuals in a position to influence the outcome of a sports event (COMAR 36.10.14.03(B)(3)). To address these concerns, we suggest the following edits:

COMAR 36.10.14.03(B)(2):

“(2) From an athlete on ~~[an athletic event of the type in which the athlete participates or]~~ an athletic event governed by the same governing entity under which the athlete competes;...”

COMAR 36.10.14.03(B)(3):

“(3) From a person who holds a position of authority or influence over the participants in a sporting event or is professionally connected to an athletic event or governing entity including a:

...

on an athletic event governed by the same governing entity under which the person holds a position of authority or influence;”

- *Issue 22 – Commission access to sports wagering licensee data.*

The Proposed Regulations include a provision which requires sports wagering licensees to provide the Commission with the ability to query and export data from the sports wagering platform. We suggest that the Commission be authorized to request and receive any data that it needs via a report from the sports wagering licensee. To address this concern, we suggest the following edits:

COMAR 36.10.18.03(D)(2)-(3):

“D. Upon request, a sports wagering licensee shall promptly provide the Commission with relevant reports and documentation that shall include, at a minimum:

...

(2) ~~[The ability to query or sort w]~~ Wagering data[;]
~~[(3) The ability to export wagering data].~~

- *Issue 23 – Account funding options.*

²⁸ State Government Article, Title 9, Subtitle 1E, Section 11(A)(3), Annotated Code of Maryland

The Proposed Regulations include a provision which lists out the ways in which a sports betting account may be funded (COMAR 36.10.18.05(H)). While there are a number of options listed, we suggest adding the ability for bettors to deposit funds via cash at a sports wagering facility. To address this concern, we suggest the following edit:

COMAR 36.10.18.05(H):

“H. A bettor account may be funded using:

...

(7) **Cash at a sports wagering facility;**

~~[(7)]~~ (8) Reloadable prepaid card, which has been verified as being issued to the bettor and is non-transferable; and

~~[(8)]~~ (9) Any other means approved by the Commission.

- ***Issue 24 – Notifications for patrons.***

The Proposed Regulations include a provision which requires sports wagering licensees to notify a customer of all transactions on a bettor account (COMAR 36.10.18.05(N)). While some bettors do want this notification, not all bettors want notifications of all transactions and this regulation should be updated to reflect the ability of customers to opt-out of certain notifications. To address this concern, we suggest the following edits:

COMAR 36.10.18.05(N):

“N. Except for the placement or settlement of a wager, **when requested by the bettor,** the sports wagering licensee shall confirm each transaction on a bettor account by:...”

- ***Issue 25 – Refund of account balances for closed accounts.***

The Proposed Regulations include a provision which requires sports wagering licensees to refund the account balance to a bettor within five days of “receiving notice from the bettor of the intent to close the bettor’s account” (COMAR 36.10.18.05(Q)(2)(b)). When a bettor makes the request to close their account there may be ongoing investigations into their activity which make it inadvisable to return the account balance. Additionally, there may be delays from third party payment processors outside of the control of the sports wagering licensee which delay the return of funds to the bettor. To address these concerns, we suggest the following edits:

COMAR 36.10.18.05(Q)(2)(b):

“Q. A sports wagering licensee shall:

...

(2) Refund the balance remaining in a bettor’s account:

(a) Pursuant to the sports wagering licensee’s internal control standards~~[-; and~~

~~—— (b) No later than five days after receiving notice from the bettor of the intent to close the bettor’s account].”~~

- *Issue 26 – Remediation of system vulnerabilities.*

The Proposed Regulations include a provision which requires sports wagering licensees to remediate vulnerabilities in their sports wagering system within 90 days of the vulnerability's identification or public disclosure (COMAR 36.10.18.06(D)(1)). We suggest that this timeline be adjusted to "within a reasonable amount of time." To address this concern, we suggest the following edits:

COMAR 36.10.18.06(D)(1):

"(1) Remediate the vulnerability [~~no later than 90 days~~] within a reasonable amount of time following the [~~earlier of~~] vulnerability's identification [~~or public disclosure~~]; or..."

Part IV - Requests for Clarification

- *Issue 1 – Definitions of "associated equipment" and "sports wagering equipment."*

The Proposed Regulations include definitions of the terms "associated equipment" (COMAR 36.10.01.02(B)(7)) and "sports wagering equipment" (COMAR 36.10.01.02(B)(76)). These definitions accurately describe the equipment utilized. However, there is no clear delineation between equipment owned and used by a sports wagering licensee and personal devices owned and used by bettors to access the sports wagering system. As such, we suggest the following clarification be added to these definitions:

COMAR 36.10.01.02(B)(7):

"(7) "Associated equipment" means any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with sports wagering, including computerized systems for controlling and monitoring mobile sports wagering. Associated equipment shall not include personal computer, mobile phone, or other device owned and used by an individual to place an online sports wager."

COMAR 36.10.01.02(B)(76):

"(76) "Sports wagering equipment" means any mechanical, electronic or other device, mechanism, or equipment, and related supplies used or consumed in the operation of sports wagering, including a self-service kiosk on the premises of a sports wagering facility. Sports wagering equipment shall not include personal computer, mobile phone, or other device owned and used by an individual to place an online sports wager."

- *Issue 2 – Clarification of options for multi-factor authentication.*

The Proposed Regulations include a provision which defines multi-factor authentication (COMAR 36.10.01.02(B)(44)). However, it appears that the definition as written may be interpreted to

require multiple factors in addition to requiring the bettor to use their phone. We suggest the following clarification to address this issue:

COMAR 36.10.01.02(B)(44):

“(44) “Multi-factor authentication” means a procedure that requires more than one method to verify a bettor’s identity through a combination of two or more independent credentials, including:

- (a) Information known only to the bettor, such as a password, pattern or answers to challenge questions;
- (b) A bettor’s biometric data, such as fingerprints, facial or voice recognition, to the extent this data does not violate privacy laws; ~~[and] or~~
- (c) Using something the bettor has, such as the bettor’s phone.”

- ***Issue 3 – Definition of “pool wager.”***

The Proposed Regulations include a definition of “pool wager” (COMAR 36.10.01.02(B)(55)) which appears to set specific requirements on the way the pool must pay out. There is a minor clarification which may be helpful to ensure pools with fixed prize pools or minimum prize pools can be authorized. We suggest the following clarification to this definition:

COMAR 36.10.01.02(B)(55):

“(55) “Pool wager” means a wager with a fixed entry cost where the bettor’s winnings may depend on the number of other bettors wagering on the sporting event.

- ***Issue 4 – Clarification on use of websites and mobile applications.***

The Proposed Regulations include a definition of “sports wagering interactive website” (COMAR 36.10.01.02(B)(80)) which does not clarify that the website can be partnered with an accompanying mobile application. To address this concern, we suggest the following clarification:

COMAR 36.10.01.02(B)(80):

“(80) “Sports wagering interactive website” means the website and/or accompanying interactive wagering application through which a mobile sports wagering licensee makes authorized mobile sports wagering available.”

- ***Issue 5 – Definition of “teaser bet.”***

The Proposed Regulations include a definition of “teaser bet” (COMAR 36.10.01.02(B)(88)) which is unclear and does not appear to relate to the traditional definition of “teaser bet” as it relates to sports wagering. We suggest the following edits to the definition to provide clarification:

COMAR 36.10.01.02(B)(88):

“(88) “Teaser bet” means a wager in which the ~~[sports wagering licensee adjusts the odds of winning in a bettor’s favor]~~ **bettor is provided the option to add or subtract points from the standard spread or total across two or more sporting events.**

- *Issue 6 – Clarification on employment status.*

The Proposed Regulations include a requirement that all employees must notify the Commission at least 14 days in advance of any intended change in employment status and complete a new employee licensing application (COMAR 36.10.02.03(D)(1)). Can the Commission confirm what they mean by “change in employment status”? Presumably they do not expect individuals who are resigning or retiring to complete a licensing application, so is this for employees who are changing job titles?

- *Issue 7 – Clarification on bond requirement.*

The Proposed Regulations include a provision whereby an applicant may be required by the Commission to post a bond (COMAR 36.10.02.14). However, the language in COMAR 36.10.03.02(A)(2), appears to require a bond to be posted in order for an application to be considered. For the sake of clarification, we suggest the following edits:

COMAR 36.10.03.02(A)(2):

“A. The Commission may consider an applicant’s qualifications if the applicant has:

...

(2) Unless exempt, provided documentation that is has acquired ~~[the]~~ **any** bond **if required by the Commission under COMAR 36.10.02.14.**

- *Issue 8 – Clarification on registration for sports wagering accounts.*

The Proposed Regulations contain a section providing that customers may sign up for online sports wagering accounts either at a sports wagering facility or online (COMAR 36.10.05.03(B)). However, as written this provision could be interpreted to require sports wagering facility licensees who also have a mobile sports wagering license to sign up all their customers in person at the facility. To clarify that a bettor may sign up online with any mobile sports wagering licensee, we suggest the following edits:

COMAR 36.10.05.03(B):

“B. To participate in online sports wagering, an individual shall register:

(1) Online, using a website or mobile application approved in advance by the Commission; or

(2) If the mobile sports wagering licensee is also a sports wagering facility licensee, **the individual may alternatively register** in person at a facility or location identified in §9-1E-09(a)(1)[; or

~~(2) Online, using a website or mobile application approved in advance by the Commission].~~

- *Issue 9 – Clarification on what is included in “sports wagering data” for purposes of record retention.*

The Proposed Regulations include a provision which requires sports wagering licensees to retain “sports wagering data” for five years from the date of licensure or most recent renewal (COMAR 36.10.05.04(A)(6)). Can the Commission provide a clearer description of what they mean by “sports wagering data” for purposes of this requirement?

- *Issue 10 – Clarification on requirement to wear employee identification card.*

The Proposed Regulations include a provision which requires sports wagering employees to wear their identification card at all times while working (COMAR 36.10.06.10(C)(1)). We suggest that this requirement be clarified to only apply to employees at a sports wagering facility. To provide this clarification, we suggest the following edits:

COMAR 36.10.06.10(C)(1):

“C. Licensee Obligations. A licensee:

(1) Unless otherwise approved by the Commission for a specific date and time, shall wear or otherwise prominently display the licensee’s identification card at all times while working **at a sports wagering facility**;...”

- *Issue 11 – Clarification on issuance of certain sports wagering facility licenses.*

The Proposed Regulations include a provision which prohibit the issuance of a sports wagering facility license until the licensee has been awarded a license by the Sports Wagering Advisory Review Commission (COMAR 36.10.07.03(B)). However, there are a number of entities who are specifically cited in statute as receiving sports wagering facility licenses. We suggest that this section be clarified to only apply to the additional sports wagering facility licenses to be determined by a competitive award. To provide this clarification, we suggest the following edits:

COMAR 36.10.07.03(B):

“B. Unless the SWARC has first awarded the license, the Commission may not issue a license to an applicant for a:

- (1) Sports wagering facility license under State Government Article § 9-1E-06(A)(2)(II), Annotated Code of Maryland; or
- (2) Mobile sports wagering license.”

- *Issue 12 – Clarification on notification of Commission on all individuals who are permanently excluded from wagering.*

The Proposed Regulations include a provision which requires sports wagering licensees to report to the Commission on individuals who are permanently excluded from participating in sports wagering (COMAR 36.10.11.09(B)(8)). This should be clarified to be individuals who the sports wagering licensee seeks to have added to the mandatory exclusion list, not just individuals who may have had their accounts suspended indefinitely for administrative reasons. To provide this clarification, we suggest the following edits:

COMAR 36.10.11.09(B)(8):

“(8) Prompt reports to the Commission about an individual who ~~[is permanently excluded from participating in sports wagering]~~ the sports wagering licensee is seeking to have added to the mandatory exclusion list;...”

- *Issue 13 – Clarification on requirement to provide a copy of a licensee’s compliance program.*

The Proposed Regulations include a provision which requires sports wagering licensees to provide a copy of its compliance program (COMAR 36.10.13.06(Q)). This information is a tremendous amount of material, can the Commission provide a clearer description of what they expect to be provided under this requirement?

- *Issue 14 – Clarification on report on complimentary services.*

The Proposed Regulations include a provision requiring quarterly reports summarizing complimentary services provided during the reporting period (COMAR 36.10.13.08(E)). The types of services listed in this section appear primarily to relate to sports wagering facilities and as such, we suggest clarification that this requirement only applies to sports wagering facility licensees. To provide this clarification, we suggest the following edit:

COMAR 36.10.13.08(E)(1):

“(1) A sports wagering facility licensee shall submit to the Commission a quarterly report summarizing complimentary services provided during the reporting period.”

- *Issue 15 – Clarification on kiosk wager limits.*

The Proposed Regulations include a requirement that kiosks may not issue a sports wagering ticket exceeding \$10,000 (COMAR 36.10.13.30(C)(1)(a)). However, other sections require the collections of personal information for any wager of \$10,000 or more. To bring these sections into agreement we suggest the following edits:

COMAR 36.10.13.30(C)(1)(a):

“C. Except for mobile sports wagering, a sports wagering licensee shall:

(1) Configure its sports wagering ticket system to:

(a) Prevent placement of a wager of \$10,000 or more at a kiosk ~~issuance of a sports wagering ticket from a kiosk exceeding \$10,000~~; and...”

- *Issue 16 – Clarification on form of payouts over \$50,000.*

The Proposed Regulations include the permissible forms in which a sports wagering licensee may pay a sports wager payout of \$50,000 or more (COMAR 36.10.13.32(B)). This section however should be clarified to provide the sports wagering licensee with the option to pay via mailed check for high payouts. To provide this clarification we suggest the following edit:

COMAR 36.10.13.32(B):

“B. A sports wagering licensee ~~shall~~ may pay a sports wager payout of \$50,000 or more:...”

- *Issue 17 – Clarification on reserve fund.*

The Proposed Regulations include a requirement for a sports wagering licensee to maintain a reserve fund in two separate sections (COMAR 36.10.13.40(E) and COMAR 36.10.14.06). We suggest a clarification that the reserves are not in addition to each other. To provide this clarification we suggest the following edits:

COMAR 36.10.13.40(E):

“E. A sports wagering licensee shall maintain a reserve ~~[in the form of cash, cash equivalents, an irrevocable letter of credit, bond, or a combination of these in an amount approved by the Commission and sufficient to pay all winnings and awards offered to a winning bettor]~~ as required by COMAR 36.10.14.06.

- *Issue 18 – Clarification on process to approve wagering on collegiate and amateur sports.*

The Proposed Regulations include a provision which prohibits sports wagering licensees from accepting wagers on collegiate or amateur athletic events that have not been “specifically approved by the Commission” (COMAR 36.10.14.03(A)(2)). Can the Commission provide clarification that this allows for sports wagering licensees to seek approval of event types (i.e. NCAA men’s

basketball) and not have to “specifically” seek approval of each individual event (i.e. Cincinnati @ Notre Dame on October 2nd)?

- ***Issue 19 – Clarification on effectiveness of updates to player self-limits.***

The Proposed Regulations include provisions on when changes to a player self-limits may take effect (COMAR 36.10.14.04(C)-(D)). However, it appears that the directionality of the proposed regulations is incorrect. For example it appears an “increase” in the financial limits of a bettor, thus allowing them to deposit or wager more, must take effect no later than their next login. To provide clarification to these provisions we suggest the following edits:

COMAR 36.10.14.04(C)-(D):

“C. A ~~n-increase~~ **decrease** to financial limits in §A of this regulation may not be effective later than the registered bettor’s next login.

D. **An increase** ~~[decrease]~~ to the chronological limits §A of this regulation must become effective only after the time period of the previous limit has expired.”

- ***Issue 20 – Clarification that a licensee may have a website and mobile application.***

The Proposed Regulations provide that a mobile sports wagering licensee may only have one individually branded website to accept sports wagers (COMAR 36.10.16.02). However, this provision does not acknowledge the accompanying mobile application which will go along with the website. To provide for this clarification we suggest the following edits:

COMAR 36.10.16.02:

“A mobile sports wagering licensee may utilize only one individually branded **mobile application and associated** website to accept and pay sports wagers.”

- ***Issue 21 – Clarification on timeline for withdrawal of funds.***

The Proposed Regulations include a requirement to process requests for withdrawals within 5 days (COMAR 36.10.18.05(J)). However, this provision is in conflict with a provision from the internal control regulations which provide 10 days to process withdrawals (COMAR 36.10.13.40(F)(5)(a)). To bring these sections into agreement, we suggest the following edits:

COMAR 36.10.18.05(J):

“J. Within ~~[5]~~ **10** days of a bettor request for withdrawal of funds, the sports wagering licensee shall complete the withdrawal unless there is a pending:...”

- ***Issue 22 – Clarification on expected timeline for vulnerability testing of system.***



The Proposed Regulations include a provision which requires sports wagering licensees to perform a vulnerability assessment of the sports wagering platform (COMAR 36.10.18.06(B)). However, there is no timeframe associated with the completion of this requirement. Typically this is requires within 90 days of launch and annually thereafter. Can the Commission provide clarification that this is their expectation as well?

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cory Fox', written over a light blue horizontal line.

Cory Fox
Government Affairs and Product Counsel Vice President



National Basketball Association

September 27, 2021

Via Email

Maryland Lottery and Gaming Control Commission
1800 Washington Boulevard
Baltimore, MD 21230
sports.wagering@maryland.gov

Re: Maryland Sports Wagering Regulations

Dear Maryland Lottery and Gaming Control Commission:

The National Basketball Association submits this letter to support the comments submitted by Major League Baseball regarding Maryland's proposed sports wagering regulations. These comments are geared towards both improving overall integrity protections and increasing cooperation between betting operators and sports leagues, and, if adopted by the Commission, will help establish a safe and secure sports betting market in Maryland.

Thank you for your consideration.

Sincerely,

Alexandra Roth
Associate VP and Senior Associate Counsel
League Governance & Policy
National Basketball Association



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Comment Letter Submission

1 message

Roth, Alex <ARoth@nba.com>

Mon, Sep 27, 2021 at 9:53 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

To Whom It May Concern,

Please see the attached comment letter from the National Basketball Association regarding Maryland's sports wagering regulations.

Alexandra Roth

Associate Vice President & Senior Associate Counsel, League Governance & Policy

National Basketball Association

o: 212-407-8559 | c: 914-589-8980 | aroth@nba.com



NBA Letter - Maryland - 9.27.2021.pdf

123K



Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 9:44 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.13 – Internal Control Standards

Comment:
.07 Record Retention
G.(3) What original records are contemplated here? Many of the records for online are stored electronically in the cloud.

.20 Internal Audit Department Standards

D.(4) We respectfully request the this section be amended to read: "Report a significant deficiency in, or noncompliance with, the sports wagering licensee's internal controls at least quarterly to:..."

D.(4)(b) Change Chief Executive Officer to Chief Compliance Officer

E. We respectfully request this section be revised to read as follows:

"If applicable, the audit department shall audit at least annually the functionality and operations of the sports wagering licensees systems for:"

.21 Access to Sports Wagering Systems

A.(8) Permitting remote access to only from within the local network is not feasible. We respectfully request this limitation be removed.

.37 Bettor Complaints

We respectfully submit that this process is awkward and over burdensome for both the operator and the patron. It is not uncommon to have bettor complaints that are not justified or where the bettor is not happy for a number of reasons. What would constitute a complaint that would trigger notification to the Commission? There are instances where the operator might not know whether the customer is satisfied. We respectfully request that the Commission reconsider this process to require the patron, as opposed to the licensee, notify the Commission if they are unsatisfied as is customary in other jurisdictions.

.41 Consumer Protection

B. The proposed rule shall requires that the licensee, at least seven days prior to implementing a promotion, submit terms and conditions of each promotion to the Commission. We respectfully submit that seven days creates an unworkable time frame in the online space. Operators need the flexibility to react to the events/market and requiring a minimum of 7 days severely limits this. Out of PA, NJ, IA, IN, CO, VA, WV and MI, PA has the longest lead time and it is 2 days.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 9:01 PM

To: sports.wagering@maryland.gov

From: Mario Malave <mario@wagr.us> (Wagr Inc. | Mobile)

Chapter:
36.10.01 – General

Comment:
Letter attached.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



MD-Sports-Betting-Comment-Period-Wagr.pdf

101K

September 27th, 2021

VIA ELECTRONIC SUBMISSION

Maryland Lottery and Gaming Control Agency (MLGCA)
1800 Washington Blvd., Suite 330
Baltimore, MD, 21230
sports.wagering@maryland.gov

RE: Maryland Sports Wagering Public Comment Period

Dear MLGCA,

Before relaying our sole comment to the proposed Maryland sports betting regulations, we'd first like to commend all parties involved in the drafting of these regulations for the inclusion of minority business enterprise participation goals that will help open up opportunities in the industry of sports betting to minorities and women.

Making sports betting more inclusive is one of the core reasons why my co-founder, Eliana Eskinazi, and I started Wagr. Our mission is to make sports betting a fun and inclusive experience that any sports fan can enjoy safely. Our product offers a simpler and more social approach to sports betting that intentionally caters to consumers who have historically felt marginalized from the sports betting market.

As a minority and woman-owned business ourselves, initiatives such as the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund make us hopeful for a more equitable and diverse sports betting industry. After reviewing the proposed regulations, we have one suggestion that we believe will help further strengthen Maryland's commitment to ensuring equal access to sports betting licenses.

Expanding the "Institutional investor" definition under COMAR 36.10.01

We believe one of the main reasons there historically haven't been as many minority-owned participants in the sports betting sector is the capital intensive nature of licensing. While the Assistance Fund is a tremendous step to help minorities access the capital they need in order to become license holders, another viable alternative for minority owners who aspire to become license holders is to partner with venture capital

funds. As we know from our own experience, many venture funds are increasingly focused on supporting minority and women founders across the country.

Venture capital funds will not have intentions to influence, control, or otherwise affect the day-to-day business activities of any sports betting operator in which they may decide to invest in. They are subject to SEC oversight and are similar to other investors who meet the "Institutional Investor" definition within COMAR 36.10.01. However, because they lawfully rely on an exemption from SEC registration specifically for venture capital vehicles, they aren't *registered* under the Investment Advisors Act of 1940 and therefore don't automatically qualify for an institutional waiver under Maryland's proposed regulations.

While many gaming commissions and regulatory bodies across the country have, at their sole discretion, granted institutional waivers to venture capital funds we believe that expanding the "institutional investor" definition to explicitly include venture capital funds will only help broaden access for minority and women businesses seeking licensing.

We're truly excited for the future of sports betting in Maryland, and hope to contribute to the state's mission of creating a diverse and competitive licensing landscape that will broaden access to the industry and maximize the economic impact to all Marylanders.

We thank you in advance for your consideration and we look forward to the opportunity to engage more closely in the coming months.

Sincerely,

A handwritten signature in black ink, appearing to read "Mario Malave", is positioned above a horizontal line.

Mario Malave
Co-founder & CEO
Wagr, Inc.
mario@wagr.us

CC: James B. Butler (jbutler@maryland.gov)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

PGA TOUR Letter re: Sports Wagering Regulations

1 message

David Miller <DavidMiller@pgatourhq.com>

Mon, Sep 27, 2021 at 9:06 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Ladies and Gentlemen,

Please see the attached letter from the PGA TOUR regarding the Maryland sports wagering regulations.

Best regards,

David Miller

Vice President & Assistant General Counsel

PGA TOUR

[112 PGA TOUR Blvd.](#)

Ponte Vedra Beach, FL 32082

Office: 904.543.5198

Mobile: 904.400.1489



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PGA TOUR Letter to Maryland Lottery and Gaming-LHQ011083193457.pdf

313K



September 27, 2021

By Email

Maryland Lottery and Gaming Control Commission
1800 Washington Boulevard
Baltimore, MD 21230
sports.wagering@maryland.gov

Re: Maryland Sports Wagering Regulations

Dear Ladies and Gentlemen,

The PGA TOUR submits this letter to support the comments submitted by Major League Baseball during the public comment period for Maryland's sports wagering regulations. We believe these comments – if accepted by the Commission – will help ensure the integrity of PGA TOUR competitions and establish a safe, secure sports wagering system in Maryland.

Sincerely,

David Miller
Vice President & Assistant General Counsel
PGA TOUR, Inc.



September 27, 2021

Via Email

Maryland Lottery and Gaming Control Commission
1800 Washington Boulevard
Baltimore, MD 21230
sports.wagering@maryland.gov

Re: Maryland Sports Wagering Regulations

Dear Maryland Lottery and Gaming Control Commission:

I write on behalf of Major League Baseball to provide comments on Maryland's proposed sports wagering regulations and to follow up on remarks I made during the public meeting on September 22, 2021. We (MLB) commend the Commission (and the Maryland Lottery and Gaming Control Agency) for working to establish an open and competitive sports betting regime. The recommendations below simply aim to enhance integrity protections critical to that regime's safety and success.

I. The Commission Should Require That Betting Operators Report Suspicious Wagering Activity to Sports Governing Bodies.

Sports leagues are committed to protecting its games, employees, and athletes from corruption. Those integrity protection efforts often require cooperation among key stakeholders in the sports betting industry. Maryland's sports betting statute requires that operators "promptly report" abnormal or suspicious betting activity to the Commission, which is then "authorized to share" the information with leagues, but neither the statute nor the proposed regulations obligate operators to directly report integrity-related information to leagues.¹ To ensure that leagues can learn about and act upon suspicious wagering activity on a timely basis, we urge the Commission to add the following provision to Maryland's regulations:²

Sports wagering licensees shall immediately report the following to the relevant sports governing body:

- 1) abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event or events;**

¹ See HB 941 §9-1E-11(C)-(D).

² This provision could fit into the regulations as Chapter 14.08(A)—with 14.08 being a new section after 14.07—as that Chapter deals with several elements that touch on integrity protections, such as official league data and complaints by interested parties. Alternatively, this provision could fit into Chapter 5, which enumerates requirements for mobile sports wagering licensees.

- 2) any other conduct that corrupts a betting outcome of a sporting event or events for purposes of financial gain, including match fixing.

II. The Commission Should Require Betting Operators To Cooperate with Sports Governing Bodies' Integrity-Related Investigations.

Again, cooperation among key stakeholders on integrity matters is key to the league's ability to protect its games, and it should go beyond simply reporting suspicious wagering activity in the first instance. We may, from time to time, feel the need to conduct integrity-related investigations into betting activity, but those investigative efforts will be stymied if we cannot obtain relevant information that is outside of our possession or control. The regulations should therefore require that the Commission and sports wagering operators cooperate with sports governing bodies' integrity-related investigations by, among other things, providing granular bet-level data related to the specific activity in question.

Accordingly, we ask that the Commission insert the following provision in the final regulations.³

The Commission and sports wagering licensees shall use commercially reasonable efforts to cooperate with investigations conducted by sports governing entities, including but not limited to using commercially reasonable efforts to provide or facilitate the provision of account-level betting information.

III. Sports Governing Bodies Should Receive Pseudonymized, Account-Level Betting Data On An Ongoing Basis.

Because no centralized monitoring system exists under the current state-by-state regulatory regime, leagues are uniquely positioned to proactively detect and investigate potentially suspicious betting activity occurring across multiple jurisdictions. As with more reactive investigations, however, our ability to succeed here is limited if we cannot access pseudonymous, account-level betting information from operators on an ongoing and regular basis.

We recommend incorporating the following provisions into Maryland's regulations:⁴

If a sports governing entity notifies the Commission that ongoing and routine information sharing for wagers placed on its sporting events is necessary and desirable, sports wagering licensees shall share—in a commercially reasonable frequency, form, and manner—the requested information with the sports governing body. This information may include anonymized information regarding a bettor, amount and type of bet, the time the bet was placed, the location of the bet, including the IP address if applicable, the outcome of the bet,

³ This provision could be inserted as Chapter 14.08(B) (assuming the direct notification provision is adopted as Chapter 14.08(A)).

⁴ This provision could be inserted as Chapter 14.08(C) (assuming the direct notification provision is adopted as Chapter 14.08(A) and the investigation cooperation provision is adopted as Chapter 14.08(B)).

and any records of abnormal betting activity. This information may be used by a sports governing entity solely for integrity-monitoring purposes. Nothing in this section shall require a sports wagering licensee to provide any information that is prohibited by federal, state or local laws or regulations, including laws and regulations relating to privacy and personally identifiable information.

IV. The Commission Should Account for the Possibility of Expedited Complaints by Interested Parties

We appreciate that the proposed regulations give sports governing bodies the opportunity to request prohibitions on certain wagers that may pose heightened integrity risks. The contemplated process is, in general, thoughtful and fair. We suggest only that the regulations account for the possibility that certain complaints—for example, those related to a new betting market that is unveiled only days before the relevant competition—may require expedited procedures and, by necessity, arise less than “15 days before the commencement of the wagering activity that is the subject of the complaint.”⁵

We recommend adding the following provision as Chapter 14.07(B)(2)(c):

Notwithstanding 14.07(B)(2)(a) and 14.07(B)(2)(b), an interested party may submit a complaint seeking an emergency determination of the Commission with respect to a type or form of wagering. Upon a showing of exigent circumstances, the Director shall temporarily grant the request pending the Commission’s final determination. Exigent circumstances include the discovery of information that was previously not reasonably available to the sports governing body and which indicates a serious risk to the public, consumers, or integrity or perceived integrity of a sports event before the Commission can make a final determination.

V. MLB Strongly Supports the Official League Data Provision Included in the Proposed Regulations

Finally, we wanted to emphasize our support for Chapter 14.01(C), which allows governing entities to request that sports wagering licensees use official league data to settle wagers (so long as the relevant entity can provide that data on commercially reasonable terms). The use of official league data is critical in a modern sports betting marketplace, where in-game betting and micro-betting continue to rise in popularity.⁶ These modern forms of betting depend on fast, accurate, and reliable data feeds to optimize customer experience and increase confidence in a newly regulated industry. To that end, official league data is superior to alternative forms of data in every way that matters for building a safe and robust sports betting marketplace.

⁵ See Chapter 14.07(B)(2)(a) of draft regulations.

⁶ “Micro-betting” consists of, for example, betting on the outcome of an individual pitch in baseball or on the outcome of an individual swing in golf. These types of offerings will increase exponentially in the coming years. See <https://www.sbcamericas.com/2021/08/24/draftkings-to-launch-real-money-micro-betting-via-simplebet-deal/>.

A number of other states with significant populations and competitive online marketplaces—including Illinois, Tennessee, Michigan, Virginia, and Arizona—have included official league data provisions in their laws and/or regulations. We applaud Maryland for joining that list of states and reinforcing a growing nationwide commitment to strong consumer protections and high-quality betting offerings.

Thank you for your consideration. I welcome the opportunity to discuss these comments further and provide any additional information that may assist the Commission as it establishes the rules and regulations governing sports wagering in Maryland.

Sincerely,

Marquest Meeks
Senior Counsel, Sports Betting & Compliance Group
Major League Baseball



sports wagering -MLGCA- <sports.wagering@maryland.gov>

MLB's Comments on Proposed Sports Wagering Regulations

1 message

Meeks, Marquest <marquest.meeks@mlb.com>

Mon, Sep 27, 2021 at 8:56 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: "Villalobos, Leonardo" <leonardo.villalobos@mlb.com>

Please find attached Major League Baseball's comments on Maryland's proposed sports wagering regulations. Thank you in advance for your consideration of our proposed amendments.

Please do not hesitate to contact me with any questions or concerns.

- Quest

Quest Meeks | MLB

Senior Counsel, Sports Betting and Compliance

Director, State Government Relations

1271 Avenue of the Americas • New York, NY 10020



MD Comment Letter (MLB)[23].pdf

128K



September 27, 2021

Via Electronic Mail: sports.wagering@maryland.gov

RE: Live! Casino & Hotel – Comments to Emergency Sports Wagering Regulations

Dear MLGCA:

On behalf of PPE Casino Resorts of Maryland, LLC d/b/a Live! Casino & Hotel, we offer the following comments to the Emergency Sports Wagering Regulations:

Subject	Regulation	Comment
Official League Data	36.10.14.01(C)	No distinction is made between tier 1 and tier 2 wagers. Tier 1 wagers are those determined solely by the final score or final outcome of the sports event and are placed before the event has begun. Tier 2 are all other events. Tier 1 wagers should not require official league data and the requirement for official league data for tier 2 wagers should be limited to in-play wagers only. Alternate data sources outside of “official league data” provide sufficient reliability to settle wagers in an accurate and timely manner. Furthermore, since licensees will be required to pay data fees to leagues or other sports governing bodies and in order to assure the highest degree of integrity at the top levels of these organizations, consideration should be given to requiring these data providers to submit to licensure from MLGCA, similar to the licensure requirements for other sports wagering suppliers.
Limit on Free Promotional Play	36.10.13.39(F)	The statute provides for full deduction of promotional play from sports wagering proceeds calculation, however the draft regulations limit the deduction after the first year of operation to no more than 20% of a licensee’s sports wagering proceeds from the previous fiscal year. While the 20% limitation is familiar to casino operators in Maryland and may be appropriate for existing casino gaming verticals, the business model for sports wagering is different where profit margin is comparatively thin.
Player Disputes	36.10.13.37	The lack of a monetary threshold for reporting player disputes to the MLGCA could result in an inordinate amount of nuisance type disputes being referred to the agency for resolution. Several states have adopted a 3-part test to determine when player disputes must be reported, such as the 3-part test below, and we would urge MLGCA to consider a similar approach:



		<p>1. If a Licensee refuses payment of alleged winnings to a patron,</p> <p>2. the Licensee and the patron are unable to resolve the dispute to the patron's satisfaction,</p> <p>3. and the dispute involves [insert dollar value threshold, for example \$1,000 or more], the Licensee must immediately notify the Regulator.</p>
Agent Transactions	36.10.04.08(A)	We would urge MLGCA to delete the authorization for placement of wagers by messenger bettors or “runners” as this would facilitate circumvention of the Prohibited Wagers section of the proposed regulations.
VEP Participants	36.10.11.01	It is not completely clear if this regulation seeks to create a second list of VEP participants that would apply to sports betting only, but we would urge MLGCA to maintain a single list of VEP participants, especially as applied to the retail sports book setting which will likely be offered within the casino floor of many A-1 licensees. It would be extremely challenging for a casino operator to enforce 2 different VEP lists on a casino floor that offers a seamless gaming experience from VLTs to tables to the sportsbook.
Allowed and Prohibited Markets	36.10.14.03	<p>We would urge the MLGCA to adopt the most expansive event offering to enable licensees to offer markets in as many sports and in as many different leagues/countries as allowed under a free market system of supply and demand. Maintaining a robust offering on a 24/7 basis by offering markets available throughout the world with limited restrictions (including data feed fees as discussed above) on player props, collegiate sports and non-US sports is important for a new market to mature into a sophisticated market with accompanying growth in tax collections.</p> <p>We also have several requests for clarification on the interpretation of some terms and provisions in the legislation relating to the wagering catalog, as follows:</p> <p>a. What does the MLGCA consider to be included in the term “amateur athletic event”?</p> <p>b. What is the MLGCA’s position regarding wagering on the performance of a team or individual athlete that is under 18 years of age, such as Coco Gauff?</p> <p>c. E-sports is included in the definition of “sporting event” in the legislation but is not mentioned in the regulations. Will wagering on e-sports be permitted?</p> <p>d. Will wagering on collegiate sporting competitions that are not affiliated with NCAA or NCAA or NAIA (National Association for Intercollegiate Athletics) but are nonetheless regulated by a governing body be permitted?</p>



		e. Will wagering on competitions that include a mix of “major” and “minor” league affiliated athletes/teams and mixed professional and amateur competitions such as the U.S. Open (golf) and U.S. Open Cup (soccer) be permitted?
Funding of Sports Wagering Accounts	36.10.14.05	We note that this section that apparently does not permit use of credit cards to fund sports wagers appears to run contrary to 36.10.18.05(H) which specifically permits the use of credit cards to fund a sports wagering account. We would urge the MLGCA to clarify that credit cards may be used to fund sports wagers (even if only through credit card cash advances).
Prohibited Sports Bettors	36.10.14.03(B)	<p>The emergency regulations correctly contemplate a prohibition on certain categories of individuals bettors and outline an absolute bar against operators accepting or paying wagers from a prohibited bettor. Given the breadth of categories defined as prohibited bettors, it presents a serious concern for an operator who may inadvertently allow such prohibited bettors to wager, even when notice of such prohibitions is posted and monitored by the licensee to the fullest extent possible. For example, even with the robust Know Your Customer (“KYC”) tools available, it is nearly impossible to filter all amateur athletes when the wager is based in whole or part on a sport overseen by the athlete’s governing body.</p> <p>Therefore, we would propose that a knowledge qualifier be inserted as follows:</p> <p>B. A sports wagering licensee may not <u>knowingly</u> accept a wager:</p> <p>(1) That involves cheating;</p> <p>(2) From an athlete on an athletic event of the type in which the athlete participates or an athletic event governed by the same governing entity under which the athlete competes;</p> <p>(3) From a person who holds a position of authority or influence over the participants in a sporting event or is professionally connected to an athletic event or governing entity, including a:</p> <p>(a) Referee;</p> <p>(b) Official;</p> <p>(c) Coach;</p> <p>(d) Manager;</p> <p>(e) Handler;</p> <p>(f) Trainer;</p>



		<p>(g) Medical professional; or</p> <p>(h) Person with access to non-public information about a sporting event that is overseen by the governing entity;</p> <p>(4) From a person who is placing a wager on behalf, or for the benefit, of a person that is prohibited from participating in sports wagering under applicable law or regulation; or</p> <p>(5) That encourages or instructs a bettor to structure a wager to circumvent applicable law or regulation.</p>
Issuance of credit	36.10.14.05(C)	Similar to requirements for ACH acceptance, class A-1 licensees should be able to issue credit to bettors so long as appropriate internal controls approved by the MLGCA are in place. It would be unduly burdensome for a licensee who issues credit to a guest who plays both table games and wagers on sports to monitor the use of credit funds within the licensee's premises.
Expired Tickets	36.10.12.04(B)	Winning tickets expire 182 days after the wager is won, but only "expired winnings" are subject to being remitted to the MLGCA for deposit into the Problem Gambling Fund. Is the initial stake included in the "expired winnings"? We would recommend that MLGCA clarify that the licensee is able to retain the initial stake applicable to any expired tickets.

Respectfully submitted,

Cathy Beeding

Cathy Beeding
EVP & General Counsel
Cordish Gaming Shared Services, LLC.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Comments Submission

1 message

Charles Dwaileebe <Charles.Dwaileebe@livech.com>
To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>
Cc: James Butler -MLGCA- <jbutler@maryland.gov>, Cathy Beeding <Cathy.Beeding@livech.com>

Mon, Sep 27, 2021 at 8:14 PM

Good Evening,

Attached please find our comments to the Emergency Sports Wagering Regulations.

Sincerely,



Charlie Dwaileebe | Director of Compliance

e: charles.dwaileebe@livech.com

w: www.livecasinohotel.com

m: 443-878-9562 | **p:** 443-445-2381



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Comments to MLGCA Emergency Regs (9-27-2021).pdf

208K



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 7:35 PM

To: sports.wagering@maryland.gov

From: Jonathan Nabavi <jonathan.nabavi@nfl.com> (National Football League (NFL) | None)

Chapter:
36.10.14 – Requirements and Limitations

Comment:

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



NFL-MD-LSB-Comments-9-27-2143818.pdf
308K



September 27, 2021

James B. Butler
Managing Director of Organizational Compliance
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 300
Baltimore, MD 21230

Re: NFL Comments on Draft Regulations for Sports Wagering (COMAR 36.10.01 through 36.10.18)

Dear Mr. Butler:

On behalf of the National Football League (NFL) and its member clubs, we appreciate the opportunity to provide feedback on the Agency's proposed draft sports wagering regulations. We want to thank the Maryland Lottery and Gaming Control Agency for its willingness to engage with our organization to work on the future of sports betting in your state. As a stakeholder and partner in the process, we appreciate your help in ensuring the integrity of our games remains protected.

There is no greater priority for the NFL than protecting the integrity of our games and the welfare of our players. Fans, players, coaches, and all other personnel deserve to know that we are doing everything possible to ensure no improper influences affect how our games are played, and that we are taking all appropriate steps to ensure that their participation in our games is not subjected to unfair and unwarranted sports betting-related allegations.

As an initial matter, we appreciate the Agency's inclusion of official league data in the proposed "Regulation of Fantasy Gaming Competitions and Implementation of Sports Wagering", which we believe directly addresses a key component of our integrity priorities¹. Across sports, betting outcomes increasingly turn on granular details such as yardage gained on a play from scrimmage, the number of sacks by a defense, or strikes by a pitcher in baseball. Ensuring the timeliness and accuracy of the information used to settle these wagers is accordingly an essential component of consumer protection, requiring the official data provided by the sports leagues themselves. We therefore believe league data should be the standard in this legal and regulated space, as it establishes the importance of verifying outcomes and settling wagers timely and accurately to protect all consumers.

¹ Regulation of Fantasy Gaming Competitions and Implementation of Sports Wagering, [2021 Regular Session - House Bill 940 Chapter \(maryland.gov\)](#), September 27, 2021

We would ask that the proposed regulations stipulate that information provided to the Agency to demonstrate that official league data is being offered on commercially reasonable terms, and which may be competitively sensitive in nature (e.g., details regarding how it is collected or compiled, or the official league data license terms), be maintained by the Agency in confidence, to the maximum extent permitted by law.

We also appreciate the Agency's recognition that some bets types are inherently objectionable and should be prohibited outright, in particular the Agency's prohibition of prop bets related to penalties, player disciplinary rulings, and replay reviews. To further protect against perceived integrity concerns, we would encourage you to consider prohibiting wagers related to officiating matters more broadly as well, to capture not only ejections and penalties, but also address the inherent risk to the public perception of game integrity posed by allowing individuals to bet on officiating calls. While such bets currently comprise only a small fraction of wagers offered in sports betting markets (and accordingly would not have a material impact on an operator's business if prohibited), we believe they may pose an outsized risk to the public's perception of game integrity.

Our suggested edits are set forth below (in sequential order of the corresponding regulations):

1. Chapter 14 Sports Wagering Requirements and Limitations; .01 Authorized Wagers; Section C. Verifiable Outcome.

- We would request the following language be added to this section:

To the fullest extent permitted under applicable law, all information submitted to the commission relating to the terms on which official league data is offered, and the processes by which such data is compiled and distributed, will be maintained by the commission in confidence.

2. Chapter 14 Sports Wagering Requirements and Limitations; .03 Prohibited Wagers; Section C.

- We would accordingly request that Section 3(d) be revised to read as follows:

Replay reviews or any decisions of game officials; and

Thank you again for providing us an opportunity to submit our comments. We welcome the opportunity to meet with you to discuss our concerns in greater detail. Please contact Jonathan Nabavi (Jonathan.Nabavi@nfl.com) or Marvin Yates (Marvin.Yates@nfl.com) with any questions.

Sincerely,

Jonathan D. Nabavi
Vice President, Public Policy and Government Affairs
National Football League



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Maryland - Sports Betting Regulations - Comments

1 message

Chad Kornett <chad.kornett@geocomply.com>

Mon, Sep 27, 2021 at 7:10 PM

To: sports.wagering@maryland.gov

Cc: John Pappas <john.pappas@geocomply.com>, James Logue -MLGCA- <james.logue@maryland.gov>

Dear MGGCC,

We appreciate the opportunity to comment on these regulations.

Please reach out to GeoComply anytime and we'll gladly support throughout the process.

Thank you!

Chad Kornett

VP, Global Government Relations

Mobile: +1.908.601.3608

chad.kornett@geocomply.com | [geocomply.com](https://www.geocomply.com)

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Maryland - Geolocation Requirements - Comments.pdf

172K



September 27, 2021

Mr. James B. Butler
Maryland Lottery and Gaming Control Agency
Organization Compliance
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

RE: GeoComply Comments on Maryland Sports Wagering Regulations

Dear Mr. Butler:

Thank you for the opportunity to submit comments in response to the Maryland Lottery and Gaming Control Commission's (MLGCC) proposed operational and licensing regulations for sports wagering. First, I want to applaud the Commission for your detailed work to bring forward a well-regulated sports betting industry to Maryland. GeoComply looks forward to working with you to ensure that Maryland's market is a success. We also want to use this submission to provide recommendations on additional geolocation standards that should be adopted by the MLGCC.

By way of background, GeoComply is a leading regulatory compliance technology supplier that supports internet gaming and sports wagering operators across the globe. While we are best known for our state-of-the-art geolocation solutions, GeoComply also plays an important role in age / identity verification and anti-money laundering compliance through our [ID Comply](#) product.

Because of the critical nature of our technologies to uphold regulatory and legal compliance, GeoComply is licensed and approved by more than a dozen jurisdictions in the United States. Our company works closely with operators to adhere to a strict regulatory framework that has been established by the gaming regulatory authorities. It is in this context that we submit our comments so we can share information and best practices to assist the Commission in charting a regulatory environment for sports wagering.

Adopt Gaming Laboratories International Sports Wagering Standards

The team at GeoComply is impressed with the level of detail provided in the MLGCC's proposed regulations with respect to geolocation standards. However, through our own analysis, the existing guidelines could be strengthened by adopting GLI-33. The GLI standards template for event wagering (sports betting) establishes robust technical excellence for geolocation that has been adopted in most U.S. jurisdictions and is considered industry best practices.

By adopting GLI-33 the MLGCC will be setting a clear expectation for operators to deploy the same technical geofencing requirements that are proven to be compliant with federal and state laws, and also allow maximum flexibility to ensure seamless operations and reduced friction for consumers.

In the event that MLGCC does not adopt GLI-33, below is reference to the areas that materially differ between what is currently proposed.

Location Accuracy

Using verifiable and accurate data sources is a critical component of geolocation compliance. In order to achieve a maximum level of geolocation accuracy of players we recommend that the MLGCC adopt the following language as part of Chapter 18.04 Geolocation Systems:

To ensure location data is accurate and reliable, the Geolocation System shall:

- *Utilize highly accurate location data sources to confirm the player is located within the permitted boundary;*
- *Disregard IP location data for devices utilizing mobile internet (3G/4G/LTE) connections;*
- *Possess the ability to control whether the accuracy radius of the location data source is permitted to overlap or exceed defined buffer zones or the permitted boundary.*

Device Integrity

A common form of geolocation fraud is for a player to manipulate their device in order to spoof their location. To effectively counter this possible threat we recommend adding the below language to Chapter 18.04 Geolocation Systems:

To ensure the integrity of a player's device, the Geolocation System shall detect and block non-secure devices and/or those which indicate system-level tampering, such as rooted and jailbroken devices.

Location Data Integrity

The MLGCC proposed rule, Section 18.04 A, includes strong recommendations to uphold location data integrity, however, we recommend adding two additional provisions to further strengthen this critical area of compliance:

To ensure the integrity of location data, the Geo-location System shall:

- *Utilize detection and blocking mechanisms verifiable to a source code level;*
- *Follow best practice security measures to stop "man in the middle" attacks and prevent geolocation code manipulation such as replay attacks.*

Frequency

To ensure the player is continually located within the permitted boundary, we recommend including additional provisions within Chapter 18.04 Geolocation System to ensure the system is equipped to monitor the player's location and block unauthorized attempts to access the betting system throughout the duration of a player's wager session.

The Sports Wagering Platform shall trigger:

- *A geolocation check prior to the placement of the first bet or wager;*
- *Recurring periodic geolocation checks if a sports betting session is longer than a single bet or wager to ensure out of state access is not possible mid-session;*
- *A geolocation check immediately upon a change of IP address mid-session;*

Reporting and Analytics

Geolocation data is a powerful tool to not only combat location fraud, but also other types of fraud that can potentially be perpetrated through a sports betting platform. A geolocation system should evaluate possible fraud on a single geolocation check, as well as cumulative player histories over time. Therefore, we recommend including the following provisions into Chapter 18.04 Geolocation System:

The Geolocation System shall:

- *Display a real-time data feed of all geolocation checks and potential fraud risks;*
- *Offer an alert system to identify unauthorized or improper access;*
- *Facilitate routine, recurrent delivery of supplemental fraud reports to the Commission and licensed operators pertaining to the following instances:*
 - *Suspicious activities, account sharing, malicious players and devices, as well as other high-risk transactional data.*

Conclusion

Thank you again for the excellent work the Commission has done to create the proposed rules and we appreciate the opportunity to provide input that will help strengthen your regulatory oversight. Maryland is fortunate to be able to borrow from other jurisdictions as a way to help expedite the process while still adhering to regulatory best practices.

Myself and the entire team at GeoComply would like to be a resource to the MLGCC and we look forward to continued discussions.

Sincerely,

Chad Kornett



Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 6:25 PM

To: sports.wagering@maryland.gov

From: Nate <nate.reed@pointsbet.com> (PointsBet Maryland | Mobile)

Chapter:
36.10.14 – Requirements and Limitations

Comment:
14A

Few other states in which legal sports wagering operates have a “Limit on the amount of money lost” requirement in place. In some states, as part of our responsibility towards responsible gambling, operators often have a pre-commitment limit mechanism, which allows you to set the maximum deposit amount, set a spend limit, or set a time limit, however, not a loss limit. We respectfully request that this "limit on the amount of money lost" requirement be removed.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 6:23 PM

To: sports.wagering@maryland.gov

From: Nate <nate.reed@pointsbet.com> (PointsBet Maryland | Brick-and-mortar)

Chapter:
36.10.13 – Internal Control Standards

Comment:
We respectfully request that ALL “60 days prior to commencing operations” requirements be removed, as these requirements will likely lead to a significant delay in launch timelines for all operators.

--

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Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 6:21 PM

To: sports.wagering@maryland.gov

From: Nate Reed <nate.reed@pointsbet.com> (PointsBet | Mobile)

Chapter:
36.10.13 – Internal Control Standards

Comment:
Section 41B

Many other states with legal sports wagering do not require the submission of terms and conditions for a promotion more than three days prior to implementing said promotion; licensees have found that three days can still be difficult to properly plan and execute on our promotions, as the sports calendar is so filled with daily events and markets. Therefore, we respectfully request allowing Operators to either (i) submit a uniform set of T&Cs which will apply to ALL promotions as we do in most states or (ii) require submitting terms and conditions of each promotion no more than 24 hours prior to implementing the promotion.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment Submission

1 message

jpappas@ideagrowth.org <jpappas@ideagrowth.org>

Mon, Sep 27, 2021 at 6:10 PM

To: sports.wagering@maryland.gov

On behalf of iDEA Growth, I am submitting the attached comments for your consideration. Should you have any questions about this submission, or would like to discuss these issues in greater detail we welcome the opportunity to speak.

Best regards,



John Pappas

1.202.870.7777

ideagrowth.org



Sports Wagering Rule Comments_iDEA Growth.pdf

389K

September 27, 2021

Mr. James B. Butler
Maryland Lottery and Gaming Control Agency
Organization Compliance
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

RE: iDEA Growth Comments on Maryland Sports Wagering Regulations

Dear Mr. Butler:

The iDevelopment and Economic Association (iDEA Growth) appreciates the opportunity to provide comments in response to the Maryland Lottery and Gaming Control Commission's (the Commission) proposed operational and licensing regulations for sports wagering.

iDEA Growth was founded to advocate for responsible internet gaming policies that will spur economic growth and protect consumers. Our membership -- 31 companies and growing -- represents every segment of this emerging industry and has vast experience operating in regulated sports betting jurisdictions across the United States. Given the breadth of our membership and our activity in other states, iDEA Growth is uniquely positioned to provide a 360-degree perspective into the myriad of issues contemplated the Commission.

Our comments will be divided into two sections. The first, entitled "General Comments" will be broad thematic points that we hope the Commission will consider as it updates the existing regulations. The second section, entitled "Specific Policy Comments" addresses more specific recommendations on the current sports wagering regulations.

General Comments

iDEA Growth applauds the Commission for the considerable work it has put into developing the proposed rules and standards. It is evident that years of regulating the land-based casino industry has influenced these rules to achieve desired regulatory outcomes. While land-based (retail) sports wagering will be an important part of Maryland's overall sports betting industry, online betting will be the dominant product that drives consumer engagement and tax revenues for the states. In most states, online wagers account for more than 80% of all bets made.

With that in mind, we encourage the Commission to review the submissions of stakeholders that are directly involved in the online sports wagering industry (many of which are iDEA Growth members) that have deployed online operations, with great success, in several other U.S. regulated jurisdictions. It is critical to adopt regulations that recognize key differences in retail and online sports wagering and to apply the standards appropriately to fit both products.

Given the significance mobile-based betting will play in the Maryland market we believe that a priority should be placed on authorizing mobile licenses to those who meet the qualifications to be set forth by the Sports Wagering Application Review Commission (SWARC). It was stated at the August 16th meeting of the SWARC that the two Commissions would prioritize issuing all of the Class B retail licensed prior to addressing mobile sports wagering applicants. We believe that no less than 20 companies will immediately seek mobile licensing once those applications are available. In many cases, these applicants will already be approved to offer mobile (and retail) betting in other comparable U.S. jurisdictions. It would be in the best interest of the state to ensure that mobile betting is authorized and operational in the state as soon as possible. By doing so, the state will more likely achieve its revenue goals (up front licensing fees and tax revenues) and provide consumers with a safe and regulated alternative to the existing online sports betting black market.

Further to this point, iDEA Growth encourages to Commission to establish a “launch date” for mobile operations that will allow for multiple companies to offer their products simultaneously, subject to regulatory approvals. The recent successful launches of sports betting in Tennessee, Michigan and Arizona have proven that a uniform roll-out benefits consumers by providing them with immediate, legal choices in the marketplace and ultimately creates a larger base of taxable revenues for the state at the beginning of the market.

Finally, as noted previously, the Commission has done an incredible job of putting together a comprehensive rule set. As a way to supplement the Commission’s work, iDEA Growth encourages adopting Gaming Laboratories International’s Standards for Sports Wagering (GLI-33). The GLI technical standard is considered best practice for the sports wagering industry and has been adopted by dozens of U.S. regulators. Adding this standard would create uniformity among other jurisdictions and ensure a more seamless operational launch because most company’s sports wagering systems and the systems of their suppliers are aligned with the GLI-33 standard.

Specific Comments

1. Mobile Sports Wagering Employee Licensing

We are concerned that, as currently drafted, the “wagering employee” definition -- found in *Chapter 01.02 Definitions* -- does not set a clear expectation for licensure because there is no distinction between job functions in the in-person retail context and the online digital space, leading to significant ambiguity as to who would be considered to execute these roles in the online context. This could unintentionally capture broad groups of individuals employed by a Mobile Sports Wagering Licensee without justification, creating significant administrative issues for the Commission (with up to 60 mobile licensees allowed under the statute) with no corresponding public benefit.

For example, subsections 75 (a) (i-v) apply to functions such as processing and paying out wagers, handling money, and providing security—roles that have a clear meaning within a retail sportsbook, but are ambiguous as applied to jobs in online sports betting. We would request creating a sub-category of employee licensing specific to mobile sports wagering employees that will provide the Commission with

a clearer understanding of which employees should undergo licensing for online sports betting. Below is an example of language that could be used to establish a mobile employee standard:

(a) An individual must have a sports wagering employee license if his or her duties directly impact the integrity of online sports wagering in Maryland, including:

(i) An individual who has the capability of affecting the outcome of sports wagering through deployment of code to production for any critical components of a sports wagering system;

(ii) An individual who can deploy code to production and directly supervises individuals who have the capability of affecting the outcome of sports wagering in Maryland through deployment of code to production for other than read-only or the equivalent access to any critical components of a sports wagering system;

(iii) An individual who directly manages a sports wagering operation or who directly supervises an individual who directly manages a sports wagering operation; or

(iv) Any other individual who directly impacts the integrity of sports wagering as determined by the Commission, which shall include but not be limited to, any individual who has the capability to directly affect the outcome of an online sports wager or a payout to a patron.

In addition to clarifying who constitutes a mobile wagering employee, we respectfully ask that the Commission remove the definition of non-wagering employee (*subsection 45 (a-b)*) and striking its reference throughout the proposed rules with respect to licensing. Creating a licensing category for employees that do not in anyway impact the management or integrity of sports wagering could mean that every sports wagering licensee (facility and mobile) would need to license every employee regardless of their position in relation to Maryland and sports wagering activity. This has the potential of burdening the Commission to license tens of thousands of non-sports wagering employees with no corresponding benefit to compliance or integrity.

2. Alternative Licensing Standards

iDEA Growth applauds the Commission for creating a streamlined process for sports wagering licensing – *Chapter 02.12 Alternative Licensing Standards*. It is critical that this abbreviated process be applied to all license categories for facility and mobile sports wagering operators, suppliers / vendors and employees. Thusly, we request that the Commission confirm or clarify in the rule that all sports wagering applicants are eligible for the Alternative Licensing Standard.

3. Timing of Submissions

iDEA Growth requests that the Commission reduce the number of days that sports wagering licensees are required to submit their *Responsible Gaming Plan (Chapter 10.02)*, *Mandatory Exclusion Plan (Chapter 11.09)* and *Internal Controls (Chapter 13.03)* from 60 to 30 days prior to launch.

Reducing the timeframe will lead to greater operational efficiencies and stronger protections for consumers and the state. The 30-day approval window also provided the Commission with sufficient time to thoroughly review these plans without inhibiting the ability of an operator to launch.

Further, when corrective action needs to be taken to address vulnerabilities in the sports wagering system, we request that sports wagering licensees are able to take immediate action to eliminate risks in timely manner, rather than seeking approval for these needed changes. In these cases, all changes would be documented and then shared with the Commission within a reasonable timeframe to obtain formal approvals for the changes.

4. Promotional Play

iDEA Growth requests that the Commission strike *Chapter 13.39(F)(2)-(4)*, which limits promotional play deductions to 20% after the sports wagering licensee's first full fiscal year of operations. While we agree with the policy of not capping the promotional play deduction in the first year, we also believe it is imperative that operators be able to use promotional play for many years to attract and retain customers over a long period of time, not just in year one. This is critically important as Maryland's regulated sports books will face stiff competition from surrounding states (Virginia and Pennsylvania) that do not impose a promotional limit and because of black-market operators that will continue to offer promotions to Maryland bettors. Further, it is worth noting, that the legislature did not seek to impose a cap and explicitly authorized that promotional play was to be deducted from the definition of Proceeds. From the statute:

9-1E-01 H "Proceeds" means the amount of money wagered on a sporting event that is not returned to successful bettors but is otherwise allocated under this subtitle, including the cash equivalents of any merchandise or thing of value awarded as a prize to successful bettors, less:

(1) the amount returned to successful bettors;

(2) the cash equivalents of any merchandise or thing of value awarded as a prize to successful bettors;

(3) free bets and promotional credits redeemed by bettors; and

(4) all excise taxes paid by a sports wagering licensee pursuant to in accordance with federal law

We also ask that the Commission consider striking the provision that requires sports wagering licensees to submit promotional offers to the Commission at least seven days prior to implementing the promotion (*Chapter 13.41 (b)*).

The nature of promotional advertising for mobile betting products means that operators must be dynamic and quickly adapt to betting events and be able to market new odds, offers and bonuses in real-time to potential customers. For example, the NCAA Men's Basketball Final Four is played over the course of three days (Saturday semi-finals and Monday finals), therefore this restriction would make it impossible for a sports betting operator to offer a promotion for the Championship game. This same scenario plays out in nearly every other sport (collegiate or professional) where there is a condensed play-off schedule.

While the Commission has an interest in ensuring that promotional advertising is responsible, this mandate will place an onerous and unnecessary burden on the Commission to have to review every piece of promotional material before it reaches the public.

We appreciate your consideration on these issues.

5. *Official League Data*

iDEA Growth respectfully requests the removal of *Chapter 14.01 (c) (1-6)* related to a mandate that sports wagering licensees use “official league data” to settle a wager.

Broadly speaking, iDEA Growth supports robust sports-betting markets and, for that reason, advocates for sports-betting regulation that promotes transparency, fosters competition, and encourages innovation. On balance, sports betting businesses do better in environments characterized by lower taxes, modest licensing fees, and deference to private contractual arrangements in lieu of government mandates. We are concerned that mandating the use of official league data, ignores the fact that there are already numerous agreements between sports leagues and sportsbook operators for the use of such data, and they have done so on terms the parties deem to be acceptable. There is no need for a regulatory mandate for official league data.

Over the past three years, iDEA Growth participated in numerous legislative hearings and stakeholder meetings related to sports wagering legislation in Maryland. While the topic of official league mandates did come up and requests were made to include a mandate, the legislature decided against this onerous and unnecessary requirement.

Advocates for this provision provided no evidence of a systemic problem regarding faulty data nor could they demonstrate how “official data” would improve the integrity of sports betting. It is not surprising that only 5 states (of the more than 30 with legalized sports betting) has chosen to include an official league data mandate in their laws and / or regulations.

Moreover, a key policy priority of Maryland lawmakers was to provide minority, small and women-owned business an opportunity to be participants in the sports wagering industry. This provision, which will force a sportsbook operator to share up to 6 percent of their revenue with the sports leagues, raises the bar even higher for those types of businesses to be able to effectively participate in the marketplace.

If the Commission believes there is a need to play a role in ensuring the accuracy and timeliness of the data used to settle wagers, we encourage an approach whereby the Commission would license data providers and validate the efficacy of their data.

6. *Prohibited Wagers*

With respect to *Chapter 14.03 (B)* we ask that the Commission amend the provision to simply include the word “knowingly.”

Proposed Language: *B. A sports wagering licensee may not **knowingly** accept a wager:*

By adding this word, the Commission changes the provision from an unmanageable liability standard to one that reflects the capabilities of sportsbook licensees that are not in possession of personal identifiable information (PII), such as a Social Security Number and date of birth, which would be necessary information for a permit holder to have in order to block a prohibited bettor.

Given that the statute requires sports wagering license holders to prohibit competitors, coaches, officials etc., the regulations should similarly require that sports governing bodies submit to the Commission a list of prohibited players and mandate that PII be included so that the Commission may disseminate those lists and sports wagering licensees can reasonably make informed decisions about which players to prohibit from establishing accounts and placing wagers. Following this approach would not be without precedent as that is the regulatory approach that was taken in Colorado after extensive discussions with operators and leagues.

Ultimately, the sports governing bodies have all of the information necessary to enforce this provision and they should be encouraged to share the names and PII of “prohibited players” with the Commission.

7. *Funding Wagers*

iDEA Growth recommends amending *Chapter 14.05(A)* to include the use of credit cards as a means to fund a bettor’s sports wagering account to make it consistent with other chapters of the proposed rule.

Proposed Language: (3) A bettor’s debit card, **credit card** or prepaid card;

In other sections, notably *Chapter 13.28 (1)* and *Chapter 18.05 (H)(2)*, of the regulation it does plainly list credit cards as an acceptable form of payment to fund a wagering account for online sports wagering. Therefore, we believe that it was simply an oversight that the use of credit cards was not enumerated in this section of the regulations.

8. *Withdrawing Funds*

iDEA Growth recommend amending *Chapter 18.05(I)* to permit funds to withdrawn from a bettors account through the use of a credit card.

Proposed Language: (4) Credits to the bettor’s debit card **or credit card;**

It is considered industry standard to allow a bettor to withdraw funds back onto the credit card in which they used to fund their sports wagering account.

Conclusion

Thank you for your consideration of iDEA Growth’s comments in regards to the Commission’s proposed rules and standards for sports wagering. Please feel to reach out should you have questions about our submission.

We are eager to work with the Commission to establish a well-regulated industry that protects consumers, sparks economic growth, investment, and tax revenues for the state.

Sincerely,



Jeff Ifrah, Founder, iDEA Growth



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 5:56 PM

To: sports.wagering@maryland.gov

From: John Mohrmann <j.mohrmann@draftkings.com> (DraftKings, Inc. | Mobile)

Chapter:
36.10.01 – General

Comment:

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



DraftKings-Comments-RE-Proposed-Subtitle-10-Sports-Wagering-Regulations-9.27.21.pdf

422K



September 27, 2021

Via E-Mail to sports.wagering@maryland.gov

Attn: James B. Butler, Managing Director, Organizational Compliance
Maryland Lottery and Gaming Control Agency
1800 Washington Boulevard, Suite 330
Baltimore, Maryland 21230

Re: Proposed Title 36, Subtitle 10 Sports Wagering Regulations (COMAR 36.10.01 through 36.10.18)

Dear Mr. Butler,

In response to the proposed sports wagering regulations promulgated by the Maryland Lottery and Gaming Control Commission ("Commission"), DraftKings Inc. ("DraftKings") submits the following comments and questions for consideration. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with sports wagering regulatory frameworks, and submits these comments based on its operational knowledge in multiple regulated markets.

The following comments and questions have been largely organized in the order in which they appear within the proposed regulations, with the exception of the first three comments that relate to the proposed addition of four new definitions.

Definition of "Handle"

Comment: DraftKings respectfully requests that the Commission consider defining the term "*handle*" within the Definitions section of the Sports Wagering Regulations. The term is used in Chapter 04.11(G)(2)(b)(i) and Chapter 05.05(G)(2)(b)(i) with respect to Minority Business Enterprise Participation Goals and Reporting Requirements, as well as Chapter 13.01(E)(2)(a), with respect to Accounting Records. In all three provisions, licensees are required to report various figures as they relate to sports wagering revenues to the Commission, and without a clear definition for "*handle*", it makes it difficult to ensure proper reporting. For this reason, DraftKings respectfully suggests that the Commission incorporate the below definition into Chapter 01.02.

Proposed Language:

"(##) "Handle" means the dollar amount equal to the total of all wagers on a sporting event."

Definition of "Tier 1 Wager" and "Tier 2 Wager"

Comment: While official league data requirements were not contemplated in the statute passed by the legislature, DraftKings respectfully requests that if the Commission does choose to require the use of official league data to settle certain wagers, such requirement only be necessary to settle "tier 2 wagers". No other jurisdiction in the country has a blanket requirement that official league data be used to settle all wager types, and those regulators that do require official league data to settle wagers, have been charged to do so by their state's legislature. As



such, DraftKings respectfully requests that the Commission consider defining the terms “*tier 1 wager*” and “*tier 2 wager*” within the Definitions section of the Sports Wagering Regulations, if the Commission decides to require official league data to settle a wager at all. By including definitions for these types of wagers, it will better allow the Commission to determine when official league data may be necessary for a sports wagering licensee to settle a certain wager. For this reason, DraftKings respectfully suggests that the Commission incorporate the below definition into Chapter 01.02.

Proposed Language:

“(##) “Tier 1 wager” means a sports wager that is determined solely by the final score or final outcome of the sports event and that is placed before the sports event has begun.”

“(##) “Tier 2 wager” means a sports wager that is not a tier 1 wager.”

Definition of Internal Audit

Comment: DraftKings respectfully requests that the Commission consider affording sports wagering licensees the ability to meet their internal audit requirements through the use of a substantially similar function that operates in the near exact manner as prescribed in Chapter 13.20(D). DraftKings does not currently have a traditional internal audit department or audit committee, but we do have an independent team that serves as a 2nd line function focused specifically on regulatory compliance testing and monitoring that can practically meet all four subsections of Chapter 13.20(D). The only major difference between the team that DraftKings utilizes to meet the same objectives of a traditional internal audit department, is that a traditional internal audit department is a 3rd line function that covers more areas of the business beyond just compliance. While substantially similar to an internal audit department, the DraftKings team specializes specifically in compliance review and is able to more frequently exercise their function due to their focused scope, narrowly tailored to oversee control environment and compliance efforts. Of the few jurisdictions that require internal audit, specifically Wyoming and Arizona, the regulators of those jurisdictions have determined that our substantially similar function meets their definition of internal audit for compliance purposes. For this reason, and given that DraftKings otherwise satisfies the intent of the proposed regulations, DraftKings respectfully suggests that the Commission incorporate the below definition into Chapter 01.02.

Proposed Language:

“(##) “Internal audit” means a function that:

(##) regularly audits an organization’s control environment and compliance management framework, and exercises oversight that is independent from operational management;

(##) or a substantially similar function that is specifically dedicated to regulatory compliance testing and monitoring, which serves in lieu of an internal audit department or audit committee.”

Chapter 01.02(B)(53) - Definitions



Comment: With respect to Chapter 01.02(B)(53), which defines “*personally identifiable information*”, DraftKings respectfully requests that the Commission consider narrowing the scope of the definition to require multiple data points to meet the threshold for “*personally identifiable information*”. As currently constructed, the definition allows for a single data point “*alone*” to meet the definition. It is our experience in other regulated jurisdictions that one data point alone does not rise to the level of “*personally identifiable information*”. For example, an individual’s initials are insufficient without other data points to meet the threshold for personally identifiable information. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“(53) “*Personally identifiable information*” means data or information that may be used, ~~alone or~~ combined with other data or information, to identify, contact, or locate a registered bettor, including:

- (a) Name, initials, or personal mark;
- (b) Unique biometric or genetic print of an individual’s image;
- (c) Social Security number;
- (d) Date of birth;
- (e) Identification number issued by a state, or the United States, government;
- (f) Passport or identification number issued by a government for the purpose of establishing identity or documenting citizenship-related status;
- (g) Financial information, including an account number, taxpayer identification number, security code, access code, or password;
- (h) Residential address; or
- (i) Data or information determined by the Commission to identify an individual.”

Chapter 01.02(B)(75) - Definitions

Comment: With respect to Chapter 01.02(B)(75), which defines “sports wagering employee” and “wagering employee”, DraftKings respectfully requests that the Commission consider more clearly outlining who falls into this definition, with specific treatment paid to mobile sports wagering licensees. As currently constructed, the definition is tailored specifically to retail wagering employees and where the definition references mobile or online sports wagering, the Commission takes a broad approach to licensing requirements. To help narrow the scope of who is required to obtain a wagering license in a mobile sports wagering licensee’s operation, it would be most effective to limit the threshold to those that are directly involved in the conduct and operation of mobile sports wagering in a supervisory capacity and empowered to make discretionary decisions which regulate sports wagering operations in the state of Maryland. This approach ensures that the proper individuals are licensed by the Commission, without requiring sports wagering licensees to over-license individuals who do not directly impact the conduct and operation of sports wagering. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“(75) “*Sports wagering employee*” or “*wagering employee*” means an individual who:
(a) Is or is seeking to be employed by an applicant for or holder of a sports wagering licensee, ~~whose duties relate, or may relate to the operation of a sports~~



~~wagering facility or sports wagering, and who performs or supervises or may perform or supervise the performance of~~ **is directly involved in the conduct and operation of sports wagering in a supervisory capacity and is empowered to make discretionary decisions which regulate sports wagering operations in the state, and also perform the following functions:**

- (i) Operating, servicing, or maintaining sports wagering equipment or associated equipment or software;
- (ii) Accounting, maintaining, or auditing a licensee's sports wagering-related financial records;
- (iii) Counting or processing sports wagering revenue, wagers, payouts, or proceeds;
- (iv) Conducting security or surveillance in or around a sports wagering facility or the operation center of a mobile sports wagering licensee or online sports wagering operator licensee; or
- (v) Operating or maintaining a sports wagering licensee's information systems;

(b) Is employed by a sports wagering contractor, whose duties directly relate to the repair, service, or distribution of sports wagering equipment or associated equipment or software, or is otherwise required to be present at a wagering facility or in a restricted area of a wagering facility; ~~or~~

~~(c) Is otherwise required by the Commission to be licensed as a sports wagering employee."~~

Chapter 02.03(C)(1) - Process

Comment: With respect to Chapter 02.03(C)(1), which requires applicants to immediately notify the Commission in writing of any change or inaccuracy in information submitted as part of a license application, DraftKings respectfully requests that the Commission consider changing the notification period from immediately to within 10 days. It is our experience in other regulated jurisdictions that there is more time to provide notice to the regulator when applicants need to remedy changes or inaccuracies to their applications. As currently constructed, the immediate notification presents administrative burdens for both applicants, sports wagering licensees, as well as the Commission. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*"(1) If information submitted by an applicant as part of a license application changes or becomes inaccurate before the Commission acts on the application, the applicant shall ~~immediately~~ notify the Commission in writing **within 10 days** of the change or inaccuracy."*

Chapter 02.03(D)(1) - Process

Comment: With respect to Chapter 02.03(D)(1), which requires a licensee to notify the Commission within 14 days of a change in employment status, DraftKings respectfully requests clarification as to whether "employment status" is limited to the general employment of a licensed sports wagering employee by a mobile sports wagering licensee, or whether the



Commission interprets a change in employment status to also include changes in role or title, or some other status (full-time to part-time, etc.) not defined within this specific provision? To help minimize administrative burden on both licensees and the Commission, DraftKings respectfully requests the Commission take a narrow interpretation that would only require licensees to notify the Commission when the licensed sports wager employee starts or stops their employment with a mobile sports wagering licensee.

Language:

“(1) Within 14 calendar days of a change in employment status, a licensee shall notify the Commission of the intended change in employment by submitting forms and documents required by the Commission in the manner set forth in §B of this regulation.”

Chapter 02.04(B)(8)(b) - Personal and Background Information

Comment: With respect to Chapter 02.04(B)(8)(b), which requires out-of-State applicants to submit one FBI fingerprint card and one State fingerprint card, taken within the previous 45 days before submission to the Commission, DraftKings respectfully requests that the Commission consider accepting two FBI fingerprint cards in lieu of one FBI fingerprint card and one state fingerprint card. Given that the pandemic has made administrative functions at the state government level more complicated due to state employees in certain cases having to work remotely, requesting and receiving state fingerprint cards on file with such states has become a burdensome task. By allowing for two FBI fingerprint cards in lieu of one FBI fingerprint card and one state fingerprint card, it provides a higher level of compliance due to the FBI's fingerprint card standards, while also allowing for a more expedited process that will allow applicants to properly manage their administrative burden and quickly become licensed. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“(b) For an out-of-State resident, one FBI and one State fingerprint card, **or two FBI fingerprint cards where obtaining a State fingerprint card is shown to be impractical**, taken within the previous 45 days before submission to the Commission; and”*

Chapter 02.12(A)(1) - Alternative Licensing Standards

Comment: With respect to Chapter 02.12(A)(1), which establishes an abbreviated licensing process for an applicant who holds a valid license in another state the Commission deems generally comparable to its own standards, DraftKings respectfully requests clarification as to what the Commission deems both “*comprehensive*” and “*thorough*” to mean. These terms, while descriptive, can be arbitrarily applied, making it difficult for applicants and mobile sports wagering licensees to determine whether reciprocity may be afforded. For this reason, DraftKings respectfully requests that the Commission predetermine which jurisdictions meet the standards threshold for licensing reciprocity through the establishment of a list, better allowing for applicants and mobile sports wagering licensees to prepare for the licensing process, while also minimizing the administrative burden of ad hoc inquiries by the Commission.

“(1) The Commission may establish 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 states provide similar safeguards to those in State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland. The Commission shall maintain a list of other states which will be recognized for the purposes of licensing reciprocity.”

~~*(a) Are comprehensive*~~

~~*(b) Are thorough; and*~~

~~*(c) Provide similar safeguards to those in State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland.”*~~

Chapter 04.11(G)(2)(b)(i) - Minority Business Enterprise Participation Goals and Reporting Requirements

Comment: With respect to Chapter 04.11(G)(2)(b)(i), which requires licensees to annually report their “*handle*” to the Commission from the previous year, DraftKings respectfully requests clarification as to whether the Commission means “*handle*” to be accrual handle or cash handle, should the Commission choose not to define “*handle*” as described in the comment above. If the Commission defines “*handle*”, this comment and accompanying suggested language modification is moot and the Commission can disregard.

Language:

“(b) Sports wagering revenues from the immediately preceding fiscal year, including:

*(i) **Cash** Handle;*

(ii) Hold;

(iii) Hold percentage; and

(iv) Proceeds.”

Chapter 05.05(G)(2)(i) - Minority Business Enterprise Participation Goals and Reporting Requirements

Comment: With respect to Chapter 05.05(G)(2)(b)(i), which requires licensees to annually report their “*handle*” to the Commission from the previous year, DraftKings respectfully requests clarification as to whether the Commission means “*handle*” to be accrual handle or cash handle, should the Commission choose not to define “*handle*” as described in the comment above. If the Commission defines “*handle*”, this comment and accompanying suggested language modification is moot and the Commission can disregard.

Language:

“(b) Sports wagering revenues from the immediately preceding fiscal year, including:

*(i) **Cash** Handle;*

(ii) Hold;

(iii) Hold percentage; and

(iv) Proceeds.”



Chapter 06.05(E) - Sports Wagering Employee Licenses

Comment: With respect to Chapter 06.05(E), which enumerates the categories of sports wagering employee licenses, DraftKings respectfully requests that the Commission consider striking any reference to “*non-wagering employee license*,” as that would encompass every single person that works for a sports wagering licensee regardless of that person’s role. Given the breadth of the definition of “*non-wagering employee license*,” the Commission would be forced to process license applications for essentially every single employee for every single sports wagering licensee that operates within the state for no regulatory purpose beyond having a list of every employee that is employed by a sports wagering licensee. This would likely be somewhere close to 100,000+ non-wagering employee licenses. This serves no regulatory purpose and creates a significant time, cost, and administrative burden that adds no additional layer of compliance certainty. For this reason, DraftKings respectfully requests the following amendments to this provision.

Language:

“E. Categories of Sports Wagering Employee Licenses.

(1) The Commission may issue a sports wagering employee license that is a:

(a) Principal employee license;

(b) Wagering employee license;

~~*(c) Non-wagering employee license;*~~

~~*(d)*~~ *Temporary principal employee license; or*

~~*(e)*~~ *Temporary wagering employee license.”*

Chapter 06.05(E)(2)(f) - Sports Wagering Employee Licenses

Comment: With respect to Chapter 06.05(E)(1)(c), which requires, among other things necessary for sports wagering employee licensure, at least a conditional offer of employment from one of the various regulated entities that will offer sports wagering, DraftKings respectfully requests clarification as to whether the conditional offer of employment must be submitted to the Commission with the applicant’s application.

Language:

“(f) Received at least a conditional offer of employment as a sports wagering employee from a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor;”

Chapter 06.05(E)(2)(g) - Sports Wagering Employee Licenses

Comment: With respect to Chapter 06.05(E)(2)(g), which requires employers to obtain a bond and perform various independent background checks on applicants for non-wagering employee licenses that have obtained an offer of at least conditional employment, DraftKings respectfully requests that the Commission consider striking this section in its entirety. Similar to the justification outlined above, requiring non-wagering employees to be licensed could amount to



having every single employee employed by every single sports wagering licensee to go through the licensing process, creating a significant time, cost and administrative burden for those sports wagering licensees, but also the Commission. This is unlike any licensing requirements that DraftKings has seen in any other regulated jurisdiction and serves to add a great deal of time, cost, and administrative burden while adding no additional layer of compliance certainty. For this reason, DraftKings respectfully requests the following amendments to this provision.

Language:

~~“(g) For an applicant for a non-wagering employee license, documented that the applicant has obtained an offer of at least conditional employment from a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, and that the employer, or potential employer, has:~~

~~(i) Obtained a bond if required under COMAR 36.10.04, COMAR 36.10.05, or COMAR 36.10.06; and~~

~~(ii) Performed, at a minimum, a Social Security database check, criminal history check, employment verification, and national database search; and”~~

Chapter 06.05(F)(1) - Sports Wagering Employee Licenses

Comment: With respect to Chapter 06.05(F)(1), which outlines the licensing costs for principal employees, DraftKings respectfully requests that the Commission consider reducing the application fee for principal employees to \$3,787.25. As the fee stands currently, Maryland would have the highest principal employee licensing cost in the entire country. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

~~“(1) For a principal employee, \$5,287.25~~**3,787.25**, of which the:

1. ~~Application fee is \$2,500~~**1,000**;
2. ~~License fee is \$750~~;
3. ~~Refundable advance deposit for the administrative costs of conducting the background investigation \$2,000~~; and
4. ~~(d) Required fee for conducting a criminal history records check specified in COMAR 36.10.02 is \$37.25.”~~

Chapter 06.05(F)(2) - Sports Wagering Employee Licenses

Comment: With respect to Chapter 06.05(F)(2), which outlines the licensing costs for wagering employees, DraftKings respectfully requests that the Commission consider reducing the application fee for wagering employees to \$337.25. As the fee stands currently, Maryland would have the highest wagering employee licensing cost in the entire country. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

~~“(2) For a wagering employee, \$437.25~~**337.25**, of which the:



- (a) Application fee is ~~\$250~~150;
- (b) License fee is \$150; and
- (c) Required fee for conducting a criminal history records check specified in COMAR 36.10.02 is \$37.25."

Chapter 06.05(F)(3) - Sports Wagering Employee Licenses

Comment: With respect to Chapter 06.05(F)(3), which outlines the licensing costs for non-wagering employees, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. For the various stated above that make reference to the lack of necessity for non-wagering employee licensing, DraftKings respectfully requests the following amendment to this provision.

Language:

- ~~"(3) For a non-wagering employee, \$187.25, of which the:~~
~~(a) Application fee is \$50;~~
~~(b) License fee is \$100; and~~
~~(c) Required fee for conducting a criminal history records check specified in~~
~~COMAR 36.10.02, which is \$37.25."~~

Chapter 06.06(A) - Employment of a Sports Wagering Employee

Comment: With respect to Chapter 06.06(A), which enumerates the sports wagering employee license types, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. For the various stated above that make reference to the lack of necessity for non-wagering employee licensing, DraftKings respectfully requests the following amendment to this provision.

Language:

- ~~"A. A sports wagering employee license authorizes the licensee to be employed in the State as a:~~
~~(1) Principal employee;~~
~~(2) Wagering employee; or~~
~~(3) Non-wagering employee.~~

Chapter 06.08(B)(1) - Renewal

Comment: With respect to Chapter 06.08(B)(1), which outlines the renewal licensing costs for principal employees, DraftKings respectfully requests that the Commission consider reducing the renewal application fee for principal employees to \$787.25. As the fee stands currently, Maryland would have the highest principal employee renewal licensing cost in the entire country. Beyond the unprecedented cost of the renewal, it is unusual for the Commission to require the refundable advance deposit for the administrative costs associated with conducting a background investigation for a renewal. There are already provisions in place that require licensees to promptly inform the Commission in the event something material occurs, thus an



additional expensive background investigation upon renewal is unmerited. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

- “(1) For a principal employee, \$2,787.25, of which the:*
(a) License fee is \$750;
~~(b) Refundable advance deposit for administrative costs of conducting the~~
~~applicant’s background investigation is \$2,000; and~~
(c) Required fee for conducting a criminal history records check is \$37.25.”

Chapter 06.11(l)(4)(d)(1) - Sports Wagering Vendor Registration and Certification

Comment: With respect to Chapter 06.11(l)(4)(d)(1), which requires regulated entities that offer sports wagering to submit a monthly sports wagering vendor payments report, DraftKings respectfully requests that the Commission consider amending this submission requirement timeline to quarterly, as opposed to monthly. Monthly submissions for vendor payments will create a significant administrative burden for licensees and the Commission as well. In fact, it is our experience that some jurisdictions, specifically Arizona, initially had proposed regulations which required this same submission monthly, but have since adjusted to a quarterly reporting requirement. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

- “(1) Submit to the Commission a ~~monthly~~ **quarterly** sports wagering vendor payments report in a format prescribed by the Commission; and”*

Chapter 08.04(C)(1) - Corrective Action Plan

Comment: With respect to Chapter 08.04(C)(1), which requires that licensees submit a corrective action plan within 10 days of receipt of notice, DraftKings respectfully requests that the Commission consider increasing the turnaround time requirement for the corrective action plan to 14 business days. Given the need for corrective action in the first place, licensees will want to make certain that they have made every effort to correct any deficiencies that led to the need for a corrective action report. As such, the Commission should be willing to extend a few more days to licensees to ensure their corrective action plans are as comprehensive as they can be and to allow for proper diligence to be completed. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

- “(1) Within ~~10~~ **14 business** days of receipt of a notice under §A of this regulation, the licensee shall submit a corrective action plan to the Director, or the Director’s designee.”*

Chapter 09.02(B)(4) - Inspections



Comment: With respect to Chapter 09.02(B)(4), which allows for unannounced inspections by the Commission of a licensee's audit reports and financial records, DraftKings respectfully requests that the Commission consider providing a week of advanced notice to licensees for an inspection that specifically relates to reviewing financial records. Unlike the other inspection provisions within the regulations related to facilities, equipment and software, which don't require much in the way of licensee preparation, financial record inspection is best completed with notice to the licensee's accounting team so they can prepare whatever the Commission needs to review for a compliance audit. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"B. The Commission or a designee may conduct an unannounced inspection without a warrant of any licensee, and with the exception of a financial records inspection for which the Commission will provide at least 7 days notice to the licensee. The Commission may take any of the following actions:

...
(4) Inspect, examine, and audit books, records, and documents concerning a sports wagering licensee's sports wagering operation, including the financial records of a:
(a) Principal or principal corporation;
(b) Subsidiary corporation; or
(c) Affiliated entity;~~or~~"

Chapter 10.02(A)(4) - Responsible Gaming Plan

Comment: With respect to Chapter 10.02(A)(4), which requires sports wagering licensees to establish a responsible gaming plan that addresses procedures for notifying the Commission of an unauthorized access to the voluntary exclusion list within twelve hours of the unauthorized access, DraftKings respectfully requests that the Commission increase the amount of time to provide notice to the Commission of an unauthorized access to the list from twelve hours to 48 hours. In doing so, it will allow licensees an adequate opportunity to remain in compliance with respect to notification. Generally speaking, a twelve hour notification requirement is difficult to comply with for any number of reasons, so any flexibility the Commission could provide for this provision would be greatly appreciated. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"(4) Procedures for notifying the Commission of an unauthorized access to the voluntary exclusion list within ~~twelve~~ 48 hours of the unauthorized access;"

Chapter 10.02(A)(14)(b) - Responsible Gaming Plan

Comment: With respect to Chapter 10.02(A)(14)(b), which requires sports wagering licensees to return funds to a bettor within 5 days of the bettor's placement on the voluntary exclusion list, DraftKings respectfully requests that the Commission consider increasing the amount of days for return of funds from 5 days to 7 days. Increasing the fund return turnaround requirement to 7 days will help minimize the administrative burden on licensees, while also allowing for a more



standardized timeframe that aligns with other jurisdictions' requirements for the same function. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"(b) The sports wagering licensee return the funds to the bettor within ~~5~~7 days of the bettor's placement on the voluntary exclusion list, by."

Chapter 10.02(B) - Responsible Gaming Plan

Comment: With respect to Chapter 10.02(B), which requires sports wagering licensees to submit their responsible gaming plan to the Commission at least 60 days prior to the commencement of operations, DraftKings respectfully requests that the Commission consider reducing the timeframe for submittal from 60 days to 30 days. Given what could be a tight launch timeframe, providing a responsible gaming plan to the Commission 60 days in advance could prove to be burdensome and jeopardize a licensee's ability to launch, creating an imbalanced market start. In reducing the timeframe to 30 days, it will still allow the Commission ample time to review the plan without putting in jeopardy a licensee's ability to launch. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"B. A sports wagering licensee shall submit to the Commission the responsible gaming plan required under §A of this regulation at least ~~60~~30 days before sports wagering operations are to commence or within a time-period approved by the Commission."

Chapter 10.02(C) - Responsible Gaming Plan

Comment: With respect to Chapter 10.02(C), which requires sports wagering licensees to submit any amendments to their responsible gaming plan to the Commission prior to implementation, DraftKings respectfully requests clarification as to whether the Commission requires approval of those amendments prior to implementation, or merely the submittal of the amendments suffices. This provision is not required in most, if not all, states that we operate within, so any clarity the Commission could provide would be greatly appreciated.

Language:

*"C. A sports wagering licensee shall submit any amendments to its responsible gaming plan to the Commission prior to implementation. **A decision as to the approval or denial of the amendments to the responsible gaming plan shall be provided to the sports wagering licensee within 5 days.**"*

Chapter 11.04(E) - Mandatory Exclusion List

Comment: With respect to Chapter 11.04(E), which enumerates the means which can be used to identify an individual on the mandatory exclusion list, DraftKings respectfully requests that the Commission consider including social security number in the list of information that may be



utilized to identify an individual on the mandatory exclusion list. Social security number is one of the best unique means to identify an individual, so being able to utilize it for the purposes of specifically identifying an individual on the mandatory exclusion list would be extremely helpful to licensees to ensure compliance. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“E. The information used to identify an excluded individual may include:

(1) The individual’s:

- (a) Name and any nickname or alias;*
- (b) Residential address;*
- (c) Telephone numbers;*
- (d) Gender;*
- (e) Physical description, including any birthmarks, scars, or tattoos;*
- (f) Race or ethnic origin;*
- (g) For non-United States citizens, country of origin; ~~and~~*
- (h) Photograph; and*
- (i) Social security number;***

Chapter 11.09(C)(1) - Sports Wagering Licensee’s Mandatory Exclusion Plan

Comment: With respect to Chapter 11.09(C)(1), which requires sports wagering licensees to submit their mandatory exclusion plan to the Commission at least 60 days prior to the commencement of operations, DraftKings respectfully requests that the Commission consider reducing the timeframe for submittal from 60 days to 30 days. Given what could be a tight launch timeframe, providing a mandatory exclusion plan to the Commission 60 days in advance could prove to be burdensome and jeopardize a licensee’s ability to launch, creating an imbalanced market start. In reducing the timeframe to 30 days, it will still allow the Commission ample time to review the plan without putting in jeopardy a licensee’s ability to launch. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“(1) At least ~~60~~ **30** days before sports wagering operations are to commence, the mandatory exclusion plan required under §A of this regulation,”*

Chapter 12.01 - General

Comment: With respect to Chapter 12.01, which details the manner and method by which the Commission may collect from an applicant or licensee a tax, fee or civil penalty, as well as the manner by which a sports wagering licensee may reconcile “gross gaming receipts”, DraftKings respectfully requests that the Commission consider changing the term “gross gaming receipts” to “proceeds” within this provision. This reference to “gross gaming receipts” is the only one made in the entire 227 pages of regulation. As such, it is likely that this reference to “gross gaming receipts” was made in error, and that the term “proceeds” should be used instead. For this reason, DraftKings respectfully requests the following amendment to this provision.

*"This chapter establishes the manner and method by which the Commission may collect from an applicant or licensee a tax, fee or civil penalty established under State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and the manner by which a sports wagering licensee may reconcile ~~gross gaming receipts~~ **proceeds** under State Government Article, §9-1E-07, Annotated Code of Maryland."*

Chapter 12.03(C)(2) - Obligation to Pay

Comment: With respect to Chapter 12.03(C)(2), which limits a sports wagering licensee's ability to subtract losses under §C(1) of this regulation for more than 90 consecutive wagering days, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. The statute does not contemplate a timeframe for when sports wagering licensees are no longer permitted to subtract losses. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"(1) If a sports wagering licensee returns to successful bettors more than the amount of money wagered on a sporting event, the sports wagering licensee may subtract the difference between the amount wagered and the amount returned to bettors from its ~~proceeds of up to 90 following wagering days.~~
~~(2) A sports wagering licensee may not subtract losses under §C(1) of this regulation for more than 90 consecutive wagering days."~~

Chapter 13.02(A) - Forms and Documentation

Comment: With respect to Chapter 13.02(A), which requires all forms and documents submitted to the Commission to be recorded in ink or another permanent form, DraftKings respectfully requests clarification from the Commission as to how electronic reports will be able to meet the "recorded in ink" requirements outlined in this provision. Clarity as to whether electronic submissions satisfy the "another permanent form" requirement would be greatly appreciated.

Language:

"A. A form or document required by this chapter, including stored data, shall have:
(1) All information placed on the form or document recorded in ink or another permanent form; and
(2) The title of the form or document and the name of the sports wagering licensee imprinted or preprinted on it."

Chapter 13.03(A) - Content of Internal Controls

Comment: With respect to Chapter 13.03(A), which requires sports wagering licensees to submit internal controls 60 days prior to commencing sports wagering and any time a change is made thereafter, DraftKings respectfully requests that the Commission consider changing the



internal control approval window from 60 days to 15 days to ensure a streamlined process for licensees. It is our experience in other jurisdictions that a tighter approval window, which allows for a default approval that retains the regulator's right to approve, deny or seek further amendments, prevents bottleneck delays for licensees while fully preserving the full scope of regulator review. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*"A. At least ~~60~~ **15** days prior to commencing sports wagering and any time a change is made thereafter, a sports wagering licensee shall submit internal controls to the Commission for approval. If after 15 days the Commission has not approved or denied the internal controls, the sports wagering licensee may implement the amended internal controls as submitted, with the Commission retaining its authority to require further amendment, approval, or denial. ~~Internal controls~~ must be submitted for:*

- (1) Sports wagering at the sports wagering licensee's facility; or*
- (2) Online sports wagering."*

Chapter 13.03(B) - Content of Internal Controls

Comment: With respect to Chapter 13.03(B), which requires that licensees submit each procedure or control submission in a diagrammatic representation, DraftKings respectfully requests that the Commission consider striking the diagram requirement from this provision. While narrative representations can be provided without exception, not all internal controls submissions can be supported by diagrams. As such, as this provision is currently constructed, we would not be able to meet this requirement currently, as would likely be the case for other licensees. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"B. Each procedure or control submission shall, at a minimum, include ~~both narrative and diagrammatic~~ representations of the system to be utilized including the following:"

Chapter 13.03(B)(5) & (6) - Content of Internal Controls

Comment: With respect to Chapter 13.03(B)(5) and (6), both of which reference a requirement that licensees submit organizational charts as a part of their internal controls submission, DraftKings respectfully requests that the Commission consider striking these two provisions in their entirety. Having an organizational chart in our internal controls would be extremely burdensome to maintain and would require a new submission each time the chart required updating, leading to a 60-day approval window, as currently contemplated in the existing regulations. It is entirely possible that the organizational chart would need to be updated a subsequent time if the internal controls submission indeed took the 60 days currently allowed for the Commission's approval. If the Commission requires an organizational chart, it would be our recommendation to require that as part of the application and subsequent renewal process. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.



Language:

~~“(5) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering;
(6) A description of the duties and responsibilities of each position shown on the organizational chart;”~~

Chapter 13.03(B)(32) - Content of Internal Controls

Comment: With respect to Chapter 13.03(B)(32), which requires licensees to submit procedures for automated and manual risk management in their internal controls submission, DraftKings respectfully requests clarification as to what the Commission intends “*automated risk management*” to entail. Any clarity the Commission could provide would be greatly appreciated.

Language:

~~“(32) Procedures for *automated and manual* risk management **oversight**,”~~

Chapter 13.03(E) - Content of Internal Controls

Comment: With respect to Chapter 13.03(E), which requires sports wagering licensees to notify the Commission of any changes to their catalogue at least 72 hours in advance of implementation of the changes, DraftKings respectfully requests that the Commission consider changing the notification window from 72 hours to 24 hours. Given the fast-paced nature of the sports world, it would be difficult to fully capitalize on the various offerings that could be offered if licensees were limited to a 72-hour approval window for catalogue changes. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

~~“E. A sports wagering licensee shall notify the Commission of any changes to the catalogue at least **72-24** hours in advance of implementation of these changes.”~~

Chapter 13.03(A) - Review of Internal Controls

Comment: With respect to Chapter 13.03(A), which requires sports wagering licensees to submit internal controls 60 days prior to commencing sports wagering for review and written approval, DraftKings respectfully requests that the Commission consider changing the internal control approval window from 60 days to 15 days to ensure a streamlined process for licensees. Similar to the above comment, it is our experience in other jurisdictions that a tighter approval window, which allows for a default approval that retains the regulator’s right to approve, deny or seek further amendments, prevents bottleneck delays for licensees while fully preserving the full scope of regulator review. For this reason, DraftKings respectfully requests the following amendment to this provision.



*"A. At least ~~60~~ **15** days before sports wagering operations are to commence or another timeframe as approved by the Commission, a sports wagering licensee shall submit its internal controls to the Commission for review and written approval. **If after 15 days the Commission has not approved or denied the internal controls, the sports wagering licensee may implement the amended internal controls as submitted, with the Commission retaining its authority to require further amendment, approval, or denial.**"*

Chapter 13.03(B)(1) & (2) - Review of Internal Controls

Comment: With respect to Chapter 13.03(B)(1) and (2), which require either the licensee's chief executive officer or chief legal officer, as well as the licensee's director of finance, to certify the internal controls submittal, DraftKings respectfully requests that the Commission consider striking these certification requirements in their entirety. These certification requirements are not required in any other jurisdiction that we operate within and add an additional burden to the administrative process that is unnecessary and will inevitably cause delays. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

*~~"(1) A certification by the sports wagering licensee's chief executive officer or chief legal officer that the submitted internal controls conform to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter;
(2) A certification by the sports wagering licensee's director of finance that the submitted internal controls:
(a) Establish a consistent overall system of internal controls;
(b) Provide reasonable assurance that financial reporting conforms to generally accepted accounting principles in the United States; and
(c) Conform to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and"~~*

Chapter 13.03(B)(3) - Review of Internal Controls

Comment: With respect to Chapter 13.03(B)(3), which requires that an independent certified public accountant provide an opinion letter attesting to, among other things, the effectiveness of a licensee's internal controls, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Generally speaking, a certified public accountant is not qualified to properly review internal controls, as they largely consist of gaming-specific business practices. While there are financial aspects of internal controls, those are a small portion. Thus, relying on the opinion of an independent certified public accountant to attest to the effectiveness of the work product is an unnecessary requirement that will cause undue burden and delays, while not providing the Commission with any additional layer of compliance certainty. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:



~~“(3) An opinion letter by an independent certified public accountant expressing an opinion as to:~~

~~(a) The effectiveness of the design of the submitted system of internal controls over financial reporting;~~

~~(b) Whether the submitted system of internal controls conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and~~

~~(c) If applicable, whether a deviation from the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or this chapter identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.”~~

Chapter 13.05(C)(1) - Standard Financial and Statistical Reports

Comment: With respect to Chapter 13.05(C)(1), which requires a licensee’s chief executive officer to sign financial reports that are submitted to the Commission, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Requiring a licensee’s chief executive officer to sign every financial report that is submitted to the Commission is excessive, unduly burdensome and provides the Commission with no additional layer of compliance certainty. This type of provision is not required in any other jurisdiction that we operate within and will only lead to administrative delays. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~“(1) Chief executive officer if the sports wagering licensee is a corporation;”~~

Chapter 13.06(C) - Annual Audit and Other Regulatory Reports

Comment: With respect to Chapter 13.06(C), which requires audited financial statements to include a footnote reconciling and explaining any difference between the financial statements included in any report submitted to the Commission, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Annual financial statements are enterprise wide and would not be Maryland-specific making it practically impossible to comply with this provision. Beyond that reality, reviewing and reconciling financial statements would not be a part of the current annual audit, causing this provision to be extremely burdensome if licensees were required to do so. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~“C. The audited financial statements shall include a footnote reconciling and explaining any difference between the financial statements included in any report submitted to the Commission under Regulation .06 of this chapter and the audited financial statements.”~~

Chapter 13.06(D) - Annual Audit and Other Regulatory Reports



Comment: With respect to Chapter 13.06(D), which requires licensees to disclose various types of adjustments in accounting records, DraftKings respectfully requests that the Commission consider striking this section in its entirety. Licensees should be afforded the ability to follow GAAP rules and not be required to submit to additional layers of accounting requirements that fall outside the scope of standard industry practice. This type of excessive regulation increases the administrative burden on both licensees and the Commission and provides no additional layer of compliance certainty. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~*"D. A sports wagering licensee shall with regard to adjustments resulting from the annual audit:*~~
~~*(1) Disclose to the Commission all adjustments whether or not recorded in the accounting records; and*~~
~~*(2) Record the adjustment in the accounting records of the year to which the adjustment relates."*~~

Chapter 13.06(K) - Annual Audit and Other Regulatory Reports

Comment: With respect to Chapter 13.06(K), which requires licensees to submit a written report to the Commission in the event their independent certified public accountant who is serving as their principal auditor resigns, is dismissed, or is replaced, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Not unlike other provisions within this Chapter, this is an excessive layer of regulation that limits licensees' ability to manage their own business functions, while also providing no additional layer of compliance certainty. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~*"K. A sports wagering licensee shall submit a written report to the Commission if an independent certified public accountant who is engaged as the principal accountant to audit its financial statements:*~~
~~*(1) Resigns*~~
~~*(2) Is dismissed as the sports wagering licensee's principal accountant; or*~~
~~*(3) Is replaced by another independent certified public accountant as principal accountant."*~~

Chapter 13.06(N) - Annual Audit and Other Regulatory Reports

Comment: With respect to Chapter 13.06(N), which requires sports wagering licensees to file SARs to the Commission no later than 7 days after the date of filing with the Financial Crimes Enforcement Network, DraftKings respectfully requests that the Commission consider shifting this responsibility to sports wagering facility operator licensees. In most, if not all, cases, sports wagering licensees will not be able to directly file SARs. Instead, the SARs would be filed by the sports wagering licensees' retail partner. Thus, while a sports wagering licensee's fraud department helps compile the SAR, with the assistance of their retail partner, this provision



cannot be complied with by sports wagering licensees as currently constructed. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“N. No later than 7 days after the date of filing with the Financial Crimes Enforcement Network, a sports wagering **facility operator** licensee shall file with the Commission a copy of each Suspicious Activity Report filed under 31 CFR §103.21.”*

Chapter 13.06(P) - Annual Audit and Other Regulatory Reports

Comment: With respect to Chapter 13.06(P), which requires sports wagering licensees to file Currency Transaction Reports to the Commission no later than 7 days after the date of filing with the Financial Crimes Enforcement Network, DraftKings respectfully requests that the Commission consider shifting this responsibility to sports wagering facility operator licensees. In most, if not all, cases, sports wagering licensees will not be able to directly file Currency Transaction Reports. Instead, the Currency Transaction Reports would be filed by the sports wagering licensees’ retail partner. Thus, while a sports wagering licensee’s fraud department helps compile the Currency Transaction Reports, with the assistance of their retail partner, this provision cannot be complied with by sports wagering licensees as currently constructed. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“P. No later than 7 days after the date of filing with the Financial Crimes Enforcement Network, a sports wagering **facility operator** licensee shall file with the Commission a copy of each Currency Transaction Report filed under 31 CFR §103.22.”*

Chapter 13.06(Q) - Annual Audit and Other Regulatory Reports

Comment: With respect to Chapter 13.06(Q), which requires sports wagering licensees to submit a copy of their compliance program to the Commission at least 30 days prior to commencing operations, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. This type of provision does not exist in any other jurisdiction that we currently operate within and a document would need to be created specifically to meet this requirement. We have several program standards, but those are not state-specific. Ultimately, the submission of our internal controls coupled with an annual audit that verifies compliance should be sufficient. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

~~“Q. At least 30 days before sports wagering operations are to commence, a sports wagering licensee shall submit to the Commission a copy of its compliance program required under 31 CFR §103.64.”~~

Chapter 13.07(E)(4) - Record Retention



Comment: With respect to Chapter 13.07(E)(4), which requires that sports wagering tickets redeemed at a ticket redemption unit or kiosk be retained a minimum of 7 days, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Our kiosks, as is likely the case with other licensees' kiosks, do not accept the actual paper ticket, but instead the tickets are scanned and subsequently retained or discarded by the patron. As such, as this provision is currently constructed, it will be impossible for us to comply with this retention requirement. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~“(4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk.”~~

Chapter 13.08(A) - Complimentary Services

Comment: With respect to Chapter 13.08(A), which outlines sports wagering licensee requirements for complimentary services, DraftKings respectfully requests that the Commission consider shifting this responsibility to sports wagering facility operator licensees. Generally speaking, sports wagering licensees will not have purview over the complimentary service offerings at retail locations, but instead this responsibility will fall solely at the discretion of sports wagering facility operator licensees. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“A. Requirements.

(1) A sports wagering **facility operator** licensee shall be under the authority of the County Alcoholic Beverages Licensing Authority for the county in which the facility is located with regard to the sale to individuals of food and alcoholic beverages.

(2) Except as provided in this section, a sports wagering **facility operator** licensee may not provide food or alcoholic beverages to individuals at no cost.

(3) Food or alcoholic beverages offered by a sports wagering **facility operator** licensee for sale to individuals may be offered only at prices that are determined by the County Alcoholic Beverages Licensing Authority to be commensurate with the price of similar types of food and alcoholic beverages at restaurants in the county in which the facility is located.

(4) A sports wagering **facility operator** licensee may provide food at no cost to individuals to the same extent allowed under Article 2B, §12-106, Annotated Code of Maryland, for a person engaged in the sale or barter of spirituous, malt, or intoxicating liquors and licensed in Maryland.”

Chapter 13.08(E) & (F) - Complimentary Services

Comment: With respect to Chapter 13.08(E) and (F), which both detail the reporting requirements for complimentary services offered at retail locations, DraftKings respectfully



requests that the Commission consider shifting this responsibility to sports wagering facility operator licensees. Similar to the above comment, sports wagering licensees will not have purview over the complimentary service offerings at retail locations, but instead this responsibility will fall solely at the discretion of sports wagering facility operator licensees. For this reason, DraftKings respectfully requests the below amendment to this provision.

In a separate matter, DraftKings respectfully requests clarification from the Commission as to whether (F)(1)(d)(ii) and (F)(1)(e) of this provision that speak to “*Noncash*” and “*Other*,” respectively, relate at all to promotional offerings provided to patrons on behalf of sports wagering licensees. Any clarity that the Commission could provide regarding whether our promotional offerings fall into this complimentary service reporting requirement would be greatly appreciated.

Language:

“E. Report.

*(1) A sports wagering **facility operator** licensee shall submit to the Commission a quarterly report summarizing complimentary services provided during the reporting period.”*

Chapter 13.08(G) - Complimentary Services

Comment: With respect to Chapter 13.08(G), which requires sports wagering licensees to submit to the Commission a report identifying bettors who, together with guests, receive \$5,000 or more in complimentary services within a period of 5 consecutive days, DraftKings respectfully requests that the Commission consider shifting this responsibility to sports wagering facility operator licensees. Generally speaking, sports wagering licensees will not have purview over the complimentary service offerings at retail locations, but instead this responsibility will fall solely at the discretion of sports wagering facility operator licensees. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“G. A sports wagering **facility operator** licensee shall submit to the Commission a report identifying a bettor who, together with guests, received \$5,000 or more in complimentary services within a period of 5 consecutive days.”*

Chapter 13.09(E)(6)(b) - Table of Organization

Comment: With respect to Chapter 13.09(E)(6)(b), which requires that a sports wagering licensee’s internal audit department and director be included in the table of organization submitted to the Commission, DraftKings respectfully requests that the Commission allow for substantially similar departments that serve the same practical function as an internal audit department to suffice for the requirements included within this provision. As described above, DraftKings does not currently have a traditional internal audit department or audit committee, but we do have an independent team that serves as a 2nd line function focused specifically on regulatory compliance testing and monitoring that can practically meet all four subsections of



Chapter 13.20(D). For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“(b) An internal audit department, **or substantially similar department, which is supervised by a director of internal audit, or substantially similar supervisory employee that oversees compliance testing and monitoring programs.**”*

Chapter 13.09(G)(2) - Table of Organization

Comment: With respect to Chapter 13.09(G)(2), which requires the director of surveillance and the director of internal audit to be independent of the chief executive officer and report directly to an audit committee, DraftKings respectfully requests that the Commission allow for a substantially similar internal entity that serve the same practical function as an an audit committee to suffice for the requirements included within this provision. As described above, DraftKings does not currently have a traditional internal audit department or audit committee, but we do have an independent team that serves as a 2nd line function focused specifically on regulatory compliance testing and monitoring that can practically meet all four subsections of Chapter 13.20(D). For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“(2) An audit committee **or substantially similar internal compliance function** of:
(a) The sports wagering licensee;
(b) A Commission-authorized licensed affiliate of the sports wagering licensee.”*

Chapter 13.20(C) - Internal Audit Department Standards

Comment: With respect to Chapter 13.20(C), which requires sports wagering licensees to submit their internal audit department operating standards and procedures to the Commission at least 60 days prior to the commencement of operations, DraftKings respectfully requests that the Commission consider reducing the timeframe for submittal from 60 days to 30 days. Given what could be a tight launch timeframe, providing internal audit department operating standards and procedures to the Commission 60 days in advance could prove to be burdensome and jeopardize a licensee’s ability to launch, creating an imbalanced market start. In reducing the timeframe to 30 days, it will still allow the Commission ample time to review the standards and procedures without putting in jeopardy a licensee’s ability to launch. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“C. At least ~~60~~**30** days before sports wagering operations are set to commence or another time approved Commission, a sports wagering licensee shall submit to the Commission for review and approval internal audit department operating standards and procedures that:
(1) Meet the requirements of Regulation .09E(6)(b) of this chapter;*



- (2) *Conform to this regulation; and*
- (3) *Ensure that an internal audit is conducted in accordance with generally accepted auditing standards in the United States."*

Chapter 13.20(D)(4) - Internal Audit Department Standards

Comment: With respect to Chapter 13.20(D)(4), which requires sports wagering licensees to immediately report a deficiency in, or noncompliance with, their internal controls to their audit committee, their chief executive officer, their management, and the Commission, DraftKings respectfully requests that the Commission consider limiting the reporting requirements in this provision to solely the Commission, and within 3 business days. As currently constructed, this level of reporting is unduly burdensome and provides no additional layer of compliance certainty. The Commission being made aware of any deficiency in, or noncompliance with, a sports wagering licensee's internal controls within a reasonable timeframe, should be sufficient. In regards to the adjustment to the reporting timeframe, immediate notifications can at times be made difficult during the weekends. As such, 3 business days provides a fair compromise that allows for prompt notification to the Commission without presenting practical concerns for sports wagering licensees. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*"(4) ~~Immediately~~ **Within 3 business days** report a deficiency in, or noncompliance with, the sports wagering licensee's internal controls to:*
(a) ~~The audit committee;~~
(b) ~~The chief executive officer;~~
(c) ~~Management; and~~
(d) ~~The Commission;~~"

Chapter 13.22(A)-(C) - Cashiers' Cage Design Standards

Comment: With respect to Chapter 13.22(A) and (C), which both speak to which requirements apply to the various license types outlined within this provision, DraftKings respectfully requests that the Commission provide clarification as to which provisions apply to which entity. As currently constructed, (A) and (C) seem to contradict. Any clarity the Commission could provide would be greatly appreciated.

Language:

"A. Except as set forth in §B, this regulation is only applicable to the holder of a Class A sports wagering facility license.
B. The Commission may require the holder of a Class B sports wagering facility license to comply with any or all of the requirements of this regulation.
C. This regulation is only applicable to the holder of a Class A or Class B sports wagering facility license."

Chapter 13.28(B) - Use of Credit



Comment: With respect to Chapter 13.28(B), which requires that an online sports wagering licensee that accepts credit cards to fund a sports wagering account must require that a bettor “*acknowledge*” that a transaction may be treated as a cash advance and be subject to additional fees, DraftKings respectfully requests that the Commission provide clarification as to what the Commission intends “*acknowledge*” to entail. It would be the preference of DraftKings to allow online sports wagering licensees to meet this requirement through the use of a static text comment on the deposit page, under credit card method, to clarify the transaction could be treated as cash advance. It is our interpretation that this type of acknowledgement can be met passively, which would avoid the need for the costly and time-consuming development associated with building out a “check box” feature onto our existing sports wagering platform. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“B. If an online sports wagering licensee accepts credit cards to fund a sports wagering account, the licensee shall require **notification to a bettor** ~~to acknowledge~~ that the transaction may be treated as a cash advance and be subject to additional fees.”*

Chapter 13.30(F)(1)(g) - Sports Wagering Ticket

Comment: With respect to Chapter 13.30(F)(1)(g), which requires at least one anticounterfeiting measure, which appears on one or both sides of a sports wagering ticket, DraftKings respectfully requests clarification as to what the Commission intends “*anticounterfeiting measure*” to include. Specifically, does a QR code meet the threshold for “*anticounterfeiting measure*” for the purposes of this provision. Any clarity the Commission could provide would be greatly appreciated.

Language:

“(g) At least one anticounterfeiting measure, which appears on one or both sides of the sports wagering ticket;”

Chapter 13.31(E)(2) - Ticket Redemption Unit

Comment: With respect to Chapter 13.31(E)(2), which requires that a sports wagering licensee’s internal controls address removal of sports wagering tickets and cash accepted by a ticket redemption unit, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Similar to our comment above, our kiosks, as is likely the case with other licensees’ kiosks, do not accept the actual paper ticket, but instead the tickets are scanned and subsequently retained or discarded by the patron. As such, as this provision is currently constructed, it will be impossible for us to address removal of sports wagering tickets in our internal controls. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“(2) ~~Removal of sports wagering tickets and cash accepted by a ticket redemption unit;~~”



Chapter 13.37(B) - Bettor Complaints

Comment: With respect to Chapter 13.37(B), which requires a sports wagering licensee who is unable to satisfactorily resolve a dispute with a bettor within 3 days of notice of the dispute to notify the Commission of the dispute, DraftKings respectfully requests that the Commission consider shifting the burden of whether a complaint has been satisfactorily resolved to the bettor, while also providing for a 10 day window for resolution, as opposed to 3 days. Generally speaking, DraftKings is not in a position to be able to know whether a bettor feels as though a complaint has been satisfactorily resolved. The bettor is in the best position to make that determination. Further, most jurisdictions that we currently operate within allow for a 10-day window to resolve complaints. This is especially important during football season or during March Madness when the volume of bets significantly increases. DraftKings takes customer service complaints very seriously, so ensuring that the complaint process operates smoothly for all parties involved is paramount to a successful operation. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*"B. A sports wagering licensee who **has been provided notice by the bettor that a complaint has not been** ~~is unable to satisfactorily resolved~~ a dispute with a bettor within ~~3~~ **10** days of notice of the dispute shall notify the Commission of the dispute."*

Chapter 13.39(B) - Promotional Play

Comment: With respect to Chapter 13.39(B), which requires that a sports wagering licensee's chief executive or chief executive's designee must approve any issuance of a promotional play exceeding \$5,000 per wagering day, DraftKings respectfully requests that the Commission strike this provision in its entirety. While the balance of daily promotional play offerings will not exceed \$5,000 per bettor, there are common instances where certain individuals are offered promotions that exceed \$5,000, especially during busy betting seasons like football season or during March Madness. These bettors are closely monitored and internal approval is oftentimes required as the volumes of the bets increase or the amount wagered increases. However, those internal approvals are rarely, if ever, directly provided by our chief executive or his designee. Thus, requiring chief executive or chief executive's designee approval would be impractical and overburdensome, while not providing any additional layer of compliance certainty. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~"B. A sports wagering licensee may not issue to a bettor promotional play equaling or exceeding \$5,000 per wagering day without approval from the chief executive or the chief executive's designee."~~

Chapter 13.39(F)(2)-(4) - Promotional Play



Comment: With respect to Chapter 13.39(F)(2)-(4), which limits promotional play offering to 20% of the sports wagering licensee's first full fiscal year of total sports wagering proceeds after the first full fiscal year, DraftKings respectfully requests that the Commission strike this provision in its entirety. A cap on the amount of promotional play deduction is not contemplated in the statute, and it is not the purview of the regulator to alter the statutorily-provided definition of "proceeds" by imposing limits that are not contemplated in statute. Promotions are a paramount means of attracting bettors from the illegal market to the regulated market and should not be capped from a deduction standpoint, as signaled by the legislature. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~"(2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year.~~

~~(3) After the first fiscal year of sports wagering activity, the 20 percent cap specified under §F(2) of his regulation includes all revenues generated by casino sports wagering and gaming activities.~~

~~(4) An amount of money given away as free promotional play in a fiscal year exceeding the percentage defined in §F(2) of this regulation of the sports wagering licensee's proceeds of the prior fiscal year shall be allocated as proceeds."~~

Chapter 13.40(D) - Security of Funds and Data

Comment: With respect to Chapter 13.40(D), which outlines a number of requirements as they relate to the use of a special purpose segregated account, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. This language was copied directly from the fantasy contest regulations and is not applicable to online sports wagering. This type of regulation for online sports wagering is unnecessary and excessive, but most of all not intended to be compatible with online sports wagering. Further, no other jurisdiction that we operate within requires this for online sports wagering. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~"D. A corporate entity that maintains a special purpose segregated account shall:~~

~~(1) Require a unanimous vote of all corporate directors to file bankruptcy and have articles of incorporation that prohibit commingling of funds with those of the sports wagering licensee except as necessary to reconcile the accounts of a bettor with sums owed by those bettors to the sports wagering licensee;~~

~~(2) Be restricted from incurring debt other than to bettors pursuant to the rules that govern their user accounts;~~

~~(3) Be restricted from taking on obligations of the sports wagering licensee other than obligations to bettors pursuant to the rules that govern their user accounts; and~~

~~(4) Be prohibited from dissolving, merging, or consolidating with another company, other than a special purpose corporate entity established by another~~



~~sports wagering licensee that meets the requirements of this section, while there are unsatisfied obligations to bettors."~~

Chapter 13.40(F)(2) - Security of Funds and Data

Comment: With respect to Chapter 13.40(F)(2), which speaks to notices that make clear that the funds in a segregated account do not belong to a sports wagering licensee and are not available to creditors, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. Similar to the above comment, this language was copied directly from the fantasy contest regulations and is not applicable to online sports wagering. This type of regulation for online sports wagering is unnecessary and excessive, but most of all not intended to be compatible with online sports wagering. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

~~"(2) Notices that make clear that the funds in the segregated account do not belong to the sports wagering licensee and are not available to creditors other than the bettor whose funds are being held;"~~

Chapter 13.40(I) - Security of Funds and Data

Comment: With respect to Chapter 13.40(I), which requires sports wagering licensees to presume a bettor's segregated account abandoned, and report and remit the balance presumed abandoned to the State Comptroller after going unclaimed for 5 years after the balances are payable or deliverable to the bettor, DraftKings respectfully requests that the Commission provide clarification as to why an account is considered dormant after 3 years but the escheatment isn't made until after 5 years. Any clarity that the Commission could provide regarding a sports licensee's fund management requirements for the 2-year window in which a bettor's segregated account is dormant but not yet abandoned, thus unqualified for escheatment back to the state. Ultimately, we believe it would be best to align the timelines for dormant account status with the timeline for when an escheatment is made to the State Comptroller creating consistency for all parties involved.

Language:

~~"I. If a bettor's segregated account remains unclaimed for 5 years after the balances are payable or deliverable to the bettor, the sports wagering licensee shall presume the account to be abandoned and shall report and remit all segregated accounts presumed abandoned to the State Comptroller."~~

Chapter 13.41(B) - Consumer Protection

Comment: With respect to Chapter 13.41(B), which requires sports wagering licensees to submit terms and conditions for promotional offers at least seven days prior to implementing a promotion, DraftKings respectfully requests that the Commission strike this provision in its entirety. As currently constructed, this provision would present a significant administrative



burden for both sports wagering licensees and the Commission alike, especially during high volume betting seasons like football season and March Madness. This burden is exacerbated by the catch all language at the end of the provision that essentially provides the Commission with unbridled authority to require sports wagering licensees to submit “*any other information the Commission may require*,” potentially leading to inconsistent application of this provision that could lead to an even more rigorous application of this provision depending on the submitting sports wagering licensee. Further, seven days is too far in advance for promotional offering planning due to the constantly changing context and relevance of a possible promotion based on the ever-shifting real-time sports calendar. For example, a sports wagering licensee may want to offer specials for the World Series based on the participants in the games, but may not know which teams will be participating in the World Series until a day or two in advance. For these reasons, DraftKings respectfully requests the below amendment to this provision.

As an alternative to the existing provision as currently constructed, sports wagering licensees could retain all of their promotional offerings for a set period of time, which could be reviewed in real-time or retroactively by the Commission. No jurisdiction that we currently operate within requires pre-approval of promotions, with the exception of West Virginia and Tennessee. By not requiring pre-approval, it allows for sports wagering licensees to be able to navigate the dynamic landscape of the sports calendar, while the Commission retains the authority to review and limit certain promotional offerings as necessary, based on predetermined criteria. This process could be streamlined further if the Commission is open to approving the general infrastructure of certain promotions, allowing for a default approval of substantially similar offerings.

Language:

~~“B. Promotional Offers. A sports wagering licensee shall, at least seven days prior to implementing a promotion, submit terms and conditions of each promotion to the Commission and must include, at a minimum, all of the following:~~

- ~~(1) A description of what is being offered as part of the promotion;~~
- ~~(2) The dates and times that the promotion is being conducted;~~
- ~~(3) The persons who are eligible to participate in the promotion;~~
- ~~(4) The required action to receive whatever is being offered as part of the promotion;~~
- ~~(5) The procedure to claim or redeem the promotional offer, if applicable;~~
- ~~(6) Registration procedures;~~
- ~~(7) Limitations on participation;~~
- ~~(8) Wagering requirements and limitations by type of game;~~
- ~~(9) The order in which funds are used for wagering;~~
- ~~(10) Eligible wagers;~~
- ~~(11) Any restrictions on the withdrawal of funds;~~
- ~~(12) Rules regarding cancellation;~~
- ~~(13) The statement “If you or someone you know has a gambling problem, help is available. Call 1-800-GAMBLER.”; and~~
- ~~(14) Any other information the Commission may require.”~~

Chapter 13.41(J) - Consumer Protection



Comment: With respect to Chapter 13.41(J), which provides authority to the Commission to discontinue a sports wagering licensee's promotional offering if the Commission determines that the promotion could adversely impact the public or the integrity of gaming, DraftKings respectfully requests that the Commission consider striking this provision in its entirety. While DraftKings takes responsible gaming and consumer protection extremely seriously, the open-ended nature of what could constitute a determination that a promotional offering "could" adversely impact the public or the integrity of gaming is too broad and subjective for consistent application, leading to a spectrum of outcomes that can not be guided by precedent. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~"J. A sports wagering licensee or a sports betting contractor may be required to discontinue, as expeditiously as possible, the use of a particular promotion upon receipt of written notice from the Commission that the Commission has determined that the use of the particular promotion in, or with respect to, this Commission could adversely impact the public or the integrity of gaming."~~

Chapter 14.01(C)(3)-(5) - Authorized Wagers

Comment: With respect to Chapter 14.01(C)(3)-(5), which outlines when official league data may be required for sports wagering licensees to settle a wager, DraftKings respectfully requests that the Commission consider limiting governing entities that may submit a request to the Commission to require the use of official league data to those entities that are headquartered in the United States, as well as limiting when official league data may be required to the settle wagers to only encompass "tier 2 wagers". Practically speaking, tier 2 wagers are those wagers that are placed after the event it concerns has started (which has been further detailed above in a separate comment regarding the definition of "Tier 1 wager" and "Tier 2 wager"). While the use of official league data was not contemplated in the statute passed by the legislature, DraftKings wishes to simply maintain consistency across jurisdictions as to when official league data is required to settle certain wagers. As stated above, no other jurisdiction in the country requires the blanket usage of official league data for all wager types. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

- "(3) A governing entity **headquartered in the United States** may submit a request to the Commission to require a sports wagering licensee to use official league data to settle a **tier 2** wager placed.
- (4) Within 60 days after the Commission approves the request from a governing entity, a sports wagering licensee may only use official league data to determine the result of a **tier 2** wager placed.
- (5) A sports wagering licensee may use data **to settle a tier 2 wager** other than official league data if."

Chapter 14.01(C) - Authorized Wagers



Comment: With respect to Chapter 14.01(C), which limits wagers that may be accepted by sports wagering licensees to \$5,000,000 for any one sporting event, DraftKings respectfully requests that the Commission consider allowing for a wager on any one sporting event to exceed \$5,000,000, subject to approval of the Commission on a case-by-case basis. While rare, it is possible that in certain cases a bettor may wish to wager more than \$5,000,000 on a single sporting event, and if that is going to happen, it is best that it occurs in the legal regulated market where there are protections in place to safeguard all parties involved. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“The maximum wager that may be accepted by any sports wagering licensee from a patron on any one sporting event shall be limited to \$5,000,000, **unless otherwise approved by the Commission.**”*

Chapter 14.02(C) - Commission Approval of Specific Bet Types

Comment: With respect to Chapter 14.02(C), which speaks to the types of wagers a sports wagering licensee may offer, DraftKings respectfully wishes to alert the Commission to a drafting error within this provision. Within the provision, “*the any of*” appears to have been included in error. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“C. The Commission may permit a sports wagering licensee on behalf of a sports wagering licensee to offer ~~the any of~~ the following types of wagers on the events contained in §B of this regulation.”

Chapter 14.02(C)(6) - Commission Approval of Specific Bet Types

Comment: With respect to Chapter 14.02(C)(6), which specifically enumerates the types of wagers that may be offered by sports wagering licensees, DraftKings respectfully requests that the Commission consider specifically enumerating “pools” as a permissible wager type. As the Commission is likely aware, pools are a wagering or promotional offering where patrons may make selections of outcomes on a set number of sporting events on a card in order to enter for a chance to win all or a portion of the prize pool. If the Commission decides to specifically allow for pool wagering, the above definition should be included within the definitions section. Pool wagering is particularly popular among bettors, thus having it specifically enumerated as permissible wager type is important for sports wagering licensees who wish to be able to offer wager types that are most popular with bettors. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“C. The Commission may permit a sports wagering licensee on behalf of a sports wagering licensee to offer ~~the any of~~ the following types of wagers on the events contained in §B of this regulation:



- (1) *Exchange wagers;*
- (2) *In-game wagers;*
- (3) *Parlay wagers;*
- (4) *Proposition wagers;*
- (5) *Straight wagers; and*
- (6) **Pools; and**
- (7) *Other types of wagers as approved by the Commission."*

Chapter 14.03(B) - Prohibited Wagers

Comment: With respect to Chapter 14.03(B), which enumerates the types of wagers that a sports wagering licensee may not accept, DraftKings respectfully requests that the Commission amend the language within this provision to require that sports wagering licensees not "*knowingly*" accept a wager from the wager types enumerated within the provision. As currently constructed, this provision could hold sports wagering licensees to a strict liability standard. If the Commission insists on maintaining a potential strict liability standard, DraftKings respectfully requests that the Commission consider providing lists of those who fit the criteria described in this provision - specifically subsections (2) and (3) - to sports wagering licensees and update those lists on a consistent basis, as it is nearly impossible to comply with this provision absent the Commission providing a list of those who are designated as prohibited participants in sports wagering. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"B. A sports wagering licensee may not **knowingly** accept a wager:

- (1) *That involves cheating;*
- (2) *From an athlete on an athletic event of the type in which the athlete participates or an athletic event governed by the same governing entity under which the athlete competes;*
- (3) *From a person who holds a position of authority or influence over the participants in a sporting event or is professionally connected to an athletic event or governing entity, including a:*
 - (a) *Referee;*
 - (b) *Official;*
 - (c) *Coach;*
 - (d) *Manager;*
 - (e) *Handler;*
 - (f) *Trainer;*
 - (g) *Medical professional; or*
 - (h) *Person with access to non-public information about a sporting event that is overseen by the governing entity;*
- (4) *From a person who is placing a wager on behalf, or for the benefit, of a person that is prohibited from participating in sports wagering under applicable law or regulation; or*
- (5) *That encourages or instructs a bettor to structure a wager to circumvent applicable law or regulation."*



Chapter 14.04(A)(2) - Limits on Accepting Wagers

Comment: With respect to Chapter 14.04(A)(2), which requires that a sports wagering platform be capable of allowing a registered bettor to establish a limit on the amount of money lost within a daily, weekly or monthly basis, DraftKings respectfully requests that the Commission consider changing the language of this provision to address wager limits, as opposed to loss limits. Currently, DraftKings' platform allows for wagering limits and max wager limits, which essentially allows for the same responsible gaming experience as loss limits provide. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“(2) A limit on the amount of money lost **or wagered** within a daily, weekly or monthly basis that.”*

Chapter 14.05(A) - Funding Wagers

Comment: With respect to Chapter 14.05(A), which enumerates the means in which a bettor may fund their sports wagering account, DraftKings respectfully requests that the Commission consider specifically enumerating credit cards as a permissible means to fund a bettor's sports wagering account. Given that there are several references made to the usage of credit cards throughout provisions within the sports wagering regulations, it is appropriate to specifically enumerate credit cards as a permissible means for deposit. Credit cards were not prohibited from being used as a means of deposit in the statute, and as such they should be permitted. If sports wagering licensees are not permitted to offer a similar experience, and deposit means, that is offered in the illegal market, it will be difficult to attract bettors to the legal regulated market. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“A. A bettor's sports wagering account may be funded by:
(1) A cash deposit made directly with a sports wagering licensee;
(2) A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee;
*(3) A bettor's debit card, **credit card** or prepaid card;*
(4) A bettor's deposit of a winning sports wagering ticket at a sports wagering facility approved by the Commission;
(5) A cash complimentary, promotional credit, or bonus credit;
(6) If there is documented notification to the bettor, an adjustment made by a sports wagering licensee following the resolution of a dispute; or
(7) Any other means as approved by the Commission.”

Chapter 14.05(F)(4) - Funding Wagers

Comment: With respect to Chapter 14.05(F)(4), which prohibits sports wagering licensees from accepting or facilitating a wager from a person that may not participate in sports wagering because the person is licensed by the Commission, DraftKings respectfully requests that the



Commission consider amending this provision to allow for licensed individuals to wager on platforms other than the licensed individual's employer's platform as specifically provided for by statute. Prohibiting licensed individuals from wagering altogether was not contemplated in the statute, and as such the Commission should not circumvent the intent of the legislature by including such a prohibition at the regulatory phase. To implement such a provision will have a negative impact on the thousands of individuals employed by a mobile sports wagering licensee who reside in Maryland with no corresponding benefit to the public and as a result in this subset will continue to use Virginia, West Virginia, Pennsylvania, the District of Columbia and other regulated jurisdictions in order to place sports wagers. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

"(4) From any employee of a sports wagering licensee or online sports wagering operator, on the premises or platform of the employee's employer ~~person that may not participate in sports wagering because the person:~~

~~(a) Is licensed by the Commission under State Government Article, Title 9, Subtitles 9-1A or 9-1E, Annotated Code of Maryland; or~~

~~(b) Is an affiliate or agent of a sports wagering licensee or online sports wagering operator."~~

Chapter 14.06(B) - Reserve

Comment: With respect to Chapter 14.06(B), which prohibits sports wagering licensees from removing, releasing or withdrawing funds from its reserve without written approval of the Commission, DraftKings respectfully requests that the Commission consider striking this language in its entirety. As discussed in a comment above, the liability amount fluctuates depending on the day and season. Thus, inevitably there will be times when sports wagering licensees will need to be able to access and move funds from their reserve to make payouts to patrons and requiring Commission approval each time that needs to happen is simply impractical and could slow the time it takes to get payouts to patrons. If the Commission would like to meet to discuss our process, which has been approved by other regulated jurisdictions we operate within, we would be more than happy to schedule a meeting. For this reason, DraftKings respectfully requests the following provision be stricken in its entirety.

Language:

~~"B. A sports wagering licensee may not remove, release, or withdraw funds from its reserve without the written approval of the Commission."~~

Chapter 14.06(C) - Reserve

Comment: With respect to Chapter 14.06(C), which requires that the amount in reserve be at least \$500,000 and equal to or exceed the aggregate sum of funds held by the sports wagering licensee in better accounts, the total amount of funds to cover the potential liability for all wagers accepted with outcomes that have not been determined, and money owed by unpaid to bettors on winning wagers, DraftKings respectfully requests that the Commission consider adjusting the the formula in this provision to better reflect a sports wagering licensee's liability at any one



time. A better formula would essentially combine subsections (2) and (3) to be stated as, “the total wagers placed on events whose outcomes have yet to be determined.” This proposed language more accurately encompasses the full liability of a sports wagering licensee at any given time and ensures there are sufficient funds within the reserve that can cover both the funds in bettor accounts and the potential payout for wagers that have been placed. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

“C. The amount in the reserve shall be at least \$500,000 and equal or exceed the aggregate sum of:

- (1) Funds held by the sports wagering licensee in bettor accounts;*
- (2) ~~The total amount of funds to cover the potential liability for all wagers accepted by the sports wagering licensee on sporting events with outcomes that have not been determined;~~ and*
- (3) ~~Money owed but unpaid by the sports wagering licensee to bettors on winning wagers~~ **The total amount of wagers placed on sporting events whose outcomes have yet to be determined.**”*

Chapter 14.06(E)(1) - Reserve

Comment: With respect to Chapter 14.06(E)(1), which requires sports wagering licenses to calculate its reserve requirements each day, DraftKings respectfully requests that the Commission consider narrowing this provision to bank days, instead of all days. Generally speaking, sports wagering licensees will be unable to move funds unless banks are open. Thus, if banks are not open, it will be impossible to comply with this provision as currently constructed. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*“(1) Calculate its reserve requirements each **bank** day; and”*

Chapter 14.06(C)(2) - Reserve

Comment: With respect to Chapter 14.06(C)(2), which requires sports wagering licensees to notify the Commission in the event the licensee determines its reserve is insufficient to cover the requirement of the regulation, DraftKings respectfully requests that the Commission consider changing this requirement to allow for this to notification to be met through a monthly attestation. As discussed in a comment above, the liability amount fluctuates depending on the day and season, which would require constant maintenance of the account to maintain reserve levels at times banks are not open, preventing the transfer of funds, which is the only remedy to this issue. As currently constructed, this provision will likely lead to every Monday morning, every sports wagering licensee notifying the Commission of a deficiency, which will likely already be remedied by the time that notice is made. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:



“(2) If the sports wagering licensee determines its reserve is insufficient to cover the requirement of this regulation, notify the Commission in writing:

- (a) ~~Within 24 hours of the deficiency~~ **Through a monthly attestation;** and*
- (b) The steps ~~to be~~ **that were** taken to remedy the deficiency.”*

Chapter 17.03(A)(4) - Request for Authorization

Comment: With respect to Chapter 17.03(A)(4), which requires sports wagering licensees to obtain written permission from the Commission before performing a substantial replacement of parts, DraftKings respectfully requests clarification from the Commission as to what is deemed “*substantial*” for the purposes of meeting the permission requirement threshold. Any clarity the Commission could provide regarding what specifically triggers the permission requirement would be greatly appreciated.

Language:

“(4) Performing a substantial replacement of parts;”

Chapter 18.03(D)(3) - Sports Wagering Platform Requirements

Comment: With respect to Chapter 18.03(D)(3), which requires sports wagering licensees to, upon request, promptly provide the Commission with relevant reports and documentation that includes the ability to export wagering data, DraftKings respectfully requests clarification as to what the Commission intends “*export wagering data*” to entail. Currently, our reporting package does not offer the ability to query data. Unless the Commission intends this requirement to be satisfied through the use of filter and search functions within a spreadsheet, DraftKings can not currently comply with this provision. Any clarity the Commission could provide regarding the functionality of what is intended by the exportation of wagering data would be greatly appreciated.

Language:

*“(3) The ability to export wagering data **directly related to the integrity of sports betting in the state of Michigan.**”*

Chapter 18.03(O) - Sports Wagering Platform Requirements

Comment: With respect to Chapter 18.03(O), which requires sports wagering licensees to notify the Commission within 12 hours of a validation failure, DraftKings respectfully requests that the Commission consider changing this requirement from 12 hours to one business day. A 12-hour notification requirement for a validation failure is unduly burdensome, when the validation runs every 24 hours, particularly on weekends. As such, 1 business day should be the absolute minimum notification period for a validation failure. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:



*"O. The sports wagering licensee shall notify the Commission within ~~12 hours~~ **one business day** of a validation failure."*

Chapter 18.03(R) - Sports Wagering Platform Requirements

Comment: With respect to Chapter 18.03(R), which requires a sports wagering licensee that provides a sports wagering platform to grant access of their platform to the Commission in the manner required by the Commission, DraftKings respectfully requests that the Commission consider limiting access to a sports wagering platform solely through a "*read only*" function. In doing so, the Commission will be able to make certain that during any inspection of the platform, the Commission will not alter the sports wagering platform in any manner. Given the sensitive nature of all sports wagering licensees' sports wagering platforms, the Commission should be willing to accommodate sports wagering licensees similar to the manner in which access is provided in Chapter 13.10(E)(2)(b)(v), which speaks to Surveillance System Design Standards and Chapter 15.03(A)(1)(c), which speaks to Facility Design Standards. For this reason, DraftKings respectfully requests the following amendment to this provision.

Language:

*"R. A sports wagering licensee that provides a sports wagering platform shall grant the Commission **read only** access to the platform ~~in the manner required by the Commission.~~"*

* * * * *

Thank you for your consideration of DraftKings' comments regarding the Commission's Proposed Subtitle 10, Sports Wagering Provisions. Please feel free to reach out should you or anyone else at the Commission have any questions about our submission or our experience in other regulated jurisdictions.

Sincerely,

DraftKings Inc.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

DraftKings Comments RE Proposed Subtitle 10 Sports Wagering Regulations

1 message

John Mohrmann <j.mohrmann@draftkings.com>

Mon, Sep 27, 2021 at 6:00 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Managing Director Butler,

Attached please find DraftKings' comments in response to the Maryland Lottery and Gaming Control Commission's proposed regulations for sports wagering. Thank you for your consideration of our comments and I am always available if you have any questions or require any further information.

Regards,

John Mohrmann

Government Affairs Counsel

DraftKings Inc.

(540) 661-9108



DraftKings Comments RE Proposed Subtitle 10 Sports Wagering Regulations 9.27.21.pdf

422K



Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 5:25 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:

36.10.14 – Requirements and Limitations

Comment:

.06 Reserve

B. We respectfully request this language be removed. As long as it does not go below the required reserve, we should be able to withdraw/transfer funds without Commission oversight. This is permitted in other states. Alternatively, we suggest requiring a cushion amount similar to New Jersey.

E.2 We respectfully request that this language be removed and replaced with a required monthly attestation regarding compliance with the reserve requirement.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 5:17 PM

To: sports.wagering@maryland.gov

From: Nate Reed <nate.reed@pointsbet.com> (PointsBet Maryland | Mobile)

Chapter:
36.10.01 – General

Comment:
Please see attached.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



PointsBet-Maryland-Public-Comments-Submission.pdf

408K



PB TECH & ADVISORY LLC
Suite 900, 1331 17th Street
Denver, CO, 80202

Mr. James B. Butler
Managing Director - Organizational Compliance
Maryland Lottery and Gaming Control Agency

RE: Maryland Sports Wagering Public Comments

Dear Mr. Butler,

By way of background, PointsBet is a global betting and gaming company. PointsBet has evolved from a technology-focused Australian bookmaker to a mature, robust, compliant and customer-focused multi vertical wagering operator with operations across North America and Australia. We have been a leader in the regulated sports wagering industry in the United States since 2018, and we hope you take the opportunity to consider the value of our recent experience and depth of expertise across the multiple jurisdictions in which we operate.

We are grateful for the opportunity to participate in the Sports Wagering Public Comment period and we are eager to continue to support, in any way we can, the successful launch and operations of sports wagering in Maryland.

We attach to this letter a list of public comments to the Maryland sports wagering regulations. We have structured our public comments to include our High Priority Comment and Additional Comments, along with the citation of each regulation we are providing comments on. We are happy to answer any follow up questions that you have and we hope to be a resource to the MLGCA staff as you undertake the launch and successful operation of sports wagering in Maryland.

Thank you for your time and consideration.

With Regards,

Nate Reed

Nate Reed
Compliance Officer
PointsBet

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High Priority Comment

Equal Starting Line For All 17 Legislatively Named Entities

Comment: Consistent with other states, and the success they have had in their respective uniform launches, PointsBet respectfully requests a uniform “starting line” for all of the 17 legislatively named entities, and their operator partners, to apply for and subsequently launch mobile sports wagering operations on the same date. While it’s currently unclear from the regulations at what time the state will begin accepting applications for mobile operators, nor when mobile operations will launch in Maryland, we consider allowing all of the 17 named entities an equal footing for mobile operations is in the spirit of the legislation. Clearly the state believes that the 17 entities have similar quality of ownership, personnel, vision and experience to usher in this historic new era of legal sports wagering in the state of Maryland, and we believe it is of the utmost importance to allow each entity to commence mobile operations together once the state is ready to begin mobile operations.

Furthermore, a uniform starting line for mobile operations allows for consistency in this fast-moving industry. Consistency in launch dates is critical to ensuring that the 17 named entities and their operators have the ability to enter this new market, go live in a uniform and timely manner, and to offer a range of products that the customers can utilize and ultimately determine which best suits their needs. This consistency helps ensure strong customer participation in the regulated sports wagering market, maximizing tax revenue to the state of Maryland, promoting fairness to all of the 17 approved entities, while at the same time ensuring what is best for the overall success of the market in the state.

Lastly, a uniform starting line will ensure that the MBEs amongst the 17 named entities are guaranteed the same starting date for mobile operations as the other entities, who may have more resources and licenses, but who do not qualify as an MBE like the Riverboat-on-the-Potomac. Per the Maryland State Code on Sports Wagering, “It is the intent of the General Assembly that this subtitle is to be implemented in a manner that, to the extent permitted by State and federal law, maximizes the ability of minorities, women, and minority and women-owned businesses to participate in the sports wagering industry, including through the ownership of entities licensed to conduct sports wagering under this subtitle.” If a uniform starting line is not guaranteed, then minority and women-owned businesses may end up at a disadvantage to the larger operators—running counter to the spirit of the legislative intent.

An equal starting line is paramount to the integrity of sports wagering and beginning the operations in a fair and equitable manner. We believe Maryland has a unique opportunity to establish a transparent and fair launch, which will serve as a clear message as to the expectations for the market and operations in Maryland, in the future.



Additional Comments

Points Betting

Comment: One of PointsBet's flagship products is PointsBetting, which has been welcomed and well received in all jurisdictions. PointsBetting is a type of sports wagering in which customer's potential winnings from a bet aren't static, but variable right until the end of the game. For example, if a customer bet wins by one point (or unit), they would win 1 x their bet amount (wager). If their bet wins by 2 units, they win 2 x wager. If their bet wins by 10 units, they win 10 x wager. Conversely if they lose by 1 unit, they would lose 1 x wager. We respectfully request that Maryland carve out a definition in the regulations to allow for this type of wagering or confirm it fits within the current definition proposed and no additional context or coverage is required. We have seen great success and customer satisfaction in this type of wagering in all states in which PointsBet operates, and hope to offer the same to Maryland bettors.

Release Notes

Comment: PointsBet was notified that all release notes will have to be approved via a regulator board meeting, which will happen once a month, and that we may need to submit 2 weeks in advance or else our release notes approval moves to next month's board meeting. Based on our experience, this process would hinder us from addressing problems and improving upon operations in a fluid and efficient manner. This would have a trickle-down effect to the Maryland bettor, who may be deprived of technological improvements due to a comparatively slow approval process compared with other states.

36.10.13.41B - Promotional Offers. A sports wagering licensee shall, at least seven days prior to implementing a promotion, submit terms and conditions of each promotion to the Commission...

Comment: No other state in which PointsBet operates requires the submission of terms and conditions for a promotion more than three days prior to implementing said promotion. We have found that three days can still be difficult to properly plan and execute on our promotions, as the sports calendar is filled with daily events and markets. Therefore, we respectfully request allowing operators to either (i) submit a uniform set of T&Cs which will apply to all promotions as we currently do in most states or (ii) require submitting terms and conditions of each promotion no more than 24 hours prior to implementing the promotion. Promotions are fundamental to giving Maryland bettors the best user-experience, and shortening the timeframe required to submit promotions will increase the number of promotions we can offer the Maryland bettor leading to a better user experience.

36.10.13.05 -The Commission may require a sports wagering licensee to submit daily, weekly, monthly, quarterly, and annual reports of financial and statistical data...B. Unless otherwise specified by

the Commission, reports to the Commission shall be signed by the: ... (3) Manager if the sports wagering licensee is a limited liability company

Comment: We respectfully request a mechanism by which, if the Manager of the sports wagering licensee is a limited liability company, the Manager can designate someone, at their discretion, to satisfy this requirement.

36.10.13.03 - B. (18) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents;

Comment: No other states in which we operate require us to accept checks from customers. We have found success utilizing a number of other electronic or cash options. We respectfully request that procedures for cashing checks be entirely optional for the licensee or operator.

36.10.13.24

A. A sports wagering licensee may accept a negotiable instrument in the form of a check meeting the requirements of this regulation from a bettor to enable the bettor to take part in sports wagering.

Comment: As previously mentioned, no other states in which we operate require us to accept checks from customers. We have found success utilizing a number of other electronic or cash options. We respectfully request that procedures for cashing checks be entirely optional for the Licensee or Operator and that this be made clear in the regulations.

36.10.14.03 - A. Sports wagering activity may not involve: (2) Except for an amateur athletic event specifically approved by the Commission, wagering on an amateur athletic event;

Comment: It is our concern that the language in the regulations could be interpreted as preventing wagering activity on sanctioned collegiate sports. This would drastically affect the number of wagers PointsBet can accept, ultimately leading to a loss in potential tax revenue for the state of Maryland. Furthermore, a prohibition on wagering on collegiate sports is a prohibition on one of the most popular markets for the Maryland bettors. We seek clarity on which amateur athletic events are permitted and those which are prohibited.

36.10.14.03A - (2) Except for an amateur athletic event specifically approved by the Commission, wagering on an amateur athletic event;

Comment: We believe the regulations should read as more open-ended, thus allowing for more wagering activity and more tax revenue for the state i.e. "wagering on amateur athletic events is approved unless specifically prohibited by the Commission."

36.10.13.04 - A. At least 60 days before sports wagering operations are to commence or another timeframe as approved by the Commission, a sports wagering licensee shall submit its internal controls to the Commission for review and written approval. B The internal controls shall be accompanied by (3) An opinion letter by an independent certified public accountant expressing an opinion as to:

- (a) The effectiveness of the design of the submitted system of internal controls over financial reporting;
 - (b) Whether the submitted system of internal controls conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and
 - (c) If applicable, whether a deviation from the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or this chapter identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.
- C. A sports wagering licensee may not commence operations until its internal controls are approved in writing by the Commission.

Comment: Given that the CPA opinion letter is expected to be submitted with the proposed operator internal controls, and 60 days prior to launching, this requirement will likely add significant time for all operators to complete and submit to the regulators, ultimately delaying launch(es) and delaying revenue generation for the State of Maryland. PointsBet respectfully suggest that the opinion letter of an independent CPA be required within 12 months of launching operations, in line with what we have experienced in other states.

Furthermore, we respectfully request that all “60 days prior to commencing operations” requirements be removed, as these will likely lead to a significant delay in launch timelines for all operators.

36.10.13.39F - (2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year

Comment: We interpret this regulation as potentially limiting the amount of free promotional play that we can offer Maryland bettors, which will ultimately have a negative impact on their user experience. We respectfully request clarity on this requirement, or its removal from the regulations.

36.10.13.03 - (27) Procedures to verify each registered bettor's physical location: (a) Each time a registered bettor logs into their bettor account;

Comment: We undertake a robust and modern geolocation process that has been shaped by multiple State launches in the past three years. We suggest that geolocation takes place upon the placement of a wager rather than at customer login. It is our expectation that bettors in Maryland will want to login from locations outside of Maryland to check their pending wagers among other functionality of the



application, so long as it is in compliance with all state and federal laws, and this regulation would unduly restrict and impact the user experience. We expect to undertake a robust geolocation process in Maryland and support the efforts to ensure all state and federal laws are being complied with, especially if it is in a way that will not impact our customers' app experience.

36.10.14.04A - A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits...(2) - A limit on the amount of money lost within a daily, weekly or monthly basis that (a) Renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the loss limit; and (b) Does not allow a wager placed prior to reaching the loss limit to be cancelled or refunded

Comment: In our experience, no other states in which PointsBet operates have this type of specific requirement in place. However, we understand and respect the importance of responsible wagering, and thus have focused on measures that allow our customers to enjoy our app in a sensible and considered way. For example, we offer a pre-commitment limit mechanism which allows our customers to set (i) a deposit limit; (ii) a time limit; and/or (iii) a total spend limit. We are continually assessing and augmenting our responsible gambling protocols and procedures. We expect to see more advancements in this area, in addition to the education and technology solutions that are already undertaken. We respectfully suggest that instead of the requirements set forth in this regulation, that the Commission consider an approach that sets a minimum standard for certain responsible gambling measures, such as those mentioned above, and using its discretion on a case-by-case basis, working with the operator to ensure, in totality, the measures in place are at the standard expected by the Commission.

36.10.13.09

E. The holder of a Class A sports wagering facility license's table of organization shall include:

F. The Commission may require the holder of a Class B-1 sports wagering facility license to comply with any or all of the requirements set forth in §E of this regulation.

Comment: This regulation expresses a requirement for Class A sports Wagering facilities, while leaving the requirements for Class B-1 sports wagering facilities more ambiguous. PointsBet and our partners want to always ensure that we are complying with all the stated regulations. In order to do so, we respectfully request more specificity for Class B in regard to the requirements of a Table of Organization.

36.10.10.03B

A sports wagering licensee shall:

...

(4) Ensure that a printed advertisement bears the gambling assistance message and meets requirements of 36.10.12.03;

(5) Ensure that a billboard bearing a printed advertisement bears the gambling assistance message and meets requirements of COMAR 36.10.12.03;

(6) Ensure that a radio, television, video, online, or social media advertisement bears the gambling assistance message and meets requirements of COMAR 36.10.12.03;

Comment: COMAR 36.10.12.03 appears to regulate the Obligations to Pay under the Collections of Taxes, Fees, and Penalties—it's unclear why advertisements must meet these requirements specifically. We respectfully ask that you clarify so that we can ensure compliance.

36.10.13.06C

The audited financial statements shall include a footnote reconciling and explaining any difference between the financial statements included in any report submitted to the Commission under Regulation .06 of this chapter and the audited financial statements.

Comment: PointsBet Maryland is a new, standalone entity that will not have audited financial statements. Our approach in most states is to provide comprehensive audited financial statements from a parent or holding company. We respectfully request that this be explicitly allowed under the regulations.

36.10.13.06E

No later than 90 days after the end of its fiscal year, a sports wagering licensee shall submit to the Commission:

Comment: We are seeking clarity from the Commission with respect to 'fiscal year'. We anticipate that the Commission has no concerns with an operator abiding by the fiscal year that they currently utilize in the jurisdiction in which they are listed or otherwise incorporated (for example a fiscal year ending June 30th). We ask that the Commission utilize its discretion when interpreting and implementing this regulation.

36.10.13.09E(6)

The following mandatory departments and supervisors: (b) An internal audit department supervised by a director of internal audit:

Comment: PointsBet is a global company and we have an audit department located at our US Headquarters in Colorado. This team are experienced and capable of handling all the duties of an internal auditor. Given that, we respectfully request the regulations state that "an internal audit department" can be located in a state outside of Maryland.

36.10.13.09E(6)

The following mandatory departments and supervisors: (e) An accounting department supervised by a director of finance: (i) Based for employment purposes at the facility

Comment: PointsBet is a global company with its US headquarters in Denver, Colorado. Given the nature of online and mobile sports wagering operations, many of our teams and employees are centrally located in order to ensure efficiency. In saying that, we have dedicated employees across many departments focused on Maryland and our sports wagering operations in the State. We respectfully request that the Commission use its discretion to ensure that the appropriate personnel and departments can be located centrally and/or on partner properties in the State of Maryland.

36.10.14.06

A. A sports wagering licensee shall maintain a reserve in cash, cash equivalents, irrevocable letter of credit, bond, or a combination thereof in an amount approved by the Commission to cover the outstanding liability of the sports wagering licensee to bettors.

C. The amount in the reserve shall be at least \$500,000 and equal or exceed the aggregate sum of

Comment: We respectfully request that the regulation explicitly allow for retail banks like Wells Fargo to be sufficient for maintaining the required reserve of at least \$500,000.

36.10.01.02B

(20) "Dormant account" means a sports wagering bettor account that has not had any login or wagering activity for a period of three years

Comment: Our experience demonstrates that three years may not be the optimal timing for this regulation. We suggest that the Commission consider a period of one year for a sports wagering account that has not had any login or wagering activity.

36.10.01.02B

(56)(b) "Predatory marketing practice" includes an advertisement or promotion of an activity, product, or service related to sports wagering that...(ii) By font, color, placement, or any other means obscures or fails to disclose a material condition or limiting factor associated with the activity, product, or service being marketed

Comment: It is one of our highest priorities to ensure we are compliant with all marketing requirements, as we want what is in the best interests of the general public. However, we believe this regulation is too vague. We respectfully request that this regulation be clarified, or examples provided, so that we can be confident that our marketing materials are always in strict compliance.

36.10.01.02B

(73) “Sports wagering contractor – Tier 2” or “Tier 2 contractor” means a sports wagering contractor that supplies equipment or services related to a sports wagering licensee’s sports wagering operations and ... (b) Has no contact with, or access to, sports wagering equipment or sports wagering systems; and

Comment: We request that “contact” be further defined in this context, so that we may ensure we are in strict compliance.

36.10.01.02B

(72) “Sports wagering contractor – Tier 1,” or “Tier 1 contractor,” means a sports wagering contractor that provides sports wagering equipment or services and: (d) May have contact with, or access to, sports wagering equipment or sports wagering systems

Comment: We request that “contact” be further defined, so that we may ensure we are in strict compliance. Furthermore, we find that the word “may” could be ambiguous in this context. Please consider clarifying this regulation further.

36.10.02.03

D. Notice of Intended Change in Licensed Sports Wagering Employee’s Employment Status.

(1) Within 14 calendar days of a change in employment status, a licensee shall notify the Commission of the intended change in employment by submitting forms and documents required by the Commission in the manner set forth in §B of this regulation

Comment: After careful review, we believe that “intended” could read like a proactive obligation. In practice, notices of change in status should be reactive, as this is a much more reasonable requirement and still leads to the same result of notifying the Commission. PointsBet’s suggestion is to change the standard to “as soon as practicable after the change but in no event later than 14 days after the change.” This is in line with requirements of other states.

36.10.10.01

B. The Commission shall notify sports wagering licensees that an individual has been placed on the voluntary exclusion list established in COMAR 36.01.03.

Comment: For practical purposes, and to promote responsible gambling across all states in which we operate, we would like clarity on whether we can use the self-exclusion lists to exclude the listed individuals across our other states as well (for example, we do not want a self-excluded individual in MD to go and use our app in VA or PA).

36.10.10.03

B. A sports wagering licensee shall:

(1) Post signage approved by the Commission that prominently bears the gambling assistance message and the underage warning message at each customer entrance;

...

(3) Include the gambling assistance message on an advertisement that is intended to encourage sports wagering

(4) Ensure that a printed advertisement bears the gambling assistance message and meets requirements of 36.10.12.03;

(7) Ensure that the gambling assistance message is printed on a paper product that is associated with better consumption of food or beverage if the paper product is: (a) Special ordered; and (b) Branded with the sports wagering licensee's logo;

Comment: We respectfully request that this regulation be explicitly delegated to advertisements and products in Maryland. For example, we do not believe it reasonable for these regulations to extend to generic PointsBet branding in other states (particularly as it relates to point-of-sale/consumption materials like branded cups/napkins at a sports arena in Colorado).

36.10.13.03A

At least 60 days prior to commencing sports wagering and any time a change is made thereafter, a sports wagering licensee shall submit to the Commission for approval internal controls for: (1) Sports wagering at the sports wagering licensee's facility; or (2) Online sports wagering.

Comment: In our experience operating in other states, we have found that a "materiality" standard required for submission for changes to Internal Controls helps to improve efficiency and agility in operations. This ensures that we are not overloading the regulators nor ourselves with having to submit every minor, de minimis change in the Internal Controls, and ultimately leads to a better user experience for Maryland bettors.

36.10.13.20C

At least 60 days before sports wagering operations are set to commence or another time approved Commission, a sports wagering licensee shall submit to the Commission for review and approval internal audit department operating standards and procedures that...(3) Ensure that an internal audit is conducted in accordance with generally accepted auditing standards in the United States.

Comment: In our experience in other states, PointsBet has never been required to conduct an internal audit prior to commencing sports wagering operations. We respectfully request that this requirement be removed, or that the "another time approved" language be clarified with how we obtain said approval. Our reasoning behind this comment is to prevent any potential delays to launch whilst ensuring we comply with all requests of the Commission.

36.10.05.04

(2) Include on its sports wagering website a description of the possible consequences for unauthorized wagering by an: (a) Underage bettor; or (b) Out-of-state bettor;

Comment: Our websites or mobile applications do not currently include “possible consequences”. While we make clear in our Terms and Conditions that underage bettors and bettors outside a state with legal sports wagering are not permitted to place wagers, including a description of “possible consequences” is difficult as the term is indefinite and vague. “Possible consequences” can also act as an unnecessary deterrent to Maryland bettors, who fear consequences that would not apply to them. We respectfully request that the requirement for a description of possible consequences for unauthorized wagering be removed.

36.10.10.02

A. A sports wagering licensee shall establish a responsible gaming plan that sets forth its plan for addressing problem gambling that shall include at least the following elements of the plan...

B. A sports wagering licensee shall submit to the Commission the responsible gaming plan required under §A of this regulation at least 60 days before sports wagering operations are to commence or within a time-period approved by the Commission.

Comment: While PointsBet takes Responsible Gaming very seriously and prides itself on being recognized as the most socially responsible sports betting operator by eGaming Review in 2020, we believe the requirement to submit a comprehensive responsible gaming plan 60 days before operations is burdensome and will create a significant delay in operations. We are happy to work with the state on an ongoing basis to continually update and improve our responsible gaming plan, but respectfully request the 60 days prior requirement be removed and instead replaced with a timeline of “within 60 days after the commencement of operations.”

36.10.11.09

A. A sports wagering licensee shall establish a plan

C. A sports wagering licensee shall submit to the Commission for its approval: (1) At least 60 days before sports wagering operations are to commence, the mandatory exclusion plan required under §A of this regulation;

Comment: PointsBet understands and respects the importance of having and adhering to an exclusion list in all the states in which we operate. While we continue to augment and improve our procedures surrounding exclusion lists and prohibiting individuals who are excluded from sports wagering, we respectfully request this requirement be removed as we feel a mandatory exclusion plan is ambiguous.



Furthermore, the 60 days out requirement may lead to delays in commencement of sports wagering, which has a negative impact for the Maryland bettors.

36.10.13.03

A. At least 60 days prior to commencing sports wagering and any time a change is made thereafter, a sports wagering licensee shall submit to the Commission for approval internal controls for:

Comment: In other states our final Internal Controls are not required prior to commencing operations—we usually find they have to be submitted within a certain time after commencement of operations in order to expedite launch times for the Maryland bettors. With that, we respectfully request that the requirement to submit Internal Controls 60 days prior to commencing sports wagering be removed, and replaced with a requirement that we have a certain time period after commencing sports wagering to submit our Internal Controls.

36.10.13.06N

No later than 7 days after the date of filing with the Financial Crimes Enforcement Network, a sports wagering licensee shall file with the Commission a copy of each Suspicious Activity Report

Comment: Currently this is not a requirement in any other state in which PointsBet operated. We respectfully request that this requirement be removed.

36.10.13.06P

No later than 7 days after the date of filing with the Financial Crimes Enforcement Network, a sports wagering licensee shall file with the Commission a copy of each Currency Transaction Report

Comment: Currently this is not a requirement in any other state in which PointsBet operated. We respectfully request that this requirement be removed.

36.10.13.37

A sports wagering licensee who is unable to satisfactorily resolve a dispute with a bettor within 3 days of notice of the dispute shall notify the Commission of the dispute.

Comment: We have found that resolving bettor disputes can take far more than 3 days, primarily in cases in which we are unable to communicate with the bettor for a period of time. Involving the Commission too soon in a dispute may also leave the bettor with a sense of fear and mistrust regarding betting again in the future. For this reason, we respectfully request that the timing of this requirement be moved out to ten days.

36.10.13.40F

A sports wagering licensee shall implement and prominently publish the following on its platform: (1) Policies that prevent unauthorized withdrawals from a bettor's account by a sports wagering licensee or others;

Comment: It is PointsBet's recommendation that the requirement to publish policies that prevent unauthorized withdrawals be removed. This is not a requirement in any other state, and our fear is that displaying direct policies can be utilized by those with ill-intentions to perpetrate fraudulent activity, ultimately having an adverse effect.

36.10.14.03C

A sports wagering licensee may not...(3)Accept a wager on...(b) Penalties;

Comment: It is our fear that this regulation could be interpreted to affect our ability to offer clean sheet markets in soccer and potentially hockey power plays. We respectfully request that this regulation be removed or clarified, particularly to allow for wagers dependent on penalties in soccer and hockey, which are popular markets amongst bettors.

36.10.14.05A

A bettor's sports wagering account may be funded by: (1) A cash deposit made directly with a sports wagering licensee; (2) A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee; (3) A bettor's debit card or prepaid card; (4) A bettor's deposit of a winning sports wagering ticket at a sports wagering facility approved by the Commission; (5) A cash complimentary, promotional credit, or bonus credit; (6) If there is documented notification to the bettor, an adjustment made by a sports wagering licensee following the resolution of a dispute; or (7) Any other means as approved by the Commission.

Comment: PointsBet allows bettor's sports wagering accounts to be funded by credit card or through PayNearMe-type wire services. This allows for far greater access for registered bettors, ultimately leading to a better customer experience, and more revenue generated for the state. We respectfully request that the Commission consider adding these types of customer friendly deposit options as well as any further options that the Commission deems in the best interest of the consumer in Maryland.

36.10.18.05C

(8) Sources of identification authentication, which may include:

Comment: We respectfully request that this regulation does not require secondary forms of identification authentication. We have found that in the one state where secondary forms of identification is required our KYC process is negatively impacted, and thus limits the number of otherwise allowed potential customers.

36.10.13.39A

A sports wagering licensee may:

- (1) Issue promotional play if it is not awarded as cashable credit; and
- (2) Utilize a promotional play system meeting the requirements of this subtitle.

Comment: "Free Bets" are a cornerstone of many operators' promotional options. With that, we would like to confirm that although cash is not allowed under this regulation, that free bets are allowed.

36.10.01.02

(29) "House rules" means a sports book licensee's Commission-approved requirements for its sports wagering operation that are in addition to the Commission's regulations, and that shall include: (f) A method of notifying bettors that a winning ticket expires 182 days after the wager is won;

Comment: PointsBet respectfully requests updating the expiration period to 1 year from date of ticket creation, as is standard in other jurisdictions. We believe best practice is to leave funds available for collection for as long as possible, which allows for potential reinvestment in sports wagering operations and ultimately a better customer experience for Maryland bettors.

36.10.13.09

(6) The following mandatory departments and supervisors:

(a) A surveillance department supervised by a director of surveillance:

(i) Based for employment purposes at the facility;

...

(b) An internal audit department supervised by a director of internal audit:

(i) Based for employment purposes at the facility if applicable;

...

(c) An information technology department supervised by a director of information technology:

(i) Based for employment purposes at the facility if applicable;

...

(d) A security department supervised by a director of security:

(i) Based for employment purposes at the facility;

...

(e) An accounting department supervised by a director of finance:

(i) Based for employment purposes at the facility;

...

(f) A sports wagering department supervised by a director of sports wagering operations:

(i) Based for employment purposes at the facility if applicable;

Comment: Currently no other state in which we operate requires the above employees to be separate individuals and all operating from the retail facility. We respectfully request that the Commission please consider allowing for one individual to hold more than one position, so long as there is adequate segregation of duties within the operation's internal control procedures. Furthermore, we request that, upon prior approval, that certain positions do not have to be based at the facility, as this would lead to an unnecessary burden being placed on the licensed entity and its employees.

36.10.13.34F

A sports wagering licensee shall transport cash storage drop boxes in an enclosed trolley secured by one lock that has a key which is controlled by the security department.

Comment: We respectfully request the Commission to allow licensees to use a secure bag or locked device in lieu of a trolley. We believe this would still meet the security intent of the regulation, whereas the logistics of transporting a trolley are much more complicated than a secure bag or locked device.

36.10.15.03A

(1) For any sports wagering licensee that does not currently hold a video lottery facility operator's license, at least 100 square feet of office space or an amount approved by the Commission that is available for use by the Commission staff and equipped with:

Comment: We respectfully request that the Commission consider allowing the licensee use remote access to the Commission to review surveillance footage, as opposed to the dedicated physical office onsite at the sports wagering facility.



Sports Wagering Public Comments

1 message

John Pauley <j.pauley@sportradar.com>
To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>
Cc: Brandt Iden <b.iden@sportradar.com>

Mon, Sep 27, 2021 at 5:17 PM

Hello,

Attached are public comments on the proposed rules to regulate sports wagering. We welcome any questions or further dialogue at the Commission's convenience.

Thank you.

Kind regards,
John

John Pauley
Government Affairs Manager

SPORTRADAR GROUP
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 **MD Sports Wagering Regulations - Sportradar Public Comments.pdf**
126K

Mr. James. B. Butler
Maryland Lottery and Gaming Control Agency
Organization Compliance
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

September 27, 2021

Re: Sports Wagering Regulations — Request to Modify *Chapter 14.01 (c) Verifiable Outcome*

Dear Mr. Butler,

On behalf of Sportradar and our more than 2,000 team members worldwide, thank you! We understand the momentous endeavor that you and the Maryland Lottery and Gaming Control Commission (the Commission) are undertaking to open one of the most expansive sports wagering marketplaces in the United States.

Sportradar has over 20 years of expertise in the global data sourcing business for pre-match and live sporting event coverage. As the global market leader in this industry, we thank you for the opportunity to provide our insight and submit public comments on the proposed regulations, specifically *Chapter 14.01 (c) Verifiable Outcome*, as it relates to data sourcing.

In *Chapter 14.01 (c)*, a sports wagering licensee is mandated to use *only* official data to settle wagers if the applicable governing entity, no matter the country of origin, submits such a request to the Commission. However, there is no distinction in this regulatory mandate between pre-match wagers and in-play wagers. A restriction on data used to settle pre-match wagers would be unique to Maryland and not align with any other domestic or international jurisdiction that regulates sports wagering. We respectfully urge the Commission to narrow the scope of this mandate so that it only applies to settling in-play wagers for governing entities headquartered in the United States, thus allowing Maryland to follow more normal industry standards.

A typical step before offering pre-match wagers includes collecting certain data points about the sporting event, including the date, time, location, teams, schedules, and players involved. This information is generally made available and publicized by a governing entity, news outlets, or other media sources. These public domain sources and data points are used by licensed operators across all U.S. regulated jurisdictions to create and subsequently settle pre-match wagers. It is the same reliable pre-match data that licensed operators have used successfully for decades in the highly regulated jurisdiction of Nevada, all without a government mandate.

Under the proposed rules, distributing this type of publicly available information to sportsbook operators could violate the conditions in *Chapter 14.01 (c)* if a data supplier provides pre-match services without an official governing entity partnership, even if that data supplier is licensed by the Commission and providing official data for other governing entities in the Maryland marketplace.

Furthermore, the biggest difference between official and open-source (unofficial) data is latency, which could differ up to approximately six or seven seconds. But that latency benefit is trivial when posting pre-match odds for betting markets that are available for days or even weeks leading up to the start of a match. The nature of grading in-play wagers is significantly different and more reliant on the speed of data feeds because the micro-events being wagered on may only be available for a matter of minutes

throughout the course of a match. As such, the five U.S. jurisdictions that require a data sourcing mandate (AZ, IL, MI, TN, and VA) all have narrowed the scope of this mandate to in-play wagers only.

It is also crucial to note that if an open-source data feed is not reliable, then the sportsbook operator will have no functioning use for that data. Whether it is official or open-source data, operators simply need trustworthy data feeds from a reputable and licensed supplier to offer a quality consumer experience. In fact, all major data suppliers in regulated U.S. jurisdictions provide both official and open-source data. And both sources have proven effective in grading pre-match and in-play wagers.

Therefore, as long as data used to grade pre-match wagers is provided by a licensed supplier, then the proposed regulatory mandate to use only official data for settling pre-match wagers is unnecessary. We believe that value in this marketplace should be driven by the creation of the best data-related products and services, rather than by restrictions that run contrary to normal market dynamics.

Lastly, we believe it is imperative to briefly note our overall concern for process by which this mandate was included in the draft regulations. As noted above, five other states have included in statute a similar mandate to the Commission's proposal. However, these mandates were contemplated and negotiated with all stakeholders via the legislative process. In Maryland, we believe the legislative intent of specifically not addressing this mandate in statute intentionally recognizes that decisions regarding data are best for private commercial agreements between operators and suppliers.

If adopted by the Commission, Maryland would be the first jurisdiction to implement a data sourcing mandate through the rule-making process. While we recognize the authority granted to the Commission and that every jurisdiction has its own distinct gaming landscape, we strongly encourage further discussion on this nuanced topic before implementing a rule that could create undue market restrictions on competition for Class A and B operator licensees.

Again, we thank you for your expedited efforts in this massive undertaking and our team appreciates the opportunity to briefly share our perspective. Our goal is to ensure Maryland maintains a sustainable sports wagering marketplace for consumers and licensed stakeholders. We look forward to scheduling a meeting at your convenience to further discuss these issues, including any additional questions your team has on the market dynamics of sports data suppliers.

Sincerely,

Brandt Iden
Head of Government Affairs, US
b.iden@sportradar.com
269.317.3845



Sports Wagering Comment | 36.10.18 – Technical Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 5:06 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.18 – Technical Standards

Comment:
.03 Sports Wagering Platform Requirements

N.3 - We respectfully request the language be changed to limit system components to "any gaming system component" otherwise this could be interpreted to include any file in the system.

O. We respectfully request the 12 hour time period be changed to 24 hours.

Q.2(c) - We respectfully request the the language be revised to read "A description of the severity of its impact on the system's performance>"

.05 Bettor Accounts

F.(2) The language suggest that the sports wagering licensee establishes the username and password. We respectfully request this section be re-worded so that it's clear the bettor establishes their unique name and password.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Churchill Downs Interactive Gaming, LLC dba TwinSpires Comments on Sports Wagering Regulations

1 message

Todd Handzo <Todd.Handzo@twinspires.com>

Mon, Sep 27, 2021 at 5:05 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: "Lou Frascogna (CDI)" <Lou.Frascogna@kyderby.com>, Brian Pratt <brian.pratt@betamerica.com>, "Bobbi Sample (Ocean Downs)" <Bobbi.Sample@oceandowns.com>, "Brenda McNelis (Ocean Downs)" <Brenda.McNelis@oceandowns.com>, Blake Riley <Blake.Riley@twinspires.com>, Robert Szymkowiak <Robert.Szymkowiak@twinspires.com>

Dear MLGCA,

Please see the attached comments from Churchill Downs Interactive Gaming, LLC (CDIG) on the draft Sports Wagering regulations. Thank you for the opportunity to submit these comments, and we look forward to working with the MLGCA!

Thanks,

Todd Handzo

BetAmerica | **TwinSpires**

Churchill Downs Interactive Gaming, LLC

Cell: (707) 404-8633

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CDIG-TwinSpires Comments on Draft Maryland Sports Wagering Regulations.pdf

149K

Churchill Downs Interactive Gaming, LLC d/b/a TwinSpires

Comments on the Draft Maryland Sports Wagering Regulations

Chapter 10 – Enforcement of Voluntary Exclusion Program

.02 Responsible Gaming Plan.

(14) The sports wagering licensee's procedures for returning to a bettor the funds in the bettor's account that were placed by the bettor prior to the bettor's application for voluntary exclusion, including the requirement that:

- (b) The sports wagering licensee return the funds to the bettor within 5 days of the bettor's placement on the voluntary exclusion list, by:
 - (i) Crediting the bettor's personal bank account; or
 - (ii) Paying the bettor by check;

CDIG Comment: For clarification on this requirement, do the funds need to be fully processed/returned to the player within 5 days, or the refund process initiated within 5 days? For example, if a player self-excludes on 9/5, is it acceptable to begin the process of refunding the account on or before 9/10?

Chapter 13 – Sports Wagering Licensee Minimum Internal Control Standards

.04 Review of Internal Controls.

B. The internal controls shall be accompanied by:

- (1) A certification by the sports wagering licensee's chief executive officer or chief legal officer that the submitted internal controls conform to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter;
- (2) A certification by the sports wagering licensee's director of finance that the submitted internal controls:
 - (a) Establish a consistent overall system of internal controls;
 - (b) Provide reasonable assurance that financial reporting conforms to generally accepted accounting principles in the United States; and
 - (c) Conform to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and
- (3) An opinion letter by an independent certified public accountant expressing an opinion as to:
 - (a) The effectiveness of the design of the submitted system of internal controls over financial reporting;
 - (b) Whether the submitted system of internal controls conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and
 - (c) If applicable, whether a deviation from the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or this chapter identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.

F. A sports wagering licensee's initial internal controls submission and a change or amendment to its approved internal controls shall be reviewed and approved in accordance with a process and time frame developed and implemented by the Commission.

G. The process developed by the Commission under §F of this regulation shall, at a minimum, require the sports wagering licensee to:

- (4) Submit the written representations required in §B(1) and (2) of this regulation with regard to the proposed change or amendment;

CDIG Comment: These requirements are burdensome on executive staff and outside parties, and may cause unnecessary delays in launch/operation.

.05 Standard Financial and Statistical Reports.

A. The Commission may require a sports wagering licensee to submit daily, weekly, monthly, quarterly, and annual reports of financial and statistical data.

B. Reports required under this regulation shall be in a form and submitted in accordance with a time frame specified by the Commission.

C. Unless otherwise specified by the Commission, reports to the Commission shall be signed by the:

- (1) Chief executive officer if the sports wagering licensee is a corporation;*
- (2) General partner if the sports wagering licensee is a partnership;*
- (3) Manager if the sports wagering licensee is a limited liability company;*

Churchill Downs Interactive Gaming, LLC d/b/a TwinSpires

Comments on the Draft Maryland Sports Wagering Regulations

(4) Chief executive officer or functional equivalent if the sports wagering licensee is any other form of business association; or

(5) Owner if the sports wagering licensee is a sole proprietorship.

CDIG Comment: These requirements are burdensome on executive staff, namely for daily and weekly reports.

Separately, will the Commission be providing Release Note guidelines, such as notification to the Commission for upcoming platform maintenance?

.06 Annual Audit and Other Regulatory Reports.

N. No later than 7 days after the date of filing with the Financial Crimes Enforcement Network, a sports wagering licensee shall file with the Commission a copy of each Suspicious Activity Report filed under 31 CFR §103.21.

CDIG Comment: Typically, for the online operations, suspicious activity and suspected fraud incidents are reported to the Commission using an Internet Fraud Form.

.28 Use of Credit.

B. If an online sports wagering licensee accepts credit cards to fund a sports wagering account, the licensee *shall require a bettor to acknowledge that the transaction may be treated as a cash advance and be subject to additional fees.*

CDIG Comment: Is it acceptable to outline this information within our Terms and Conditions, which are reviewed and acknowledged by patrons?

.37 Bettor Complaints.

A. A sports wagering licensee shall attempt to timely resolve a dispute with a bettor concerning the licensee's sports wagering operation or payment of alleged winnings.

B. A sports wagering licensee who is unable to satisfactorily resolve a dispute with a bettor within 3 days of notice of the dispute shall notify the Commission of the dispute.

C. On receipt of notice by the sports wagering licensee of the dispute, the Commission shall provide the bettor with a Commission bettor complaint form together with instructions for completing and submitting the form.

D. The Commission shall investigate a complaint submitted to the Commission and notify the bettor and sports wagering licensee of its determination.

E. The Commission may provide a bettor with a complaint form at any time upon request.

CDIG Comment: Will the bettor complaint form be readily available on the Commission website?

.39 Promotional Play.

D. A sports wagering licensee shall submit to the Commission in a form and in accordance with a time frame specified by the Commission a quarterly report summarizing:

(1) Promotional play awarded for the period including:

(a) Total amount in promotional play awarded in noncashable credits; and

(b) Other forms of promotional play; and

(2) Promotional play redeemed by players for the period including:

(a) Total amount in promotional play redeemed in noncashable credits; and

(b) Other forms of promotional play redeemed.

CDIG Comment: This information can be obtained by the Commission via the daily SFTP reports delivered by the platform. Is a separate report needed quarterly, or do the daily automated platform reports suffice?

Churchill Downs Interactive Gaming, LLC d/b/a TwinSpires
Comments on the Draft Maryland Sports Wagering Regulations

Chapter 14 – Sports Wagering Requirements and Limitations

.06 Information Security.

A. A sports wagering licensee shall:

- (1) Implement, maintain, regularly review and revise, and comply with a comprehensive information security system that takes reasonable steps to protect the confidentiality, integrity, and availability of a bettor's personally identifiable information; and
- (2) Ensure that the security system set forth in §(A)(1) of this regulation shall contain administrative, technical, and physical safeguards which are:
 - (a) Appropriate to the size, complexity, nature, and scope of the operations; and
 - (b) Sensitive of the personal information owned, licensed, maintained, handled, or otherwise in the possession of the sports wagering licensee.

B. A sports wagering licensee shall:

- (1) Perform vulnerability testing of the sports wagering platform, associated equipment, and networks to assess the effectiveness of security controls; and
- (2) Have the testing set forth in §B(1) of this regulation conducted by a Commission approved third party as set forth in Regulation .02B of this chapter.

C. A sports wagering licensee shall create a report that:

- (1) Assesses the adequacy and effectiveness of the sports wagering licensee's information technology security controls and system configurations; and
- (2) Provides recommendations for eliminating each material weakness or significant deficiency identified.

D. A sports wagering licensee shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and:

- (1) Remediate the vulnerability no later than 90 days following the earlier of vulnerability's identification or public disclosure; or
- (2) Document why remediation action is unnecessary or unsuitable.

CDIG Comment: Chapter 13.06 Annual Audit or Other Regulatory Reports – Item (F) indicates that an information technology security report on recommendations to eliminate material weakness or significant deficiencies, along with a written response to said report, shall be submitted no later than 120 days after the end of our fiscal year.

To confirm, a vulnerability assessment is required annually and may be performed at any time during the year, as long as the applicable requirements within Chapter 13.06 and 14.06 are met?



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.18 – Technical Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 4:52 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.18 – Technical Standards

Comment:
.03 Sports Wagering Platform Requirements

L(1) We respectfully request that the wording be changed to clarify electronic modification of data by the patron.

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Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 4:46 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.13 – Internal Control Standards

Comment:
.01 Accounting Records

(2) RSI currently has a suite of standardized suite of reports that is utilized across all jurisdictions in which we operate. Currently our standardized reports do not include Win Percentage. We respectfully request that the requirement to include win percentage be reconsidered.

(4) We respectfully request additional details around "cost and expenses" - what should be included/not included.

--

This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Sports Wagering Public Comments

1 message

gmstation@aol.com <gmstation@aol.com>

Mon, Sep 27, 2021 at 4:39 PM

Reply-To: gmstation@aol.com

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Mr. James B. Butler
Managing Director, Organizational Compliance
Maryland Lottery and Gaming Control Agency
[1800 Washington Blvd., Suite 330](#)
[Baltimore, Maryland 21230](#)

Mr. Butler,

I am submitting these comments on behalf of Greenmount Station, a locally owned bar, restaurant, and off-track betting facility (OTB) in Hampstead, Maryland. For background, Greenmount Station has been a part of the Hampstead community since 1995 and our OTB opened to the public three years ago, in 2018. Greenmount Station is known for its crab cakes, seafood, and football gamedays. We support a variety of local organizations: community youth teams, schools, churches, and non-profits. By its very nature, Greenmount Station is the definition of a locally owned, Maryland small business.

House Bill 940 (Ch. 356) of 2021 designated Greenmount Station for a Class B-1 or Class B-2 retail sportsbook license. I respectfully ask the Commission to consider the proposed regulations' impact on this small business and ask for additional flexibility pertaining to space, infrastructure, and bonding requirements necessary for licensure:

COMAR 36.10.04.02G(2) – Process for Obtaining a Sports Wagering Facility License.

This proposed section requires "evidence of a bond in the amount specified for the license category." Proposed COMAR 36.10.04.06C also notes that the "bond for a Class B-2 sports wagering facility license is \$150,000."

Could Greenmount Station demonstrate its ability to obtain the required bond at the time of submitting its application and then secure the bond prior to issuance of a license?

COMAR 36.10.11.08D(2) – Mandatory Exclusion – Enforcement.

Under State law, individuals 18 years of age and older are allowed to place pari-mutuel wagers on horse racing. Furthermore, as a family restaurant with a separate bar area, Greenmount Station often has patrons of all ages on its premises, including those under the age of 21.

Proposed COMAR 36.10.08D(2) states that: "a sports wagering licensee may not...permit an individual younger than 21 years old to...enter the part of the premises of a sports wagering facility it is licensed or authorized to operate where sports wagering is conducted."

Greenmount Station supports the overall regulatory intent to prevent underage wagering. However, the regulations should be clarified to ensure that those under the age of 21 are restricted from entering an area (or limited part of a premises) where sports wagering is conducted – and not the entire Class B facility.

This proposed modification would also be consistent with Section 9-1E-11(A)(1) of the State Government Article, that states: "an individual may not wager on a sporting event and a sports wagering licensee may not accept a wager from an individual on a sporting event if the individual...is under the age of 21 years."

COMAR 36.10.13.08 – Sports Wagering Licensee Minimum Internal Control Standards – Complimentary Services.

This proposed section of COMAR broadly limits the ability of a Class B licensee to offer complimentary food and beverages on its premises. As Greenmount Station operates primarily as a restaurant, this proposed section should be limited in its scope. Undoubtedly, marketing expenditures will be significant for larger sports wagering facilities and mobile operators throughout the State trying to attract customers.

The ability to offer complimentary food and beverages to retail customers could be a differentiating opportunity for a smaller, locally owned Class B licensee like Greenmount Station to generate foot traffic. Greenmount Station requests a more limited application of

this section to sports wagering licensees that are not VLT facilities, as the General Assembly did not include such limitations in its authorizing legislation (HB 940/CH 356).

On behalf of Greenmount Station, thank you for your consideration of the proposed feedback. Please contact me if you have any questions or concerns.

Sincerely,

Chris Richards
Owner/Operator
Greenmount Station Restaurant & Lounge



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.12 – Taxes, Fees, and Penalties

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 4:27 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.12 – Taxes, Fees, and Penalties

Comment:
.03 (C)(1)

We respectfully request that the 90 days be removed. It is not common in sports wagering jurisdictions to restrict the period for loss carryforward.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Legal Issuew

1 message

David Lynd <dLynd@greenwillgroup.com>

Mon, Sep 27, 2021 at 3:02 PM

To: James Butler -MLGCA- <jbutler@maryland.gov>, "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: Ivan Lanier <ilanier@greenwillgroup.com>, Jacob Moore <jmoore@greenwillgroup.com>

Mr. Butler,

I apologize for the last minute issue, but the Class B licensees will be partnering with the operators (who will also have to obtain separate licenses). They licensees and operators may entering into partnerships that will not be technically "licensed", ie , the partnership they enter into will not be "licensed" as a business entity, in order to conduct sports wagering operations. We believe that a regulation should be enacted that recognizes that such "partnerships", whether an LLC, corporation or other business entity be recognized under Maryland regulations. Without such recognition, each entity that engages in such a partnership is subject to additional licensing under the current regulations and other legal ramifications of which were not the intent of the enacted legislation and regulations. As such, we are requesting that the Commission enact regulations that enable such partnerships to legally conduct business.

If you have any other questions, comments or concerns, please let me know.

David A. Lynd, Esq.
Government Relations Consultant



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Greenwill Consulting Group is an MDOT-certified MBE/DBE/SBE.

541611 - Administrative Management/General Management Consulting Services

541690 - Technical Consulting Services, Homeland Security/Law Enforcement Consulting

541820 - Public Relations Agencies, Lobbyist, Government Relations



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.05 – Mobile Licenses

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 2:31 PM

To: sports.wagering@maryland.gov

From: Maria Beckett <mbeckett@cnkholdings.com> (CNK MANAGEMENT SERVICES LLC | Mobile)

Chapter:
36.10.05 – Mobile Licenses

Comment:

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MD-Sports-Wagering-Public-Comment-Chapter-05.pdf
543K

Maryland Sports Wagering Public Comments

36.10.05 Specific Requirements for Mobile Sports Wagering Licenses

The proposed regulations as written do not appear to incorporate the spirit of the language provided in legislation signed into law in March of this year as it relates to minority equity investment in businesses applying for Class A-1 and Class A-2 sports gaming licenses. Because the application process for Class A-1 A-2 licenses commenced September 14, 2021, before the proposed regulations could be finalized, the implications of the deficiencies in these regulations as it relates to woman and minority equity, will likely impact the issuance of mobile sports wagering licenses as well.

State Government Article 9-1E-15(i) of the Annotated Code of Maryland (Existing Law) requires that sports licensing applicants *“seeking investors in the entity applying for a sports wagering license”, “make serious good-faith efforts to solicit and interview a reasonable number of minority and women investors;” and “as part of the application, submit a statement that lists the names and addresses of all minority and women investors interviewed and whether or not any of those investors have purchased an equity share in the entity submitting an application.”*

Clearly the intent of this language is to encourage sports wagering license applicants to partner with women and minority investors as they seek a sports gaming license with the State. Unfortunately, the Proposed July 15 Regulations are silent with regard to woman and minority equity and only address minority business enterprise (MBE) participation goals, something which is entirely different.

Chapter 04 (*Specific Requirements for Sports Wagering Facility Licensees*) of the proposed regulations lists existing and potential businesses that are eligible to apply for a Class A-1 and A-2 Sports Wagering Facility License with the State. As written, the proposed regulations do not provide a practical way for businesses eligible to apply for a Class A-1 or Class A-2 license, to partner with woman and minority investors in a meaningful manner.

To ensure that the spirit of the newly signed Sports Wagering legislation is reflected in the Specific Requirements for Sports Wagering Facility Licensees (Chapter 4 of the proposed regulations), especially as it relates to the inclusion of woman and minority equity investment in sports wagering facilities, I proposed in a previous public comment, that the proposed regulations be clarified to allow the Commission to issue a Class A-1 or A-2 Sports Wagering Facility License to an already defined Eligible Business or a subsidiary or joint venture for which the Eligible Business holds a majority interest in that business entity.

Chapter 05 Specific Requirements for Mobile Sports Wagering Licenses of the proposed regulations states that “An applicant for or holder of a Class A-1, A-2, B-1, or B-2 sports wagering facility license may apply for a mobile sports wagering license”.

Since the application process, which began September 12th, is currently underway and is operating under the rules set forth in these proposed regulations, there appears to be no path for a Class A-1 and A-2 license holder to bring on new woman or minority equity investors in a substantive way for the sole

purpose of operating a Sports Wagering Facility. Therefore, as written, the proposed legislation also will not allow Class A-1 and A-2 sports wagering facility license holders (approved under these current regulations) to include new woman and minority equity investors for the purpose of participating as partners in the mobile sports wagering side of their business.

To ensure that the spirit of the newly signed Sports Wagering legislation is reflected in these Specific Requirements for Mobile Sports Wagering Licenses (Chapter 5 of the proposed regulations), especially as it relates to the inclusion of woman and minority equity investment in mobile sports wagering, I propose that the regulations be clarified to not only allow the Class A-1 or A-2 Sports Wagering Facility License holders to apply for a mobile sports wagering license, but to also allow a subsidiary or joint venture of the Class A-1 or A-2 license holder to apply provided the Class A-1 or A2 license holder holds a majority interest in that business entity.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.04 – Facility Licenses

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 2:30 PM

To: sports.wagering@maryland.gov

From: Maria Beckett <mbeckett@cnkholdings.com> (CNK MANAGEMENT SERVICES LLC | Brick-and-mortar)

Chapter:
36.10.04 – Facility Licenses

Comment:

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MD-Sports-Wagering-Public-Comment-Chapter-04.pdf

657K

Maryland Sports Wagering Public Comments

36.10.04 Specific Requirements for Sports Wagering Facility Licensees

The proposed regulations as written do not appear to incorporate the spirit of the language provided in legislation signed into law in March of this year as it relates to minority equity investment in businesses applying for Class A-1 and Class A-2 sports gaming licenses.

Specifically, State Government Article 9-1E-15(i) of the Annotated Code of Maryland (Existing Law) requires that sports licensing applicants *“seeking investors in the entity applying for a sports wagering license”, “make serious good-faith efforts to solicit and interview a reasonable number of minority and women investors;” and “as part of the application, submit a statement that lists the names and addresses of all minority and women investors interviewed and whether or not any of those investors have purchased an equity share in the entity submitting an application.”*

Clearly the intent of this language is to encourage sports wagering license applicants to partner with women and minority investors as they seek a sports gaming license with the State. Unfortunately, the Proposed July 15 Regulations are silent with regard to woman and minority equity and only address minority business enterprise (MBE) participation goals, something which is entirely different.

Chapter 04 (Specific Requirements for Sports Wagering Facility Licensees) of the proposed regulations lists existing and potential businesses that are eligible to apply for a Class A-1 and A-2 Sports Wagering Facility License with the State. As written, the proposed regulations do not provide a practical way for businesses eligible to apply for a Class A-1 or Class A-2 license, to partner with woman and minority investors in a meaningful manner.

Sections .03 and .04 of Chapter 04 states that video lottery operators; a stadium in Prince Georges County; the owners of a professional football or major league baseball franchise in Baltimore City; the owners of a professional basketball or soccer franchise in State; or a horse racing licensee located at Laurel Park or Pimlico Race Course may apply for a Class A-1 or A-2 sports wagering license (“Eligible Business”). In the event any of these businesses that are already established entities, wish to partner with woman and/or minority equity investors for the sole purpose of operating a Sports Wagering Facility, the proposed regulations do not provide a clear path to do so. For example, a current video lottery terminal operator with more than 1000 terminals, may find it difficult or impractical to bring on women or minority equity investors in the whole of their business, but may instead choose to create a subsidiary (e.g., joint venture) that would allow the operator to bring said investors in at a substantive level. The proposed regulations as written are silent on the ability for a Class A-1 or A2 applicant to be a subsidiary or joint venture of an Eligible Business as defined in Chapter 04 sections .03 and .04. This omission is inconsistent with the spirit of the Existing Law.

To ensure that the spirit of the newly signed Sports Wagering legislation is reflected in these Specific Requirements for Sports Wagering Facility Licensees (Chapter 4 of the proposed regulations), especially

as it relates to the inclusion of woman and minority equity investment in sports wagering facilities, the proposed regulations should be clarified to allow the Commission to issue a Class A-1 or A-2 Sports Wagering Facility License to an already defined Eligible Business or a subsidiary or joint venture for which the Eligible Business holds a majority interest in that business entity.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 2:30 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.13 – Internal Control Standards

Comment:
.05 A. We respectfully request that reports be limited to daily, monthly and annually.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.02 – Applications and Investigations

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 2:29 PM

To: sports.wagering@maryland.gov

From: Maria Beckett <mbeckett@bellsouth.net> (CNK MANAGEMENT SERVICES LLC | Brick-and-mortar)

Chapter:
36.10.02 – Applications and Investigations

Comment:

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MD-Sports-Wagering-Public-Comment-Chapter-02.pdf
635K

Maryland Sports Wagering Public Comments

36.10.02 Applications and investigations

The proposed regulations as written do not appear to incorporate the spirit of the language provided in legislation signed into law in March of this year as it relates to minority equity investment in businesses applying for sports gaming licenses.

Specifically, State Government Article 9-1E-15(i) of the Annotated Code of Maryland (Existing Law) requires that sports licensing applicants *“seeking investors in the entity applying for a sports wagering license”, “make serious good-faith efforts to solicit and interview a reasonable number of minority and women investors;” and “as part of the application, submit a statement that lists the names and addresses of all minority and women investors interviewed and whether or not any of those investors have purchased an equity share in the entity submitting an application.”*

Clearly the intent of this language is to encourage sports wagering license applicants to partner with women and minority investors as they seek a sports gaming license with the State. Unfortunately, the Proposed July 15 Regulations are silent with regard to woman and minority equity and only address minority business enterprise (MBE) participation goals, something which is entirely different.

Chapter 02 (All Applicants and Licensees - Applications and Investigations) of the proposed regulations do not include the requirement for applicants to submit a statement that lists the names and addresses of all minority and women investors interviewed and whether or not any of those investors have purchased an equity share in the entity submitting an application. This omission is inconsistent with the Existing Law. I therefore propose that the disclosure of this information be included in the license application process.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Penn Comments on MLGCC Draft Sports Wagering Rules

1 message

Rhea Loney <Rhea.Loney@pngaming.com>

Mon, Sep 27, 2021 at 2:32 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: "Evangelista, Allie" <Allie.Evangelista@pngaming.com>, "Soriano, Chris" <Chris.Soriano@pngaming.com>, "Morris, Jeff" <Jeff.Morris@pngaming.com>, "Pearl, Josh" <Josh.Pearl@pngaming.com>, "Zimny, Erich" <Erich.Zimny@pngaming.com>

Dear Maryland Lottery and Gaming Control Commission,

Please find enclosed Penn's comments on the promulgated Draft Sports Wagering Regulations in Maryland. These are being submitted on behalf of Penn National Gaming, Inc., Penn Interactive Ventures, LLC, the digital arm of Penn National Gaming, Inc., and Hollywood Casino Perryville. We appreciate the opportunity to provide feedback. The comments are organized in terms of priority, high to low, and area of business for ease of your review. Please let us know if you have any questions when reviewing the information. We look forward to our partnership with MLGCC and future sports wagering in Maryland.

Best,

Rhea P. Loney

VP, Compliance



Penn Interactive

Mobile: 610-507-1751

Rhea.Loney@pngaming.com

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Penn Comments on MLGCC Draft Sports Wagering Rules 9.27.2021 FINAL.pdf

985K



September 27, 2021

James B. Butler
Managing Director, Organizational Compliance
Maryland Lottery and Gaming Control Commission
1800 Washington Blvd., Suite 330,
Baltimore, MD, 21230

VIA EMAIL ONLY

Re: Penn Commentary on Maryland Lottery and Gaming Control Commission Draft
Sports Wagering Rules

Dear Mr. Butler:

Penn National Gaming, Inc., and Penn Interactive Ventures, LLC, a wholly owned subsidiary of Penn National Gaming, Inc., and the digital arm of Penn National Gaming, Inc., and Hollywood Casino Perryville (collectively, “Penn”), appreciate the opportunity to provide commentary to the Draft Sports Wagering Rules (“Rules”) promulgated by the Maryland Lottery and Gaming Control Commission (“MLGCC”). Penn operates 43 destinations across the United States with a variety of retail and online gaming, live and simulcast racing, entertainment, and hospitality offerings, and currently has 17 retail sportsbooks in eight states. In addition, in 2019, Penn opened the first interactive (online) casino in the state of Pennsylvania, and has since opened interactive casino in the states of Michigan and New Jersey, as well as interactive sports wagering in Pennsylvania, Michigan, Colorado, Indiana, Virginia, Arizona, Tennessee, New Jersey, and Illinois with the Barstool Sportsbook & Casino platform.

Based on Penn’s extensive experience in retail and online sports wagering, Penn believes these Rules represent a strong beginning toward an equitable operating market for sports wagering for the State of Maryland, Operators, and bettors alike. Penn would like to thank the MLGCC staff for consideration of the enclosed commentary on the Rules, which includes one (1) Exhibit to provide further context to Penn’s commentary on a proposed process for maintaining a wager catalog. Please do not hesitate to reach out to us if there are any questions regarding the enclosed commentary or exhibit. Penn appreciates the partnership with the MLGCC and looks forward to sports wagering in the State of Maryland.

Best Regards,

Rhea P. Loney
VP of Compliance
Penn Interactive Ventures, LLC

Encl: Penn Commentary on MLGCC Sports Wagering Rules
Exhibit A - Proposed Wager Catalog Process

cc: Chris Soriano, VP Chief Compliance Officer, PNG, *via email only*
Jeff Morris, VP Public Affairs, PNG, *via email only*
Josh Pearl, Director of New Market Operations, Penn Interactive, *via email only*
Allie Evangelista, General Manager, Hollywood Casino Perryville, *via email only*
Erich Zimny, VP of Racing & Sports Operations, Hollywood Casino at Charles Town
Races, *via email only*

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Highest Priority Items						
Compliance / Legal						
Official League Data	Retail and Online	Ch. 14.01(C) Authorized Wagers.	<p>C. Verifiable Outcome.</p> <p>(1) In this section, "official league data" means statistics, results, outcomes, and other data relating to a sporting event obtained by a sports wagering licensee under an agreement with a governing entity or an entity expressly authorized by a governing entity for determining the outcome of a wager placed.</p> <p>(2) A sports wagering licensee may use any Commission approved data source.</p> <p>(3) A governing entity may submit a request to the Commission to require a sports wagering licensee to use official league data to settle a wager placed.</p> <p>(4) Within 60 days after the Commission approves the request from a governing entity, a sports wagering licensee may only use official league data to determine the result of a wager placed.</p> <p>(5) A sports wagering licensee may use data other than official league data if:</p> <p>(a) The governing entity is unable to provide, on commercially reasonable terms as determined by the Commission, a timely feed of official league data; or</p> <p>(b) A sports wagering licensee demonstrates to the Commission that a governing entity has not provided or offered to provide a feed of official league data to the sports wagering licensee on commercially reasonable terms, by providing the Commission with sufficient information to show:</p> <p>(i) The availability of a governing entity's official league data for such bets on commercially reasonable terms from an alternative authorized source;</p> <p>(ii) Costs paid by the sports wagering licensee for data from authorized sources, in Maryland and in other states;</p> <p>(iii) The reliability of the data, including the quality and complexity of the process used for collecting the data; and</p> <p>(iv) Any other information the Commission requires.</p> <p>(6) While the Commission is considering whether official league data is available on commercially reasonable terms, a sports wagering licensee may use any other approved data source for determining the results of bets placed.</p>	<p>C. Verifiable Outcome.</p> <p>(1) In this section, "official league data" means statistics, results, outcomes, and other data relating to a sporting event obtained by a sports wagering licensee under an agreement with a governing entity or an entity expressly authorized by a governing entity for determining the outcome of a wager placed.</p> <p>(2) A sports wagering licensee may use any Commission approved data source.</p> <p>(3) A governing entity may submit a request to the Commission to require a sports wagering licensee to use official league data to settle a wager placed.</p> <p>(4) Within 60 days after the Commission approves the request from a governing entity, a sports wagering licensee may only use official league data to determine the result of a wager placed.</p> <p>(5) A sports wagering licensee may use data other than official league data if:</p> <p>(a) The governing entity is unable to provide, on commercially reasonable terms as determined by the Commission, a timely feed of official league data; or</p> <p>(b) A sports wagering licensee demonstrates to the Commission that a governing entity has not provided or offered to provide a feed of official league data to the sports wagering licensee on commercially reasonable terms, by providing the Commission with sufficient information to show:</p> <p>(i) The availability of a governing entity's official league data for such bets on commercially reasonable terms from an alternative authorized source;</p> <p>(ii) Costs paid by the sports wagering licensee for data from authorized sources, in Maryland and in other states;</p> <p>(iii) The reliability of the data, including the quality and complexity of the process used for collecting the data; and</p> <p>(iv) Any other information the Commission requires.</p> <p>(6) While the Commission is considering whether official league data is available on commercially reasonable terms, a sports wagering licensee may use any other approved data source for determining the results of bets placed.</p> <p>C. Data Source.</p> <p>(1) All of the following conditions apply to a data source used to offer or settle a sports wager:</p> <p>(a) A sports wagering licensee may use any data source to determine the results of all sports wagers, subject to the following conditions:</p> <p>(i) The data source and corresponding data must be complete, accurate, reliable, timely, and available;</p> <p>(ii) The data source must be appropriate to settle the types of events and types of wagers for which it is used; and</p> <p>(iii) Any person that provides data directly to a sports wagering licensee or internet sports betting platform provider must be licensed by the Commission.</p> <p>(b) The Commission reserves the right to disapprove any data source on the grounds its use would impact the integrity of grading sports wagers.</p>	<p>House Bill 940, authorizing sports wagering in Maryland, does not mandate the use of Official League Data, nor reference Official League Data in the bill. There is no state that has legalized sports wagering that has required the use of Official League Data in regulations which has not set forth the requirement in legislation.</p> <p>Of the 32 states, and Washington, DC, that have legalized sports wagering, only five (5) have passed legislation allowing sports governing bodies to request the use of official league data, and even in these five states (AZ, IL, MI, TN, & VA) it is only relevant to a limited category of wagers such as in-play or live wagers. Notably, in no state is it applicable to all wagers. In these five states, the sports governing bodies must follow a process whereby they notify the state regulators of their desire to exclusively supply Official League Data to operators for limited wager types on their respective events. State regulators will grant this request upon determining that the sports governing bodies will supply the Official League Data on "commercially reasonable" terms. To our knowledge, no sports governing body has sought to utilize this process, rather, operators and sports governing bodies have made commercial agreements in the open market.</p> <p>Penn strongly recommends the Commission not implement regulations outside of legislative parameters, but rather institute a rule that would ensure licensed data providers, generally, are providing valid, accurate, and timely data, and are properly licensed. With the absence of an Official League Data mandate in HB940, Penn believes it was not the intent of legislators to allocate a percentage of the operator's sports betting revenue from every wager to sports governing bodies, which is the possible result of this rule as currently written. Rather, Penn believes it was the legislature's intent to maximize the growth of local business through the issuance of several Mobile, Class B-1, and Class B-2 licenses, which will allow these small businesses in Maryland to operate sports wagering in the State. With an Official League Data mandate in place, all of Maryland's sports betting operators will be forced to pay a portion of their sports betting revenue to sports governing bodies for data that was not clearly mandated in HB940.</p>	
Bet Acceptance	Retail and Online	Ch. 14.03(B) Prohibited Wagers.	<p>B. A sports wagering licensee may not accept a wager:</p> <p>(1) That involves cheating;</p> <p>(2) From an athlete on an athletic event of the type in which the athlete participates or an athletic event governed by the same governing entity under which the athlete competes;</p> <p>(3) From a person who holds a position of authority or influence over the participants in a sporting event or is professionally connected to an athletic event or governing entity, including a:</p> <p>(a) Referee;</p> <p>(b) Official;</p> <p>(c) Coach;</p> <p>(d) Manager;</p> <p>(e) Handler;</p> <p>(f) Trainer;</p> <p>(g) Medical professional; or</p> <p>(h) Person with access to non-public information about a sporting event that is overseen by the governing entity;</p> <p>(4) From a person who is placing a wager on behalf, or for the benefit, of a person that is prohibited from participating in sports wagering under applicable law or regulation; or</p> <p>(5) That encourages or instructs a bettor to structure a wager to circumvent applicable law or regulation.</p>	<p>B. A sports wagering licensee may not knowingly accept a wager:</p> <p>(1) That involves cheating;</p> <p>(2) From an athlete on an athletic event of the type in which the athlete participates or an athletic event governed by the same governing entity under which the athlete competes;</p> <p>(3) From a person who holds a position of authority or influence over the participants in a sporting event or is professionally connected to an athletic event or governing entity, including a:</p> <p>(a) Referee;</p> <p>(b) Official;</p> <p>(c) Coach;</p> <p>(d) Manager;</p> <p>(e) Handler;</p> <p>(f) Trainer;</p> <p>(g) Medical professional; or</p> <p>(h) Person with access to non-public information about a sporting event that is overseen by the governing entity;</p> <p>(4) From a person who is placing a wager on behalf, or for the benefit, of a person that is prohibited from participating in sports wagering under applicable law or regulation; or</p> <p>(5) That encourages or instructs a bettor to structure a wager to circumvent applicable law or regulation.</p>	<p>In accordance with industry standard, Penn recommends amending the level of scrutiny, as it will be pragmatically impossible for a sports wagering licensee to satisfy this strict liability standard without sports governing bodies providing a list of such individuals. In addition, when registering for an online sports wagering account, an individual is required affirm, by way of check box, that the individual is not such a person that is prohibited under Ch. 14.03 (B). Amending this standard to one based on actual knowledge maintains an emphasis on the integrity of sports wagering in the State of Maryland, while not being overly burdensome towards licensees.</p>	
Internal Controls	Retail and Online	Ch. 13.03(A) Content of Internal Controls.	<p>A. At least 60 days prior to commencing sports wagering and any time a change is made thereafter, a sports wagering licensee shall submit to the Commission for approval internal controls for:</p> <p>(1) Sports wagering at the sports wagering licensee's facility; or</p> <p>(2) Online sports wagering.</p>	<p>A. At least 6030 days prior to commencing sports wagering and at least 30 days prior to implementing subsequent changes any time a change is made thereafter, a sports wagering licensee shall submit to the Commission for approval internal controls for:</p> <p>(1) Sports wagering at the sports wagering licensee's facility; or</p> <p>(2) Online sports wagering.</p> <p>B. If a proposed amendment to internal controls is requested to take effect in less than 30 calendar days, the sports wagering licensee shall submit an expedited amendment request to the Commission.</p>	<p>Penn recommends decreasing the lead time for the submission of changes to a sports wagering licensee's approved Internal Controls, as requiring 60 days' notice prohibits licensees from addressing necessary changes efficiently and remediating risks in a timely manner. In accordance with industry standard, allowing subsequent changes to Internal Controls to be submitted for approval at minimum of 30 days prior to implementation provides licensees with the needed flexibility. Further, Penn recommends adding a provision whereby a sports wagering licensee may request expedited review when a change needs to be implemented prior to 30 days.</p>	
Finance						

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Reserve Requirement	Retail and Online	Ch. 14.06(C) Reserve.	C. The amount in the reserve shall be at least \$500,000 and equal or exceed the aggregate sum of: (1) Funds held by the sports wagering licensee in bettor accounts; (2) The total amount of funds to cover the potential liability for all wagers accepted by the sports wagering licensee on sporting events with outcomes that have not been determined; and (3) Money owed but unpaid by the sports wagering licensee to bettors on winning wagers.	C. The amount in the reserve shall be at least \$500,000 and equal or exceed the aggregate sum of: (1) Funds held by the sports wagering licensee in bettor accounts; (2) The total amount of funds to cover the potential outstanding liability for all wagers accepted by the sports wagering licensee on sporting events with outcomes that have not been determined; and (3) Money owed but unpaid by the sports wagering licensee to bettors on winning wagers.	Penn recommends removing the requirement to cover wagers whose outcomes have not yet been determined. This aligns with other states such as Arizona, Colorado and Indiana. Given many wagers will have outcomes that differ, but are contingent on the same event, it is unreasonable to require covering all pending wagers as not all wagers can win.	
Marketing						
Promotional Credit	Retail and Online	Ch. 13.39(F) Promotional Play.	F. Limitation on Free Promotional Play. (1) Through the first full fiscal year of a sports wagering licensee's operations, a licensee's proceeds exclude money given away by the licensee as free promotional play and used by bettors to make a sports wager. (2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year. (3) After the first fiscal year of sports wagering activity, the 20 percent cap specified under §F(2) of this regulation includes all revenues generated by casino sports wagering and gaming activities. (4) An amount of money given away as free promotional play in a fiscal year exceeding the percentage defined in §F(2) of this regulation of the sports wagering licensee's proceeds of the prior fiscal year shall be allocated as proceeds.	F. Limitation on Free Promotional Play: (1) Through the first full fiscal year of a sports wagering licensee's operations, a licensee's proceeds exclude money given away by the licensee as free promotional play and used by bettors to make a sports wager. (2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year. (3) After the first fiscal year of sports wagering activity, the 20 percent cap specified under §F(2) of this regulation includes all revenues generated by casino sports wagering and gaming activities. (4) An amount of money given away as free promotional play in a fiscal year exceeding the percentage defined in §F(2) of this regulation of the sports wagering licensee's proceeds of the prior fiscal year shall be allocated as proceeds.	Penn recommends the removal of any cap limiting the amount of free promotional play which may be deducted from a sports wagering licensee's "proceeds." As currently written, this rule incentivizes a sports wagering licensee from offering a multitude of engaging promotional offers to sports bettors in the State of Maryland after its first fiscal year of operations. In addition, it constrains legal sports wagering licensees ability to compete with the illegal market where patrons receive endless promotions and rebates on losses. With the Pennsylvania and Virginia online sports betting markets being close in proximity and without such a cap on the amount of free promotional play which may be deducted from a sports wagering licensee's "proceeds," bettors in Maryland will be incentivized to cross the borders to participate in promotional offerings which will not be made available in the State of Maryland. Removing 13.39(F) will position the Maryland online sports betting market on competitive playing field with its surrounding states, maximizing its potential taxable revenue, while continuing to protect the citizens of Maryland.	
Promotional Submissions	Retail and Online	Ch. 13.41(B) Consumer Protection.	B. Promotional Offers. A sports wagering licensee shall, at least seven days prior to implementing a promotion, submit terms and conditions of each promotion to the Commission and must include, at a minimum, all of the following:	B. Promotional Offers. A sports wagering licensee shall, at least seven days prior to implementing a promotion, submit terms and conditions for a of each promotion to the Commission prior to its implementation. A sports wagering licensee need not submit structurally similar or ongoing promotions after the initial submission. The submitted terms and conditions and must include, at a minimum, all of the following:	Penn recommends the following: (1) Removing the requirement to submit promotional terms and conditions to the Commission seven days in advance. Penn has observed that when jurisdictions have implemented a stringent promotional review process, a sports wagering licensee's ability to efficiently offer players compelling promotions around sudden, high-interest events in sports is materially hindered; and (2) Implementing a system that allows review and approval of a promotional structure for ongoing similar promotions, rather than requiring each promotion to be approved. This allows for operational and regulatory efficiencies, while still providing regulatory oversight of the promotions being offered. Penn, as well as many other sports wagering licensees, often run repetitive promotional offerings that only differ with regards to the date they are offered and the eligible games.	
Operations						
Winning wagers of \$3,000 or more	Retail	Ch. 13.30(C) Sports Wagering Ticket.	C. Except for mobile sports wagering, a sports wagering licensee shall: (1) Configure its sports wagering ticket system to: (a) Prevent issuance of a sports wagering ticket from a kiosk exceeding \$10,000; and (b) Require sports wagering tickets of \$3,000 or more to be redeemed only at the cashiers' cage; (2) Configure a ticket redemption unit under Regulation .31 of this chapter to: (a) Redeem only a sports wagering ticket of less than \$3,000; and (b) Direct a bettor attempting to redeem a sports wagering ticket of \$3,000 or more to the cashiers' cage; and (3) Redeem at its cashiers' cage a sports wagering ticket of \$3,000 or more by: (a) Cash or check; or (b) Check on the request of a bettor.	C. Except for mobile sports wagering, a sports wagering licensee shall: (1) Configure its sports wagering ticket system to: (a) Prevent issuance of a sports wagering ticket from a kiosk exceeding \$10,000; and (b) Require sports wagering tickets of \$3,000 or more to be redeemed only at the cashiers' cage, or other approved location ; (2) Configure a ticket redemption unit under Regulation .31 of this chapter to: (a) Redeem only a sports wagering ticket of less than \$3,000; and (b) Direct a bettor attempting to redeem a sports wagering ticket of \$3,000 or more to the cashiers' cage, or other approved location ; and (3) Redeem at its cashiers' cage, or other approved location , a sports wagering ticket of \$3,000 or more by: (a) Cash or check; or (b) Check on the request of a bettor.	Penn recommends ensuring patrons have the ability to cash wagers of \$3,000 or larger at other approved locations (e.g., the sportsbook counter), in addition to the cashiers' cage. This approach is consistent with retail sports wagering regulations in other jurisdictions, while still requiring regulatory approval around any other location. This provides patrons a more seamless experience, as many patrons will wager those winnings on another upcoming event. Forcing patrons to collect winnings at the cage, where wagering is not typically conducted, prevents continuity in the player experience.	
Retention of Records	Retail	Ch. 13.07(E) (4) Record Redemption.	E. Exceptions. The following exceptions apply to the retention period in §D of this regulation: (4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk.	E. Exceptions. The following exceptions apply to the retention period in §D of this regulation: (4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk.	Penn strongly recommends removing this rule as it will have a negative impact on many retail operators' ability to offer sports betting. Most kiosks in the marketplace cannot physically retain tickets making compliance with this rule impossible for a material duration of time until significant development work is completed. All wagers redeemed at a kiosk or sportsbook counter terminal will have digital records which is the primary source of reconciliation. These digital records are produced and retained by the same systems certified by GLI.	
Wagering Catalog	Retail and Online	Ch. 13.03(F) Content of Internal Controls.	F. A sports wagering licensee shall continually maintain a catalog of all prior and current events and the types of wagers it offered on the events.	F. A sports wagering licensee shall continually maintain a catalog of all prior and current maintain a catalog and only offer events and the types of wagers approved in the catalog it offered on the events . G. A sports wagering licensee shall provide the Commission with all events and wagers offered, if the Commission requests such information for the purposes of an investigation or audit.	Penn recommends ensuring that sports wagering licensees only offer approved events and types of wagers in accordance with their catalog that has been approved by the Commission. If the Commission requires a licensee to supply all events and wagers offered (e.g., periodic audit), the sports wagering licensee shall be given time to supply such information, in accordance with industry standard. As currently drafted, subpart F. would require a sports wagering licensee to have a real-time catalog to show both currently and previously offered events and wagers. Given the hundreds of thousands of possible markets offered at a given point in the seasonal sports calendar this requirement would be overly burdensome for any system to include in a real-time and ongoing basis.	

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
AML/CTR	Retail	Ch. 13.32(D) Wager Payouts.	D. To ensure compliance with §C of this regulation, a sports wagering licensee shall, prior to accepting any sports wager in excess of \$3,000 or making a payout in excess of \$3,000 on a winning sports wager: (1) Create a bettor identification file and identify the bettor; (2) Obtain and record the bettor's Social Security number in the bettor identification file; and (3) Record, on a log, the following information: (a) Date of the wager; or payout; (b) Name of the bettor; (c) Name and signature of the sports betting employee authorizing the acceptance of the wager; and (d) Name and signature of the sports betting employee identifying the bettor and generating the sports betting ticket or making the payout.	D. To ensure compliance with §C of this regulation, a sports wagering licensee shall, prior to accepting any sports wager in excess of \$3 <u>\$10,000</u> or making a payout in excess of \$3 <u>\$10,000</u> on a winning sports wager: (1) Create a bettor identification file and identify the bettor; (2) Obtain and record the bettor's Social Security number in the bettor identification file; and (3) Record, on a log, the following information: (a) Date of the wager; or payout; (b) Name of the bettor; (c) Name and signature of the sports betting employee authorizing the acceptance of the wager; and (d) Name and signature of the sports betting employee identifying the bettor and generating the sports betting ticket or making the payout.	Penn recommends only requiring identification and an SSN when a wager involves \$10,000.01 or more in cash, as this would be compliant with federal reporting requirements and be consistent with other gaming operations within the casino industry. Penn is not aware of any other jurisdiction that currently requires ID/SSN at the the \$3,000+ threshold for retail wagers, which is normally reserved for MTL tracking to ensure required information is obtained prior to hitting the CTR threshold.	
Funding Methods	Online	Ch. 14.05(A) Funding Wagers.	A. A bettor's sports wagering account may be funded by: (1) A cash deposit made directly with a sports wagering licensee; (2) A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee; (3) A bettor's debit card or prepaid card; (4) A bettor's deposit of a winning sports wagering ticket at a sports wagering facility approved by the Commission; (5) A cash complimentary, promotional credit, or bonus credit; (6) If there is documented notification to the bettor, an adjustment made by a sports wagering licensee following the resolution of a dispute; or (7) Any other means as approved by the Commission	A. A bettor's sports wagering account may be funded by: (1) A cash deposit made directly with a sports wagering licensee; (2) A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee; (3) A bettor's debit card, <u>credit card</u> , or prepaid card; (4) A bettor's deposit of a winning sports wagering ticket at a sports wagering facility approved by the Commission; (5) A cash complimentary, promotional credit, or bonus credit; (6) If there is documented notification to the bettor, an adjustment made by a sports wagering licensee following the resolution of a dispute; or (7) Any other means as approved by the Commission	Penn recommends including credit cards to align with the methods included under Chapter 18.05(H). As Chapter 14.01 includes Mobile and Online Sports Wagering Operator Licensees, the rule, as currently written, could be interpreted to mean that credit cards cannot be used to fund an online sports wagering account.	
Funding Methods	Retail and Online	Ch. 14.05(C) Funding Wagers.	C. A sports wagering licensee may not: (1) Extend credit to a bettor; or (2) Allow the deposit of funds into a sports wagering account that are derived from the extension of credit by an affiliate or agent of the sports wagering licensee.	C. A sports wagering licensee <u>may not</u> : (1) <u>May</u> Extend credit to a <u>registered</u> bettor <u>with a sports wagering account with the sports wagering licensee to enable the registered bettor to take part in sports wagering to a credit application and verification requirements to extend credit by a facility operator as described in COMAR 36.03.10.24 and COMAR 36.03.10.25; or and (2) <u>May not</u> Allow the deposit of funds into a sports wagering account that are derived from the extension of credit by an affiliate or agent of the sports wagering licensee.</u>	Subject to COMAR 36.03.10.24 and COMAR 36.03.10.25, Penn recommends that sports wagering licensees be allowed to extend credit for a patron to fund a sports wagering account. These provisions of the Annotated Code of Maryland supply adequate patron protection by requiring a written application, amongst other information verifications. In addition, technology exists which allows patrons to complete the requisite credit application and verification process, via a software application, while continuing to protect the citizens of Maryland through a thorough licensure process.	
Sports Tickets	Retail	Ch. 13.30(F) (1)(g) Sports Wagering Ticket.	(g) At least one anticounterfeiting measure, which appears on one or both sides of the sports wagering ticket; (i) A bar code which enables the sports wagering ticket system to identify the numeric information required by this section;	(g) At least one anticounterfeiting measure, which appears on one or both sides of the sports wagering ticket; (i) A bar code which enables the sports wagering ticket system to identify the numeric information required by this section;	Penn recommends removing subsection (g) as subsection (i) adequately satisfies the implementation of an anticounterfeiting measure by requiring a bar code on all tickets to enable tracking. In accordance with industry standards, a bar code has been found to be an effective anticounterfeiting measure.	
AML/KYC	Retail	Ch. 04.08(A) In-person Wagering at Sports Wagering Facilities.	A. A sports wagering facility licensee may accept a wager made by an individual who is physically present at the sports wagering facility at a betting window or by a runner.	A. A sports wagering facility licensee may accept a wager made by an individual who is physically present at the sports wagering facility at a betting window or by a runner .	Penn recommends removing the option for patrons to place a wager via a "runner" or "proxy." Allowing bets to be accepted by a runner may result in AML and KYC concerns, exposing both operators and the State to preventable risk.	
Product / Engineering						

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Limits Functionality	Online	Ch. 14.04 Limits on Accepting Wagers.	<p>A. A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits:</p> <p>(1) A deposit limit on a daily, weekly and monthly basis that specifies the maximum amount of money a registered bettor may deposit into their sports betting account during a particular period of time;</p> <p>(2) A limit on the amount of money lost within a daily, weekly or monthly basis that:</p> <p>(a) Renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the loss limit; and</p> <p>(b) Does not allow a wager placed prior to reaching the loss limit to be cancelled or refunded;</p> <p>(3) A limit on the amount of money wagered within a daily, weekly or monthly basis that renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the wager limit;</p> <p>(4) A limit on the maximum amount of a single wager;</p> <p>(5) A time-based limit that specifies the maximum amount of time, measured hourly from the registered bettor's login to log off, in which a registered bettor may engage in sports betting on a daily basis;</p> <p>(6) A temporary suspension of sports wagering through the sports wagering account for the number of days selected by the registered bettor; and</p> <p>(7) A mechanism by which a registered bettor may change the limits of §A(1)—A(6) of this regulation.</p> <p>B. Notwithstanding any other provision in this section, the registered bettor may not change wagering limits while a sports wagering account is suspended.</p> <p>C. An increase to financial limits in §A of this regulation may not be effective later than the registered bettor's next login.</p> <p>D. A decrease to the chronological limits in §A of this regulation must become effective only after the time period of the previous limit has expired.</p>	<p>A. A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits:</p> <p>(1) A deposit limit on a daily, weekly and monthly basis that specifies the maximum amount of money a registered bettor may deposit into their sports betting account during a particular period of time;</p> <p>(2) A limit on the amount of money lost within a daily, weekly or monthly basis that:</p> <p>(a) Renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the loss limit; and</p> <p>(b) Does not allow a wager placed prior to reaching the loss limit to be cancelled or refunded;</p> <p>(c) This limit may be satisfied by a more restrictive limit that is approved by the Commission.</p> <p>(3) A limit on the amount of money wagered within a daily, weekly or monthly basis that renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the wager limit;</p> <p>(4) A limit on the maximum amount of a single wager;</p> <p>(5) A time-based limit that specifies the maximum amount of time, measured hourly from the registered bettor's login to log off, in which a registered bettor may engage in sports betting on a daily basis;</p> <p>(6) A temporary suspension of sports wagering through the sports wagering account for the number of days selected by the registered bettor; and</p> <p>(7) A mechanism by which a registered bettor may change the limits of §A(1)—A(6) of this regulation.</p> <p>B. Notwithstanding any other provision in this section, the registered bettor may not change wagering limits while a sports wagering account is suspended.</p> <p>C. An increase to financial limits in §A of this regulation may not be effective later than the registered bettor's next login must become effective only after the time period of the previous limit has expired.</p> <p>D. A decrease to the chronological limits in §A of this regulation must become effective only after the time period of the previous limit has expired may not be effective later than the registered bettor's next login.</p> <p>5. The self-imposed limitations set by a registered bettor must not override more restrictive sports wagering licensee-imposed limitations. The more restrictive limitations must take priority.</p>	<p>Penn recommends the following:</p> <p>(1) Requiring limits for session/time, aggregate deposit amount, aggregate wager amount, and maximum single wager amount. A patron cannot lose more than they wager, so a wager limit is similar to, and can be utilized as, a loss limit. This is consistent with other states such as Colorado, Indiana, Michigan and Pennsylvania. For the states who require an aggregate loss limit, both New Jersey and West Virginia allow the aggregated wager limit amount to cover this requirement because it is more restrictive in nature. If the Agency prefers to keep "loss" limit, Penn recommends adding the language in "c" whereby operators may present current, more restrictive, functionality to the Agency; and</p> <p>(2) Penn respectfully believes 14.04 (C) and (D) were inadvertently switched. In all states Penn operates online wagering, and aligned with GLI and industry standards, any increase in a financial limit would be considered "less restrictive", as it would allow a patron to gamble more. Similarly, any decrease in a financial limit would be considered "more restrictive", as it would allow a patron to gamble less. For session/time limits, any decrease would be "more restrictive", as the patron would have less time to be logged in to gamble. Any increase would be "less restrictive", as it is more time a patron could spend gambling.</p> <p>• When a patron increases their wager or deposit limits, this is a potential sign of impulsive behavior. This new increased financial limit should not go into effect until the prior limit has run its course. This is consistent with states such as CO, IA, IN, IL, PA, NJ and WV, among others.</p> <p>• When a patron decreases their time or session limit, this is a sign of responsible behavior. This new limit should go into effect as soon as possible. This is consistent with states such as CO, IA, IN, IL, PA, NJ and WV, among others.</p>	<p>To further demonstrate comment (2) - it is common practice that the following occur:</p> <p><i>Example 1:</i> If a patron has a weekly deposit limit of \$500 and they would like to increase that to \$1,000. If the patron requests the increase today (day 1), the full seven days must run its course and the patron must reaffirm the change after day 7. The increased limit would take effect at that time.</p> <p><i>Example 2:</i> If a patron has a weekly deposit limit of \$1,000 and they would like to decrease that to \$500. If the patron requests the decrease today (day 1), the change should happen no later than when that patron begins their next wagering session (e.g. logs out, and logs back in). The change could also happen immediately, depending on the operator's functionality, but in no case should it be any later than the patron's next log-in.</p> <p><i>Example 3:</i> If a patron has a daily session time limit of 5 hours and they would like to decrease that to 4 hours per day. This decrease should become effective immediately, or no later than the patron's next log-in.</p> <p><i>Example 4:</i> If a patron has a daily session time limit of 4 hours and they would like to increase that to 5 hours per day. This increase should only become effective during the next 24-hour period (24 hours after the request was made).</p>
Technical Compliance						
Digital Operations Center Surveillance	Online	Ch. 13.16 Surveillance Department Operating Procedures for Mobile Sports Wagering Licensees.	<p>A. This regulation is only applicable to the holder of a mobile sports wagering license.</p> <p>B. At least 60 days before sports wagering operations are to commence, a sports wagering licensee shall submit to the Commission for review and written approval:</p> <p>(1) A surveillance system meeting the requirements of Regulation .15 of this chapter including, at a minimum, details pertaining to:</p> <p>(a) Camera configuration inside and outside the data information centers and operations centers;</p> <p>(b) Monitor room configuration;</p> <p>(c) Video recording format and configuration specifications;</p> <p>(d) Authentication of digital recordings, including Commission access to the system's video verification encryption code or watermark;</p> <p>(e) Audio recording format; and</p> <p>(f) System access controls; and</p> <p>(2) Surveillance department operating procedures conforming to this regulation.</p> <p>C. A sports wagering licensee may not commence operations until its surveillance system and surveillance department operating procedures are approved in writing by the Commission.</p> <p>D. A sports wagering licensee's surveillance department operating procedures shall, at a minimum, require:</p> <p>(1) Coverage of all areas and transactions as enumerated in Regulation .15;</p> <p>(2) Contingency plans addressing a full or partial failure of the surveillance system.</p> <p>(3) A surveillance system access log that documents:</p> <p>(a) The date and time the surveillance system is accessed by an individual;</p> <p>(b) The accessing individual's name and department or affiliation;</p> <p>(c) The reason for accessing the surveillance system; and</p> <p>(d) The date and time the individual ended their access of the surveillance system.</p> <p>(4) The sports wagering licensee to notify the Commission within 12 hours of an equipment failure affecting coverage of the facility citing:</p> <p>(a) The date and time of the failure; and</p> <p>(b) The cause of the failure;</p> <p>(c) The length of time the surveillance system was inoperable or malfunctioning; and</p> <p>(d) The length of time before the surveillance system is expected to be or operable or the malfunction to be corrected;</p> <p>(5) The sports wagering licensee to confirm in writing a notice given verbally to the Commission under §D(4) of this regulation; and</p> <p>(6) On a daily basis, the sports wagering licensee to synchronize the date and time on the surveillance system to Eastern Standard Time.</p> <p>E. A sports wagering licensee may not implement a change or amendment in its surveillance system or surveillance department operating procedures approved by the Commission under §B of this regulation without the prior written approval of the Commission.</p>	<p>A. This regulation is only applicable to the holder of a mobile sports wagering license.</p> <p>B. At least 60 days before sports wagering operations are to commence, a sports wagering licensee shall submit to the Commission for review and written approval:</p> <p>(1) A surveillance system meeting the requirements of Regulation .15 of this chapter including, at a minimum, details pertaining to:</p> <p>(a) Camera configuration inside and outside the data information centers and operations centers;</p> <p>(b) Monitor room configuration;</p> <p>(c) Video recording format and configuration specifications;</p> <p>(d) Authentication of digital recordings, including Commission access to the system's video verification encryption code or watermark;</p> <p>(e) Audio recording format; and</p> <p>(f) System access controls; and</p> <p>(2) Surveillance department operating procedures conforming to this regulation.</p> <p>C. A sports wagering licensee may not commence operations until its surveillance system and surveillance department operating procedures are approved in writing by the Commission.</p> <p>D. A sports wagering licensee's surveillance department operating procedures shall, at a minimum, require:</p> <p>(1) Coverage of all areas and transactions as enumerated in Regulation .15;</p> <p>(2) Contingency plans addressing a full or partial failure of the surveillance system.</p> <p>(3) A surveillance system access log that documents:</p> <p>(a) The date and time the surveillance system is accessed by an individual;</p> <p>(b) The accessing individual's name and department or affiliation;</p> <p>(c) The reason for accessing the surveillance system; and</p> <p>(d) The date and time the individual ended their access of the surveillance system.</p> <p>(4) The sports wagering licensee to notify the Commission within 12 hours of an equipment failure affecting coverage of the facility citing:</p> <p>(a) The date and time of the failure; and</p> <p>(b) The cause of the failure;</p> <p>(c) The length of time the surveillance system was inoperable or malfunctioning; and</p> <p>(d) The length of time before the surveillance system is expected to be or operable or the malfunction to be corrected;</p> <p>(5) The sports wagering licensee to confirm in writing a notice given verbally to the Commission under §D(4) of this regulation; and</p> <p>(6) On a daily basis, the sports wagering licensee to synchronize the date and time on the surveillance system to Eastern Standard Time.</p> <p>E. A sports wagering licensee may not implement a change or amendment in its surveillance system or surveillance department operating procedures approved by the Commission under §B of this regulation without the prior written approval of the Commission.</p>	<p>Penn recommends striking this rule, as we are not aware of such requirements at digital operations centers in any other jurisdictions. In accordance with industry standards, online sports wagering operators do not maintain surveillance departments like physical casinos do. The digital operations centers are where employees for mobile sports wagering licensees are officed. These locations are not used to store cash, sensitive player data, house gaming equipment, etc., and therefore, should not be required to meet the standards applied by this section. In addition, each operator will have technology security controls and system configurations set forth in their Internal Controls and conduct a system integrity and security assessment within 90 days of operations.</p>	

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
System Integrity and Security Assessment	Online	Ch. 18.06(C) and (D) Information Security.	C. A sports wagering licensee shall create a report that: (1) Assesses the adequacy and effectiveness of the sports wagering licensee's information technology security controls and system configurations; and (2) Provides recommendations for eliminating each material weakness or significant deficiency identified. D. A sports wagering licensee shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and: (1) Remediate the vulnerability no later than 90 days following the earlier of vulnerability's identification or public disclosure; or (2) Document why remediation action is unnecessary or unsuitable.	C. A sports wagering licensee shall create a report that: (1) Assesses the adequacy and effectiveness of the sports wagering licensee's information technology security controls and system configurations; and (2) Provides recommendations for eliminating each material weakness or significant deficiency identified. D. A sports wagering licensee shall evaluate all identified vulnerabilities for potential adverse effect on security and integrity and: (1) Remediate the vulnerability no later than 90 days following the earlier of vulnerability's identification or public disclosure; or (2) Document why remediation action is unnecessary or unsuitable. C. Each sports wagering licensee shall, within 90 days of commencing operations, and annually thereafter, perform a system integrity and security assessment conducted by an independent professional selected by such licensee, subject to the approval of the Agency. The independent professional's report on the assessment shall be submitted to the Agency and shall include: (1) scope of review; (2) name and company affiliation of each person who conducted the assessment; (3) date of the assessment; (4) findings; (5) recommended corrective action, if applicable; and (6) the sports wagering licensee's response to the findings and recommended corrective action.	Penn recommends replacing the reporting requirement with a system integrity and security assessment, in accordance with industry standard. The assessment submission addresses the same items as the report required by the current rule. Requiring a system integrity and security assessment within 90 days of commencement of operations, and annually thereafter, is consistent with almost every state with online sports wagering, including Colorado, Indiana, Virginia, and West Virginia.	
Medium - Low Priority Items						
Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Compliance / Legal						
Complaints	Retail and Online	Ch. 13.37(B) Bettor Complaints.	B. A sports wagering licensee who is unable to satisfactorily resolve a dispute with a bettor within 3 days of notice of the dispute shall notify the Commission of the dispute.	B. A sports wagering licensee who is unable to satisfactorily resolve a dispute with a bettor within 3 days of notice of the dispute shall notify the Commission of the dispute. In the event a bettor notifies the Commission that a complaint was not satisfactorily resolved by the sports wagering licensee in accordance with approved internal controls, the Commission shall notify the sports wagering licensee, after which the licensee shall have 10 days to respond.	Penn recommends amending this rule to create a complaint process whereby the bettor notifies the Commission that a complaint was not satisfactorily resolved by the sports wagering licensee in accordance with their approved internal controls. As licensees are not in a position to decide whether a resolution was satisfactory, a distinction should be made between notice of the dispute made by the bettor and notice that the sports wagering licensee's attempted resolution is not satisfactory. Furthermore, a 10 day response time aligns with other jurisdictions, such as AZ and IN, and also VA, which allows for 15 days.	
Finance						
Reporting	Retail and Online	Ch. 13.05(C) Standard Financial and statistical Reports.	C. Unless otherwise specified by the Commission, reports to the Commission shall be signed by the: (1) Chief executive officer if the sports wagering licensee is a corporation; (2) General partner if the sports wagering licensee is a partnership; (3) Manager if the sports wagering licensee is a limited liability company; (4) Chief executive officer or functional equivalent if the sports wagering licensee is any other form of business association; or (5) Owner if the sports wagering licensee is a sole proprietorship.	C. Unless otherwise specified by the Commission, reports to the Commission shall be signed by the appointed employee or employees as set forth in the sports wagering operator's approved internal controls. (1) Chief executive officer if the sports wagering licensee is a corporation; (2) General partner if the sports wagering licensee is a partnership; (3) Manager if the sports wagering licensee is a limited liability company; (4) Chief executive officer or functional equivalent if the sports wagering licensee is any other form of business association; or (5) Owner if the sports wagering licensee is a sole proprietorship;	Penn recommends adjusting the reporting signature requirement to allow signatures pursuant to approved Internal Controls. Requiring an executive signature on each report is overly burdensome and may hinder operational efficiency for sports wagering licensees. In addition, employees overseeing the day-to-day operations of the business functions which are the subject of the required reporting are often in a better position to confirm the report contents.	
Accounting	Retail and Online	Ch. 13.01(E) (1) and (2) Accounting Records.	E. Subsidiary ledgers and records shall include, at a minimum, documents that: (1) Support the financial statements and all transactions impacting the financial statements including contracts or agreements with sports wagering contractors; (2) Identify all sports wagering activity on a week-to-date, month-to-date, and year-to-date basis for the following: (a) Handle; (b) Payout; (c) Win amount; (d) Win percentage; and (e) Average payout percentage;	E. Subsidiary ledgers and records shall include, at a minimum, documents that: (1) Support the financial statements and all transactions impacting the financial statements including contracts or agreements with sports wagering contractors; (2) Identify all sports wagering activity on a week-to-date , month-to-date, and year-to-date basis for the following: (a) Handle; (b) Payout; (c) Win amount; and (d) Hold Win percentage; and (e) Average payout percentage;	Penn recommends the following: (1) Ongoing records be kept only on a month-to-date and year-to-date basis. Due to the volatility in sports wagering, large weekly variations often exist. Therefore, month-to-date and year-to-date records are a more accurate representation of sports wagering activity; and (2) Striking current subpart (e) and amending subpart (d) to instead include, "Hold", as an accurate measure of the financial performance for sports wagering operators.	
Marketing						
Promotional Credit	Retail and Online	Ch. 13.39(B) Promotional Play.	B. A sports wagering licensee may not issue to a bettor promotional play equaling or exceeding \$5,000 per wagering day without approval from the chief executive or the chief executive's designee.	B. A sports wagering licensee may not issue to a bettor promotional play equaling or exceeding \$5,000 per wagering day without approval from the chief executive or the chief executive's designee shall set forth how it intends to issue discretionary promotional play in its Internal Controls, which shall be approved by the Commission.	Penn is not aware of any jurisdiction with this requirement. Pursuant to the rules, the Commission will already have reviewed and approved promotions, and any additional controls should be tailored towards discretionary bonusing and play. Penn recommends that licensees be allowed to set forth how they intend to utilize and govern such promotions in their approved Internal Controls, as this allows operational flexibility while continuing to provide Commission oversight to protect bettors in the State of Maryland.	
Quarterly Promo Report	Retail and Online	Ch. 13.39(D) Promotional Play.	D. A sports wagering licensee shall submit to the Commission in a form and in accordance with a time frame specified by the Commission a quarterly report summarizing: (1) Promotional play awarded for the period including: (a) Total amount in promotional play awarded in non-cashable credits; and (b) Other forms of promotional play; and (2) Promotional play redeemed by players for the period including: (a) Total amount in promotional play redeemed in non-cashable credits; and (b) Other forms of promotional play redeemed.	D. A sports wagering licensee shall submit to the Commission in a form and in accordance with a time frame specified by the Commission a quarterly report summarizing: (1) Promotional play awarded for the period including: (a) Total amount in promotional play awarded in non-cashable credits; and (b) Other forms of promotional play; and (2) Promotional play redeemed by players for the period including: (a) Total amount in promotional play redeemed in non-cashable credits; and (b) Other forms of promotional play redeemed.	Penn recommends the removal of a separate quarterly report summarizing promotional play and non-cashable credits awarded/redeemed as this information is included within the reporting files required by Ch. 13.05(A), in accordance with industry standard. The information is summarized within a Non-Cashable report and highlights the promotional/non-cashable credits awarded, wagered, won, canceled, voided, resettled, etc.	

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Promotional Credit	Retail and Online	Ch. 13.39(F)(2) Promotional Play.	F. Limitation on Free Promotional Play. (2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year.	F. Limitation on Free Promotional Play. (2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year. The amount specified in this subsection includes cash, equivalents of any merchandise or thing of value awarded as a prize to successful bettors.	Penn recommends amending this rule to include what is expressly authorized in Section 9-1E-01(H) of HB940. This Section of the Bill defines "Proceeds" to include such cash equivalents of merchandise, however, Chapter 13.39(F)(2) of the regulations references only promotional credits when discussing this twenty (20) percent cap.	
Annual Promo Report	Retail and Online	Ch. 13.39(G) Promotional Play.	G. No later than 90 days after the end of the fiscal year, a sports wagering licensee shall submit to the Commission a written: (1) Report of its use of free promotional play during the prior fiscal year; and (2) Recommendation for any adjustment to the limitation on free promotional play established under §F(2) of this regulation.	G. No later than 90 days after the end of the fiscal year, a sports wagering licensee shall submit to the Commission a written: (1) Report of its use of free promotional play during the prior fiscal year; and (2) Recommendation for any adjustment to the limitation on free promotional play established under §F(2) of this regulation.	Similar to above, Penn recommends the removal of a separate annual report summarizing promotional play and non-cashable credits awarded or redeemed as this information is included within the reporting files required by Ch. 13.05(A), in accordance with industry standard. The information is summarized within a Non-Cashable report and highlights the promotional/non-cashable credits awarded, wagered, won, canceled, voided, resettled, etc.	
Operations						
House Rules	Retail	Ch. 01.02(B)(29) Definitions.	B. Terms Defined. (29) "House rules" means a sports book licensee's Commission-approved requirements for its sports wagering operation that are in addition to the Commission's regulations, and that shall include: (a) A method for calculating and paying winning wagers; (b) A process for handling incorrectly posted events, odds, wagers, or results; (c) The effect of sporting event schedule changes; (d) A method of notifying patrons of odds or proposition changes; (e) A procedure for accepting wagers other than those processes posted by the sports wagering licensee; (f) A method of notifying bettors that a winning ticket expires 182 days after the wager is won; (g) If the sports wagering system allows the bettor to place a wager that pays more than the stated maximum amount, the licensee's policy and methods for: (i) Limiting the maximum amount a bettor may win on a wager; and (ii) Precluding a bettor from, or allowing a bettor to, collect a payout in excess of the purported winnings; (h) A method of contacting the sports book licensee with questions and complaints; (i) A method of preventing an excluded individual from participating in a sports wagering activity; (j) A process for any employee of a sports governing entity or member team who is not prohibited from wagering to register with the Commission prior to placing a sports wager; (k) A method of funding a sports wager; and (l) Any other item required by the Commission to be addressed in the licensee's house rules.	B. Terms Defined. (29) "House rules" means a sports book licensee's Commission-approved requirements for its sports wagering operation that are in addition to the Commission's regulations, and that shall include: (a) A method for calculating and paying winning wagers; (b) A process for handling incorrectly posted events, odds, wagers, or results; (c) The effect of sporting event schedule changes; (d) A method of notifying patrons of odds or proposition changes; (e) A procedure for accepting wagers other than those processes posted by the sports wagering licensee; (f) A method of notifying bettors that a winning ticket expires 182 days after the wager is won settled ; (g) If the sports wagering system allows the bettor to place a wager that pays more than the stated maximum amount, the licensee's policy and methods for: (i) Limiting the maximum amount a bettor may win on a wager; and (ii) Precluding a bettor from, or allowing a bettor to, collect a payout in excess of the purported winnings; (h) A method of contacting the sports book licensee with questions and complaints; (i) A method of preventing an excluded individual from participating in a sports wagering activity; (j) A process for any employee of a sports governing entity or member team who is not prohibited from wagering to register with the Commission prior to placing a sports wager; (k) A method of funding a sports wager; and (l) Any other item required by the Commission to be addressed in the licensee's house rules.	Penn recommends the following: (1) Altering the language in (f) so that this rule properly encompasses all wagers, rather than just those that win (e.g., voided or canceled wager); (2) Adopting a policy so that physical tickets (retail) expire 182 days after the wager is settled. As patrons place parlay wagers that involve short-term events that are tied to future events (e.g., the winner of an NFL week 1 game and the winner of The Super Bowl), this rule, as currently written, could be interpreted to be applied to the short-term event, resulting in expiration of the ticket prior to the wager settling; and (3) Removing the requirement of subpart (j) as Penn is not aware of this requirement in any of the twelve other states in which we offer retail or online sports wagering. As currently written, this provision indicates sports governing entity and member team employees would not be restricted from wagering which is contrary to industry standard. In addition, Penn has concerns operationalizing a list effectively.	
Wagering Catalog	Retail and Online	Ch. 13.03(C)-(F) Content of Internal Controls.	C. Prior to authorizing a sports wagering licensee to commence the conduct of sports wagering, the Commission shall review and approve the system of internal controls, security protocols, and audit protocols submitted under this chapter to determine whether these controls and protocols conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of sports wagering. D. A sports wagering licensee shall submit to the Commission a catalog of the types of events that it intends to accept wagers on as well as the type of wagers it intends to accept. E. A sports wagering licensee shall notify the Commission of any changes to the catalogue at least 72 hours in advance of implementation of these changes. F. A sports wagering licensee shall continually maintain a catalog of all prior and current events and the types of wagers it offered on the events.	Please see "Exhibit A - Proposed Wager Catalog Process" which was submitted along with this recommendation for conciseness.	Penn recommends the following process for the approval of a new sport or league: (1) The Commission maintains an approved list of sports leagues and events on their website. (2) If the sport and league have been approved, then all wager types (e.g. over/under) included under the definition of "Sports Wagering" in HB940 be allowed, so long as they meet all other standards (e.g. not a wager on an injury) set forth under law and regulations. (3) If a new sport or league is being requested by an operator, that request should be made at least 72 hours in advance. Once approved by Commission, the new sport or league should be able to be offered by all operators, upon any further direction from the Commission. The need for a new, specific market can arise very close to the commencement of the event. A lead time of 72 hours is industry standard for a request for a new sport or league, but not an individual wager.	
Investigations Delaying Withdrawal	Retail and Online	Ch. 13.40(F)(5)(b) Security of Funds and Data.	F. A sports wagering licensee shall implement and prominently publish the following on its platform: (5) Procedures that allow a bettor to request withdrawal of funds from their user account, whether such account is open or closed, including: (b) The sports wagering licensee may decline to honor the request for withdrawal of funds for a reasonable investigatory period if it provides notice of the nature of the investigation to the bettor it believes has engaged in either: (i) Fraudulent conduct; or (ii) Other conduct that would put the sports wagering licensee in violation of this chapter;	F. A sports wagering licensee shall implement and prominently publish the following on its platform: (5) Procedures that allow a bettor to request withdrawal of funds from their user account, whether such account is open or closed, including: (b) The sports wagering licensee may decline to honor the request for withdrawal of funds for a reasonable investigatory period if it provides notice of the nature of the investigation to the bettor if it in good faith believes the bettor has engaged in either: (i) Fraudulent conduct; or (ii) Other conduct that would put the sports wagering licensee in violation of this chapter;	Penn recommends removing the requirement of notifying patrons of the nature of such investigations as notifying a person involved in any reported suspicious transaction would violate the Bank Secrecy Act. See 31 CFR § 1021.320(e).	

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Internal Controls	Retail and Online	Ch. 13.04(B) (3) Content of Internal Controls.	B. The internal controls shall be accompanied by: (3) An opinion letter by an independent certified public accountant expressing an opinion as to: (a) The effectiveness of the design of the submitted system of internal controls over financial reporting; (b) Whether the submitted system of internal controls conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and (c) If applicable, whether a deviation from the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or this chapter identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.	B. The internal controls shall be accompanied by: (3) An opinion letter by an independent certified public accountant expressing an opinion as to: (a) The effectiveness of the design of the submitted system of internal controls over financial reporting; (b) Whether the submitted system of internal controls conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and (c) If applicable, whether a deviation from the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or this chapter identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.	Penn recommends removing this requirement as it is duplicative of Ch. 13.04(B)(2), which requires the sports wagering licensee to submit a certification by its director of finance that the internal controls "provide reasonable assurance that financial reporting conforms to generally accepted accounting principles in the United States" and also "conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter[.]" Requiring duplicative assurances of conformity to the same subtitle of the Annotated Code of Maryland is overly burdensome and a requirement Penn has not seen in any jurisdiction in which we currently operate sports wagering. Additionally, an independent certified public accountant is already required to annually audit the sports wagering licensee and provide certified findings. Finally, Internal Controls cover areas beyond financial reporting, which an independent certified public accountant would not be able to provide reasonable assurance upon.	
Product / Engineering						
Account Security	Online	Ch. 18.05(S) Bettor Accounts.	S. A sports wagering licensee shall: (1) Disable a bettor's account after three failed log-in attempts; and (2) Require multi-factor authentication to recover or reset a password or username after being disabled.	S. A sports wagering licensee shall: (1) Disable Lock a bettor's account after three failed log-in attempts; and (2) Require multi-factor authentication to recover or reset a password or username after being disabled locked.	Penn recommends a slight change in wording from "disable", to "lock", to better match what happens when a patron has multiple failed log-in attempts. "Disabling" an account could be construed to mean a more permanent action against the account, and therefore, "lock" is more appropriate.	
Geolocation Requirements	Online	Ch. 05.04(A) Ongoing Requirements for a Mobile Sports Wagering Licensee.	A. A mobile sports wagering licensee shall: (1) Use technical and operational measures to prevent access to its online wagering by individuals who are underage or physically located outside the State, including: (a) Age verification procedures, which may require the use of a third party acceptable to Commission staff that is in the business of verifying an individual's personally identifiable information; and (b) Geolocation technology to accurately verify a bettor's geographic location within the State as determined by MD iMAP, Maryland's Mapping & GIS Data Portal.	A. A mobile sports wagering licensee shall: (1) Use technical and operational measures to prevent access to its online wagering by individuals who are underage or physically located outside the State, including: (a) Age verification procedures, which may require the use of a third party acceptable to Commission staff that is in the business of verifying an individual's personally identifiable information; and (b) Geolocation technology to accurately verify a bettor's geographic location within the State as determined by MD iMAP, Maryland's Mapping & GIS Data Portal;	Penn recommends removing sub-section (b) from Ch. 5 section .04 since Ch. 16.03 covers the geolocation system requirements in depth and encompasses standard language in comparison to the other nine (9) states we are live in with online wagering. Therefore, we believe the language in this rule pertaining to geolocation requirements is redundant and may cause potential confusion.	
Technical Compliance						
Change Management	Retail and Online	Ch. 17.03(A) Request for Authorization.	A. A sports wagering licensee shall obtain prior written Commission authorization before: (1) Placing sports wagering equipment into operation; (2) Relocating sports wagering equipment within the facility; (3) Changing a configuration; (4) Performing a substantial replacement of parts; (5) Implementing any variation, composite, or new feature of sports wagering equipment; or (6) Performing any other action that materially alters or interrupts the operation of the sports wagering equipment.	A. A sports wagering licensee shall obtain prior written Commission authorization before: (1) Placing sports wagering equipment into operation; (2) Relocating sports wagering equipment within the facility; (3) Changing a configuration; (4) (3) Performing a substantial replacement of parts; (5) (4) Implementing any variation, composite, or new feature of sports wagering equipment; or (6) (5) Performing any other action that materially alters or interrupts the operation of the sports wagering equipment.	The rule, as currently written, appears to be applicable to retail sports wagering without accounting for online change management standards. Penn recommends removing subsection (3), as requiring notification to, and subsequent approval is overly burdensome for the Commission, sports wagering licensees, and contractors alike. In addition, requiring licensees to request and receive approval exposes them to prolonged risk, as they must wait for approval before implementing any changes. In order to allow sports wagering licensees to efficiently adapt to the market and improve their products, Penn recommends working with licensees in adopting a risk-based approach with respect to approvals and requirements for certification of changes (as seen, for example, in Indiana's change management directive and New Jersey's release notes process). In certain circumstances, operators need to implement emergency changes. In all other states in which Penn operates sports wagering, unilateral emergency changes are permitted. Emergency changes are those addressing critical risk and need to be implemented as soon as possible in order to limit the impact on the application and users.	
Change Management	Online	Ch. 18.03(N) Sports Wagering Platform Requirements.	N. Software Validation. (2) The software validation process shall employ a hash algorithm which produces a message digest of at least 128 bits and includes all critical control program components which may affect wagering operations, including but not limited to: (a) Executables; (b) Libraries; (c) Wagering or system configurations; (d) Operating system files; (e) Components that control required system reporting; and (f) Database elements that affect system operations.	N. Software Validation. (2) The software validation process shall employ a hash algorithm which produces a message digest of at least 128 bits and includes all critical control program components which may affect wagering operations, including but not limited to: (a) Executables; (b) Libraries; (c) Wagering or system configurations; (d) Operating system files; (e) Components that control required system reporting; and (f) Database elements that affect system operations.	Penn recommends removing items that the independent certified testing laboratory does not deem critical. In all states that Penn offers online and/or retail sports wagering, validation of the software hash algorithms are deemed critical components by the independent certified testing laboratory. The rule, as currently written, requires including items that are not deemed critical by industry standards, and therefore, is overly burdensome for both operators and Commission staff.	
Change Management	Online	Ch. 18.03(O) Sports Wagering Platform Requirements.	O. The sports wagering licensee shall notify the Commission within 12 hours of a validation failure.	O. The sports wagering licensee shall notify the Commission within 42 24 hours of a validation failure.	Penn recommends allowing a period of 24 hours to notify the Commission of a validation failure in order to align with industry standard. Extending the notification period allows sports wagering licensees to have additional time to investigate the issue and will result in more accurate and detailed information being shared with the Commission.	
Questions						

Penn Commentary on MLGCC Sports Wagering Rules

Area	Retail / Online	Rule Reference	Existing Rule Language	Proposed Language	Reason for Change	Additional Details
Mobile at Perryville Casino	Online	Ch. 04.08(C) and (D) In-person Wagering at Sports Wagering Facilities.	C. Unless a sports wagering facility licensee has obtained a mobile sports wagering license, a sports wagering licensee: (1) May offer or conduct only in-person wagering on its premises; and (2) May conduct sports wagering at its facility, or otherwise on its premises, by using an in-house WiFi network only on devices provided by the sports wagering licensee for use on the gaming or wagering floor. D. A sports wagering facility licensee may apply for a mobile sports wagering license.	C. Unless a sports wagering facility licensee has obtained a mobile sports wagering license, a sports wagering licensee: (1) May offer or conduct only in-person wagering on its premises; and (2) May conduct sports wagering at its facility, or otherwise on its premises, by using an in-house WiFi network only on devices provided by the sports wagering licensee for use on the gaming or wagering floor. D. A sports wagering facility licensee may apply for a mobile sports wagering license. E. Nothing in this section shall prevent the use of approved mobile sports wagering licensees' platforms on a personal device at any sports wagering facilities.	Penn recommends adding clarifying language in Ch. 04.08. The current language can reasonably be interpreted to mean online wagering applications, such as mobile wagering from a personal device, may not be used at a sports wagering facility, if that sports wagering facility was not the mobile sports wagering licensee. A state-approved mobile platform, intended to be used throughout the State, should not be prevented from use while the patron is physically located at any sports wagering facility. The inserted language is intended to clarify and allow any mobile platform approved by the MLGCA to be used throughout the state.	



EXHIBIT A

Proposed Wager Catalog Process

Overview of the current landscape in the US: Penn recommends a broad wager offering to allow for a better player experience and greater revenue opportunity for the State. We recommend MLGCC consider allowing the offering of more nuanced sporting events which allows for a competitive edge for the State. Offering sports and leagues approved by other states (i.e., CO, IN, MI, NJ, PA, VA, etc.) ensures an additional layer of integrity as these states have conducted thorough review before permitting them for wagering. If legal, allowing wagers on Pro League Drafts (e.g., NFL), seasonal awards for approved leagues (i.e., Cy Young Award, NFL MVP), and other events (e.g., Nathan's Hot Dog eating competition) should be included.

Approved Events Generally: Requiring license holders to seek approval for every wagering market offered can increase the workload on the operator and the regulator (e.g., “can we offer an over/under for this event?”). Penn recommends the approach taken by Indiana, Michigan, and New Jersey, which will reduce license holders from burdening the MLGCC staff for very specific bet type requests, requiring review and approval for each. In turn, it will maximize the revenue opportunity to the state. The process is set forth below:

1. Maintain a list of “[Approved Events](#)” (example from IN) and if consistent with the practices in your state, create a Guidance Document around permissible/impermissible offerings (example from IN “[Directive on Betting Catalogues, Wagers and Other Events](#)”)
 - For the Directive, the less granular the better. Penn recommends the MLGCC adopt a process that allows any wager that falls under an approved bet type (i.e., single game bets, teaser bets, parlay bets, over-under, etc.) consistent with the definition of “Sports Wagering” and “Sporting Event” in HB940, be permitted for any approved sport/league
 - Unless prohibited, wagers are deemed approved if they meet the requirements of the statute and the MLGCC Guidance Document
 - Including language similar to the following “unless specifically restricted, operators may offer wagers for all approved leagues and requests where the results are determined on the field of play and can be determined by a box score or statistical results.”
2. Maintenance of Approved Events/Wagering Catalog
 - Penn recommends a process where (i) there is a single wagering catalog that is visible and accessible that is approved for all license holders (i.e., lives on the MLGCC website); (ii) it is updated online in real time; (iii) license holders are notified when new requests are made to update it, and when it is updated with MLGCC’s approval of the new request; and (iv) when it is approved for one license holder, it is approved for all license holders.

Bans on in-state schools and non-Division I events: While not specific to the overall process, an issue that has been operationally/economically hampering to license holders in just a few states, is the decision not to allow bets placed on in-state schools or restricting wagering to only FCS/Division I collegiate events. The regulatory benefit to these restrictions is unclear, and it would certainly hamper Maryland license holders and state economic development. In addition, not allowing wagering on in-state schools and DII/DIII events drives patrons to illegal operators already existing in the state.



Sports Wagering Comment | 36.10.10 – Voluntary Exclusion Program

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 2:10 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.10 – Voluntary Exclusion Program

Comment:
.02 Responsible Gaming Plan

(14)(a) Funds be returned as soon as practicable after the time the bettor is placed on the voluntary exclusion list:

We respectfully request that this time period be changed to either monthly or at minimum seven(7) days. Monthly is common in other jurisdictions offering online sports wagering.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 2:03 PM

To: sports.wagering@maryland.gov

From: elizabeth tranchina <Tranchina@rushstreetinteractive.com> (Rush Street Interactive, LP | Mobile)

Chapter:
36.10.01 – General

Comment:
.02 Definitions:

(29)(f) we respectfully request that tickets expire after a full year as opposed to 182 days.

(53) We respectfully request that the definition for Personally identifiable information be changed to a person's name must be used in combination with the other data otherwise the way it's worded would mean that a persons name alone would meet the definition of PII

(62) "Restricted area" it appears this definition applies to retail only but seeking confirmation that this does not apply to a online sports wagering operator's data center.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Comments on Sports Wagering Regulations

1 message

Michael V. Johansen, Esq. <mjohansen@rwllaw.com>

Mon, Sep 27, 2021 at 1:34 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>, "James Butler (jbutler@maryland.gov)" <jbutler@maryland.gov>

Cc: "John Favazza (jfavazza@maniscanning.com)" <jfavazza@maniscanning.com>, "Joe Bryce (jbryce@maniscanning.com)" <jbryce@maniscanning.com>, Brad Rifkin <brifkin@rwllaw.com>

Please find attached a letter from the Maryland Jockey Club containing comments on the Commission's proposed sports wagering regulations.

Please contact me if you have any questions.

Further, please send me a copy of all other comments submitted in response to the request for comments on these regulations.

Michael V. Johansen, Esq.

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2021-09-27 MJC Comments on Sports Regulations.pdf

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Michael V. Johansen
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Brad I. Rifkin
Laurence Levitan††
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Matthew Bohle (Nonlawyer/Consultant)
Obie L. Chinemere (Nonlawyer/Consultant)

September 27, 2021

sports.wagering@maryland.gov

James B. Butler
Managing Director, Organizational Compliance
Md Lottery & Gaming Control Agency
1800 Washington Boulevard, Suite 330
Baltimore, Maryland 21230

RE: Comments on Sports Wagering Proposed Regulations

Dear Mr. Butler,

On behalf of my client, the Maryland Jockey Club ("MJC"), please find comments below on the agency's proposed sports wagering regulations. I am happy to discuss any of these comments at your discretion.

1. Sports Wagering Area

MJC has been designated a Class A-2 retail sports book license for sports wagering activities at both Laurel Park and Pimlico. Each of these locations currently includes extraordinarily large customer venues (clubhouses/grandstands) exceeding several hundred thousand square feet.¹ Parimutuel wagering on horse racing occurs throughout each facility, on the trackside apron outside, and in some cases, particularly during Preakness, on portions of the track infield. Under Maryland law, individuals 18 years of age and older are allowed to place parimutuel bets. Further, as a spectator sport, racing attracts families and fans of all ages --- therefore, our facilities often have many individuals on the premises that are younger than 21 years of age.

COMAR 36.10.11 addresses excluded individuals – including individuals listed on the Commission's 'exclusion' list and individuals under the age of 21. In some of these regulations, it is clear that the licensee's obligations to exclude apply to only the "part of the premises of a sports wagering licensee where sports wagering is conducted". Eg, see .02A(2), B(2). On the other hand, .08 includes provisions which seem to apply to the entire "property of a sports wagering licensee" and extend the prohibition to "entering any sports wagering facility".

Please clarify these regulations to consistently apply the exclusion requirements to only the "parts of the premises" where sports wagers are accepted or placed.

¹ Under the Racing and Community Development Act of 2020, plans are underway for the reconstruction of the clubhouses at Laurel Park and Pimlico. However, these new facilities may not be completed for some time. In the meantime, MJC intends to conduct sports wagering in a portion of each existing clubhouse.

Further, as race tracks, sports teams, and presumably Class B licensees will have customers younger than 21 years of age, some accommodation should be made for young children standing in line with a parent or guardian to place a sports wager. ***Would the agency consider a modification to the exclusion rule for minors 12 years or younger when standing in line with a parent or guardian?***

2. Required Bond

COMAR 36.10.03.02A(2) appears to require submission of evidence that the applicant has obtained a required bond. ***Is it sufficient to provide evidence of applicant's ability to obtain the required bond at time of application – and then secure the bond prior to 'issuance' of the license? Please confirm. Further, if a bond is required to be submitted at time of application, is it sufficient to make the effective date of the bond the date of license issuance (as opposed to the date of application)?***

3. Data Retention

COMAR 36.10.03.04C(2) and elsewhere refers to a requirement to maintain data and records for at least 5 years from the date of license issuance or renewal. ***Should this requirement be changed to '5 years from date of the wager'? For instance, if a licensee has data from year 4 of its first license term, must it keep that data for 5 years from date of the initial license? Or 5 years from date of the renewal after the first 5 year term?***

4. Advertising

COMAR 36.10.03.04D(2) prohibits a licensee from "targeting advertising" to certain individuals. Yet, COMAR 36.10.01.02B(56)(b) which also refers to advertising uses the "knowingly" standard with regard to the licensee's action. ***Should .04D(2) be amended to include the "knowingly" target language?***

5. Transfer of License

COMAR 36.10.03.04F(1) prohibits a licensee from selling or transferring an interest in the ownership of the license unless the licensee has been actively engaged in sports wagering for at least 36 months. This regulation is derived from 9-1E-07(l)(1). However, this statutory restriction is limited in its application to Class B-1 and B-2 licensees. ***Please amend this regulation to make clear the 36 month requirement does not apply to Class A-1 or A-2 licensees.***

6. Multiple Betting Locations for Laurel Park & Pimlico

COMAR 36.10.04.01D provides that a sports wagering facility licensee may only operate sports wagering at a single location in the state except as designated in BR Article 11-524. This reference is incorrect. ***The reference should be SG Article 9-1E-09(a)(1)(ii). Please amend the regulation.***

7. Class A-2 License for Laurel Park

COMAR 36.10.04.04B(2) provides that a Class A-2 sports wagering facility may be issued to a horse racing licensee under BR 11-510(b) authorized to hold racing at Laurel Park or Pimlico. However, SG 9-1E-06(a)(1)(ii) references the issuance of a license to a horse racing licensee. That term is defined as “the holder of a license issued by the State Racing Commission under Title 11, Subtitle 5 of the Business Regulation Article to *hold racing in Anne Arundel County*.” The statute does not authorize a separate license for a horse racing licensee at Pimlico. MJC intends to seek one Class A-2 license for Laurel Park – and under the provisions of 9-1E-09(a)(1)(ii), MJC intends to conduct sports wagering under that one license at both Laurel Park and Pimlico. ***Please modify this regulation accordingly.***

8. In-Person Wagering at Sports Wagering Facilities

COMAR 36.10.04.08C allows a sports wagering facility licensee to conduct wagering in the premises of the licensee by “using an in-house WiFi network” but limits that activity to “devices provided by the sports wagering licensee”. This limitation precludes the licensee from allowing wagering on the in-house WiFi network by bettors using their own devices inside the facility. This limitation is not included in the enabling law. SG 9-1E-09(a)(1) clearly allows wagers to be accepted by an individual physically present the sports wagering facility. Subsection (a)(2) expressly authorizes wagers made “on a self-service kiosk, device, or machine approved by the Commission” provided that device is located in a facility. ***The regulation should be amended to allow wagers to be placed inside sports wagering facility using a bettor’s personal device provided the bet is placed solely through the facility’s ‘in-house WiFi network’.***

9. Online Sports Wagering Operator Bond Requirement

COMAR 36.10.06.02D(2) requires an applicant for an online sports wagering operator license to submit evidence of a performance bond in the amount of \$1,500,000. ***Please clarify who the bond is intended to protect – (a) the state? Meaning the performance obligations owed to the State under the rules and regulations? (b) the customers of the licensee?; or (c) both the State and the customers?***

Regulation .02D(3) refers to bonds for sports wagering ***facility*** operators. ***Is this a correct reference? Does the lottery intend to allow a sports wagering lottery facility licensee/operator who also applies for a mobile license to cover its bond obligations under one single bond? Please confirm.***

10. Complimentary Services – Food and Beverage

COMAR 36.10.13.08 limits the provision of free food and alcoholic beverages. This provision appears to apply broadly to the sports wagering licensee – including to its existing non-sports wagering operations. In settings such as race tracks, sports stadia, OTBs, and Class B

restaurants, there is no such limitation as applied to the existing operations in those facilities. ***Can this prohibition be limited in its scope?***

Further, this limitation is not included in the enabling law for sports wagering. A similar provision exists for VLT facilities under SG 9-1A-24, but it is notable that this is not one of the provisions referenced in the enabling law even though many other licensing and operating provisions from the video lottery law that were included – see SG 9-1E-03 which incorporates 9-A-04, 06, 07, 08, 12, 14, 18, 19, 20 and 25. SG 9-1A-24 is not included in this list or any where else in HB 940. ***What is the Commission's justification for including this limitation when the General Assembly did not include this provision in the sports wagering law although it certainly could have done so as it did with regard to VLT operations?***

11. Limit on Free Promotional Play

COMAR 36.10.13.39F(2) limits free promotional play (after the first full year) to 20% of total sports wagering proceeds from the prior year. The enabling statute, HB 940, did not provide any limitation on free promotional play. The sports wagering market is not a developed market. Promotional play is a key component of marketing and gaining market share. ***What is the Commission's justification for including this limitation in the regulations?***

Further, regulation .39F(3) provides that VLT licensees may allocate up to 20% of the total amount of the casino's combined sports wagering and gaming revenues. ***Would the Commission modify this regulation to allow a licensee's parimutuel wagering revenues to be included in the 20% limit – just as it has done for VLT licensees?***

Finally, the limit on free play for VLT gaming is set forth in the law. See definition of 'proceeds' in SG 9-1A-01(u). ***The fact that the General Assembly could have, but did not, include such limitation in the enabling sports law statute is another reason the Commission should not do so.***

12. Bet Types – Horse Racing Wagers

COMAR 36.10.14.02 sets forth specific bet types that are permitted. SG 9-1E-01(i) defines 'sporting event'. In doing so, the General Assembly provided that a sporting event may only include a horse race if certain consents are first obtained by the licensee. ***Regulation .02 should be amended to add a new F as follows:***

"F. The Commission may permit a sports wagering licensee to offer wagering on a horse race or races only:

(1) if the licensee submits the consents required under SG 9-1E-01(i)(1)(vi); and
(2) in accordance with the terms of such consents and during the period such consents remain in effect."

Mr. James B. Butler

September 27, 2021

Page 5

13. Cashier's Cage

COMAR 36.10.13 relates to Minimum Internal Control Standards. Regulation .22 relates to requirements for a cashier's cage; .10 - .13 relate to surveillance system; .17 relates to security department; .35 relates to count room; among other provisions. Laurel Park and Pimlico utilize many of these same controls and systems for the handling of parimutuel wagers and the securing of cash. ***Do the regulations allow for parimutuel wagers (and cash) to be handled and managed using the same controls and systems required for the security of sports wagers? Provided the design standards are met, can the cage room handle both sports wagers and parimutuel wagers? The same for surveillance, security, and cash handing – can we combine sports wager controls with our parimutuel controls provided the standards outlined in COMAR 36.10.13 are met?***

These comments and requests aimed at improving the State's regulation of the sports wagering industry and the ability of applicants/licensees to comply. Thank you for considering these comments.

Sincerely,

Michael V. Johansen

Michael V. Johansen

cc: Maryland Jockey Club



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.18 – Technical Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 1:10 PM

To: sports.wagering@maryland.gov

From: Peter Wolff <peter.wolff@bet365.com> (bet365 | Mobile)

Chapter:
36.10.18 – Technical Standards

Comment:
bet365 greatly appreciates the opportunity to comment and/or suggest language updates in reference to the Maryland draft regulations for sports wagering systems which have been included in the attached document. We are available and willing to discuss any questions the Maryland Lottery may have in regard to our comments or any other sections of the regulation. Just let us know. Thanks.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



bet365-comments-on-Section-36.10.18.docx

15K

1. Subtitle 10, Chapter 18, (03)(Q)(3) – There is a misreference here and it should be (Q)(2) and not (P)(2).
2. Subtitle 10, Chapter 18, (05)(E)(1) – This section is confusing as written and not in line with how sports wagering systems operate in terms of what validation methods are performed and when they occur. As currently written it would seem to require a customer's identity and their funding methodology used to be validated as well as a check to ensure the customer has not violated any T&Cs for ALL deposit and withdraw transactions. Is it possible this was supposed to be tied to new funding methods tied to an account and not all already confirmed transaction methods? If so, it is suggested that (E)(1) be updated to something like *"For each new deposit or withdrawal method added to a bettor account, a sports wagering licensee shall determine if the information provided by the bettor:"*. It is also suggested that (E)(1)(c) which is tied to T&Cs be removed as suspending funding on an account for finding out a customer has violated T&Cs shouldn't be tied solely to this scenario and instead should occur as soon as the operator is made aware of this faulty behavior.
3. Subtitle 10, Chapter 18, (05)(E)(3) – This section should be reviewed again and updates made to remove confusion on some of the conflicting bullet points. Point (a) would make it seem that the player account needs to be suspended, but then point (d) has it that the customer funds should be refunded and (e) says the account needs to be fully deactivated. Typically, no activity can occur on a suspended account, and there would be a level of review performed prior to getting to a point where the customer account was fully deactivated.
4. Subtitle 10, Chapter 18, (05)(N) – We are requesting to get for more information on what additional transactions are being considered under this requirement. As written this seems unique and extraneous compared to what other jurisdictions require and typically these types of notifications are tied to a player reaching a specific limit, threshold or their account settings being modified, and not them being notified for every deposit or withdraw made to their account.
5. Subtitle 10, Chapter 18, (06)(B)(2) – There is a misreference here and it should be .03B and not .02B.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.16 – Web / Mobile Applications

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 1:09 PM

To: sports.wagering@maryland.gov

From: Peter Wolff <peter.wolff@bet365.com> (bet365 | Mobile)

Chapter:
36.10.16 – Web / Mobile Applications

Comment:
bet365 greatly appreciates the opportunity to comment and/or suggest language updates in reference to the Maryland draft regulations for sports wagering systems which have been included in the attached document. We are available and willing to discuss any questions the Maryland Lottery may have in regard to our comments or any other sections of the regulation. Just let us know. Thanks.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



bet365-comments-on-Section-36.10.16.docx

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1. Subtitle 10, Chapter 16, (03) – the requirement states that all sports wagering must be initiated, received and completed within the State. Initiated and Received are understood to mean the placement and acceptance of the wager, but completed is a bit subjective in terms of what is expected here. It is suggested that this section be reworded, or the mentioning of *“completed”* be removed to focus in on the initiation (player interaction) and acceptance which will take place on a server located within Maryland. This would align expectations with other US jurisdictions to date, be in line with the requirement spelled out in Subtitle 10, Chapter 18, (03)(A), and also be in line with HB940 9–1E–13(A).



Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 1:09 PM

To: sports.wagering@maryland.gov

From: Peter Wolff <peter.wolff@bet365.com> (bet365 | Mobile)

Chapter:
36.10.14 – Requirements and Limitations

Comment:
bet365 greatly appreciates the opportunity to comment and/or suggest language updates in reference to the Maryland draft regulations for sports wagering systems which have been included in the attached document. We are available and willing to discuss any questions the Maryland Lottery may have in regard to our comments or any other sections of the regulation. Just let us know. Thanks.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



bet365-comments-on-Section-36.10.14.docx

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1. Subtitle 10, Chapter 14, (01)(C)(3) – As written, this would seem to imply that official league data is mandated for all wagers made and not just in-play wagering. This would be unique to Maryland, as other US states to date that have mandated official league data have only made it required for in-play wagers and not all wager types including overall win/loss of sporting events. This is because there are other options that are both available and viable to use to settle wagers outside of official league data, especially when considering some of the lesser thought about sports (e.g. table tennis, international soccer/basketball leagues, etc.) that are also popular amongst sports betting patrons across the US. Being that there are other sources of reliable data that could be used to settle wagers, and us having the understanding that Maryland wants to allow the wagering catalogue to be as expansive as possible from what would be allowed in regulation and law, it is suggested that this requirement be reworded to remove the need for official league data on all types of wagers.
2. Subtitle 10, Chapter 14, (03)(B) – Unless we will be provided a complete list of prohibited individuals to check against, it is our understanding that prohibited players will be determined through the attestations of players that setup sports wagering accounts to say that they do not fall into this bucket. Because of this, it is suggested that wording be added to this statement to say “A sports wagering licensee may not knowingly accept a wager:”.
3. Subtitle 10, Chapter 14, (05)(F) - Unless we will be provided a complete list of prohibited individuals to check against as required under subsection (4), it is our understanding that prohibited players will be determined through the attestations of players that setup sports wagering accounts to say that they do not fall into this bucket. Because of this, it is suggested that wording be added to this statement to say “A sports wagering licensee may not knowingly accept or facilitate a wager:”.



Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 1:09 PM

To: sports.wagering@maryland.gov

From: Peter Wolff <peter.wolff@bet365.com> (bet365 | Mobile)

Chapter:
36.10.13 – Internal Control Standards

Comment:
bet365 greatly appreciates the opportunity to comment and/or suggest language updates in reference to the Maryland draft regulations for sports wagering systems which have been included in the attached document. We are available and willing to discuss any questions the Maryland Lottery may have in regard to our comments or any other sections of the regulation. Just let us know. Thanks.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



bet365-comments-on-Section-36.10.13.docx

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1. Subtitle 10, Chapter 13, (03)(B) – The current wording says to include both narrative and diagrammatic representations to cover all of the items which follow in this category. Diagrammatic representations would not be applicable to all of the items though, so it is suggested to include “*as needed*”, following “...*diagrammatic*...” in this sentence.
2. Subtitle 10, Chapter 13, (03)(B)(12)(a) – It is mentioned that the age, identity and physical address of an applicant needs to be authenticated as part of the registration process. As written, physical address could imply the person’s actual location at the time of registration compared to their residential address which is what is assumed to be covered here. If this is the case, it is suggested that this be updated to say residential address compared to physical address.
3. Subtitle 10, Chapter 13, (04)(B)(3)(b & c); Subtitle 10, Chapter 13, (6)(F)(1 & 2); Subtitle 10, Chapter 13, (6)(G)(3) – There is wording in the draft regulations that talks to a Certified Public Accountant doing a review of the Internal Controls (ICs) and providing an opinion letter or report in relation to these ICs. While some Daily Fantasy Sports markets have chosen this path over certification from an ITL, no other sports wagering jurisdiction to date requires a CPA or third party audit of ICs and this instead is something that has been handled directly between the operators and regulators for all US jurisdictions. CPAs are traditionally used for validating financial type transactions and they would likely not have the capability or know how to make a determination on non-financial related internal controls. Because of this, it is suggested that (13)(04)(B)(3)(b & c), (13)(6)(F)(1 & 2) and (13)(6)(G)(3) be removed from their respective sections, and that anything non-financial in nature within the operator’s ICs would be approved directly by the Commission and not require a CPA audit/opinion letter beforehand.
4. Subtitle 10, Chapter 13, (5)(C) – Having the entirety of the key people listed sign all reports sent to the Commission would seem extraneous and unique to Maryland compared to any other US jurisdiction to date. It would be good to better understand what the Commission is looking to achieve from these requirements as typically any financial or statistical reports and their format are approved by the regulatory body up front, but there is no need for someone from the operator to sign off on their validity each time a report is released. We would ask that this section be reviewed again and if still felt something is needed, it be handled through a signed agreement before go live compared to having something signed for each and every report released as this would be extremely difficult to apply to any regularly provided reports which are sent daily, weekly, monthly, etc.
5. Subtitle 10, Chapter 13, (6)(D–M) – While annual based financial audits from a Certified Public Account (CPA) is something that has been required by other US based sports wagering regulators to date, the level of detail included within the Maryland regulations on what needs to be included in these reports and the timeframe they must be completed by is unique and extraneous compared to those other jurisdictions. For mobile based operators, financial information is stored within the system indefinitely which provides an audit trail within the regulatory reports that are approved by the Commission and that are sent out daily, monthly and annually. bet365 places extreme importance on its processes and controls, and as an example the finance function alone perform hundreds of daily checks. A couple of examples include customer balance checks and client fund reconciliations being performed. This level of traceability ensures our operation is running as expected, and any financials in relation to wagers, win, losses and taxes are accounted for. In addition to the internal checks performed, we do have an annual audit which encompasses the entire bet365 Group. This annual audit (which incorporate all of our US operations) is performed by RSM UK LLP, which is one of the top audit firms in the UK and is extremely complex and

extensive so much that a 90-day turnaround would prove to be demanding. Instead, the final audit sign off and opinion usually happens closer to 9 months after the conclusion of the fiscal year end. Because of this, it is requested that the timeframe on when an audit would be due is extended to something greater than 90 days. As a privately owned company, we are also not currently set-up to respond to the significantly more onerous “SEC” filing requirements which the regulation appears to be leaning towards. We could only imagine that these requirements could also form significant “barriers to entry”, with smaller operators not necessarily having the resources to “scale up” for this type of undertaking. With the above all in mind, and to ensure the requirements in Maryland are not overly extensive compared to what is mandated within the House Bill and also in line with what other US regulated markets have required to date, it is suggested that sections (13)(6)(D-M) be removed and the focus stay solely around a financial audit being performed in accordance with generally accepted auditing standards which is our understanding of the intent of this section.

6. Subtitle 10, Chapter 13, (7)(C)(3) – Request that clarity be provided and included on what would be covered by personnel matters. Assuming the context from the rest of this regulation, it would seem to be for retail offerings only but that is not clarified in this section. If this is meant to cover all retail personnel matters, it is suggested this be updated to clarify that.
7. Subtitle 10, Chapter 13, (15) – In other US jurisdictions, the requirements within this section are typically requirements which would be met by a casino based data center (retail operator), or requirements of an externally based Data Center that would be utilized by mobile based operators, and not something that would need to be met by the mobile operator themselves. If this is the intentions of Maryland as well, it is suggested it be clarified at the beginning of this section to be applicable for retail operators, or Data Center providers only. It would then be the expectation of mobile sports betting operators to only partner with or work with those licensed and approved Data Center providers in Maryland.
8. Subtitle 10, Chapter 13, (16) – Similar to the comment provided for (10)(13)(15), this section would seem to be applicable to the Data Center provider we partner with and not directly be for us as the mobile operator to provide this information directly to the Commission. Some examples of situations where we would likely not have access to or the ability to monitor/configure would be (D)(4) and (D)(6). This would be information that could be reported on directly or configured by the Data Center provider though so it is suggested that clarification be provided at the beginning of this section saying it would also be applicable only to retail operators or Data Center providers
9. Subtitle 10, Chapter 13, (21)(A)(8) – For remote access, our operations have measures in place to restrict any unwanted connections via the internet, but there will also be cases where third parties may need to be provided access via this means. In these cases, we have processes to limit who has access, what they have access to, while monitoring that access and protect the overall system. It is suggested that wording be added to the end of this sentence similar to “...unless secured and monitored and on a case by case basis as needed.”
10. Subtitle 10, Chapter 13, (29) – It would be good to clarify what a Bettor Tracking System is as this would seem to be unique compared to any other US jurisdiction to date. Other jurisdictions have requirements in place to allow limits to be set by players which are checked against prior to them placing any wagers. If this is the intent of the Bettor Tracking System, we would say that this would already seem to be covered under Subtitle 10, Chapter 14, (4), and there would be no need to have a separate system to account for this. If instead this section is meant to cover the reporting of suspicious or fraudulent behavior to the

Commission, this would seem to be better covered through the usage of an Integrity Monitoring Provider which is what is utilized in other US jurisdictions. Upon review of the regulations, we found that *"Integrity Monitoring"* was defined within Chapter 01, but never used after that point in the regulations. If the intent of a better tracking system is to cover this type of integrity monitoring, we have provided some language utilized by other US states for reference as it might better fit into this section: *"The Commission shall monitor all sports wagering conducted in this state, or shall contract with an independent integrity monitoring provider for that purpose, in order to identify any unusual betting activities or patterns that may indicate a need for further investigation. The Commission shall require each licensee to contract with an independent integrity monitoring provider as part of its internal controls. The information disclosed to or by the independent integrity monitor is not a public record. The Commission may disclose information disclosed to or by the independent integrity monitoring provider only as necessary for investigative or law enforcement purposes or pursuant to a court order."*

11. Subtitle 10, Chapter 13, (32)(E) – We suggest that the wording *"...and any information shared pursuant to this section may not be used by any receiving party for business or marketing purposes without the express written consent of the sports wagering licensee."* be added to the end of the requirement as currently written. We suggest this change because we recognize that reports of suspicious activity may include sensitive customer and business information. We fully support providing that information to support investigations into suspicious activity to maintain the integrity of the industry, but suggest this language be added to ensure such information is not misused and is only used for integrity or suspicious activity based investigations rather than other purposes.
12. Subtitle 10, Chapter 13, (41)(B-E) – These sections seem to be a combination of what need to be sent to the Commission to get promos approved, and also what information must be available to the customer for any offered promo/bonus. While as written there seems to be some coverage for ensuring promos/bonuses are fair and described to the player within the Terms & Conditions, it is suggested that some updates could be made to bolster this section to protect the Maryland consumer and also require the operator to have full ownership on what types of promos/bonuses are offered. The wording that follows was taken from other US jurisdictions and is being provided as an example or reference point for the Commissions' review: *"All promotions and bonuses must: (1) include terms and conditions that are full, accurate, clear, concise, and transparent, and not contain misleading information; (2) ensure advertising materials include material terms and conditions for that promotion or bonus and have those material terms in close proximity to the headline claim of the promotion or bonus and in a reasonably prominent size; (3) disclose applicable terms if the patron has to risk or lose the patron's own money as part of the promotion or bonus or has conditions attached to the patron's own money as a result of the promotion or bonus; (4) not be described as risk free if the patron needs to incur any loss or risk the patron's own money to use or withdraw winnings from the risk free bet; and (5) not restrict the patron from withdrawing the patron's own funds or withdrawing winnings from bets placed using the patron's own funds."*



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 1:05 PM

To: sports.wagering@maryland.gov

From: John T. Holden <john.holden@okstate.edu> (My personal capacity | Mobile)

Chapter:
36.10.14 – Requirements and Limitations

Comment:
Please see attached PDF.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)

 **Dear-Maryland-Lottery-and-Gaming-Control-Commission.pdf**
133K

Dear Maryland Lottery and Gaming Control Commission,

My name is John Holden. I am an assistant professor in the department of management in the Spears School of Business at Oklahoma State University. Over the last decade, I have studied sports betting regulation extensively, published more than 35 academic articles on the subject, and submitted testimony formally and informally at state and national levels. Today, I write to you with a singular focus, as I believe others will adequately cover other shortcomings in the proposed rules. My focus is on Chapter 14 Sports Wagering Requirements and Limitations .01 Authorized Wagers C. Verifiable Outcomes regulation 4.

The proposed regulation states:

“Within 60 days after the Commission approves the request from a governing entity, a sports wagering licensee may only use official league data to determine the result of a wager placed.”

The term official league data is a legal fiction. Despite the phrase’s ubiquity following a now three-year-long promotional campaign, there is no evidence that official league data is necessary to protect American consumers. The term “official league data” was a fall back for the country’s professional sports leagues, after first seeking an “integrity fee” (more clever branding) and failing to secure a direct payment from sportsbooks, a second more transparent attempt to extract a “royalty” also failed to gain traction in state legislatures.¹ Alas, the sports leagues settled on “official league data” mandates. The term implies there is an ownership interest in the data, but the information that sportsbooks are relying on are, as Justice Brandeis, eloquently once said is “as free as the air to common use.”² Indeed, the information that the sports leagues want to control is widely available.³ It can be derived by people watching the game in person and on television; it is available on the radio and the internet. Newspapers and the media have reported much of the information without payment to sports leagues for approaching two centuries.⁴

Official league data is a deceptive phrase because the term “official” is an imprimatur of the professional sports leagues and would seem to signal quality and integrity. But, official league data actually stifles the market. It is a robust and competitive data market that allows for the detection of anomalies, so when the market is artificially constrained, instead of providing that integrity that everyone in a regulated market wants, it actually creates a single point of failure.⁵ Limiting the competitiveness of the marketplace makes it more difficult to detect corruption.

Market integrity is a cooperative pursuit, not a game that an individual side wins. Official league data is hardly the panacea of consumer protection that some may tout. One need only look to professional tennis, where data is collected by chair umpires and input into their official computers and then

¹ See John Holden & Mike Schuster, *The Sham of Integrity Fees in Sports Betting*, 16 N.Y.U. J.L. & BUS. 31, 40 (2019) (describing the “evolution” of the integrity fee).

² *Int’l News Serv. v. Asso. Press* 248 U.S. 215, 250 (1918) (Brandeis, J. dissenting).

³ Various sports leagues and their media distribution subsidiaries have previously attempted, unsuccessfully, to litigate ownership of various pieces of sports information. *NBA v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997); *C.B.C. Distrib. & Mktg., Inc. v. MLB Advanced Media, L.P.*, 505 F.3d 818, 820 (8th Cir. 2007).

⁴ The New York Morning News began publishing, what would now be considered a “box score” in 1845. See Marc Edelman & John T. Holden, *Monopolizing Sports Data*, 63 WILLIAM & MARY L. REV. ___, ___, (forthcoming).

⁵ John Holden, *Opinion: Official League Data Gets Messy In Maryland Sports Betting Regulations*, LEGAL SPORTS REP. (Aug. 5, 2021), <https://www.legalsportsreport.com/54210/opinion-maryland-sports-betting-official-league-data/>.

distributed via that same official imprimatur to bookmakers worldwide. Well, in 2016, a scandal was discovered where chair umpires were delaying entering results into their tablet computers, allowing confederates to effectively “front-run” the betting markets.⁶ While sports league executives have used various terms to describe non-official data, including a personal favorite of mine—“pirated,”⁷ that is simply not an accurate reflection of where the widely distributed data falls on a continuum of intellectual property rights. It appears that a lack of specificity has victimized Maryland’s regulations on this subject. While there is data that the sports leagues would be able to control access to; however, that is not the data that primarily interests sportsbooks, even for in-play wagering.

The problem with official data mandates is that they try to create a right where there isn’t one. As Sportradar’s David Lampitt said at a conference in 2019: “The legal reality of the data market, not only in Europe, but internationally — there isn’t anywhere in the world at the moment where there is an established IP [intellectual property] right in data.”⁸ It was noted that the sale of official data is more about the sale of a data package, as opposed to selling something that others cannot duplicate.⁹ Mr. Lampitt said: “There is nothing to stop, and certainly nothing legally to stop plenty of other companies doing that [collecting data] outside of the official process.”¹⁰ The advantages of official data are related to data transmission feeds, which the market can entirely mediate without heavy-handed regulation.

As Mr. Lampitt said, again:

“In reality Sportradar, like the other major data providers—Genius if they were here sitting with me on the panel or Perform...—we provide a mix of official and unofficial data, none of us have a monopoly on all of the data licenses in the world, so we provide a mix of both and **we apply the same quality controls to official and unofficial**, it is just generally a latency issue that unofficial data may well be slower so there isn’t necessarily a quality gap.” (emphasis added)¹¹

The sports leagues’ own data distribution partners sell both official and unofficial data depending on which licenses they hold.¹² They have even acknowledged applying the same quality checks.¹³ Given this, it is completely incomprehensible why a regulator would mandate the use of official data instead of letting the market decide what the best source of data is. Bookmakers do not want bad data. Bettors demand fast, accurate information; mandating the use of official data only harms the market’s competitiveness.

⁶ See Sean Ingle, *Revealed: Tennis Umpires Secretly Banned Over Gambling Scam*, Guardian (Feb 9, 2016), <https://www.theguardian.com/sport/2016/feb/09/revealed-tennis-umpires-secretly-banned-gambling-scam>. See also Ryan M. Rodenberg, *Regulating Sports Gaming Data*, 11 UNLV Gaming L.J. 9, 15-16 (2020) (describing various issues involving data collection).

⁷ John Holden, *Ahoy! Leagues Say There Be Pirates Stealing Sports Betting Data*, LEGAL SPORTS REP. (Nov. 26, 2019), <https://www.legalsportsreport.com/36087/mlb-pga-tour-sports-betting-data/>.

⁸ John Holden, *What Gaming In Holland Can Teach The US Sports Betting Market*, Legal Sports Rep. (July 18, 2019), <https://www.legalsportsreport.com/34412/holland-gaming-us-sports-betting/>.

⁹ *Id.*

¹⁰ Here is a video from the Gaming in Holland Conference titled “Do Sportsbooks Need Official Sports Data?” <https://www.youtube.com/watch?v=M6nsY72gc-Q&t=36s>.

¹¹ Holden *supra* note 8. This is a transcription of Lampitt’s comments at a conference.

¹² *Supra* note 10.

¹³ Holden *supra* note 8.

While a small minority of states have chosen to adopt official data mandates in recent months, I would urge Maryland to look at successful jurisdictions like Nevada and New Jersey, and those with tremendous gaming experience in other areas, like Washington,¹⁴ where regulators have rejected official data mandates, choosing instead to let the marketplace determine the best data sources. Maryland currently goes further in its mandate than any other state in creating a situation where all wagers could require official league data, not only in-play wagers. Given that one of the stated objectives of the sports betting law was to help small businesses and minority-owned businesses, the costs of official league data will almost certainly be a contributing factor to those objectives failing.¹⁵

I would be happy to discuss these concerns further, or my separate concerns regarding the mandate's First Amendment problems, or the emerging antitrust issues in the sports data world. You may contact me at john.holden@okstate.edu.

Thank you for your time.

Best regards,

John Holden J.D./ Ph.D.

¹⁴ Wash. Rev. Code 9.46.9364 (2020).

¹⁵ Shawn Stepner, *Sports Wagering in Maryland: A Waiting Game*, WMAR (Aug. 17, 2021), <https://www.wmar2news.com/infocus/sports-wagering-in-maryland-a-waiting-game> (noting the impact on small businesses of the law).



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Comment Submission: Maryland Sports Wagering Regulations

1 message

Mario Malave <mario@wagr.us>

Mon, Sep 27, 2021 at 12:16 PM

To: sports.wagering@maryland.gov

Cc: jbutler@maryland.gov, eliana@wagr.us, lauren@wagr.us

Dear MLGCA,

In accordance with the 30-day public comment period for Maryland's sports wagering regulations, please find attached a submission on behalf of Wagr Inc., an aspiring mobile sports betting operator. Copied on this e-mail are also the company's Co-founder and Chief Product Officer, Eliana Eskinazi, as well as Wagr's Director of AML & Compliance, Lauren Lemmer.

We'd be most grateful if we could receive an acknowledgment of receipt so we know our submission was received within the designated period.

Thanks in advance, and please don't hesitate to reach out should you have any questions related to our letter.

Sincerely,

Mario Malavé
Co-founder & CEO
tel: +1 646 300 0171
www.wagr.us



MD Sports Betting Comment Period - Wagr.pdf

101K

September 27th, 2021

VIA ELECTRONIC SUBMISSION

Maryland Lottery and Gaming Control Agency (MLGCA)
1800 Washington Blvd., Suite 330
Baltimore, MD, 21230
sports.wagering@maryland.gov

RE: Maryland Sports Wagering Public Comment Period

Dear MLGCA,

Before relaying our sole comment to the proposed Maryland sports betting regulations, we'd first like to commend all parties involved in the drafting of these regulations for the inclusion of minority business enterprise participation goals that will help open up opportunities in the industry of sports betting to minorities and women.

Making sports betting more inclusive is one of the core reasons why my co-founder, Eliana Eskinazi, and I started Wagr. Our mission is to make sports betting a fun and inclusive experience that any sports fan can enjoy safely. Our product offers a simpler and more social approach to sports betting that intentionally caters to consumers who have historically felt marginalized from the sports betting market.

As a minority and woman-owned business ourselves, initiatives such as the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund make us hopeful for a more equitable and diverse sports betting industry. After reviewing the proposed regulations, we have one suggestion that we believe will help further strengthen Maryland's commitment to ensuring equal access to sports betting licenses.

Expanding the "Institutional investor" definition under COMAR 36.10.01

We believe one of the main reasons there historically haven't been as many minority-owned participants in the sports betting sector is the capital intensive nature of licensing. While the Assistance Fund is a tremendous step to help minorities access the capital they need in order to become license holders, another viable alternative for minority owners who aspire to become license holders is to partner with venture capital

funds. As we know from our own experience, many venture funds are increasingly focused on supporting minority and women founders across the country.

Venture capital funds will not have intentions to influence, control, or otherwise affect the day-to-day business activities of any sports betting operator in which they may decide to invest in. They are subject to SEC oversight and are similar to other investors who meet the "Institutional Investor" definition within COMAR 36.10.01. However, because they lawfully rely on an exemption from SEC registration specifically for venture capital vehicles, they aren't *registered* under the Investment Advisors Act of 1940 and therefore don't automatically qualify for an institutional waiver under Maryland's proposed regulations.

While many gaming commissions and regulatory bodies across the country have, at their sole discretion, granted institutional waivers to venture capital funds we believe that expanding the "institutional investor" definition to explicitly include venture capital funds will only help broaden access for minority and women businesses seeking licensing.

We're truly excited for the future of sports betting in Maryland, and hope to contribute to the state's mission of creating a diverse and competitive licensing landscape that will broaden access to the industry and maximize the economic impact to all Marylanders.

We thank you in advance for your consideration and we look forward to the opportunity to engage more closely in the coming months.

Sincerely,



Mario Malave
Co-founder & CEO
Wagr, Inc.
mario@wagr.us

CC: James B. Butler (jbutler@maryland.gov)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 10:50 AM

To: sports.wagering@maryland.gov

From: David Lynd <dlynd@greenwillgroup.com> (Greenwill Consulting Group | Brick-and-mortar)

Chapter:
36.10.01 – General

Comment:
Please see attached. The comments pertain to multiple comments. If you need any other information, please let me know.

--

This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



PB-Public-Comments-Final.docx

19K

Release Notes

Comment: We were recently notified that all release notes may have to be approved via a regulator board meeting which will happen once a month, and that operators may need to submit 2 weeks in advance or else Release notes approval moves to next month's board meeting. This process would hinder operators from addressing problems and improving upon operations in a fluid and efficient manner.

36.10.13.41B - Promotional Offers. A sports wagering licensee shall, at least seven days prior to implementing a promotion, submit terms and conditions of each promotion to the Commission...

Comment: Many other states with legal sports wagering do not require the submission of terms and conditions for a promotion more than three days prior to implementing said promotion; licensees have found that three days can still be difficult to properly plan and execute on our promotions, as the sports calendar is so filled with daily events and markets. Therefore, we respectfully request allowing Operators to either (i) submit a uniform set of T&Cs which will apply to ALL promotions as we do in most states or (ii) require submitting terms and conditions of each promotion no more than 24 hours prior to implementing the promotion.

36.10.13.05 -The Commission may require a sports wagering licensee to submit daily, weekly, monthly, quarterly, and annual reports of financial and statistical data...B. Unless otherwise specified by the Commission, reports to the Commission shall be signed by the: ... (3) Manager if the sports wagering licensee is a limited liability company

Comment: The Manager can be very busy and is often spending days traveling from one engagement to another. Therefore, requiring them to sign daily reports would be overly burdensome. We respectfully request a mechanism by which the Manager of the sports wagering licensee is a limited liability company to designate someone, at his or her discretion, to satisfy this requirement.

36.10.13.03 - B. (18) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents;

Comment: Most states do not require licensees to accept checks from customers, and therefore there is no procedures for cashing checks. We respectfully request that procedures for cashing checks be entirely optional for the Licensee or Operator and that this be made clear in the regulations.

36.10.13.24

A. A sports wagering licensee may accept a negotiable instrument in the form of a check meeting the requirements of this regulation from a bettor to enable the bettor to take part in sports wagering.

Comment: Most states do not require licensees to accept checks from customers, and therefore there is no procedures for cashing checks. We respectfully request that procedures for cashing checks be entirely optional for the Licensee or Operator and that this be made clear in the regulations.

36.10.14.03 - A. Sports wagering activity may not involve: (2) Except for an amateur athletic event specifically approved by the Commission, wagering on an amateur athletic event;

Comment: It is our worry that the language in the regs could be interpreted as preventing wagering activity on sanctioned collegiate sports. This would drastically affect the number of wagers licensees can accept, ultimately leading to a negative impact to handles as well as hurting the potential tax revenue for the state of Maryland. Please clarify to specifically allow for wagering on sanctioned collegiate sports.

36.10.14.03A - (2) Except for an amateur athletic event specifically approved by the Commission, wagering on an amateur athletic event;

Comment: We believe the regulations should read as more open-ended, thus allowing for more wagering activity and more tax revenue for the state i.e. "wagering on amateur athletic events is approved unless specifically prohibited by the Commission."

36.10.13.04 - A. At least 60 days before sports wagering operations are to commence or another timeframe as approved by the Commission, a sports wagering licensee shall submit its internal controls to the Commission for review and written approval. B The internal controls shall be accompanied by (3) An opinion letter by an independent certified public accountant expressing an opinion as to:

(a) The effectiveness of the design of the submitted system of internal controls over financial reporting;

(b) Whether the submitted system of internal controls conforms to the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and this chapter; and

(c) If applicable, whether a deviation from the requirements of State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or this chapter identified by the independent certified public accountant in the course of its review of the submitted system of internal controls is material.

C. A sports wagering licensee may not commence operations until its internal controls are approved in writing by the Commission.

Comment: An opinion letter by an independent certified public accountant commenting on the effectiveness of the design of the submitted system of internal controls over financial reporting. Given that the CPA opinion letter is expected to be submitted with the proposed operator internal controls, and 60 days prior to launching, this requirement will likely add significant time for all operators to complete and submit to the Commission, ultimately delaying operations launch(es) and delaying revenue generation for the State of Maryland. We respectfully suggest that the opinion letter of an independent CPA be required within 12 months of launching operations, in line with what has been experienced in other states. If this is not agreeable with the Agency, could auditors who have signed off our FY21 accounts, complete with sign off on internal controls, financial accuracy etc. suffice for this?

We respectfully request that ALL “60 days prior to commencing operations” requirements be removed, as this will likely lead to a significant delay in launch timelines for all operators.

36.10.13.39F - (2) After the first full fiscal year of a sports wagering licensee's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the licensee's proceeds received in the prior fiscal year that equates to 20 percent of total sports wagering proceeds that the sports wagering licensee generated in the prior fiscal year

Comment: Does this mean that licensees are capped at only providing promotional credits equal to 20% of our GGR? Is that essentially a cap on how much licensees can off-set when calculating NGR for tax purposes? We respectfully request clarity on this requirement, or its removal from the regs.

36.10.13.03 - (27) Procedures to verify each registered bettor's physical location: (a) Each time a registered bettor logs into their bettor account;

Comment: If this regulation is interpreted to mean that a Maryland customer is geofenced out of their account if they try to login from another state, they run the risk of being unable to check status of wagers, or withdraw their balance; this would be inherently unfair to the registered bettor. While we understand the need to prevent customers from placing wagers outside of Maryland, we don't believe anything should preclude them from accessing their account, regardless of location.

36.10.14.04A - A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits...(2) - A limit on the amount of money lost within a daily, weekly or monthly basis that (a) Renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the loss limit; and (b) Does not allow a wager placed prior to reaching the loss limit to be cancelled or refunded

Comment: No other states in which sports wagering operates have a "Limit on the amount of money lost" requirement in place. In some states, as part of our responsibility towards responsible gambling, operators often have a pre-commitment limit mechanism, which allows you to set the maximum deposit amount, set a spend limit, or set a time limit, however, not a loss limit. We respectfully request that this requirement be removed. This would be a heavy technological lift that could not only create a financial strain on licensees, but would likely result in delays while licensees determine how best to implement these limits from a technological standpoint

60-Day Operations Rule: 14 Surveillance Department Operating Procedures for Class B Sports Wagering Facility Licensees.

A. This regulation is only applicable to the holder of a Class B sports wagering facility license.

B. At least 60 days before sports wagering operations are to commence, a sports wagering licensee shall submit to the Commission for review and written approval:

(1) A surveillance system meeting the requirements of Regulation .13 of this chapter including, at a minimum, details pertaining to:

(a) Camera configuration inside and outside the facility; (based upon jurisdictional approval of the building permit)

- (b) Monitor room configuration; (based upon jurisdictional approval of building permit)
- (c) Video recording format and configuration specifications;
- (d) Authentication of digital recordings, including Commission access to the system's video verification encryption code or watermark;
- (e) Audio recording format; and
- (f) System access controls; and (2) Surveillance department operating procedures conforming to this regulation.

C. A sports wagering licensee may not commence operations until its surveillance system and surveillance department operating procedures are approved in writing by the Commission.

Does this statement mean that Class B Licenses will not be evaluated until all Class "A" applicants' fees are satisfied, or until Class A licenses are approved? Does anyone truly believe MBE access to the "Fund" will be available before next year? Are Class "B" License being pushed to the back of the line?

"Processing the Class A applicants first will allow the Maryland Department of Commerce to establish guidelines for applicants seeking access to this fund."

The licensing approval plan is a barrier to the minority businesses as it allows the Interim licensees to have priority in getting a license.



Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Sun, Sep 26, 2021 at 11:28 PM

To: sports.wagering@maryland.gov

From: Brian Hess <brian@dcgoodfriend.com> (Sports Fans Coalition | None)

Chapter:
36.10.14 – Requirements and Limitations

Comment:

The nation's leading sports fan advocacy organization, Sports Fans Coalition (SFC), respectfully submits the following comments on Maryland's Sports Wagering Law. SFC was actively involved with the passing of HB 940 and proposed many of the consumer protections outlined in the statute, including the Sports Bettors' Bill of Rights.

The Sports Bettors' Bill of Rights are five principles that should accompany all legislation and regulations that address sports betting.

Those rights are:

Integrity and Transparency

Data Privacy and Security

Self-Exclusion

Protection of the Vulnerable

Recourse.

As the original authors of the Sports Bettors' Bill of Rights, SFC would like to commend the Maryland General Assembly for including provisions that support all five of the Sports Bettors' Bill of Rights. We ask that the MLGCA further enshrine these rights into the rules and regulations currently being considered. Attached to these comments is a white paper that goes into further detail on the Sports Bettors' Bill of Rights.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)

 **Sports-Bettors-Bill-of-Rights-White-Paper_Reduced-File-Size.pdf**
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SPORTS BETTORS' BILL of RIGHTS



SPORTS FANS COALITION

David Goodfriend, Chairman
Brian Hess, Executive Director
DeVan Hankerson, M.P.P.

August 1, 2018



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INTRODUCTION

On May 14, 2018, the Supreme Court overturned¹ the Professional and Amateur Sports Protection Act, the federal statute prohibiting states from authorizing sports betting², sparking a flurry of legislation and administrative actions in states across the U.S. Most such legislation focused on legalizing sports betting in order to realize quick tax revenues. Almost none of it sought to protect sports bettors from fraud, invasion of privacy, or the exploitation of vulnerable populations.

On June 21st, 2018, Sports Fans Coalition³ (SFC), in conjunction with the George Washington University Law School, convened a symposium with leading experts in consumer protection, sports betting, and problem gambling, along with the Attorney General of Maryland, to address how policymakers could protect consumers in the era of legalized sports betting. The panelists debated what, if any, consumer protections should accompany sports betting legislation. Some panelists said that states should avoid legalizing sports betting, others supported minimal consumer protections, but most supported legalization in concert with a range of consumer protections.

Based in part on the views and recommendations of some (but not all) symposium participants, along with independent research, Sports Fans Coalition believes that, although sports betting could undermine the integrity of the games, as point-shaving scandals in years past revealed, and could distort amateur sports, such as high school or college competitions, with inappropriate profit-seeking behavior, it seems clear that most fans support sports betting. Many fans already participate in the black market, where they spend billions of dollars on illegal sports bets. SFC supports bringing this activity into a legal market but only if accompanied by consumer protections. Also, if states want to

¹ U.S. Supreme Court. U.S. Supreme Court. *Murphy, Governor of New Jersey, et al. v. National Collegiate Athletic Assn. et al.*, No. 16–476, 584 U.S. ____ (2018), *slip op.* at 31 (hereinafter, *Murphy vs. NCAA*). Retrieved from https://www.supremecourt.gov/opinions/17pdf/16-476_dbfi.pdf (last visited June 15, 2018)

² Professional and Amateur Sports Protection Act, 28 U.S.C. Ch. 178 § 3701 (1993). Retrieved from <http://uscode.house.gov/view.xhtml?path=/prelim@title28/part6/chapter178&edition=prelim>, (last visited July 11th, 2018) *vacated, Murphy vs. NCAA* (2018).

³ Sports Fans Coalition (SFC), the country's leading sports fans advocacy organization, is devoted to representing American sports fans wherever public policy impacts the games fans love. SFC, founded in 2009 as a bipartisan organization, has more than 50,000 members and covers all 50 states. SFC is best known for leading the campaign to end the Federal Communications Commission's sports blackout rule, which was accomplished in 2014 despite massive opposition from the NFL and broadcast industry. Since then SFC has been advocating against media consolidation that threatens availability and variety of sports coverage, sports stadium financing deals that cause excessive burdens to the taxpayer while failing to adequately serve fans, the NFL's concussion cover-up, corruption within the United States Soccer Federation and their inequitable treatment of women and youth, and online ticket sales fraud, among other things. The Coalition advocates on behalf of sports fans in all of these areas and more in Washington, DC and state capitals around the country. Learn more at www.sportsfans.org.



realize new tax revenues from sports betting, they first have to convince sports bettors to come out of the shadows and participate in a legal market. Strong consumer protections can provide that incentive. Moreover, states can and should take responsibility for protecting consumers, including in any new legal markets for sports betting.

For all these reasons, Sports Fans Coalition proposes a Sports Bettors' Bill of Rights for legislatures to consider if they move to legalize sports betting. The Sports Bettors' Bill of Rights includes five basic principles:

1. The right to integrity and transparency
2. The right to privacy and data security
3. The right to self-exclude
4. The right to protection of the vulnerable
5. The right to recourse

This paper explains the history of PASPA, explores the black market for sports betting, summarizes SFC's symposium on consumer protection in the era of legalized sports betting, and proposes the Sports Betting Bill of Rights for lawmakers who wish to legalize sports betting.



BACKGROUND

The Supreme Court Vacates Congress' Ban on Sports Betting

The Professional and Amateur Sports Protection Act (PASPA, also referred to as the Bradley Act) prohibited states or individuals from authorizing, licensing, or engaging in sports betting.⁴ PASPA went into effect in January of 1993 and grandfathered gambling practices in three states: Nevada, where all forms of gambling had been legal since 1949; Oregon, where the existing state lottery was allowed to operate its parlay⁵ card system in place since 1989; and Montana, where licensed alcoholic beverage establishments could create betting square contests.⁶

Congress intended PASPA to slow the growth of legalized sports betting in the states. Former NBA star and presidential candidate Senator Bill Bradley's (D-NJ) bill, eventually enacted as PASPA, had massive support from the sports leagues. With scandals like the Black Sox and the 1951 college point-shaving scandal in mind, league representatives expressed concern that sports betting harmed "the integrity of the game."⁷

On May 14, 2018, the Supreme Court unanimously vacated PASPA, reasoning that "PASPA 'regulate[s] state governments' regulation' of their citizens" in derogation of the constitutional federalism "anti-commandeering" principle.⁸ It left the door open for states to enact new laws legalizing sports betting and for Congress to enact federal legislation directly governing sports betting.

⁴ Dorson, J. R. (2018, February 13). What Is PASPA, The Federal Ban on Sports Betting? Retrieved June 6, 2018, from <https://sportshandle.com/what-is-paspa-sports-betting-ban-professional-amateur-sports/>

⁵ Doc's Sports. (2014). What Is A Parlay Card and How Does It Relate to Sports Betting and Wagering? *Doc's Sports Service*. Retrieved June 8 2018 from <https://www.docsports.com/how-to-what-is-does/parlay-card-how-relate-sports-betting-wagering.html>

⁶ Sports Book Prop.Com. (2007-2013). Free Sports Betting Contests [Sportsbook resource site]. Retrieved June 6, 2018, from <http://sportsbookprop.com/contests/>

⁷ Dorson, J. R. (2018, February 13). What Is PASPA, The Federal Ban on Sports Betting? Retrieved June 6, 2018, from <https://sportshandle.com/what-is-paspa-sports-betting-ban-professional-amateur-sports>

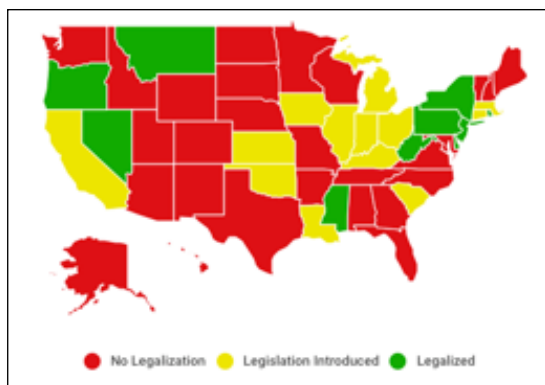
⁸ 584 U.S. *Murphy v. NCAA* (2018), *slip op.* at 24, 31 (citations omitted). Retrieved July 11th from https://www.supremecourt.gov/opinions/17pdf/16-476_dbfi.pdf



Consideration and Passage of Sports Betting Legislation in the States

Since the Supreme Court ruling, numerous states have raced to enact sports betting legalization. More than 100 individual pieces of sports betting and related legislation have been introduced in 24 states in recent sessions.⁹ As of the publication of this paper, nine states have taken action after *Murphy v. NCAA* to legalize sports betting in some form.¹⁰ Five of them enacted legislation months prior to the Supreme Court decision, such that immediately after the PASPA repeal, sports betting became legal: Delaware, New Jersey, West Virginia, Pennsylvania, and Mississippi. These states demonstrate the level of interest and political will across the country to move quickly in this area. Rhode Island did not enact a law before the *Murphy v. NCAA* ruling but quickly authorized sports betting after the decision.

According to some economists, states stand to earn hundreds of millions of dollars in tax revenues, increase jobs by the thousands, and bolster their GDPs through legalized sports betting. Wisconsin, for example, stands to receive more than \$20 million in state and local tax revenues, even under a



Source: (PlayUSA, June 2018)

restrictive legal scenario (brick-and-mortar casinos only). A geographically larger state like Texas would not benefit as much from this restrictive scenario. However, a more lenient scenario (allowing more brick-and-mortar locations including non-casino retail operations) would give Texas potential tax earnings of \$128 million versus Wisconsin's potential of \$41 million under a similar scenario. These values climb to even higher levels if online and mobile opportunities are included.^{11,12}

⁹ Bill Track 50.Com. (2011-2018). Bill Track 50; Research and Track Search Query [Legislative Tracker Site]. Retrieved June 6, 2018, from <https://billtrack50.com/> (last visited June 7, 2018)

¹⁰ PlayUSA.Com. (2018). What's the Current State of Sports Betting in the US? [Resource for Legal Online Gambling]. Retrieved June 5, 2018, from <https://www.playusa.com/sports-betting/> (last visited July 1, 2018)

¹¹ Oxford Economics. (2017). *Economic Impact of Legalized Sports Betting* (pp. 1—70). Wayne, PA: Oxford Economics. Retrieved from <https://www.americangaming.org/sites/default/files/AGA-Oxford%20-%20Sports%20Betting%20Economic%20Impact%20Report1.pdf> (last visited July 1, 2018)

¹² The map includes data compiled from two primary sources: PlayUSA.Com. (2018). What's the Current State of Sports Betting in the US? [Resource for Legal Online Gambling]. Retrieved June 5, 2018, from <https://www.playusa.com/sports-betting/> (last visited July 1, 2018) What's the Current State of Sports Betting in the US? (2018). Retrieved July 5, 2018, from <https://www.playusa.com/sports-betting/> & Russ, H. (2018, June 22). Rhode Island legalizes sports betting, gets 51 percent of revenues [News site]. Retrieved July 5, 2018, from <https://www.reuters.com/article/us-usa-betting-rhode-island/rhode-island-legalizes-sports-betting-gets-51-percent-of-revenues-idUSKBN1J12TQ> (last visited July 02, 2018)



Delaware: As of June 5, 2018, sports betting was legal in Delaware. Governor John Carney authorized “a full-scale sports gaming operation” less than a month after the Supreme Court overturned the prohibition. Currently, sports betting is only available in three casinos in the state. However, in the coming months, there are plans to authorize more brick-and-mortar locations along with Internet sites.¹³

Mississippi: Mississippi passed HB 967, which legalized sports fantasy betting in May 2018.¹⁴ At the time, the law included language that would legalize sports betting in Mississippi casinos if PASPA was overturned. Allen Godfrey, head of the state gaming commission, promised sports betting “within 45 to 60 days [of a decision], before football season.”¹⁵ He also added that the law grants the gaming commission regulatory power.¹⁶

New Jersey: In early June, the New Jersey state assembly introduced A4111, which had bipartisan support. A week later, the bill had unanimously passed in the General Assembly and quickly passed in the Senate. Governor Phil Murphy signed the bill, immediately authorizing sports betting at brick-and-mortar casinos and racetracks, and allowing online sports betting 30 days later.¹⁷

Pennsylvania: In October 2017, a comprehensive gambling bill was signed into law by Pennsylvania Governor Tom Wolf. However, by its own terms, the law would not go into effect until after the *Murphy v. NCAA* decision. Pennsylvania now allows online gambling and permit-licensed sports betting. However, controversy still surrounds the hefty 35 percent tax rate and other associated fees.¹⁸

Rhode Island: At the end of June, Rhode Island became the third state to legalize sports betting in the

¹³ Rodenberg, R. (2018, June 11). How close is my state to legalizing sports betting? Retrieved June 11 2018 from http://www.espn.com/chalk/story/_/id/22516292/gambling-ranking-every-us-state-current-position-legalizing-sports-betting

¹⁴ Gambling Sites.Org. (2018). Fantasy Sports Betting: Fantasy Beginners Guide [Online Gambling Resource]. Retrieved June 11, 2018, from <https://www.gamblingsites.org/sports-betting/beginners-guide/fantasy/> (last visited July 2, 2018)

¹⁵ Sports betting legislation tracker in the United States of America. (2018). Retrieved June 12, 2018, from <https://sportshandle.com/legal-betting-legislation-tracker/> (last visited July 03, 2018)

¹⁶ Pender, G. (2018, May 14). Will Mississippi have Sports Wagering in Casinos by Football Season? Don’t bet against it. *Clarion Ledger*. Retrieved June 7, 2018 from <https://www.clarionledger.com/story/opinion/columnists/2018/04/29/mississippi-sports-betting/557795002/> (last visited July 3, 2018)

¹⁷ State of New Jersey (n.d) *Governor Phil Murphy*. “Governor Murphy Signs Sports Betting Legislation”. Retrieved July 5, 2018 from http://www.state.nj.us/governor/news/news/562018/approved/20180611b_sportsBetting.shtml

¹⁸ Sports betting legislation tracker in the United States of America. (2018). Retrieved June 12, 2018 from <https://sportshandle.com/legal-betting-legislation-tracker/> (last visited July 02, 2018)



post-PASPA era. The legalization was included in the budget bill, with analysts estimating \$23 million in tax revenues in the 2019 fiscal year. Rhode Island only permits land-based betting in two casinos and does not permit mobile sports betting. Activity will begin in October of 2018.¹⁹

West Virginia: In March, West Virginia legalized sports betting at its five casinos/racetracks and authorized mobile sports betting pending the outcome of *Murphy v. NCAA*. The West Virginia Lottery Sports Wagering Act added an applicable tax rate of ten percent. Governor Jim Justice has worked closely with the Sports Leagues to make them licensed operators and to negotiate with them for integrity fees, a fee that sports betting operators would have to pay sports leagues.²⁰

Federal Legislation

At the federal level, there have been two pieces of legislation, predating the Supreme Court ruling, which sought to repeal PASPA. H.R. 783, “Sports Gaming Opportunity Act of 2017”²¹, and H.R. 4530, the “Gaming Accountability and Modernization Enhancement Act of 2017” (GAME Act), were introduced by Representatives LoBiondo (R-NJ) and Pallone (D-NJ), respectively. The GAME Act, in particular, laid out a number of consumer protections as precursors for state-level authorization of sports betting. However, the GAME Act was not prescriptive about how states should implement the recommended consumer protections.²²

Sports Betting Market Size Based on Illegal Sports Betting pre-Murphy v. NCAA

What is the illegal sports betting economy?

Despite most states’ prohibition against sports betting and the enactment of PASPA sixteen years ago, a

¹⁹ Morrison, K. (June 26, 2018) *World Casino Directory*. “Sports betting legalized in Rhode Island” Retrieved July 5, 2018 from <https://news.worldcasinodirectory.com/sports-betting-legalized-in-rhode-island-56479> (last visited July 03, 2018)

²⁰ Smiley, B. (2018, May 10). What Just Happened at This West Virginia Sports Betting Meeting? *Sports Handle*. Retrieved June 11, 2018 from <https://sportshandle.com/wv-sports-betting-meeting-jim-justice-leagues-lawmakers/> (last visited July 03, 2018)

²¹ Representative Pallone (D-NJ) was also a co-sponsor of the Sports Gaming Opportunity Act of 2017, (H.R. 783). Sports Gaming Opportunity Act of 2017, H.R. 783, 115th Cong. (2017). Retrieved July 5, 2018 from <https://www.congress.gov/115/bills/hr783/BILLS-115hr783ih.pdf> (last visited July 01, 2018)

²² Gaming Accountability and Modernization Enhancement Act of 2017, H.R. 4530, 115th Cong. (2017). Retrieved July 5, 2018 from <https://www.congress.gov/115/bills/hr4530/BILLS-115hr4530ih.pdf> (last visited July 01, 2018)



thriving black market for sports betting has developed and grown to incorporate online sports betting and interactive gaming elements. The American Gaming Association estimates that every year, \$150 billion is bet on sports illegally. Fans place a total of \$4.6 billion on Super Bowl bets — 97% of which are black market bets.²³ These bettors are sports fans who have no shield from fraud, no guarantee of data security or privacy and no recourse in the case of a dispute, these are all protections that would afford them a legal, well-regulated market.

Policymakers should be targeting existing black market sports betting with an eye toward shifting demand toward the regulated market. As sports betting laws proliferate through the states, consumers will face competitive gaming options from black market operators. These operators already offer seamless mobile sports betting products but in an environment devoid of even the most basic consumer protections. There is substantial demand for illegal sports betting in the U.S., in large part because it is well-established and widespread. Sports bettors are heavily engaged with black market sports betting operators that offer access to credit betting, convenience and anonymity.

How large is the illegal sports betting market?

Estimates for the size of the illegal sports betting market vary widely. Industry experts point out that the most highly publicized figures fall short in that they tend to describe the size of the market in terms of “handle” (the total amount wagered by all bettors) as opposed to using revenues, which provide a more accurate representation of the business itself. According to gaming industry analysts critical of this practice, the size of the black market for sports in the U.S. is substantial but it is commonly overstated by 2-3x.²⁴

The American Sports Betting Coalition estimates that in 2018, bettors’ wagers will amount to \$56 billion through illegal channels for NFL and college football games alone.²⁵ Bloomberg estimates that

²³ American Sports Betting Coalition. (2017). Sports Betting Questions & Answers. American Sports Betting Coalition. Retrieved from https://static1.squarespace.com/static/5696d0f14bf118aff8f1d23e/t/5a78ee0e4966b21c8c8b482/1517874912595/HLG_ASBC_2_5_FAQ.pdf (last visited June 28, 2018)

²⁴ Grove, C., Krejcik, A., & Bowden, A. (2017). Regulated Sports Betting: Defining The U.S. Opportunity (pp. 1–86). Orange County, CA: Eilers & Krejcik Gaming, LLC. Retrieved from <http://ekgamingllc.com/downloads/regulated-sports-betting-defining-the-u-s-opportunity/> (last visited July 01, 2018)

²⁵ American Sports Betting Coalition, & The American Gaming Association. (2018). About: American Attitudes on Sports Betting Have Changed [Sports Betting Industry Advocacy site]. Retrieved July 5, 2018, from <http://www.sportsbettinginamerica.com/about/> (last visited July 10, 2018)



illegal sports wagers in the U.S. range from \$50 billion to \$150 billion annually.²⁶ Others in the industry suggest that illegal sports bets are closer to \$196 billion if you include gambling with licensed offshore websites and black market, land-based bookmakers.²⁷

Other gaming industry researchers estimate that 14 million Americans bet \$50 - \$60 billion annually through illegal channels which result in a market worth between \$2.5 to \$3 billion in annual revenue.²⁸

What is the size of the offshore market for sports betting?

Black market sports betting takes many different forms, including through casual fora like office pools, through a local bookmaker, or with betting through an online offshore operator. Given the illegality of these transactions, measurement is inherently difficult as there are no formal means of tracking or gathering statistics for illegal gaming. More specifically, the offshore market is especially hard to measure given the emphasis on anonymity.

Global figures drawn from various industry reports provide estimates for the universe of online offshore sports betting.²⁹ The International Centre for Sports Security estimates that in 2014, 80% of global sports betting was transacted illegally. Growth predictions from 2012 estimated that the global illegal online gambling market would grow at an average annual rate of 6.3 percent to \$2.4 billion in 2021-2022. For the sake of comparison, we examined other industrialized countries with more data on the offshore sports betting economy. In the Australian market, an economy a one-fifth the size of the U.S. economy, total offshore sports wagering accounted for about USD \$295 Million in 2014. Using the same parameters, it is reasonable to assume that offshore sports wagering in the U.S. probably

²⁶ Boudway, I., & Clark, G. (2018, May 18). Quicktake: Sports Betting [News site]. Retrieved July 3, 2018, from <https://www.bloomberg.com/quicktake/sports-betting> (last visited July 3, 2018)

²⁷ Glaun, D. (2018, May 18). Illegal sports betting is already big business in Massachusetts, where residents spent estimated \$680 million on offshore gambling in 2016 [Local state news site]. Retrieved July 1, 2018, from https://www.masslive.com/news/index.ssf/2018/05/illegal_sports_betting_already.html (last visited July 02, 2018)

²⁸ Grove, C., Krejciak, A., & Bowden, A. (2017). Regulated Sports Betting: Defining The U.S. Opportunity (pp. 1–86). Orange County, CA: Eilers & Krejciak Gaming, LLC. Retrieved from <http://ekgamingllc.com/downloads/regulated-sports-betting-defining-the-u-s-opportunity/> (last visited July 01, 2018)

²⁹ Known offshore sports betting operators include: Pinnacle Sports, 5 Dimes Casino & Sportsbook, BetOnline, Bovada, BetCRIS and Heritage Sports bookmakers. Graham, V. (2018, January 9). Offshore Betting Via Bitcoin on the Rise [Financial Services Industry Resource Site]. Retrieved July 1, 2018, from <https://www.bna.com/offshore-betting-via-n73014473957/> (last visited July 01, 2018)



exceeds five times Australia's 2014 total of \$295 Million, or roughly \$1.5 billion in 2018.³⁰

What risks do illegal offshore sports betting operators present to consumers?

Consumers assume enormous risks when placing sports wagers with illegal online operators. These consumers suffer because without any regulatory oversight, offshore operators can decide if and when they pay out winnings and they have no obligation to operate in good faith. The New York Times reported about a self-employed Bostonian who, in 2015, was never able to recover the \$3,600 he was owed after placing multiple winning bets. When contacted about the funds owed, the operator refused to engage and quoted U.S. law prohibiting U.S. located persons from opening and maintaining accounts. With no recourse, the consumer was forced to accept that he would never be paid.³¹

Just this past June, the Wall Street Journal reported about a D.C. area internet marketer who lost \$12,000 in winnings from a popular offshore betting site. The company refused to respond to requests for comment and the consumer has absolutely no hope for remedy.³²

CONSUMER PROTECTIONS

Sports Fans Coalition Symposium on Sports Betting Consumer Protections

On June 21st, 2018, in the Moot Court Room of the George Washington University Law School, Sports Fans Coalition and the George Washington Law School hosted a symposium³³ to address consumer protection in the era of legalized sports betting. Moderators Alan Morrison, Professor and Associate Dean of George Washington Law School, and David Goodfriend, Chairman of Sports Fans

³⁰ Australian Wagering Council. (2015). Submission Review of the Impact of Illegal Offshore Wagering (pp. 1–83). Sydney, Australia: Australian Wagering Council. Retrieved from <https://engage.dss.gov.au/wp-content/uploads/2015/12/Australian-Wagering-Council-Submission-final.pdf>

³¹ Bogdanich, W., Glanz, J., & Armendariz, A. (2015, October 15). Cash Drops and Keystrokes: the Dark Reality of Sports Betting and Daily Fantasy Games. *The New York Times*. Retrieved from <https://www.nytimes.com/interactive/2015/10/15/us/sports-betting-daily-fantasy-games-fanduel-draftkings.html>

³² Costa, B., & Kanno-Youngs, Z. (2018, June 26). Your Neighborhood Sports Bookie Isn't Going Anywhere. *The Wall Street Journal*. Retrieved from <https://www.wsj.com/articles/your-neighborhood-sports-bookie-isnt-going-anywhere-1530029329>, (last visited July 01, 2018)

³³ Sports Fans Coalition. (June 21, 2018). Sports Betting Symposium: Determining Fair Consumer Protections for Sports Betting: "GW Law Moot Stream Live Stream" [YouTube video] (hereinafter, *SFC Symposium*). Washington, DC: George Washington Law School. Retrieved from <https://www.youtube.com/watch?v=jM9mvfR-ANY> (last visited July 20, 2018)



Coalition Chairman and an adjunct professor at George Washington and Georgetown law schools, asked questions of panelists with the goal of crafting a “Sports Bettors’ Bill of Rights” based on input and conversation between the following participants:

Panel 1: “What happens now that states may legalize sports betting?”

- **The Hon. Brian Frosh**, Attorney General, State of Maryland
- **Sally Greenberg**, Executive Director, National Consumers League
- **Richard Batchelder**, Partner, Ropes & Gray



Panel 2: “What consumer protections should accompany legislation?”

- **Brianne Doura**, Director of Policy and Communications, Massachusetts Council on Compulsive Gambling
- **Kurt Eggert**, Professor of Law, Chapman University
- **Irene Leech**, President, Virginia Citizens Consumer Council and Professor of Consumer Studies, Virginia Tech.



Panelists addressed a range of issues, primarily around the following questions:

Is sports betting a state or federal issue?

Starting the conversation, the moderators posed the question of whether or not sports betting should be a federal or state issue. In response, Attorney General Frosh said, “I think Congress should set minimum standards for all of the states because we know that people become addicted to gambling.”



He also stated, “I am no longer in the general assembly, and when I was, I . . . opposed gambling. In fact, I was the only person in the Maryland Senate to vote against the daily fantasy sports bill. I think expansion of gambling is a bad thing.”

Sally Greenberg also expressed her support for a federal standard on sports betting:

“ . . . we need a federal baseline. We would hate to see the preemption of state laws, and when I say preemption I am referring to some of the bills that have been introduced in Congress It’s a base of minimum protection and then states can go in, and States Attorneys General can go in and do additional protections as they see fit for their constituents. ”

Conversely, Richard Batchelder explained why allowing states to enact a variety of legalization measures was beneficial but cautioned:

“ . . . states need to be careful that they don’t try to capture a market share and then leave their neighboring state with different regulations that will eclipse whatever they are trying to do in that state to raise revenue We are in the very early stages of this, but when we look back ten years from now, I hope we don’t look back and say, ‘wow, I can’t believe we had those initial regulations they seem so quaint now.’ We should allow consumers to do this responsibly. ”

Later, on the second panel, both Kurt Eggert and Brianne Doura explained that before even discussing whether states or Congress should take the leading role, we should agree that either is preferable to relying solely on industry self-regulation. Eggert said, “I think it has to be the state’s role because there’s nobody else with the power to do that.” Similarly, Doura said, “there needs to be a regulator that’s put in place. People shouldn’t be able to operate without one regulating body. Like a gaming commission, we believe that is where it should start.” Additionally, Doura emphasized:

“If you are going to receive any kind of revenue from sports betting, you should be responsible for funding initiatives to protect the consumers. If the media is going to generate revenue from this, then we should be able to take a cut to protect those who are most vulnerable. ”

What are the most important protections to be concerned about?

When the discussion transitioned to more specific protections, panelists who positioned themselves across the spectrum agreed that the most important aspects of consumer protections in this new space



were integrity and transparency. Batchelder harkened back to the 1919 Black Sox scandal,

“By knowing how much is being bet and who is betting there can be oversight and integrity. If you allow it to stay in the underworld, there will be the same problems like what happened with the Black Sox in 1919.”

However, while the panelists agreed that integrity and transparency were necessary, some felt that the light-touch approach was insufficient. Greenberg listed several additional concerns:

“... Fraud protection against phony online betting sites, so that we can monitor and shut these down. State of the art, prevention and detection software should be deployed and it will need to be continually updated. This needs to be in place in order to prevent . . . fraud . . . which by the way is very hard to regulate now. The magnitude will grow and then it will continually be hard to regulate.”

As another way of fighting fraud, Greenberg recommended that bettors should have recourse through a private right of action against bad actors.³⁴

It is important to differentiate between the panelists’ use of “integrity” and the major sports leagues’ use of “integrity.” The word has been associated with a fee that the league would collect from sports betting operators in order to fund activities to guard against the distortion of outcomes due to lucrative bet payouts. Eggert expanded:

“the leagues are proposing ‘integrity fees,’ which is the leagues saying they want a cut on the gambling industry. Then, the players are going to want a cut . . . I disagree with this ‘integrity’ because I think this will cause the leagues to have an interest in the amount of handle. They won’t care so much who wins or loses, but they will care about how much is bet total on a game because it would bring them more money.”

Batchelder explained why transparency is so important for the sports betting marketplace:

“Shining more light on this is better than keeping it in the darkness. [With transparency about odds and other key disclosures] people can feel like they are playing a fair game and that they are being protected.”

³⁴ Full quote from Sally Greenberg, Executive Director, National Consumers League: “Bettors should have a private right of action to bring cases when they suspect online sports betting sites of wrongdoing... If a company is not using state of the art fraud protection, for example, consumers should have access to a private right of action as well as for other violations we know companies engage in.” (*SFC Symposium*, June 21, 2018)

Should credit extensions be permitted?

Another considerable concern for many of the panelists were credit offerings for gambling. Attorney General Frosh said:

“We know that when people become addicted to gambling, and it’s really hard not to do, they will bet more than they can afford, and if they have access to immediate sources of cash or credit, they’ll go longer than they should have gone and they’ll lose more money.”

Greenberg continued, “borrow-here-play-here arrangements should be banned, that just feeds the gambling addiction.” Irene Leech concurred, adding that “we need to try to avoid bringing credit into this situation.” She went on to explain how cash can still be dangerous when ATMs are present near a casino. Leech explained, “when you go to an ATM, there is no real way to know what people are using the money for. We’ve got a real problem there.” Batchelder also agreed that credit behavior differs from debit and cash behaviors, but said that automatic payments should still exist because people “just don’t carry cash.”³⁵

Should the bettor hold some responsibility through self-exclusion?

Doura explained a program that her organization helped establish in Massachusetts: “PlayMyWay, which is this infrastructure built into all of the games. It’s an embedded budget-limiting tool, so this allows people to manage their bets by setting a limit, notifying them when they get close to that limit over time.” Eggert, however, believed that harm minimization should not stop at self-exclusion.

“I think we could go a lot further because a lot of harm minimization techniques involve changing the game itself. A good example is pop-ups that pop up while you’re playing, especially ones that cause you to self-reflect like, ‘You have been playing this game for 2 hours, and you’ve spent more than you normally spend. Do you think this is a good idea?’ Having that pop-up can cause you to reflect. It’s not taking away your time. It’s not telling you what to do.”

Eggert went on to add, “giving people the power to regulate themselves, that’s what we are talking about it.”

³⁵ Full quote from Richard Batchelder, Partner, Ropes&Gray: “I agree that a debit card can be used very differently from a credit card because you are not borrowing money. But people don’t carry cash anymore so there has to be a system whereby people can have some sort of automatic pay because people just don’t carry cash.” (*SFC Symposium*, June 21, 2018)



How should regulators and other stakeholders handle the issue of privacy and data protection?

Top of mind for many consumer advocates is data privacy and protection. This is especially important for sports betting protections. As Greenberg explained:

“...we need privacy and data security safeguards because every single day there are millions of attempts to get into our data and breach our data and that will be a new playground for fraudsters.”

Later Greenberg stated that transaction processing companies like PayPal could play an important role to protect sports bettors from fraud.

“I absolutely believe there is a role for PayPal and other players in [the fintech] industry because [PayPal and other fintech platforms are] fraud experts and . . . continue to improve on . . . technology to ensure that fraud is kept to a minimum.”

Batchelder supported Greenberg’s sentiment by adding,

“One of the advantages of Paypal is that for certain transactions, Paypal will refund the money if it is found that a user was a victim of fraud. There are a lot of entrants in the market like Paypal.”

Echoing Greenberg on the second panel, Leech posed the question, “in a country that hasn’t done much with privacy compared to the rest of the world, what will happen to this information?”

What about age limits?

Multiple state legislatures currently are debating how to approach age limits for sports betting. While all the panelists agreed there should an age limit, there was no consensus on whether the age should be 18 or 21. Doura explained why a higher age limit is important:

“The age is 21 right now to go into Massachusetts casinos and 18 for the lottery. But, I think this doesn’t need to be a sports betting vs. casino gambling discussion. Right now, we know that youths who start gambling are more likely to develop a gambling disorder. And, if we are gambling in colleges, are we exposing our youth to gambling too soon? Maybe their brains aren’t mature enough to handle it? Could this legitimately lead to having more individuals with a gambling disorder?”



Leech, citing her experience with college athletes, also agreed the age should be 21 to keep sports betting out of colleges. She said:

“Let’s just keep gambling out of college. In my role as a faculty member, I am on the university athletic committee, and there are enough issues around paying the players because of the money they get back and the cost of attendance, there are a whole lot of things there that we haven’t gotten resolved. When you start talking about 18 and 20-year-olds I just don’t think its a place where the gambling ought to occur.”

Eggert concurred by saying, “I have concerns about people going to college and then wanting to bet on the team while they’re in college, and having gambling organizations profit from this.”

However, on the earlier panel, Batchelder offered a different opinion.

“Speaking as of a father of two college-aged students who enjoy sports and who I am sure would like to place a bet on sports, they both have gone online to buy stocks and there are new apps now where you can buy a single share of stocks without paying fees and they could do that and they could also join the military, they can vote for the President of the United States and in Massachusetts they can buy a lottery scratch ticket. And in a lot of states, the proposed legislation is so that couldn’t place a \$10 wager on a Celtics game.”

What kinds of protections should be in place to support problem gamblers and addicts?

The biggest threat that sports betting poses is addiction. Every panelist expressed concerns about exacerbating problem gambling. “We need to have a framework that protects people who are vulnerable, prevents the kind of addiction that can come along with this but recognize that this is what people want and people should be able to do this if they want to, with their own money,” said Batchelder. Similarly, Eggert added, “...we need to set up systems that help people not become problem gamblers, and also help problem gamblers control their gambling to the extent they can, and also to provide medical and other help for people who already are problem gamblers.”

It was Doura who, citing the law in her home state, emphasized how states can and should care for problem gamblers and addicts.



“Massachusetts has proven the system can work. In the 2011 Expanded Gaming Act- the state put in a revenue stream from the gaming revenues for the public health trust fund which goes towards harm minimization, the treatment of problem gambling to mitigate harm.”

Symposium Takeaways

Given the urgency of sports betting legalization in the states, partly due to the potential for revenue generation, there has been less discussion on consumer-related issues. Legal, state-sanctioned operators may soon face stiff competition from illegal sports betting operators who provide technologically advanced offerings and are already well known to consumers. State-sanctioned systems can compete with black market operators by enacting sensible consumer protections like meaningful disclosure of odds and other key information about the games; offering data security and privacy; providing support for problem gamblers; and offering bettors recourse in disputes with operators.

There was a range of opinion from the panelists on what protections are necessary or appropriate for sports bettors. However, what was clear to Sports Fans Coalition was the need for proposed guidelines for sports betting legislation — The Sports Bettors’ Bill of Rights. The Bill of Rights includes five protections that SFC believes should be included in all sports betting legislation. These rights grant fans the ability to make safe, informed, and fair bets on games and player performance.

Sports Fans Coalition’s Sports Bettors’ Bill of Rights, which are explained in the next section, should not be interpreted as reflecting the views of each panelist, and some panelists may disagree with SFC’s proposals.



SPORTS BETTORS' BILL OF RIGHTS

1. The Right to Integrity and Transparency

First and foremost, the sports betting market is only as good as the consumer's faith in the operators, affiliates, and regulators.³⁶ Transparency in the marketplace will be the number one incentive for consumers to abandon their existing black market bets in exchange for legitimate ones. Therefore, bettors must have total, and equal, access to the necessary information for bet-making, and knowledge that the operator is fair. This information includes:

- The handle of the bet
- The odds and pertinent information used to calculate those odds
- Payout amounts and schedule of payouts
- Systems for reporting suspicions of fraud, such as internal reporting protocols and available legal actions
- Prohibition of athletes and team affiliates, including employees, from betting on games, leagues, or sports in which they participate
- License holders for the operator
- Contact information
- Resources for problem gambling, expressed in a clear and easily accessible manner.

2. The Right to Data Privacy and Security

Data privacy is top-of-mind for most consumers. In an industry like sports betting where there are high volume, high-frequency financial transactions based on data, the potential threat is significant and data privacy and security is even more of an issue. Operators need to have the capacity to ensure that their consumer's data is secure and protected to prevent bad actors from using betting and financial information to harm consumers. Data security is another protection that the current black market does

³⁶ The right to the integrity of game play should not be confused with the NFL, NBA, NHL, or MLB's (hereafter referred to as "the Leagues") interest in "integrity fees," which the Leagues argue is necessary to maintain integrity of the games from distortions such as point-shaving or throwing a game. Such fees likely create an incentive for Leagues to earn more revenue from sports betting, rather than to protect fans. Integrity of games has been and should remain the role of sports leagues, regardless of whether or not they collect an integrity fee. The Leagues have failed to show evidence to support how integrity fees will improve betting activities. Instead, integrity fees will only serve the financial interests of the Leagues and will incentivize actions that may pose additional harms to the fans.



not provide, thus incentivizing consumers to utilize the legal sports betting platforms.

3. The Right to Self-Exclude

Self-exclusion is a proven system that protects bettors today. Notably, it is a pillar of the Massachusetts regulations on Daily Fantasy Sports.³⁷ Self-exclusion refers to systems employed within the gaming ecosystem that allow consumers to preemptively limit bet sizes, frequencies, types of advertisements, and other related behavior. It is also important that self-exclusion systems give the bettor the ability to exclude him- or herself from credit extension offerings. These protocols ensure that the gambler can only bet what he or she is comfortable with and will help to prevent him or her from getting caught up in the moment. Giving the fan the power to regulate themselves is paramount in any consumer protection legislation.

4. The Right to Protection of the Vulnerable

Children and youth should not be able to place bets. Children and youth are some of the most vulnerable citizens when it comes to sports betting. As such, sports betting operators should be required to deploy commercially best efforts to verify the age of the account holder and block access by anyone below that state's minimum age for sports gambling.

Second, all sports bettors should have easy access, through their preferred operator, to resources about addiction warning signs and treatment. Sports betting operators should be proactive in preventing their at-risk customers from becoming problem gamblers. They can do so by implementing responsible gaming programs, training, and other practices to help sports bettors play responsibly.

5. The Right to Recourse

The history of sports betting includes well-known cases of fraud and numerous bad actors. Fraudsters may try to participate in the newly legalized sports betting marketplace. After establishing clear standards of conduct for operators and the prominent, ongoing disclosure to consumers of those

³⁷ Office of Attorney General Maura Healy. Daily fantasy sports contest operators in Massachusetts, 940 CMR§ 34.00 et seq. (2016). Retrieved from <https://www.mass.gov/files/documents/2017/09/13/940cmr34.pdf> (last visited July 05, 2018)



standards, policymakers should ensure that consumers have recourse if a transaction goes awry. Whether through an internal complaint process, or filing complaints with a government agency, such recourse is essential to establish the credibility of legalized sports betting and to maintain consumer trust. If fraud occurs or an operator tries to avoid or delay financial obligations, the bettor should be able to take legal action and receive remuneration. Sports bettors should not have to give up their right to seek relief in court, and sports betting operators should have a clear, expeditious protocol to address concerns raised by bettors.

CONCLUSION

It is only a matter of time before more states legalize sports betting. The potential revenue states could earn from taxing authorized sports betting is significant but dependent on incentivizing consumers to leave the black market and participate in legalized sports betting. States can and should protect consumers while seeking to enhance state revenues. Sports Fans Coalition's proposed "Sports Bettors' Bill of Rights" articulates five guiding principles for sports betting legislation; not hindrances to business, but incentives that will grant legitimacy to a brand new marketplace, protect consumers, and protect the games we love.





Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Sun, Sep 26, 2021 at 1:03 PM

To: sports.wagering@maryland.gov

From: Romario Wilkins <concernedMDbettor@protonmail.com> (Individual Consumers | None)

Chapter:
36.10.14 – Requirements and Limitations

Comment:
To whom it may concern,

This is pertaining to Subtitle 10 SPORTS WAGERING PROVISIONS, Chapter 14 Sports Wagering Requirements and Limitations
Authority: State Government Article, §§9-1E-01 - 9-1E-15, Annotated Code of Maryland. 01 Authorized Wagers:

“C. Wager Limits.

The maximum wager that may be accepted by any sports wagering licensee from a patron on any one sporting event shall be limited to \$5,000,000.”

In the current American sports betting landscape, much of the focus on state regulation has focused, rightfully so, on creating a well-monitored and compliant environment for the business and taxation of sports betting. Much of this has centered around multibillion-dollar companies creating sportsbooks and casinos. In lobbying efforts, public commentary, and rulemaking, unfortunately the perspective of an individual bettor is sometimes lost.

I am an avid sports bettor and have been successful in this endeavor over the past year. I am also a law-abiding, tax-paying, and terms-of-service abiding citizen. Unfortunately, since the first regulated sportsbook took my bets about one year ago, my ability to wager has since been restricted both in terms of amount and website functionality at most licensed American sportsbooks.

While this is an unfortunate but expected industry practice for the corporations running these sportsbooks, I wanted to officially bring this to your attention as Maryland crafts its rules and regulations concerning sports wagering and licensure. Restrictions for terms-of-service abiding bettors have come in the form of maximum “to win” amounts, longer timers for bets to be placed (relative to other bettors), and the inability to place multiple bets on the same market (regardless of the original size of the wager, time elapsed between bets, or if the market price/odds changed).

I do not expect a rule preventing the limitation of maximum wagers to be implemented. At the end of the day, each company is looking at their bottom line and ultimately has a right to perform risk management and limit the maximum “to win” amount of an individual bettor. Increasing bet timers for some bettors and not others does, however, create a material disadvantage for one player versus another in the new world of in-play betting. Just as “bots” are banned due to creating a material advantage for one bettor versus another, this selectively increased bet timer is, in effect, doing the opposite. Furthermore, a similarly disadvantageous situation can occur if one person is selectively limited from making a second bet on the same market even if the first wager was below the maximum and even if the second wager was placed hours, days, or weeks after the first bet or after the market price/odds changed. While the raw “to win” amount will inevitably but unfortunately differ from bettor to bettor, the functionality of the website and betting interface should remain uniform.

These limitations, in effect, then create a predatory betting market built on the dichotomy of companies spending millions in tax-deductible money luring “whales” (large volume unsophisticated bettors) as well as smaller customers (i.e. every ad during any sports broadcast), but at the same time severely restricting any bettor who is capable of winning fair-and-square after less than a year and oftentimes less than month. This dichotomy creates a world in which potential winners are weeded out and chronic losers are not only allowed to bet without restriction but are also embraced and further enticed to bet more and more. This is not an environment fostering “responsible gaming.” It likely is doing the exact opposite. When I first started, sportsbooks gave me VIP status, free bets, a VIP host, daily/weekly promotions, re-deposit or “reload” bonuses, and other items to lure me to their site. When I went to deposit back into their sportsbooks, I was presented with higher and higher default amounts to re-deposit. Nevertheless, each sportsbook’s risk management team then decided to make an abrupt change and limit my ability to wager and use the site just like every other bettor. This restriction was sometimes placed after only one week at a site or after winning a relatively nominal amount. In the end, while I was cut off, the near-infinite spout of media money and tax-deductible promotions continue to be given to losing bettors. Again, this is not an environment fostering “responsible gaming.” Companies, legislators, and regulators clamor about protecting consumers, but this is the current American sports betting environment.

Nevertheless, as I stated before, sportsbooks are companies with bottom lines. Basic “to win” betting restrictions are inevitable. Then,

how do we protect the individual bettor?

First, regulators must realize that the individual bettor is worth protecting not only with regards to gambling addiction but also with regards to basic consumer protections. Bettors are just as much a consumer in this market as any other type of industry whether its investing in stocks or buying a car. Preventing disadvantageous changes to website functionality for individual bettors is an example of a reasonable consumer protection.

Second, regulators must focus on competition. I want to congratulate the Maryland legislature on creating a model allowing for up to 60 mobile/online sportsbooks. As we all know, most wagering occurs online in states offering both in-person and online betting. The strict number of available online licenses, while primarily established to help improve inclusion of minority and female-owned businesses, also has an additional effect for consumers/bettors in providing a highly competitive betting environment that allows for better prices and better user experiences across the board. As such, please consider how sportsbooks run their operation with respect to betting restrictions when making decisions on licensure. A few regulated sportsbooks, for example, such as Circa Sports (Colorado, Nevada, and Iowa), have publicly posted maximum wagers that apply to all customers, whereas others are more reasonable in their approaches to risk management. Ultimately, more sportsbooks foster more competition and will allow bettors like myself to continue to wager and earn a part of our living. If companies in this industry have decided to aggressively restrict terms-of-service abiding bettors, then at the very least give Maryland citizens the ability to choose sportsbooks that do not practice this type of predatory bookmaking model.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.10 – Voluntary Exclusion Program

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:41 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.10 – Voluntary Exclusion Program

Comment:
There does not appear to be an option for online licensees to notify the Agency if a person has self-excluded. We recommend a requirement that all licensees must inform the Agency of self-exclusion.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:39 PM

To: sports.wagering@maryland.gov

From: Deborah Haskins PhD <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:
36.10.13.01(C) allows for a maximum wager of \$5,000,000 on any one sporting event. While MCPG understand licensees can choose a lower wager limit, the 5,000,000 far exceeds typical wagering across the country and would like to see significant lowered bets. MCPG recommends lowering the maximum wager to 100,000 or less.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:37 PM

To: sports.wagering@maryland.gov

From: Deborah Haskins PhD <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:

36.10.18.05 cross-referenced with 36.10.13.28 allow for use of a credit card to fund a bettor account for sports wagering. Easy access to credit payments could encourage consumers to gamble beyond their limits in the gambling moment. The MCPG agrees with funding these accounts through a debit card, electronic bank transfer, winnings, promotions, and prepaid cards and recommend removing credit cards as a payment option.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:35 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:

36.10.10.03 requires sports wagering licensees to post signage and this provision would benefit from more direction as to the font, size, and contrasting background. similar to the dimensions of a plaque laid out in 36.05.02.09(C). These types of requirements are common in a variety of public health regulations (see COMAR 15.06.04.07) and COMAR 10.15.02.14.

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Bally's Comments on Draft Sports Wagering Regulations

1 message

Elizabeth Suever <ESuever@ballys.com>

Fri, Sep 24, 2021 at 3:42 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: "jbutler@maryland.gov" <jbutler@maryland.gov>, Steve Wise <swise@smwpa.com>

Good afternoon,

Attached please find Bally's Corporation's comments on Maryland's Draft Sports Wagering Regulations.

Please do not hesitate to reach out to me or Steve Wise with any questions.

Thank you,

Elizabeth

Elizabeth Suever

Vice President, Government Relations | Bally's Corporation

100 Westminister Street, Suite 1002 | Providence, RI 02903

W: <https://Ballys.com>

t: 401-475-8574 | c: 401-222-0234



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Bally's Sports Wagering Regulation Comments.pdf

210K



DATE: September 24, 2021

TO: Maryland State Lottery & Gaming Control Agency
sports.wagering@maryland.gov

CC: James Butler, Managing Director, Organizational Compliance
(jbutler@maryland.gov)

FROM: Elizabeth Suever, VP Government Relations, Bally's Corporation

RE: Proposed Sports Wagering Regulations

On behalf of Bally's Corporation, I am writing to provide comments on Maryland's proposed sports wagering regulations as published in the Maryland Register on August 27, 2021. We appreciate the opportunity to provide written comments to Maryland's proposed sports wagering regulations and will be happy to be of assistance in any way during the remainder of this process.

Section 36.10.13 Sports Wagering License Minimum Internal Control Standards, .39 Promotional Play, (F) Limitation on Free Promotional Play creates a limit after the first year an operator offers sports betting in Maryland. By way of example if a sports wagering operator has year over year growth of 25%, the operator would be allowed approximately 1% increase of promotional spend until reaching a limit based on the year over year growth of the previous year. Since Maryland includes winnings in the definition of "proceeds" it is expected that proceeds will fluctuate significantly due to the nature of the sports wagering market. Furthermore, at the beginning stages most promotional funds are attributed to signup offers as sports wagering operators are operating in growth mode. Based on market growth, the limitation on free promotional play can hinder sports wagering operator growth if an operator does not have explosive first year allowing for increased free promotional play in the following years.

With regard to section 36.10.14 Sports Wagering Requirements and Limitations, .01 Authorized Wagers, (C) Verifiable Outcome, we are concerned that the language does not allow for the use of additional data sources such as news outlets. In addition, this section could require the use of official data for not only for statistics and results but also for outcomes and grading. This requirement could result in significant cost increases for data for sports wagering operators. We would suggest allowing sports wagering operators to obtain data from additional sources to allow for a competitive market for data.

Thank you for your consideration of our comments on the proposed sports wagering regulations. Please feel free to reach out to either our lobbyist, Steve Wise, or to me directly with any questions you may have.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.10 – Voluntary Exclusion Program

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:32 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.10 – Voluntary Exclusion Program

Comment:
The regulation 36.10.10.01(B) does not include sports wagering. We recommend adding 36.10.11 to the citation.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:27 PM

To: sports.wagering@maryland.gov

From: Deborah Haskins PhD <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:
Would like there to be funding provided for community nonprofit agencies who are doing gambling wellness recovery and advocacy at the grassroots community level.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:24 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:
.04 Loss Limits
This is very vague to me. What will be the loss limits?

--

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:23 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:
.24 Checks Accepted from a Bettor
Add do not cash advance checks.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:22 PM

To: sports.wagering@maryland.gov

From: Deborah Haskins PhD <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Vendor)

Chapter:
36.10.01 – General

Comment:

36.10.10.02 Placement of responsible gambling awareness information be displayed prominently throughout the facilitie/venue and have font size that is enlarged enough for customers to see. Include 1-800 GAMBLER helpline be visibly displayed throughout venue including bathrooms, and eating parts of venue

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Sports Wagering Comment | 36.10.10 – Voluntary Exclusion Program

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:19 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Brick-and-mortar)

Chapter:
36.10.10 – Voluntary Exclusion Program

Comment:
Would like added that there be a non-criminal option when a person violates. Would like non-criminal options such as mandated gambling disorders treatment, peer recovery, restitution and community service.

That people be referred to the 1-800 Helpline to get state supported services.

Include the Maryland Council on Problem Gambling and the MD Center of Excellence Peer Recovery Staff members to provide advocacy support when a violation has occurred.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.05 – Mobile Licenses

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 3:16 PM

To: sports.wagering@maryland.gov

From: Dr. Deborah G. Haskins <dghmosaic@gmail.com> (Maryland Council on Problem Gambling | Brick-and-mortar)

Chapter:
36.10.05 – Mobile Licenses

Comment:
Minority Business Participation Goals Requirements are good

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 1:59 PM

To: sports.wagering@maryland.gov

From: Xavier Malone <Xavier.Malone@kambi.com> (Kambi | Contractor)

Chapter:
36.10.01 – General

Comment:
Please see attached Pdf

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Maryland-Regulations-Kambi-Comments.pdf

343K

Comments for Maryland Sports Wagering Regulations

Regulation	Comments on Regulations	Proposed Amendments
36.10.01 .02 Definitions. (73)	Seeking clarification “Sports wagering contractor – Tier 2” or “Tier 2 contractor” definition – - Does this include data feed providers?	N/A
36.10.01 .02 Definitions (75)	“Sports wagering employee” or “wagering employee” definition subparagraph (a)(a). (a)(a) is very broadly defined and would capture Kambi employees that perform minor operational roles outside of the USA. Limiting paragraph (a)(a) to those who directly involved in the control helps capture the relevant individuals and is language used in other states such as Arizona.	(75) “Sports wagering employee” or “wagering employee” means an individual who: (a) Is or is seeking to be employed by an applicant for or holder of a sports wagering licensee, who is directly involved in the control of whose duties relate, or may relate to the operation of a sports wagering facility or sports wagering, and who performs or supervises or may perform or supervise the performance of: (a) Operating, servicing, or maintaining sports wagering equipment or associated equipment or software;
36.10.06 0.1 Scope B.	Seeking clarification Please clarify the circumstances that this section would apply.	N/A

36.10.13 .01 Accounting Records E. (2)	<p>Please provide a definition of “Handle” under (a) as handle differs depending on the state regulation, for example:</p> <p>“Handle” means the value of all wagers taken during a reporting day.</p> <p>Payout is defined as “total payout due on a winning wager”. Please confirm that this excludes tickets voided and cancelled from the payout.</p>	N/A
36.10.13 .03 Content of Internal Controls A.	The requirement for licensees to submit for approval any changes to internal controls 60 days’ in advance is excessive.	<p>A. At least 60 days prior to commencing sports wagering and any time a change is made thereafter, a sports wagering licensee shall submit to the Commission for approval internal controls for:</p> <p>(1) Sports wagering at the sports wagering licensee’s facility; or</p> <p>(2) Online sports wagering.</p>
36.10.13 .03 Content of Internal Controls B. (6)	Remove the requirement under (6). Subsection (5) provides for an organisational chart for the employees. Description of duties and responsibilities of each position is excessive.	<p>(5) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering;</p> <p>(6) A description of the duties and responsibilities of each position shown on the organizational chart;</p> <p>(7) Access controls which address, at a minimum:</p> <p>...</p>

36.10.13 .15 Surveillance System Design Standards for Mobile Sports Wagering Licenses	<p>Seeking clarification</p> <p>Surveillance requirements are extensive and very specific. We have not seen similar regulations in other states. Seeking clarification regarding the intention of this regulation.</p>	N/A
36.10.13 .30 Sports Wagering Ticket B.	<p>Reference to “date of sporting event” is vague and issues arise for offerings on season-based bets which are not related to a specific event, but rather a group of events. Amend to “date of settlement” to provide greater certainty, so that the provision reads:</p>	<p>B. A sports wagering licensee shall issue a sports wagering ticket which expires 182 days after the date of settlement the sporting event.</p>
36.10.13 .30 Sports Wagering Ticket F. (g)	<p>Recommend removing the requirement for the physical ticket to have an anticounterfeiting measure imprinted on the ticket. This requirement is unusual and not seen in other State regulations. The resources expended to implement this feature for operators would outweigh the benefits.</p> <p>If this regulation remains, please confirm whether a QR code generated on the ticket would satisfy as an “anticounterfeiting measure”. The QR code contains a large random number that can only be generated by the Kambi system.</p>	N/A



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Comment Letter to Maryland's draft Sports Wagering Regulations

1 message

cschroder@markertrax.com <cschroder@markertrax.com>

Fri, Sep 24, 2021 at 10:21 AM

To: sports.wagering@maryland.gov

Cc: Gary Larkin <gl@markertrax.com>, "Fabius, Michael D." <FabiusM@ballardspahr.com>

Greetings:

Attached is a comment letter from Marker Trax, LLC in response to Maryland's draft Sports Wagering Regulations. Thank you for your consideration.

Regards,

Christian Schroder

Christian Schroder

Marker Trax, LLC

cschroder@markertrax.com

817.681.4364



09242021 Comment letter - Maryland Draft Sports Gaming Regulations COMAR 36.01 et seq.pdf
2877K



MARKER TRAX™

4100 W Flamingo Road, Suite 2800, Las Vegas Nevada 89103

September 24, 2021

VIA ELECTRONIC MAIL

James B. Butler, Managing Director, Organizational Compliance
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 330
Baltimore, MD 21230
sports.wagering@maryland.gov

Re: Public Comment on Regulations COMAR 36.10.01 through 36.10.18

Dear Director Butler,

Marker Trax, LLC respectfully submits the following comment letter to the Maryland Lottery and Gaming Control Agency (the "MLGCA") in connection with the MLGCA's proposed sports wagering regulations (COMAR 36.10.01 through 36.10.18). This comment letter is intended to specifically address and propose changes to COMAR 36.10.14.05C.

Marker Trax, LLC supports the MLGCA's efforts to require sports wagering licensees to have procedures and safeguards to promote responsible gaming. Such procedures and safeguards can and should ensure that measures are in place to protect against the excessive extension of credit to players for the purpose of gaming. COMAR 36.03.10.24 and COMAR 36.03.10.25 already impose a number of requirements and limitations on the extension of credit (in the form of a counter check) for the purpose of gaming in a retail gaming environment.

Notably, the MLGCA's proposed regulations (specifically, COMAR 36.10.13.28B) permit the use of a credit card to fund a sports wagering account but prohibit sports wagering licensees from extending credit directly to players (COMAR 36.10.14.05C). Marker Trax, LLC proposes in this comment letter that sports wagering licensees be permitted to extend credit for a player to fund a sports wagering account subject to the caveat that the extension of credit be subject to the extensive requirements and limitations already required and authorized under COMAR 36.03.10.24 and COMAR 36.03.10.25.

Under COMAR 36.03.10.24 and COMAR 36.03.10.25, a facility operator may extend credit to a player who submits a credit application in writing. During the application process, the facility operator, *inter alia*, must:

- Verify the player's residential address (.25C) and all other information on the player's credit application (.25A);
- Verify the player's current gaming related credit limits and outstanding balances (.25D);
- Verify the players outstanding indebtedness (.25E);
- Verify the players personal checking account information (.25F); and
- Re-verify all of such information upon a subsequent change in the authorized credit limit (.24L).

In addition, a facility operator must implement measures to prevent any player's counter check balance from exceeding the player's authorized limit (.24C(4)) and to suspend a player's counter check privileges upon receipt of a returned check, derogatory credit information, or other information that indicates a player's financial position has materially deteriorated (.24P(1)). Upon suspension of any counter check privileges, reinstatement requires another verification process as taken with an initial application (.24PQ).

As gaming operations develop the technology and tools to adapt their retail operations and internal controls to an online environment, the technology presently exists for the credit application and verification process to undertake the same successful transition. Retail and online operators can obtain products like Marker Trax's electronic credit system through which patrons can complete the requisite credit application through an "app" downloaded to their mobile device. An electronic credit system can then verify the player's (i) identity, residential address and the other information in the credit application, (ii) current gaming related credit, (iii) outstanding indebtedness, and (iv) personal checking account information. In fact, the electronic credit system can require that the player link their personal checking account to the player's electronic credit account and authorize electronic counter checks and debits directly through the mobile "app". As part of the same enrollment process, an electronic credit system like Marker Trax's system can conduct a financial capability review, model the player's income and spending data, and review the player's previous gaming behavior, all of which can form the basis for the approval or denial of the credit application (and the establishment of a credit limit) in accordance with pre-established underwriting standards issued by the facility operator or sports wagering licensee. Furthermore, the capabilities of an electronic credit system like Marker Trax's can significantly enhance the effectiveness of a sports wagering licensee's responsible gaming policy.

In contrast, sports wagering licensees have no control on the extension of credit through the use of credit cards to fund a sports wagering account. Most notably, balances on credit cards that remain due after the relevant pay period are subject to significant interest rates outside the control of the MLGCA. According to the Federal Reserve's Consumer Credit Report released on September 8, 2021, the average interest rate for a credit card was 14.61%.¹ Sports wagering licensees would also have no ability to suspend the privilege of using a credit card if a player misses a credit card payment (while e-counter check privileges could be suspended for any missed payment or returned check).

Accordingly, Marker Trax, LLC recommends that COMAR 36.10.14.05C be revised to allow a sports wagering licensee to extend credit in a manner consistent with and incorporating the requirements from, COMAR 36.03.10.24 and COMAR 36.03.10.25.

Following in italics is substitute language for COMAR 36.10.14.05C showing our recommend changes with **proposed additions in bold font** and ~~proposed deletions in strikethrough font~~.

36.10.14.05

* * *

.05 Funding Wagers.

* * *

C. A sports wagering licensee ~~may not~~:

¹ July 2021 Consumer Credit Release Consumer Credit - G.19, Board Of Governors of the Federal Reserve System, accessed on September 20, 2021 (<https://www.federalreserve.gov/releases/g19/current/>)

(1) May extend credit to a registered bettor with a sports wagering account with the sports wagering licensee to enable the registered better to take part in sports wagering subject to a credit application and verification requirements to extend credit by a facility operator as described in COMAR 36.03.10.24 and COMAR 36.03.10.25.; ~~or~~ and

(2) May not allow the deposit of funds into a sports wagering account that are derived from the extension of credit by an affiliate or agent of the sports wagering licensee.

Thank you in advance for your consideration of this comment letter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Schroder', with a stylized flourish at the end.

P. Christian Schroder
General Counsel



Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 10:08 AM

To: sports.wagering@maryland.gov

From: Raleigh L. Burch, Jr <alphabrother_06@yahoo.com> (Maryland Center on Problem Gambling | Mobile)

Chapter:
36.10.01 – General

Comment:

COMAR: [36.10.10.03](#): We would like to see more direction of font, size, and contrasting background for signage promoting the 1-800-GAMBLER helpline. Often times it is written very small so we would like to ensure it is readable to make it easier for problem gamblers to notice where to go for help.

COMAR: [36.10.18.05](#): Currently the proposed regs allow the use of credit cards to fund bettors accounts. The Center would like this changed to use of debit card, electronic bank transfer, winnings, promotions and prepaid cards only. This will help gamblers from accruing large sums of debt on a credit card.

COMAR: [36.10.13.03](#): The draft regs state data systems can be used to track customer data for promotion and security purposes. We would also like to see the data used to track risky betting behaviors such as increased larger bets, increased frequency of bets, and greater losses. This would allow for offering potential problem gamblers the help they need.

COMAR: [36.10.14.01](#): The draft regs state that a bettor can wage up to a maximum of \$5,000,000 on a single sporting event. It would be great to see this amount lowered to protect problem gamblers from impulsively placing a large bet that they can't afford. It is suggested this maximum bet be lowered to \$100,000 or less.

--

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 10:06 AM

To: sports.wagering@maryland.gov

From: RALEIGH BURCH, Jr <alphabrother_06@yahoo.com> (Ubiquity Enterprises Unlimited | Brick-and-mortar)

Chapter:
36.10.01 – General

Comment:

--

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Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 24, 2021 at 9:24 AM

To: sports.wagering@maryland.gov

From: Cynthia Shifler <cas21801@aol.com> (None | Brick-and-mortar)

Chapter:
36.10.01 – General

Comment:

We would like these recommendations to become part of COMAR to ensure that more and more people do not get in trouble by spending all of their dollars on betting and related behaviors. Sports betting is an addiction for many. For that reason, we need to be preventative. Your assistance with this is greatly appreciated.

36.10.10.03: We would like to see more direction of font, size, and contrasting background for signage promoting the 1-800-GAMBLER helpline. Often times it is written very small so we would like to ensure it is readable to make it easier for problem gamblers to notice where to go for help.

COMAR: **36.10.18.05:** Currently the proposed regs allow the use of credit cards to fund bettors accounts. The Center would like this changed to use of debit card, electronic bank transfer, winnings, promotions and prepaid cards only. This will help gamblers from accruing large sums of debt on a credit card.

COMAR: **36.10.13.03:** The draft regs state data systems can be used to track customer data for promotion and security purposes. We would also like to see the data used to track risky betting behaviors such as increased larger bets, increased frequency of bets, and greater losses. This would allow for offering potential problem gamblers the help they need.

COMAR: **36.10.14.01:** The draft regs state that a bettor can wage up to a maximum of \$5,000,000 on a single sporting event. It would be great to see this amount lowered to protect problem gamblers from impulsively placing a large bet that they can't afford. It is suggested this maximum bet be lowered to \$100,000 or less.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.04 – Facility Licenses

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 22, 2021 at 11:05 PM

To: sports.wagering@maryland.gov

From: James Price <james@aphelioncigar.com> (Aphelion Cigar Lounge | Brick-and-mortar)

Chapter:
36.10.04 – Facility Licenses

Comment:
Please accept this statement as you deliberate the regulations that govern how the 30 additional sports wagering licenses will be awarded

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Aphelion-Cigar-Letterhead.docx

43K



September 22, 2021

The Honorable E. Randolph Marriner

Montgomery Park Business Center

Suite #330

1800 Washington Blvd

Baltimore, Md. 21230

Dear Chairman Marriner,

For the record my name is James Price. I am here today with my partner Robert Monroe as the owners of Aphelion Cigar Lounge. We are 100 percent African American owned and located at 2510 Conway Rd in Gambrills, Md. First of all, we thank you for the opportunity to come before the commission to share our thoughts related to the proposed regulations that will govern the selection process for those of us who are seeking to be awarded a sports wagering license in Maryland. We recognize there are hundreds of entities who are interested in obtaining the Class B licenses. However, we feel "Cigar Lounges" are uniquely suited to do well in the sports wagering business. We mention this for several reasons. Most cigar lounges have a customer base that is heavily oriented towards sports. Typically that customer base is adequately serviced with televisions throughout the lounge featuring live sporting events continuously. Additionally, our customer base is a constant, consisting of persons who have been patronizing the business for years and will continue to do so. So we don't have to go out and find customers to place a wager; they are already in our establishment. So similar to the the pro sports stadium license applicants, a license for certain Cigar lounges would be an added entertainment feature for existing patrons who are already oriented towards sports. A significant advantage we have over those operators and and other bricks and mortar establishments who might be seeking the class B licenses, is that Cigar lounges generally do not

2510 Conway Road, Suite 106
Gambrills, Maryland 21054
410.721.1700



attract underage persons or persons who object to sports wagering on moral grounds. In other word, families with children and religious groups. It is for these reasons, we believe Cigar Lounges like ours should be given favorable weight and consideration as you deliberate over the types of entities that should awarded licenses. However, they should be lounges that are a minimum of 3,000 square feet with owners that have been in business for at least seven years

Our recommendation to the commission beyond what we've mentioned, is that you include criteria in the regulations that appropriates weight and value to entities that are owned by minorities. It is not good enough to simply encourage applicants to comply with the goals of Maryland's minority business program. We know from past experiences that if minority ownership and participation is not a condition of licenses being awarded, then minority businesses will be left out of the opportunity. Throughout the legislative process involving HB940, the legislature was very clear about their desire to see minority entities in ownership positions with this new sports wagering opportunity in Maryland. Currently there are 16 entities already guaranteed to receive licenses, if they pay the license fee and pass the background check. They are not minority entities. They are the casinos, stadiums, racetracks and OTB's. They are large white majority owned entities didn't have to compete to be awarded licenses. We understand they are huge economic engines and accordingly need to have licenses because of the fiscal impact and benefit to the state. However, that has left a void. But it has also created an opportunity for the commission to do the socially responsible work of allowing for maximum minority ownership and participation by awarding the 30 remaining class B licenses to entities that have demonstrated minority ownership and participation.

In closing, we know that your task is difficult. We appreciate your service and respectfully ask that you incorporate our suggestions into your final regulations used to award the remaining 30 sports wagering class B licenses.

2510 Conway Road, Suite 106
Gambrills, Maryland 21054
410.721.1700



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.05 – Mobile Licenses

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 22, 2021 at 11:08 AM

To: sports.wagering@maryland.gov

From: HOWARD COHEN <howardcohen@ymail.com> (None | None)

Chapter:
36.10.05 – Mobile Licenses

Comment:
With regard to the awarding of Minority Mobile licenses:
If Minority licensees are authorized to accept wagers a significant time period prior to the other non-minority licensees they would have a much greater opportunity for success and have the ability to negotiate a much better agreement with prospective Operators. This seems to lend itself to the intent of the legislation.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.14 – Requirements and Limitations

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 22, 2021 at 10:08 AM

To: sports.wagering@maryland.gov

From: Stacie Whisonant <info@allbetsgo.com> (allBETs | Mobile)

Chapter:
36.10.14 – Requirements and Limitations

Comment:

We would like to know about the requirements for class B in MD. The regulations say you have to have 25 employees—what exactly do they mean? 25 now or for sports wagering? Also if class b needs to have a separate business like DC does. Also if there is a limited amount of class B licenses available?

--

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Sports Wagering Comment | 36.10.03 – Qualification Requirements

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 22, 2021 at 9:27 AM

To: sports.wagering@maryland.gov

From: Stacie Whisonant <info@allbetsgo.com> (allBETs | Mobile)

Chapter:
36.10.03 – Qualification Requirements

Comment:
Our question is pertaining to the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistant Fund.

Why do small, minority and women owned businesses have to wait until the second round or the Class A licenses are selected? Why are we not able to qualify for assistance at the onset of the license application opening and lessen the barriers to entry?

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.05 – Mobile Licenses

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 22, 2021 at 9:22 AM

To: sports.wagering@maryland.gov

From: Stacie Whisonant <info@allbetsgo.com> (allBETs | Mobile)

Chapter:
36.10.05 – Mobile Licenses

Comment:
Is there any set number of licenses that will be given out per county/area?

--
This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.04 – Facility Licenses

1 message

Apache <msla.microsite@maryland.gov>

Tue, Sep 21, 2021 at 11:08 PM

To: sports.wagering@maryland.gov

From: Dylan McDermott <dmcdermott416@gmail.com> (Little Abners Liquors | Brick-and-mortar)

Chapter:
36.10.04 – Facility Licenses

Comment:
Has there been a finalized application / application process, and a deadline for applications?

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Sports Wagering Comment | 36.10.15 – Facility Standards

1 message

Apache <msla.microsite@maryland.gov>

Tue, Sep 21, 2021 at 11:03 PM

To: sports.wagering@maryland.gov

From: Dylan McDermott <dmcdermott416@gmail.com> (Little Abners Liquors | Brick-and-mortar)

Chapter:
36.10.15 – Facility Standards

Comment:
Related to section .02 "Hours of Operation," would the hours of operation granted to a facility by a sports wagering license "hold rank" over hours of operation allowed to the establishment by county law?

For example, certain Baltimore County liquor stores can't open on Sunday. If granted a sports wagering license, would having the license allow the store to open on Sunday, as to be able to participate in the NFL and other major sports markets biggest game day?

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)

What requirements do I need to meet to be a sportsbook affiliate?

External

Inbox x

Cliff Weybrecht <cliffweybrecht@gmail.com>

to me ▼

Hi,

I'm looking to do affiliate marketing for Sportsbooks. What requirements / licenses will I need to be in good standing to be an affiliate?

Thanks,

Cliff Weybrecht

Where are you from?

Where are you located?

No, we do not.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Tue, Sep 21, 2021 at 2:36 PM

To: sports.wagering@maryland.gov

From: Tony Jones <tjones@delmock.com> (Riverboat on the Potomac | Brick-and-mortar)

Chapter:
36.10.01 – General

Comment:

--

This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)

Comments on Sports Wagering Regulations Submitted by the Maryland Center of Excellence on Problem Gambling

1 message

Inniss, Blair <binniss@law.umaryland.edu>
To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Tue, Sep 21, 2021 at 1:30 PM

The Maryland Center of Excellence on Problem Gambling is pleased to submit the attached comments to the Maryland Lottery and Gaming Control Agency on the proposed sports wagering regulations. Should the Agency have any questions, please feel free to contact Mary Drexler at mdrexler@som.umaryland.edu or 667-214-2121.

Blair Inniss, JD

Government Relations Director

Maryland Center of Excellence on Problem Gambling

University of Maryland, School of Medicine

[250 W. Pratt Street, Suite 1050](#)

[Baltimore MD 21201](#)

[Office: 410-706-5999](#)

binniss@law.umaryland.edu

www.mdproblemgambling.com

HELPLINE: 1-800-GAMBLER

Pronouns: she/her/hers



The Maryland Center of Excellence on Problem Gambling (the Center) is pleased to submit these comments to the Maryland Lottery and Gaming Control Agency (the Agency) on the proposed sports wagering regulations. The Center is a program of the University of Maryland School of Medicine and funded by the Maryland Department of Health, Behavioral Health Administration, to promote healthy and informed choices regarding gambling and problem gambling. Data from the 2017 Prevalence Study showed that 1% of Maryland adults were problem gamblers, approximately 46,688 people. Preliminary data from the current Study suggests that the percentage of Maryland adults experiencing probable pathological gambling or problem gambling has increased since 2017. The burden of gambling problems is not limited to the gambler. A gambling problem can be very harmful to an individual and the ones they love. It can cause financial problems, as well as physical and mental health issues, often placing a burden on the gambler's family, social networks, and the communities they live in. For every problem gambler, it is estimated that six or more other individuals are affected financially, socially, and psychologically. Problem gambling is a public health concern, increasing instances of incarceration, bankruptcies, crime, homelessness, domestic violence, child maltreatment, and more. As an organization focused on public health and problem gambling, we value the problem gambling protections that have been included in the regulations and are providing the following comments as ways to further enhance these protections.

COMAR 36.10.10.01(B) states that "The Commission shall notify sports wagering licensees that an individual has been placed on the voluntary exclusion list established in COMAR 36.01.03". That section of COMAR does not relate to sports wagering, the Center recommends adding 36.10.11 to the citation.

COMAR 36.10.10.03 requires sports wagering licensees to post signage. This provision would benefit from more direction as to the font, size, and contrasting background; similar to the dimensions of a plaque laid out in 36.05.02.09(C). These types of requirements are commonplace in a variety of public health regulations (see e.g. COMAR 15.06.04.07 and COMAR 10.15.02.14).

COMAR 36.10.18.05 cross-referenced with 36.10.13.28 allows for the use of a credit card to fund a bettor account for online sports wagering. Easy access to credit payments could encourage consumers to gamble beyond their means in the heat of play. The Center agrees with funding these accounts through a debit card, electronic bank transfer, winnings, promotions, and prepaid cards and would recommend removing credit as a payment option.

COMAR 36.10.13.03 lists the internal controls that licensees are required to submit at least 60 days prior to commencing sports wagering and any time a change is made thereafter. The Center agrees with the internal controls listed and recommends adding procedures for tracking significant unusual changes in betting behavior that could indicate a problem. Red flags could include increased larger bets, increased frequency of bets, and greater losses.

COMAR 36.10.14.01 includes two section Cs; what is currently listed as 36.10.14.01(C) but appears to actually be 36.10.14.01(D) allows for a maximum wager of \$5,000,000 on any one sporting event. While the Center understands that a licensee can choose a lower wager limit, this dollar amount is far outside the average bets that we see across the country and would benefit from being significantly lowered. Common betting limits at the average sportsbook include:

- Point spreads – \$5k for NBA and NFL; \$3k for NCAA basketball and football; \$1k for MLB and NHL.
- Moneylines – \$1k for all sports.
- Totals – \$2k for NFL; \$1k for all other sports.
- Halftime point spreads – \$3k for all sports.
- Parlays – \$1k for all sports.
- Teasers – \$1k for all sports.

Bearing this in mind, the Center recommends lowering the maximum wager to \$100,000 or less.

Finally, the Center supports the inclusion of sports wagering into the state's Voluntary Exclusion Program. While the regulations direct the Agency to inform all licensees when a person has self-excluded, it does not appear that the regulations provide a mechanism for online licensees to inform the Agency if a person has requested to be excluded from online wagering. The Center recommends a requirement that all licensees must inform the Agency of self-exclusion.

The Center appreciates the opportunity to comment on these proposed regulations and looks forward to continued coordination with the Maryland Lottery and Gaming Control Agency. Should the Agency have any questions, please feel free to contact Mary Drexler at mdrexler@som.umaryland.edu or 667-214-2121.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Tue, Sep 21, 2021 at 10:41 AM

To: sports.wagering@maryland.gov

From: Tory Key <t.key@elysgame.com> (Elys Game Technology Corp. | Vendor)

Chapter:
36.10.01 – General

Comment:
Hi,

After looking at the drafted regulations, it looks like no matter what license you acquire your cash reserve amount has to be \$500,000 or more. This will be problematic for smaller organizations looking to acquire a license. A number of jurisdictions make the minimum cash reserve amount \$25,000. I believe this is something that needs to be looked at closely.

Regards,

Tory

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Sports Wagering Comment | 36.10.13 – Internal Control Standards

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 20, 2021 at 4:24 PM

To: sports.wagering@maryland.gov

From: Robert W Wood <Robert.Wood@IGT.com> (IGT | Brick-and-mortar)

Chapter:
36.10.13 – Internal Control Standards

Comment:
IGT Suggestion:

Title 36 Maryland State Lottery and Gaming Control Agency Subtitle 10 Sports Wagering Provisions Chapter 13 Sports Wagering Licensee Minimum Internal Control Standards .07 Record Retention E. (4) states that a minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk. As kiosks along with the sports wagering system are able to support alternate methods of ticket identification and redemption (rather than require a kiosk to physically retain a ticket). As the alternative method is secure, reduces physical handling overhead and errors while providing operational measures to verify redemption, we suggest consideration of the following language change:

“(4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk, unless an alternative method of ticket redemption is allowed. “

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



GLI Comments on Maryland Sports Wagering Regulations

1 message

Mike Robbins <M.Robbins@gaminglabs.com>

Mon, Sep 20, 2021 at 12:49 PM

To: James Logue -MLGCA- <james.logue@maryland.gov>, "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: James Luccarelli <j.Luccarelli@gaminglabs.com>, Christopher Zalewski <C.Zalewski@gaminglabs.com>

Good afternoon,

Thank you for the opportunity to review the Maryland Sports Wagering Regulations and provide feedback. The GLI team appreciates the opportunity to comment on the proposed rules regarding the regulation of sports wagering and looks forward to assisting the MLGCA in further refining the details of these rules as well as provide recommendations on additional rules as seen fit. We hope the below feedback is useful and we are immediately available to clarify or further discuss any of the items presented below.

The attached document indicates GLI's comments for the Sports Wagering Regulations. The left column contains the original regulation text with applicable portions recommended to be modified underlined. The center column contains those recommended modifications underlined or an indication if the recommendation is to be removed or moved to another section. GLI comments will be stated in the right column. While many of the recommendations and comments are focused on layout of the document, others are focused on the content of the requirements themselves.

Thank you for the opportunity to share our thoughts with the MLGCA. Please let us know if we may be of any further assistance on this or any other matter.

Thanks!

Mike Robbins

Technical Compliance Specialist, Digital

www.gaminglabs.com

o +1 (732) 942-3999 EXT 1277

d +1 (732) 719-1397

e m.robbs@gaminglabs.com



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 **GLI Comments on Maryland Sports Wagering Regulations.docx**
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GLI Comments on Maryland Sports Wagering Regulations

Title 36 MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 01 General

Sports Wagering Regulations		Recommended Update		GLI Comments
36.10.01.02 Definitions.		36.10.01.02 Definitions.		
B	Terms Defined	B	Terms Defined	
	(15) "Client software" means any software or application installed or operating on a bettor's device for the purpose of interacting with <u>an online wagering system</u> and conducting online sports wagering.		(15) "Client software" means any software or application installed or operating on a bettor's device for the purpose of interacting with <u>a sports wagering platform</u> and conducting online sports wagering.	Recommend change from "an online wagering system" to "a sports wagering platform"
	(29) "House rules" means a <u>sports book licensee's</u> Commission-approved requirements for its sports wagering operation that are in addition to the Commission's regulations, and that shall include: ... (h) A method of contacting the <u>sports book licensee</u> with questions and complaints; ...		(29) "House rules" means a <u>sports wagering licensee's</u> Commission-approved requirements for its sports wagering operation that are in addition to the Commission's regulations, and that shall include: ... (h) A method of contacting the <u>sports wagering licensee</u> with questions and complaints; ...	Recommend change from "sports book licensee" to "sports wagering licensee".
	(35) "Kiosk" means a Commission-approved device that may be used by a bettor to place a wager and may be used to redeem a winning wager.		(35) "Kiosk" means a Commission-approved device that may be used by a bettor to place a wager and may be used to redeem a winning wager. <u>A kiosk may also be used to manage a sports wagering account.</u>	Recommend adding statement for allowing the use of a kiosk for sports wagering account management.
	(46) "Online sports wagering" means sports wagering that is conducted through <u>an online gaming system</u> that: ...		(46) "Online sports wagering" means sports wagering that is conducted through <u>a sports wagering platform</u> that: ...	Recommend change from "an online gaming system" to "a sports wagering platform"
	(54) "Point of sale system" means the hardware, software and communications that comprise a system capable of accepting sports wagers using terminals operated by a cashier or		(54) "Point of sale system" means the hardware, software and communications that comprise a system capable of accepting sports wagers using terminals operated by a cashier or kiosk	Recommend statement specifying that a point of sale system may be entirely integrated into a sports wagering platform or exist as a separate system.

GLI Comments on Maryland Sports Wagering Regulations

Sports Wagering Regulations	Recommended Update	GLI Comments
kiosk operated by a bettor on the premises of a sports wagering facility that has been approved by the Commission.	operated by a bettor on the premises of a sports wagering facility that has been approved by the Commission. <u>A point of sale system may be entirely integrated into a sports wagering platform or exist as an entirely separate entity.</u>	
(61) “Registered bettor” means a person who has registered with a sports wagering licensee for inclusion in the licensee’s <u>bettor tracking system</u> .	(61) “Registered bettor” means a person who has registered with a sports wagering licensee for inclusion in the licensee’s <u>sports wagering platform</u> .	Recommend change from “bettor tracking system” to “sports wagering platform”
(68) “Sports bettor tracking system” means the <u>hardware, software, communications technology, and other ancillary equipment owned or leased by a sports wagering licensee to collect, monitor, interpret, analyze, authorize, report, and audit data pertaining to:</u> (a) <u>A sports wagering activity; and</u> (b) <u>If a bettor has registered with the sports wagering licensee for inclusion in a bettor tracking system, a bettor’s sports wagering activity.</u>	(68) “Promotional play system” means the <u>hardware, software, communications technology, and other ancillary equipment owned or leased by a sports wagering licensee to facilitate the award of promotional play. A promotional play system may be entirely integrated into a sports wagering platform or exist as an entirely separate entity.</u>	Recommend removal of sports bettor tracking system. Player tracking for sports wagering is typically tied to a sports wagering account, which is covered within the functions of a sports wagering platform. Recommend replacement with definition for promotional play system.
(74) “Sports wagering account” means an electronic account that may be established by a bettor for the purpose of sports wagering, including making deposits and withdrawals, placing wagers, and receiving payouts on winning wagers.	(73) “Sports wagering account” <u>or “bettor account”</u> means an electronic account that may be established by a bettor for the purpose of sports wagering, including making deposits and withdrawals, placing wagers, and receiving payouts on winning wagers.	Recommend adding “bettor account” as this term is used interchangeably throughout the regulations. Alternatively, recommend changing “bettor account” to “sports wagering account” throughout the regulations for consistency.
(80) “Sports wagering interactive website” means the <u>interactive wagering application</u> through which a sports wagering licensee makes authorized <u>mobile</u> sports wagering available.	(80) “Sports wagering website” means the <u>website</u> through which a sports wagering licensee makes authorized <u>online</u> sports wagering available.	Recommended terminology updates to match the rest of the document.
(83) “Sports wagering operation” or “sports wagering operations” means the entirety of a sports wagering licensee’s business of	(82) “Sports wagering operation” or “sports wagering operations” means the entirety of a sports wagering licensee’s business of	Recommend change from “an online sports wagering system” to “a point of sale system and sports wagering equipment”.

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	conducting sports wagering and related activities, including: ... (c) Securing a sports wagering platform; (d) Securing <u>an online sports wagering system</u> ; ...		conducting sports wagering and related activities, including: ... (c) Securing a sports wagering platform; (d) Securing <u>a point of sale system and sports wagering equipment</u> ; ...	
	(84) "Sports wagering platform" means:		(84) "Sports wagering platform" or <u>"sports wagering system"</u> means:	Recommend adding "sports wagering system" as this term is used interchangeably throughout the regulations. Alternatively, recommend changing "sports wagering system" to "sports wagering platform" throughout the regulations for consistency.

Chapter 05 Specific Requirements for Mobile Sports Wagering Licenses

Sports Wagering Regulations		Recommended Update		GLI Comments
36.10.05.04 Ongoing Requirements for a Mobile Sports Wagering Licensee.		36.10.05.04 Ongoing Requirements for a Mobile Sports Wagering Licensee.		
A	<u>A mobile sports wagering licensee shall:</u> (1) <u>Use technical and operational measures to prevent access to its online wagering by individuals who are underage or physically located outside the State, including:</u>	A	<u>A mobile sports wagering licensee shall:</u> (1) <u>Ensure that all of its sports wagering is initiated, received, and completed within the State and that only intermediate routing of a sports wager occurs outside the State.</u>	Recommend replacing section with 36.10.16.03. Age verification and geolocation are covered further under 36.10.18.05 and 36.10.18.04.
	(a) <u>Age verification procedures, which may require the use of a third party acceptable to Commission staff that is in the business of verifying an individual's personally identifiable information; and</u>		<Moved>	Recommend move to 36.10.18.05 as this applies for all sports wagering accounts, not just mobile.
	(b) <u>Geolocation technology to accurately verify a bettor's geographic location within the State as determined by MD iMAP, Maryland's Mapping & GIS Data Portal.</u>		<Moved>	Recommend move to 36.10.18.04 to go with the other geolocation requirements.

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B	A mobile sports wagering licensee may enter into a contract with only one online sports wagering operator at a time. ... (2) Except for a person conducting testing of a licensee's <u>online sports wagering system</u> , as required by the Commission, only a person to which the Commission has issued a mobile sports wagering license, or an online sports wagering operator license with which the mobile sports wagering licensee has a current contract, may access the online sports wagering operating system or associated equipment.	B	A mobile sports wagering licensee may enter into a contract with only one online sports wagering operator at a time. ... (2) Except for a person conducting testing of a licensee's <u>sports wagering platform</u> , as required by the Commission, only a person to which the Commission has issued a mobile sports wagering license, or an online sports wagering operator license with which the mobile sports wagering licensee has a current contract, may access the online sports wagering operating system or associated equipment.	Recommend change from "online sports wagering system" to "sports wagering platform" to match Terms Defined
		<u>D</u>	<u>A mobile sports wagering licensee may utilize only one individually branded website to accept and pay sports wagers.</u>	Recommend inserting from 30.10.16.02 One Website.

Chapter 08 Enforcement

Sports Wagering Regulations		Recommended Update		GLI Comments
36.10.08.02 Violations.		36.10.08.02 Violations.		
A licensee may not: B. Take, or attempt to take, any action that is: ... (4) Interfere with the regular operation of: ... (c) A <u>sports wagering interactive web site</u> ; or		A licensee may not: B. Take, or attempt to take, any action that is: ... (4) Interfere with the regular operation of: ... (c) A <u>sports wagering website</u> ; or		Recommend change from "sports wagering interactive web site" to "sports wagering website" for consistency

Chapter 10 Enforcement of Voluntary Exclusion Program

Sports Wagering Regulations		Recommended Update		GLI Comments
36.10.10.03 Requirements.		36.10.10.03 Requirements.		
B	A sports wagering licensee shall:	B	A sports wagering licensee shall:	Recommend change from "sports wagering

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	... (2) Include banners or other notifications on the <u>sports wagering interactive websites</u> that bear the gambling assistance message and the underage warning message;		... (2) Include banners or other notifications on the <u>sports wagering websites</u> that bear the gambling assistance message and the underage warning message;	interactive web site” to “sports wagering website” for consistency

Chapter 13 Sports Wagering Licensee Minimum Internal Control Standards

Sports Wagering Regulations		Recommended Update		GLI Comments
36.10.13.03 Content of Internal Controls.		36.10.13.03 Content of Internal Controls.		
B	Each procedure or control submission shall, at a minimum, include both narrative and diagrammatic representations of the system to be utilized including the following: ... (14) Procedures for suspending or terminating a <u>dormant sports wagering account</u> and the return of any funds remaining in the <u>dormant sports wagering account</u> to the registered bettor;	B	Each procedure or control submission shall, at a minimum, include both narrative and diagrammatic representations of the system to be utilized including the following: ... (14) Procedures for suspending or terminating a <u>dormant account</u> and the return of any funds remaining in the <u>dormant account</u> to the registered bettor;	Recommend change from “dormant sports wagering account” to “dormant account” to match Terms Defined
	(19) Procedures for withdrawing funds from a sports wagering account by the registered bettor;		(19) Procedures for withdrawing funds from a sports wagering account by the registered bettor, <u>whether such account is open or closed;</u>	Recommend adding text “whether such account is open or closed” from merger with 30.10.13.40.F(5)
	(22) Procedures for the security and sharing of personally identifiable information of a registered bettor, value of funds in a <u>sports betting account</u> , and other information as required by the Commission;		(22) Procedures for the security and sharing of personally identifiable information of a registered bettor, value of funds in a <u>sports wagering account</u> , and other information as required by the Commission;	Recommend change from “sports betting account” to “sports wagering account” to match Terms Defined
	(27) <u>Procedures to verify each registered bettor’s physical location:</u> (a) <u>Each time a registered bettor logs into their bettor account; and</u> (b) <u>In near real-time as the application is being used;</u>		(27) <u>Policies that prevent unauthorized withdrawals from a bettor’s account by a sports wagering licensee or others;</u>	Recommend removal as geolocation procedures are covered in item (11) and requirements are better defined within 30.10.18.04. Also, recommend addition from 30.10.13.40.F(1)

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	(31) Procedures for the reconciliation or repayment of a registered bettor's <u>sports betting account</u> ;		(31) Procedures for the reconciliation or repayment of a registered bettor's <u>sports wagering account</u> ;	Recommend change from "sports betting account" to "sports wagering account" to match Terms Defined
	(37) Any other items the Commission may request in writing to be included in the internal controls.		(37) <u>Procedures for responding to and reporting on complaints by bettors that their accounts have been misallocated, compromised, or otherwise mishandled;</u> (38) Any other items the Commission may request in writing to be included in the internal controls.	Recommend addition from movement of 30.10.13.40.F(4)
36.10.13.07 Record Retention.		36.10.13.07 Record Retention.		
E	Exceptions. The following exceptions apply to the retention period in §D of this regulation: ... (3) A minimum retention period of 30 days shall apply to: ... (b) Voided sports wagering tickets; and (c) Sports wagering tickets redeemed at a facility other than through a <u>ticket redemption unit</u> ; and	E	Exceptions. The following exceptions apply to the retention period in §D of this regulation: ... (3) A minimum retention period of 30 days shall apply to: ... (b) Voided sports wagering tickets <u>and sports wagering vouchers</u> ; and (c) Sports wagering tickets <u>and sports wagering vouchers</u> redeemed at a facility other than through a <u>kiosk</u> ; and	E(3) Recommend change from "ticket redemption unit" to "kiosk" and from "sports wagering tickets" to "sports wagering tickets and sports wagering vouchers" to provide full coverage.
	(4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a <u>ticket redemption unit</u> or kiosk.		(4) A minimum retention period of 7 days shall apply to sports wagering tickets <u>and sports wagering vouchers</u> redeemed at a <u>cashier</u> or kiosk.	Recommend change from "ticket redemption unit or kiosk" to "cashier or kiosk" and from "sports wagering tickets" to "sports wagering tickets and sports wagering vouchers" to provide full coverage.
36.10.13.10 Surveillance System Design Standards for Class A and Class B-1 Sports Wagering Facility Licensees.		36.10.13.10 Surveillance System Design Standards for Class A and Class B-1 Sports Wagering Facility Licensees.		
E	A sports wagering licensee's surveillance system shall include: (1) Light sensitive cameras enabled by: ... (c) 360-degree pan, tilt, and zoom		A sports wagering licensee's surveillance system shall include: (1) Light sensitive cameras enabled by: ... (c) 360-degree pan, tilt, and zoom	Recommend removal of "ticket redemption units and" since coverage for kiosks will be covered in (i). Sports wagering tickets and vouchers are typically issued/redeemed by a kiosk and not separate equipment.

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	<p>capability, without camera stops, configured to clandestinely monitor and record:</p> <p>...</p> <p>(iii) Transactions conducted at <u>ticket redemption units</u> and automated teller machines;</p> <p>...</p>		<p>capability, without camera stops, configured to clandestinely monitor and record:</p> <p>...</p> <p>(iii) Transactions conducted at automated teller machines;</p> <p>...</p>	
36.10.13.20 Internal Audit Department Standards.		36.10.13.20 Internal Audit Department Standards.		
F	<p>If applicable, the audit department shall audit at least annually:</p> <p>...</p> <p>(9) <u>Bettor tracking system.</u></p>	F	<p>If applicable, the audit department shall audit at least annually:</p> <p>...</p> <p>(9) <u>Sports wagering platform.</u></p>	Recommend change from “bettor tracking system” to “sports wagering platform” as a sports wagering platform will perform tracking functions.
36.10.13.23 Accounting Controls for a Cashiers’ Cage.		36.10.13.23 Accounting Controls for a Cashiers’ Cage.		
D	<p>A sports wagering licensee’s internal controls shall require:</p> <p>(1) The cashiers' cage and any satellite cage to be physically segregated by personnel and function as follows:</p> <p>(a) General cashiers shall be responsible for:</p> <p>...</p> <p>(ii) Receipt and payout of cash, negotiable instruments, <u>sports betting tickets</u>, and other documentation from and to bettors subject to the limitations imposed under this chapter; and</p> <p>...</p> <p>(b) Main bank cashiers shall be responsible for:</p> <p>(i) Receipt of cash, negotiable instruments, <u>sports betting tickets</u>, and other documentation from general</p>	D	<p>A sports wagering licensee’s internal controls shall require:</p> <p>(1) The cashiers' cage and any satellite cage to be physically segregated by personnel and function as follows:</p> <p>(a) General cashiers shall be responsible for:</p> <p>...</p> <p>(ii) Receipt and payout of cash, negotiable instruments, <u>winning sports wagering tickets</u>, <u>sports wagering vouchers</u>, and other documentation from and to bettors subject to the limitations imposed under this chapter; and</p> <p>...</p> <p>(b) Main bank cashiers shall be responsible for:</p> <p>(i) Receipt of cash, negotiable instruments, <u>winning sports wagering tickets</u>, <u>sports</u></p>	Recommend change from “sports betting tickets” to “winning sports wagering tickets, sports wagering vouchers”. Sports wagering vouchers would be the cash equivalent instrument and a sports wagering ticket only has value if it’s a winning ticket.

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	<p>cashiers in exchange for cash or documentation;</p> <p>(ii) Replenishment of kiosks;</p> <p>(iii) Receipt of unsecured cash and unsecured <u>sports betting tickets</u>;</p> <p>...</p>		<p><u>wagering vouchers</u>, and other documentation from general cashiers in exchange for cash or documentation;</p> <p>(ii) Replenishment of kiosks;</p> <p>(iii) Receipt of unsecured cash and unsecured <u>winning sports wagering tickets and sports wagering vouchers</u>;</p> <p>...</p>	
36.10.13.24 Checks Accepted from a Bettor.		36.10.13.24 Checks Accepted from a Bettor.		
I	<p>A sports wagering licensee's internal controls shall require a check accepted from a bettor by a general cashier to be:</p> <p>...</p> <p>(4) Immediately exchanged for:</p> <p>(a) Cash;</p> <p>(b) If the sports wagering licensee has the capability, a <u>sports betting ticket</u>;</p> <p>...</p>	I	<p>A sports wagering licensee's internal controls shall require a check accepted from a bettor by a general cashier to be:</p> <p>...</p> <p>(4) Immediately exchanged for:</p> <p>(a) Cash;</p> <p>(b) If the sports wagering licensee has the capability, a <u>sports wagering ticket or sports wagering voucher</u>;</p> <p>...</p>	Recommend change from "sports betting tickets" to "sports wagering ticket or sports wagering voucher".
J	<p>Subject to the limit in §F(2) of this regulation, a sports wagering licensee may accept a check issued to an individual as a payout in connection with sports wagering activity from a sports wagering licensee that holds a valid <u>sports wagering license</u> in another jurisdiction.</p>	J	<p>Subject to the limit in §F(2) of this regulation, a sports wagering licensee may accept a check issued to an individual as a payout in connection with sports wagering activity from a sports wagering licensee that holds a valid <u>sports betting license</u> in another jurisdiction.</p>	Recommend change from "sports betting license" to "sports wagering license" to match Terms Defined
36.10.13.27 Bettor Deposits.		36.10.13.27 Bettor Deposits <u>at the Sports Wagering Facility</u>.		Recommend title change as this would only apply at sports wagering facilities.
A	<p><u>A sports wagering licensee may establish a customer deposit account for a bettor to enable the bettor to take part in sports wagering.</u></p>	A	<p><u>This regulation is only applicable to the holder of a Class A or Class B sports wagering facility license.</u></p>	Recommend movement to 30.10.18.05.A to join other sports wagering account requirements and to refocus section to be applicable to only sports wagering facilities as all other account functions would be covered under 30.10.18.05. Recommend replacement with statement relating to section

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				applicability
B	A sports wagering licensee shall perform all procedures required by this chapter before depositing funds accepted by means of check, wire transfer, cash equivalent, or other negotiable instrument into a <u>customer deposit account</u> .	B	A sports wagering licensee shall perform all procedures required by this chapter before depositing funds accepted by means of check, wire transfer, cash equivalent, or other negotiable instrument into a <u>sports wagering account</u> .	Recommend change from “customer deposit account” to “sports wagering account” to match Terms Defined
36.10.13.28 Use of Credit.		36.10.13.28 Use of Credit.		
	<see 30.10.14.05.C>	C	A sports wagering licensee may not: (1) <u>Extend credit to a bettor; or</u> (2) <u>Allow the deposit of funds into a sports wagering account that are derived from the extension of credit by an affiliate or agent of the sports wagering licensee.</u>	Recommend addition from movement of 30.10.14.05.C
36.10.13.29 Bettor Tracking System.				
A	<u>A sports wagering licensee shall utilize a bettor tracking system meeting the requirements of this subtitle.</u>	<Removed>		Recommend removal of this section entirely. Player tracking for sports wagering is typically tied to a sports wagering account, which is covered elsewhere within these regulations.
B	<u>Participation in a tracking system:</u> (1) <u>Subject to §B(2), is voluntary;</u> (2) <u>A bettor using a mobile betting application must be included in the tracking system.</u>			
C	<u>A sports wagering licensee shall provide a bettor with a record of sports wagering spending levels if:</u> (1) <u>The bettor:</u> (a) <u>Has registered with the licensee for inclusion in the bettor tracking system; and</u> (b) <u>Submits a request for the spending level documentation at:</u> (i) <u>The cashiers’ cage; or</u> (ii) <u>By any other means approved by the Commission; and</u> (2) <u>For requests made at a sports wagering facility, the identification of the bettor and</u>			

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	<p>the authenticity of the bettor's signature on the request is established by an employee satisfactorily comparing the:</p> <p>(a) Bettor's information recorded on the spending level request documentation with the information contained on the valid, unexpired government-issued photographic identification presented by the bettor; and</p> <p>(b) Bettor's physical appearance with the photograph contained on the valid, unexpired government-issued photographic identification presented by the bettor.</p>		
36.10.13.30 Sports Wagering Ticket.		36.10.13.29 Sports Wagering Ticket.	
A	A sports wagering licensee may issue a sports wagering ticket and utilize a <u>sports wagering ticket system</u> meeting the requirements of this subtitle.	A	Recommend renumbering to 30.10.13.29 per previous recommendation. Also recommend change throughout section from "ticket redemption unit" to "kiosk" as sports wagering tickets and vouchers are typically issued/redeemed by a kiosk and not separate equipment. Recommend change throughout section from "sports wagering ticket system" to "sports wagering platform or point of sale system" to match Terms Defined
C	<p>Except for mobile sports wagering, a sports wagering licensee shall:</p> <p>(1) Configure its <u>sports wagering ticket system</u> to: ...</p> <p>(2) Configure a <u>ticket redemption unit</u> under Regulation .31 of this chapter to: ...</p>	C	
F	<p>A sports wagering licensee's internal controls shall:</p> <p>(1) Require a sports wagering ticket to include:</p> <p>...</p> <p>(e) Unique <u>series number</u> automatically generated by the <u>sports wagering ticket system</u>;</p> <p>(f) <u>Asset number of the ticket redemption unit or point of sale device</u> dispensing the sports wagering ticket;</p> <p>...</p>	F	Recommend change from "series number" to "ticket identification number"; "asset number of the ticket redemption unit or point of sale device" to "identification of the kiosk or cashier"; and "sports wagering facility's" to "sports wagering facilities"

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<p>(h) <u>Sports wagering facility's</u> where the sports wagering ticket may be redeemed and any restrictions applicable to redemption;</p> <p>(i) A bar code which enables the <u>sports wagering ticket system</u> to identify the numeric information required by this section; and</p> <p>...</p>	<p>(h) <u>Sports wagering facilities</u> where the sports wagering ticket may be redeemed and any restrictions applicable to redemption;</p> <p>(i) A bar code which enables the <u>sports wagering platform or point of sale system</u> to identify the numeric information required by this section; and</p> <p>...</p>	
<p>(2) Include procedures and controls which:</p> <p>(a) Require a <u>sports wagering ticket system</u> to perform the following prior to payment:</p> <p>(i) Verify the validity of the <u>ticket number</u> and amount of the sports wagering ticket; and</p> <p>(ii) Electronically <u>cancel</u> the sports wagering ticket;</p>	<p>(2) Include procedures and controls which:</p> <p>(a) Require a <u>sports wagering platform or point of sale system</u> to perform the following prior to payment:</p> <p>(i) Verify the validity of the <u>ticket identification number</u> and amount of the <u>winning</u> sports wagering ticket; and</p> <p>(ii) Electronically <u>indicate</u> the <u>winning</u> sports wagering ticket as redeemed;</p>	<p>Recommend addition of the word "winning" before "sports wagering ticket" as its redemption is depending on the fact it is a winning ticket. Also recommend change from "ticket number" to "ticket identification number" and "cancel the sports wagering ticket" to "indicate the winning sports wagering ticket as redeemed"</p>
<p>(b) Require the <u>sports wagering ticket system</u> to be configured:</p> <p>(i) To permit access to the complete <u>ticket number</u> of an unredeemed sports wagering ticket only to <u>sports wagering ticket system</u> administrative employees and accounting department employees not assigned to the cashiers' cage; and</p> <p>(ii) To maintain a record of all unredeemed sports wagering tickets for a minimum of two years from the date of issuance</p>	<p>(b) Require the <u>sports wagering platform or point of sale system</u> to be configured:</p> <p>(i) To permit access to the complete <u>ticket identification number</u> of an unredeemed <u>winning</u> sports wagering ticket only to <u>sports wagering platform or point of sale system</u> administrative employees and accounting department employees not assigned to the cashiers' cage; and</p> <p>(ii) To maintain a record of all</p>	<p>Recommend addition of the word "winning" before "sports wagering ticket" as its redemption is depending on the fact it is a winning ticket. Also recommend change from "ticket number" to "ticket identification number" and "cancel the sports wagering ticket" to "indicate the winning sports wagering ticket as redeemed"</p>

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<p>of the sports wagering ticket unless a request to remove or relocate system records is submitted in writing and approved in writing by the Commission;</p>	<p>unredeemed <u>winning</u> sports wagering tickets for a minimum of two years from the date of issuance of the sports wagering ticket unless a request to remove or relocate system records is submitted in writing and approved in writing by the Commission;</p>	
<p>(c) Address the following events:</p> <p>(i) Calculation and transmittal by the sports wagering licensee of its outstanding expired unredeemed sports wagering ticket balance to the State; and</p> <p>(ii) An election by a sports wagering licensee to pay a sports wagering ticket when the <u>sports wagering ticket system</u> is inoperable or otherwise unable to verify the validity of the sports wagering ticket at the time of payment; and</p>	<p>(c) Address the following events:</p> <p>(i) Calculation and transmittal by the sports wagering licensee of its outstanding expired unredeemed <u>winning</u> sports wagering ticket balance to the State; and</p> <p>(ii) An election by a sports wagering licensee to pay a <u>winning</u> sports wagering ticket when the <u>sports wagering platform or point of sale system</u> is inoperable or otherwise unable to verify the validity of the sports wagering ticket at the time of payment; and</p>	<p>Recommend addition of the word “winning” before “sports wagering ticket” as its redemption is depending on the fact it is a winning ticket.</p>
<p>(d) Require generation, at the conclusion of each wagering day, of reports detailing:</p> <p>(i) Sports wagering tickets issued;</p> <p>(ii) Sports wagering tickets <u>redeemed, and cancelled by redemption facility</u>;</p> <p>(iii) Unredeemed liability for sports wagering tickets; and</p> <p>(iv) Any exceptions.</p>	<p>(d) Require generation, at the conclusion of each wagering day, of reports detailing:</p> <p>(i) Sports wagering tickets issued;</p> <p>(ii) Sports wagering tickets <u>voided or cancelled</u>;</p> <p>(ii) <u>Winning sports wagering tickets redeemed</u>;</p> <p>(iii) Unredeemed liability for <u>winning</u> sports wagering tickets; and</p>	<p>Recommend splitting out redemption of sports wagering tickets versus voiding or cancelling sports wagering tickets. Also recommend addition of the word “winning” in certain instances before “sports wagering ticket” as its redemption is dependent on the fact it is a winning ticket.</p>

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	(iv) Any exceptions.	
	36.10.13.30 Sports Wagering Voucher.	Recommended adding functionality for sports wagering vouchers throughout section based on requirements from 36.03.10.35
<New>	<u>A A sports wagering licensee may issue a sports wagering voucher and utilize a sports wagering platform or point of sale system meeting the requirements of this subtitle.</u>	
	<u>B A sports wagering licensee shall:</u> <u>(1) Issue a sports wagering voucher which does not expire for 182 days after the date of issuance;</u> <u>(2) Configure its sports wagering platform or point of sale system to:</u> <u>(a) Prevent issuance of a sports wagering voucher exceeding \$10,000; and</u> <u>(b) Require sports wagering voucher of \$5,000 or more to be redeemed only at the cashiers' cage;</u> <u>(3) Configure a kiosk under Regulation .31 of this regulation to:</u> <u>(a) Redeem only a sports wagering voucher of less than \$5,000; and</u> <u>(b) Direct a bettor attempting to redeem a sports wagering voucher of \$5,000 or more to the cashiers' cage; and</u> <u>(4) Redeem at its cashiers' cage a sports wagering voucher of \$5,000 or more by:</u> <u>(a) Cash or check; or</u> <u>(b) Check on the request of a bettor.</u>	
	<u>C A sports wagering licensee shall immediately report to the Commission evidence that a sports wagering voucher has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, or reliability of the sports wagering voucher.</u>	
	<u>D A sports wagering licensee shall develop and</u>	

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	<p>include in the internal controls submitted to and approved by the Commission under Regulation .04 of this chapter procedures addressing the issuance and redemption of a sports wagering voucher.</p> <p>E A sports wagering licensee's internal controls shall:</p> <p>(1) Require a sports wagering voucher to include:</p> <p>(a) Name or trade name of the sports wagering licensee;</p> <p>(b) Date and time of issuance;</p> <p>(c) Amount of the sports wagering voucher;</p> <p>(d) Unique voucher identification number automatically generated by the sports wagering platform or point of sale system;</p> <p>(e) Identification of the kiosk or cashier dispensing the sports wagering voucher;</p> <p>(f) At least one anticounterfeiting measure, which appears on one or both sides of the sports wagering voucher;</p> <p>(g) Sports wagering facilities where the sports wagering voucher may be redeemed and any restrictions applicable to redemption;</p> <p>(h) A bar code which enables the sports wagering platform or point of sale system to identify the numeric information required by this section; and</p> <p>(i) Notice to the bettor of the terms of expiration; and</p> <p>(2) Include procedures and controls which:</p>	

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	<p>(a) <u>Require a sports wagering platform or point of sale system to perform the following prior to payment:</u></p> <p>(i) <u>Verify the validity of the voucher identification number and amount of the sports wagering voucher; and</u></p> <p>(ii) <u>Electronically indicate the sports wagering voucher as redeemed;</u></p> <p>(b) <u>Require the sports wagering platform or point of sale system to be configured:</u></p> <p>(i) <u>To permit access to the complete voucher identification number of an unredeemed sports wagering voucher only to sports wagering platform or point of sale system administrative employees and accounting department employees not assigned to the cashiers' cage; and</u></p> <p>(ii) <u>To maintain a record of all unredeemed sports wagering voucher for a minimum of 2 years from the date of issuance of the sports wagering voucher unless a request to remove or relocate system records is submitted in writing and approved in writing by the Commission;</u></p> <p>(c) <u>Address the following events:</u></p> <p>(i) <u>Calculation and transmittal by the sports wagering licensee of its outstanding expired</u></p>	

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	<p>unredeemed sports wagering voucher balance to the State;</p> <p>(ii) <u>An election by a sports wagering licensee to pay a sports wagering voucher when the sports wagering platform or point of sale system is inoperable or otherwise unable to verify the validity of the sports wagering voucher at the time of payment; and</u></p> <p>(iii) <u>An election by a sports wagering licensee to pay a sports wagering voucher where the sports wagering platform or point of sale system fails to verify and electronically redeem the sports wagering voucher when it is presented by the bettor and scanned for verification; and</u></p> <p>(d) <u>Require generation, at the conclusion of each wagering day, of reports detailing:</u></p> <p>(i) <u>Sports wagering vouchers issued;</u></p> <p>(ii) <u>Sports wagering vouchers redeemed and cancelled by redemption location;</u></p> <p>(iii) <u>Sports wagering vouchers cancelled or voided by redemption location;</u></p> <p>(iv) <u>Unredeemed liability for sports wagering vouchers; and</u></p> <p>(v) <u>Any exceptions.</u></p>	
36.10.13.31 Ticket Redemption Unit.	36.10.13.31 Sports Betting Kiosk.	Recommend title change.

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A	A sports wagering licensee may utilize a <u>ticket redemption unit</u> meeting the requirements of this subtitle.	A	A sports wagering licensee may utilize a <u>kiosk</u> meeting the requirements of this subtitle.	Recommend change throughout section from “ticket redemption unit” to “kiosk” as sports wagering tickets and vouchers are typically issued/redeemed by a sports betting kiosk and not separate equipment. Also recommended adding functionality for sports wagering vouchers throughout section based on requirements from 36.03.10.37
B	A sports wagering licensee shall locate a <u>ticket redemption unit</u> in the sports wagering facility subject to the surveillance coverage requirements of Regulation .11 of this chapter.	B	A sports wagering licensee shall locate a <u>kiosk</u> in the sports wagering facility subject to the surveillance coverage requirements of Regulation .11 of this chapter.	
C	<p>A <u>ticket redemption unit</u>:</p> <p>(1) Shall, in accordance with this regulation, be configured to:</p> <p>(a) Redeem a sports wagering ticket of less than \$3,000; and</p> <p>(b) Direct a bettor attempting to redeem a sports wagering ticket of \$3,000 or more to the cashiers’ cage; and</p> <p>...</p>	C	<p>A <u>kiosk</u>:</p> <p>(1) Shall, in accordance with this regulation, be configured to:</p> <p>(a) <u>Prevent deposits to and withdrawals from a sports wagering account exceeding \$10,000;</u></p> <p>(b) <u>Prevent issuance of a sports wagering ticket or a sports wagering voucher exceeding \$10,000;</u></p> <p>(c) Redeem a <u>winning</u> sports wagering ticket of less than \$3,000;</p> <p>(d) <u>Redeem a sports wagering voucher of less than \$5,000;</u></p> <p>(e) Direct a bettor attempting to redeem a sports wagering ticket of \$3,000 or more to the cashiers’ cage; and</p> <p>(f) <u>Direct a bettor attempting to redeem a sports wagering voucher of \$5,000 or more to the cashiers’ cage; and</u></p> <p>...</p>	Recommend updates to include \$10,000 limitations for deposits, withdrawals, wagers and voucher issuance. Also recommended adding “winning” to the sports wagering ticket redemption and added limitation for sports wagering voucher redemption based on 36.03.10.35.
D	A sports wagering licensee shall develop and include in the internal controls submitted under Regulation .04 of this chapter, procedures addressing a <u>ticket redemption unit</u> .	D	A sports wagering licensee shall develop and include in the internal controls submitted under Regulation .04 of this chapter, procedures addressing a <u>kiosk</u> .	
E	<p>A sports wagering licensee’s internal controls shall address:</p> <p>(1) Distribution of cash to a <u>ticket redemption</u></p>	E	<p>A sports wagering licensee’s internal controls shall address:</p> <p>(1) Distribution of cash to a <u>kiosk</u>;</p>	Recommend adding “sports wagering vouchers”

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<p>unit; (2) Removal of sports wagering tickets and cash accepted by a <u>ticket redemption unit</u>; ...</p>	<p>(2) Removal of sports wagering tickets, <u>sports wagering vouchers</u>, and cash accepted by a <u>kiosk</u>; ...</p>	
<p>(4) Generation of the following reports by a <u>ticket redemption unit</u> or ancillary system or application for the reconciliation period, which may be by wagering day, shift, or drop cycle: (a) A <u>sports wagering ticket transaction report</u> which details: (i) Disposition, as paid, partially paid, or unpaid, of sports wagering tickets accepted by a <u>ticket redemption unit</u>; (ii) Sports wagering ticket <u>validation number</u>; ...</p>	<p>(4) Generation of the following reports by a <u>kiosk</u> or ancillary system or application for the reconciliation period, which may be by wagering day, shift, or drop cycle: (a) A <u>kiosk redemption report</u> which details: (i) Disposition, as paid, partially paid, or unpaid, of sports wagering tickets and sports wagering vouchers accepted by a <u>kiosk</u>; (ii) Sports wagering ticket <u>or sports wagering voucher identification number</u>; ...</p>	<p>E(4)(a) Recommend renaming “sports wagering ticket transaction report” as “kiosk redemption report” to focus on its redemption aspect. Also recommend replacing “sports wagering tickets” with “sports wagering tickets and sports wagering vouchers” and “sports wagering ticket validation number” with “sports wagering ticket or sports wagering voucher identification number”</p>
<p>(b) A <u>reconciliation report</u> which details: (i) Date and time; (ii) Unique asset identification number of the <u>ticket redemption unit</u>; ...</p>	<p>(b) A <u>kiosk reconciliation report</u> which details: (i) Date and time; (ii) Unique asset identification number of the <u>kiosk</u>; ... (v) <u>Total amount of sports wagering vouchers accepted; and</u></p>	<p>Recommend renaming “reconciliation report” as “kiosk reconciliation report” for clarity purposes. Also, recommend adding “Total amount of sports wagering vouchers accepted”</p>
<p>(c) A <u>sports wagering ticket and currency storage box report</u> which details the following data whenever a storage box is removed from the <u>ticket redemption unit</u>: (i) Date and time; (ii) Unique asset identification number of the <u>ticket redemption</u></p>	<p>(c) A <u>kiosk storage box report</u> which details the following data whenever a storage box is removed from the <u>kiosk</u>: (i) Date and time; (ii) Unique asset identification number of the <u>kiosk</u>; (iii) Unique identification number for each storage box in the <u>kiosk</u>;</p>	<p>Recommend renaming “sports wagering ticket and currency storage box report” as “kiosk storage box report” for clarity purposes. Also, recommend adding “Total amount of sports wagering vouchers accepted” and “Total count of sports wagering vouchers accepted”.</p>

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	<p>unit;</p> <p>(iii) Unique identification number for each storage box in the <u>ticket redemption unit</u>;</p> <p>...</p> <p>(viii) Details required to be included in the <u>sports wagering ticket transaction report</u> required under §E(4)(a) of this regulation; and</p>		<p>...</p> <p>(viii) <u>Total amount of sports wagering vouchers accepted</u>;</p> <p>(ix) <u>Total count of sports wagering vouchers accepted</u>; and</p> <p>(x) <u>Details required to be included in the kiosk redemption report</u> required under §E(4)(a) of this regulation; and</p>	
	<p>(5) A <u>transaction history report</u> which details all critical bettor transaction history including the date, time, amount, and disposition of each complete and incomplete transaction.</p>		<p>(d) A <u>kiosk transaction history report</u> which details all critical bettor transaction history including the date, time, amount, and disposition of each complete and incomplete transaction.</p>	Recommend change to be E(4)(d) to go with the rest of the reports. Also recommend replacing “transaction history report” with “kiosk transaction history report” for clarity purposes.
36.10.13.32 Wager Payouts.		36.10.13.32 Wager Payouts.		
B	<p>A sports wagering licensee shall pay a sports wager payout of \$50,000 or more:</p> <p>(1) By cash or check; or</p> <p>(2) On the request of a bettor, any combination of cash, <u>sports betting ticket</u>, check, or other method of payment approved by the Commission.</p>	B	<p>A sports wagering licensee shall pay a sports wager payout of \$50,000 or more:</p> <p>(1) By cash or check; or</p> <p>(2) On the request of a bettor, any combination of cash, <u>sports wagering voucher</u>, check, or other method of payment approved by the Commission.</p>	Recommend change from “sports betting ticket” to “sports wagering voucher” as this appears to be referring to the cash equivalent instrument, not the proof of a sports wager.
D	<p>To ensure compliance with §C of this regulation, a sports wagering licensee shall, prior to accepting any sports wager in excess of \$3,000 or making a payout in excess of \$3,000 on a winning sports wager:</p> <p>...</p> <p>(3) Record, on a log, the following information:</p> <p>...</p> <p>(c) Name and signature of the <u>sports betting employee</u> authorizing the acceptance of the wager; and</p> <p>(d) Name and signature of the <u>sports</u></p>	D	<p>To ensure compliance with §C of this regulation, a sports wagering licensee shall, prior to accepting any sports wager in excess of \$3,000 or making a payout in excess of \$3,000 on a winning sports wager:</p> <p>...</p> <p>(3) Record, on a log, the following information:</p> <p>...</p> <p>(c) Name and signature of the <u>sports wagering employee</u> authorizing the acceptance of the wager; and</p> <p>(d) Name and signature of the <u>sports</u></p>	Recommend change from “sports betting ticket” to “sports wagering ticket” and from “sports betting employee” to “sports wagering employee”

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	<u>betting employee</u> identifying the bettor and generating the <u>sports betting ticket</u> or making the payout.		<u>wagering employee</u> identifying the bettor and generating the <u>sports wagering ticket</u> or making the payout.	
E	A sports wagering licensee shall monitor for and report all suspicious activity related to <u>sports betting transactions</u> .	E	A sports wagering licensee shall monitor for and report all suspicious activity related to <u>sports wagering transactions</u> .	Recommend change from “sports betting transactions” to “sports wagering transactions”
36.10.13.34 Collection of Cash Storage and Drop Boxes.		36.10.13.34 Collection of Cash Storage and Drop Boxes.		
I	Immediately prior to the commencement of the count process, the security department may issue its key to the storage cabinet or trolley required under §G of this regulation to a count room supervisor for the purpose of allowing count room personnel to gain access to the <u>cash storage or table game drop boxes</u> to be counted.	I	Immediately prior to the commencement of the count process, the security department may issue its key to the storage cabinet or trolley required under §G of this regulation to a count room supervisor for the purpose of allowing count room personnel to gain access to the <u>cash storage drop boxes</u> to be counted.	Recommend change from “cash storage or table game drop boxes” to “cash storage drop boxes” as table games are not involved.
36.10.13.35 Count Room Design Standards.		36.10.13.35 Count Room Design Standards.		
D	A sports wagering licensee shall install in its count room a table constructed of clear glass or similar transparent material to be used for the emptying, counting, and recording of the contents of <u>cash storage and table game drop boxes</u> .	D	A sports wagering licensee shall install in its count room a table constructed of clear glass or similar transparent material to be used for the emptying, counting, and recording of the contents of <u>cash storage drop boxes</u> .	Recommend change from “cash storage and table game drop boxes” to “cash storage drop boxes” as table games are not involved.
36.10.13.36 Accounting Controls for a Count Room.		36.10.13.36 Accounting Controls for a Count Room.		
F	Internal Controls. A sports wagering licensee’s internal controls shall: ... (3) Require equipment utilized to count and strap currency, <u>sports betting tickets</u> , and promotional play instruments to: ...	F	Internal Controls. A sports wagering licensee’s internal controls shall: ... (3) Require equipment utilized to count and strap currency, <u>winning sports wagering tickets</u> , <u>sports wagering vouchers</u> , and promotional play instruments to: ...	Recommend change from “sports betting tickets” to “winning sports wagering tickets, sports wagering vouchers”.
	(c) If a <u>sports wagering system</u> or promotional play system is utilized to obtain the amount of a <u>sports betting ticket</u> or promotional play instrument,		(c) If a <u>sports wagering platform, point of sale system</u> , or promotional play system is utilized to obtain the amount of a <u>winning sports wagering ticket</u> ,	Recommend change from “sports wagering system” to “sports wagering platform, point of sale system” and from “sports betting ticket” to “winning sports wagering ticket, sports wagering

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	require the system to perform a calculation or integrity check to ensure that the amount of a sports wagering ticket or promotional play instrument has not been altered in the system in any manner since the time of issuance; and ...		<u>sports wagering voucher</u> , or promotional play instrument, require the system to perform a calculation or integrity check to ensure that the amount of a sports wagering ticket or promotional play instrument has not been altered in the system in any manner since the time of issuance; and ...	voucher”
G	A sports wagering ticket or promotional play instrument accepted by a cash storage drop box shall be counted and included in the calculation of proceeds without regard to the validity of the sports wagering ticket or promotional play instrument.	G	A <u>winning sports wagering ticket, sports wagering voucher</u> , or promotional play instrument accepted by a cash storage drop box shall be counted and included in the calculation of proceeds without regard to the validity of the sports wagering ticket, <u>sports wagering voucher</u> , or promotional play instrument.	Recommend change from “sports wagering ticket” to “winning sports wagering ticket, sports wagering voucher”
I	Within 72 hours of the count, a licensee shall report in writing to the Commission: (1) Any variance between: (a) The actual count of cash, sports wagering tickets, and promotional play instruments in a cash storage box as determined in the count room; and	I	Within 72 hours of the count, a licensee shall report in writing to the Commission: (1) Any variance between: (a) The actual count of cash, <u>winning sports wagering tickets, sports wagering vouchers</u> , and promotional play instruments in a cash storage box as determined in the count room; and	Recommend change from “sports wagering tickets” to “winning sports wagering tickets, sports wagering vouchers”
	(b) The amount for the cash storage box recorded on the sports wagering licensee’s <u>wagering system</u> ; ...		(b) The amount for the cash storage box recorded on the sports wagering licensee’s <u>sports wagering platform or point of sale system</u> ; ...	Recommend change from “sports wagering licensee’s wagering system” to “sports wagering licensee’s sports wagering platform or point of sale system”
36.10.13.39 Promotional Play.		36.10.13.39 Promotional Play.		
A	A sports wagering licensee may: ... (2) Utilize a promotional play system meeting the requirements of this subtitle.	A	A sports wagering licensee may: ... (2) Utilize a <u>sports wagering platform or promotional play system</u> meeting the requirements of this subtitle.	Recommend change from “promotional play system” to “sports wagering platform or promotional play system”.

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E	<p>A sports wagering licensee shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .04 of this chapter procedures addressing:</p> <p>...</p> <p>(2) A promotion play instrument including a requirement that it document:</p> <p>...</p> <p>(c) Unique series number automatically generated by the promotional play system;</p> <p>...</p>	E	<p>A sports wagering licensee shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .04 of this chapter procedures addressing:</p> <p>...</p> <p>(2) A promotion play instrument including a requirement that it document:</p> <p>...</p> <p>(c) Unique <u>instrument identification number</u> automatically generated by the <u>sports wagering platform</u> or promotional play system;</p> <p>...</p>	Recommend change from “series number” to “instrument identification number”
	<p>(e) If applicable, a bar code or magnetic strip which enables the promotional play system to identify the numeric information required by this section; and</p> <p>...</p>		<p>(e) If applicable, a bar code or magnetic strip which enables the <u>sports wagering platform</u> or promotional play system to identify the numeric information required by this section; and</p> <p>...</p>	Recommend change from “promotional play system” to “sports wagering platform or promotional play system”.
36.10.13.40 Security of Funds and Data.		36.10.13.40 Security of Funds and Data.		
E	<u>A sports wagering licensee shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, bond, or a combination of these in an amount approved by the Commission and sufficient to pay all winnings and awards offered to a winning bettor.</u>	<Removed>		Recommend removal as covered in 30.10.14.06.A
F	A sports wagering licensee shall <u>implement and prominently publish the following on its platform:</u>	E	A sports wagering licensee shall <u>develop and include in the internal controls submitted to and approved by the Commission under Regulation .04 of this chapter:</u>	Recommend rewording to refocus on internal controls.
	(1) <u>Policies that prevent unauthorized withdrawals from a bettor’s account by a sports wagering licensee or others;</u>		<Moved>	Recommend moving into 30.10.13.03.B(27)

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<p>(2) <u>Notices</u> that make clear that the funds in the segregated account do not belong to the sports wagering licensee and are not available to creditors other than the bettor whose funds are being held;</p> <p>...</p>	<p>(1) <u>Policies</u> that make clear that the funds in the segregated account do not belong to the sports wagering licensee and are not available to creditors other than the bettor whose funds are being held; <u>and</u></p> <p>...</p>	<p>Recommend replacing “notices” with “policies” for clarity purposes</p>
<p>(4) <u>Procedures for responding to and reporting on complaints by bettors that their accounts have been misallocated, compromised, or otherwise mishandled;</u></p>	<p><Moved></p>	<p>Recommend moving into 30.10.13.03.B(37)</p>
<p>(5) <u>Procedures that allow a bettor to request withdrawal of funds from their user account, whether such account is open or closed, including:</u></p> <p>(a) <u>The sports wagering licensee shall honor any bettor's request to withdraw funds by the later of 10 days after receipt of the request or 10 days after submission of any tax reporting paperwork required by law;</u></p> <p>(b) <u>The sports wagering licensee may decline to honor the request for withdrawal of funds for a reasonable investigatory period if it provides notice of the nature of the investigation to the bettor it believes has engaged in either:</u></p> <p>(i) <u>Fraudulent conduct; or</u></p> <p>(ii) <u>Other conduct that would put the sports wagering licensee in violation of this chapter;</u></p> <p>(c) <u>A request for withdrawal shall be considered honored if it is processed by the sports wagering licensee but delayed by a payment processor or the</u></p>	<p><Moved></p>	<p>Recommend moving into 30.10.13.03.B(19). Also recommend moving items (a) – (c) to 30.10.18.05.J</p>

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	<u>custodian of a segregated account;</u>		
	(6) <u>Procedures that allow a bettor to permanently close a user account at any time and for any reason. The procedures shall allow for closing by any means, including by a bettor on any platform used by that bettor to make deposits into a segregated account.</u>	<Moved>	Recommend moving into 36.10.18.05.W
G	<u>If winnings are awarded to a bettor with a closed account, the winnings, to the extent that it consists of funds, shall be distributed by the sports wagering licensee within 7 days.</u>	<Moved>	
H	<u>If an account is closed on the basis of the sports wagering licensee's good faith belief, after investigation, that the bettor has engaged in fraud or has attempted to engage in behavior that would put the sports wagering licensee in violation of this chapter, such winnings may be withheld and redistributed in a manner that reflects the outcome that would have resulted had that bettor not participated.</u>	<Moved>	
I	<u>If a bettor's segregated account remains unclaimed for 5 years after the balances are payable or deliverable to the bettor, the sports wagering licensee shall presume the account to be abandoned and shall report and remit all segregated accounts presumed abandoned to the State Comptroller.</u>	<Moved>	
J	<u>A sports wagering licensee shall prominently publish all contractual terms and conditions and rules of general applicability that affect a bettor's segregated account.</u>	<Moved>	Recommend move to 36.10.18.05
K	<u>Presentation of such terms, conditions, and rules at the time a bettor initially acquires a segregated account shall not be deemed sufficient to satisfy</u>	<Moved>	

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	the provisions of this subsection.			
36.10.13.41 Consumer Protection.		36.10.13.41 Consumer Protection.		
A	Automated Teller Machines. (1) Withdrawal Limits. Exclusive of transaction fees or surcharges, the maximum amount that a bettor may withdraw from <u>an account</u> by using an automated teller machine at the location is no more than \$2,500 per sports wagering day.	A	Automated Teller Machines. (1) Withdrawal Limits. Exclusive of transaction fees or surcharges, the maximum amount that a bettor may withdraw from <u>a bank account</u> by using an automated teller machine at the location is no more than \$2,500 per sports wagering day.	Recommend change from “an account” to “a bank account” to add clarity that this isn’t referring to sports wagering accounts.
	(2) Temporary Cash Assistance Prohibited. An automated teller machine <u>or online sports wagering System</u> may not accept an electronic benefit card, debit card, or similar instrument issued by the Department of Human Services for the purpose of accessing temporary cash assistance.		(2) Temporary Cash Assistance Prohibited. An automated teller machine may not accept an electronic benefit card, debit card, or similar instrument issued by the Department of Human Services for the purpose of accessing temporary cash assistance.	Recommend removal of “or online wagering system” as acceptable methods of account funding and wager funding is better covered under 30.10.18.05
F	A sports wagering licensee shall provide a clear and conspicuous method for a bettor to cancel his participation in a promotion that utilizes restricted <u>sports betting credits</u> .	F	A sports wagering licensee shall provide a clear and conspicuous method for a bettor to cancel his participation in a promotion that utilizes restricted <u>sports wagering credits</u> .	Recommend change throughout section from “sports betting” to “sports wagering”.
G	Upon request for cancellation, the sports wagering licensee or sports contractor shall inform the bettor of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted funds that will be removed from the bettor’s <u>sports betting account</u> .	G	Upon request for cancellation, the sports wagering licensee or sports contractor shall inform the bettor of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted funds that will be removed from the bettor’s <u>sports wagering account</u> .	
H	If the bettor elects to proceed with cancellation, unrestricted funds remaining in a bettor’s <u>sports betting account</u> must be returned in accordance with the terms and conditions.	H	If the bettor elects to proceed with cancellation, unrestricted funds remaining in a bettor’s <u>sports wagering account</u> must be returned in accordance with the terms and conditions.	
J	A sports wagering licensee or a <u>sports betting contractor</u> may be required to discontinue, as expeditiously as possible, the use of a particular promotion upon receipt of written notice from the	J	A sports wagering licensee or a <u>sports wagering contractor</u> may be required to discontinue, as expeditiously as possible, the use of a particular promotion upon receipt of written notice from the	

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Sports Wagering Regulations		Recommended Update		GLI Comments
	Commission that the Commission has determined that the use of the particular promotion in, or with respect to, this Commission could adversely impact the public or the integrity of gaming.		Commission that the Commission has determined that the use of the particular promotion in, or with respect to, this Commission could adversely impact the public or the integrity of gaming.	
K	A sports wagering licensee or <u>sports betting contractor</u> may not offer or conduct a promotion which violates any Federal, State or local law.	K	A sports wagering licensee or <u>sports wagering contractor</u> may not offer or conduct a promotion which violates any Federal, State or local law.	
36.10.13.42 House Rules.		36.10.13.42 House Rules.		
A <u>sports book licensee</u> shall ensure that its house rules are: ...		A <u>sports wagering licensee</u> shall ensure that its house rules are: ...		Recommend change from “sports book licensee” to “sports wagering licensee”

Chapter 14 Sports Wagering Requirements and Limitations

Sports Wagering Regulations		Recommended Update		GLI Comments
36.10.14.03 Prohibited Wagers.		36.10.14.03 Prohibited Wagers.		
<see 36.10.14.05.F>		D	<p>A <u>sports wagering licensee may not accept or facilitate a wager:</u></p> <p>(1) <u>On a sporting event not approved by the Commission under COMAR 36.10.14.01;</u></p> <p>(2) <u>From an excluded individual;</u></p> <p>(3) <u>From a person who is placing the wager in violation of applicable law or regulation; or</u></p> <p>(4) <u>From a person that may not participate in sports wagering because the person:</u></p> <p>(a) <u>Is licensed by the Commission under State Government Article, Title 9, Subtitles 9-1A or 9-1E, Annotated Code of Maryland; or</u></p> <p>(b) <u>Is an affiliate or agent of a sports wagering licensee or online sports wagering operator.</u></p>	Recommend adding from 30.10.14.05.F and replacing “§A(1) of this regulation” with “COMAR 36.10.14.01”
<see 36.10.14.05.G>		E	<u>§D(4) of this regulation is not applicable to persons who are registered or certified as a vendor under COMAR 36.10.06.12.</u>	Recommend adding from 30.10.14.05.G and replacing “§F(4)” with “§D(4)”
36.10.14.04 Limits on Accepting Wagers.				

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Sports Wagering Regulations	Recommended Update	GLI Comments
<p>A <u>A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits:</u></p> <p>(1) <u>A deposit limit on a daily, weekly and monthly basis that specifies the maximum amount of money a registered bettor may deposit into their sports betting account during a particular period of time;</u></p> <p>(2) <u>A limit on the amount of money lost within a daily, weekly or monthly basis that:</u></p> <p>(a) <u>Renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the loss limit; and</u></p> <p>(b) <u>Does not allow a wager placed prior to reaching the loss limit to be cancelled or refunded;</u></p> <p>(3) <u>A limit on the amount of money wagered within a daily, weekly or monthly basis that renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the wager limit;</u></p> <p>(4) <u>A limit on the maximum amount of a single wager;</u></p> <p>(5) <u>A time-based limit that specifies the maximum amount of time, measured hourly from the registered bettor's login to log off, in which a registered bettor may engage in sports wagering betting on a daily basis;</u></p> <p>(6) <u>A temporary suspension of sports wagering through the sports wagering account for the number of days selected by the registered bettor; and</u></p>	<p><Moved></p>	<p>Recommend movement to 30.10.18.06 to better fit with sports wagering account requirements.</p>

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Sports Wagering Regulations		Recommended Update	GLI Comments
	(7) <u>A mechanism by which a registered bettor may change the limits of §A(1)—A(6) of this regulation;</u>		
B	<u>Notwithstanding any other provision in this section, the registered bettor may not change wagering limits while a sports wagering account is suspended.</u>		
C	<u>An increase to financial limits in §A of this regulation may not be effective later than the registered bettor's next login.</u>		
D	<u>A decrease to the chronological limits in §A of this regulation must become effective only after the time period of the previous limit has expired.</u>		
36.10.14.05 Funding Wagers.			
A	<u>A bettor's sports wagering account may be funded by:</u> (1) <u>A cash deposit made directly with a sports wagering licensee;</u> (2) <u>A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee;</u> (3) <u>A bettor's debit card or prepaid card;</u> (4) <u>A bettor's deposit of a winning sports wagering ticket at a sports wagering facility approved by the Commission;</u> (5) <u>A cash complimentary, promotional credit, or bonus credit;</u> (6) <u>If there is documented notification to the bettor, an adjustment made by a sports wagering licensee following the resolution of a dispute; or</u> (7) <u>Any other means as approved by the Commission.</u>	<Merged>	Recommend merging into 30.10.18.05.H
B	<u>ACH Transfer.</u>	<Moved>	Recommend moving to 36.10.18.05.I with the

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Sports Wagering Regulations	Recommended Update	GLI Comments
<p>(1) <u>If a sports wagering licensee has security measures and controls approved by the Commission to prevent and detect fraud, it may accept an ACH transfer to fund a wager.</u></p> <p>(2) <u>If a bettor has successfully deposited funds through an ACH transfer on a previous occasion with no outstanding chargebacks, a sports wagering licensee is not required to consider one failed ACH deposit attempt as fraudulent.</u></p> <p>(3) <u>If a sports wagering licensee suspects fraud after a bettor's multiple failed ACH deposit attempts, the sports wagering licensee:</u></p> <p>(a) <u>May temporarily freeze or suspend the bettor's account to investigate; and</u></p> <p>(b) <u>If the sports wagering licensee determines that fraud has been attempted or occurred, suspend the bettor's account.</u></p>		other account funding requirements
<p><u>C</u> <u>A sports wagering licensee may not:</u></p> <p>(1) <u>Extend credit to a bettor; or</u></p> <p>(2) <u>Allow the deposit of funds into a sports wagering account that are derived from the extension of credit by an affiliate or agent of the sports wagering licensee.</u></p>	<Moved>	Recommend moving to 36.10.12.28.C
<p><u>D</u> <u>A bettor's sports wagering account:</u></p> <p>(1) <u>May not have a negative account balance; and</u></p> <p>(2) <u>May not accept a wager if the account does not have funds sufficient to pay for the wager.</u></p>	<Removed>	Recommend removal as covered in 36.10.18.05.R
<p><u>E</u> <u>The sports wagering licensee shall update bettor account balances after each game cycle to reflect the funds available for any future wagers the bettor may choose to place.</u></p>	<Removed>	Recommend removal as game cycle is not something which exists in sports wagering

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Sports Wagering Regulations		Recommended Update	GLI Comments
<u>F</u>	<p>A sports wagering licensee may not accept or facilitate a wager:</p> <p>(1) On a sporting event not approved by the Commission under §A(1) of this regulation;</p> <p>(2) From an excluded individual;</p> <p>(3) From a person who is placing the wager in violation of applicable law or regulation; or</p> <p>(4) From a person that may not participate in sports wagering because the person:</p> <p>(a) Is licensed by the Commission under State Government Article, Title 9, Subtitles 9-1A or 9-1E, Annotated Code of Maryland; or</p> <p>(b) Is an affiliate or agent of a sports wagering licensee or online sports wagering operator.</p>	<Moved>	Recommend moving to 30.10.14.03
<u>G</u>	<p>§F(4) of this regulation is not applicable to persons who are registered or certified as a vendor under COMAR 36.10.06.12.</p>	<Moved>	Recommend moving to 30.10.14.03
<u>H</u>	<p>Adjustment to a sports wagering account for an amount of \$500 or under shall be periodically reviewed by supervisory personnel as set forth in the sports wagering licensee's internal controls.</p>	<Removed>	Recommend removal as covered in 30.10.18.05.L
<u>I</u>	<p>Supervisory personnel shall authorize an adjustment for an amount above \$500 before the adjustment may be entered into the bettors' account.</p>	<Removed>	

Chapter 15 Sports Wagering Licensee Facility Standards

Sports Wagering Regulations		Recommended Update	GLI Comments
36.10.15.03 Facility Design Standards.		36.10.15.03 Facility Design Standards.	
A	The holder of a Class A or Class B license shall, at its own expense, construct its facility in accordance with specifications established by the Commission,	A The holder of a Class A or Class B license shall, at its own expense, construct its facility in accordance with specifications established by the Commission,	Recommend change from “computerized sports wagering platform, player management system, surveillance system or bettor tracking system” to

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Sports Wagering Regulations		Recommended Update	GLI Comments
	<p>including:</p> <p>(1) For any sports wagering licensee that does not currently hold a video lottery facility operator's license, at least 100 square feet of office space or an amount approved by the Commission that is available for use by the Commission staff and equipped with:</p> <p>...</p> <p>(c) Computer terminals permitting read only access by authorized Commission staff to any <u>computerized sports wagering platform, player management system, surveillance system or bettor tracking system</u> used by the sports wagering licensee;</p>	<p>including:</p> <p>(1) For any sports wagering licensee that does not currently hold a video lottery facility operator's license, at least 100 square feet of office space or an amount approved by the Commission that is available for use by the Commission staff and equipped with:</p> <p>...</p> <p>(c) Computer terminals permitting read only access by authorized Commission staff to any <u>sports wagering platform, promotional play system, point of sale system, or surveillance system</u> used by the sports wagering licensee;</p>	<p>"sports wagering platform, promotional play system, point of sale system, or surveillance system"</p>
36.10.15.04 Sports Wagering Facility Plan.		36.10.15.04 Sports Wagering Facility Plan.	
D	<p>A facility plan that a licensee submits to the Commission shall:</p> <p>...</p> <p>(2) Depict the facility with a notation as to:</p> <p>...</p> <p>(c) Each ATM and bill breaker, <u>ticket redemption unit and kiosk</u>; and</p> <p>...</p>	<p>D A facility plan that a licensee submits to the Commission shall:</p> <p>...</p> <p>(2) Depict the facility with a notation as to:</p> <p>...</p> <p>(c) Each ATM and bill breaker, <u>and kiosk</u>; and</p> <p>...</p>	<p>Recommend change from "ATM and bill breaker, ticket redemption unit and kiosk" to "ATM and bill breaker, and kiosk" as ticket redemption is typically handed by a kiosk.</p>

Chapter 16 Wagering Using Online, Web-based, or Mobile Applications

Sports Wagering Regulations		Recommended Update	GLI Comments
30.10.16.01 General			
<p><u>Unless context or the individual regulation dictates otherwise, for purposes of this regulation, "sports wagering licensee" includes:</u></p> <p>(1) <u>Mobile sports wagering licensee; and</u></p> <p>(2) <u>Online sports wagering operator licensee.</u></p>		<Removed>	<p>Recommend removal of chapter as the requirements within are better suited within the other chapters of this document as indicated.</p>
30.10.16.02 One Website.			

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Sports Wagering Regulations		Recommended Update	GLI Comments
<u>A mobile sports wagering licensee may utilize only one individually branded website to accept and pay sports wagers.</u>		<Moved>	Recommend movement to 30.10.05.04.C
30.10.16.03 Geolocation Requirements.			
<u>A sports wagering licensee and its agents, contractors, and vendors shall ensure that all of its sports wagering is initiated, received, and completed within the State and that only intermediate routing of a sports wager occurs outside the State.</u>		<Moved>	Recommend movement to 30.10.05.04.A(1) to be with the other geolocation requirements.
30.10.16.04 Periodic Review of Systems.			
<u>A sports wagering licensee and its agents, contractors, and vendors shall periodically review their information technology systems and networks to ensure compliance with this chapter.</u>		<Removed>	Recommend removal as this is covered by 36.10.18.06
30.10.16.05 Age Verification.			
A	<u>A sports wagering licensee shall provide for age verification measures to block access to and prevent sports wagers by an individual younger than 21 years old.</u>	<Moved>	Recommend movement into 30.10.18.05 as this applies for all sports wagering accounts, not just mobile.
B	<u>A sports wagering licensee shall provide for identity verification through secure online databases.</u>		
30.10.16.06 Security Mechanisms.			
<u>A sports wagering licensee shall have security mechanisms that ensure the confidentiality of personally identifiable information except as otherwise required by law or authorized by this subtitle.</u>		<Removed>	Recommend removal as this is covered by 36.10.18.06

Chapter 18 Sports Wagering Technical Standards

Sports Wagering Regulations		Recommended Update	GLI Comments
30.10.18.01 General.		30.10.18.01 General.	
Unless context or the individual regulation dictates otherwise, for purposes of COMAR 36.10.16, “sports		Unless context or the individual regulation dictates otherwise, for purposes of COMAR 36.10.18, “sports	Recommend replacing “COMAR 36.10.16” with “COMAR 36.10.18” to reference the correct

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Sports Wagering Regulations		Recommended Update	GLI Comments
wagering licensee” includes: A. <u>Mobile sports wagering licensee; and</u> B. <u>Online sports wagering operator licensee.</u>		wagering licensee” includes: A. <u>Sports wagering facility licensee;</u> B. <u>Mobile sports wagering licensee;</u> C. <u>Sports wagering facility operator licensee; and</u> D. <u>Online sports wagering operator licensee.</u>	section. Also recommend adding “sports wagering facility licensee” and “sports wagering facility operator licensee” as most of these requirements will also apply to retail sports wagering operations.
36.10.18.04 Geolocation Systems.		36.10.18.04 Geolocation Systems.	
A	A sports wagering licensee shall keep its geolocation system up to date by integrating current solutions in real time that can detect the use of: (1) <u>Remote desktop software;</u> (2) <u>Rootkits;</u> (3) <u>Virtualization; and</u> (4) <u>Any other programs identified by the Commission as having the ability to circumvent geolocation measures.</u>	<Moved>	Recommend moving to the end of the section, as the ordering makes more sense.
B	The sports wagering licensee shall continually review the integrity of the geolocation system to ensure that the system detects and mitigates existing and emerging location fraud risks.	<Moved>	
C	A sports wagering platform shall utilize a geolocation system to: (1) Reasonably detect the physical location of an individual attempting to access the sports wagering platform and place <u>a sports wager;</u> and ...	A A sports wagering platform shall utilize a geolocation system to: (1) Reasonably detect the physical location of an individual attempting to access the sports wagering platform and place <u>an online sports wager;</u> and ...	Recommend change from “a sports wager” to “an online sports wager” for clarity.
D	The geolocation system required by <u>§C</u> of this regulation shall: (1) <u>Ensure that a bettor:</u> (a) <u>Is located</u> within the State when placing a sports wager; and (b) <u>Can</u> dynamically monitor the bettor’s location; and (2) Block unauthorized attempts to place a	B The geolocation system required by <u>§A</u> of this regulation shall: (1) <u>Accurately verify a bettor’s geographic location</u> within the State when placing a sports wager <u>as determined by MD iMAP, Maryland’s Mapping & GIS Data Portal; and</u> (2) <u>Dynamically monitor the bettor’s location; and</u>	Recommend minor tweaks in wording for clarity and incorporating 36.10.05.04.A(1)(b).

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Sports Wagering Regulations		Recommended Update		GLI Comments
	sports wager when an individual is not within the State.		(3) Block unauthorized attempts to place a sports wager when an individual is not within the State.	
<See 36.10.18.04.A>		C	A sports wagering licensee shall keep its geolocation system up to date by integrating current solutions in real time that can detect the use of: (1) Remote desktop software; (2) Rootkits; (3) Virtualization; and (4) Any other programs identified by the Commission as having the ability to circumvent geolocation measures.	Recommend moving from the beginning of the section, as the ordering makes more sense.
<See 36.10.18.04.B>		D	The sports wagering licensee shall continually review the integrity of the geolocation system to ensure that the system detects and mitigates existing and emerging location fraud risks.	
36.10.18.05 Bettor Accounts.		36.10.18.05 Bettor Accounts.		
A	Only a registered bettor may place an <u>online wager</u> .	A	A sports wagering licensee may establish a sports wagering account for a bettor. Only a registered bettor may place an <u>online sports wager</u> .	Recommend addition from movement of 30.10.13.27.A and rewritten for clarity.
C	The information recorded and maintained under §B of this regulation shall include: ... (6) Bettor's social security number or equivalent as approved by the Commission; ...	C	The information recorded and maintained under §B of this regulation shall include: ... (6) <u>Last four (4) digits of the bettor's social security number or equivalent as approved by the Commission</u> ; ...	Recommend update to read "Last four (4) digits of the bettor's social security number or equivalent as approved by the Commission" as this is industry standard.
<see 30.10.13.40.J>		E	A sports wagering licensee shall prominently <u>publish all contractual terms and conditions and rules of general applicability that affect a bettor's bettor account</u> .	Recommend adding in from 30.10.13.40.J with the terminology changed from "segregated account" to "bettor account."
<see 30.10.13.40.K>		F	<u>Presentation of such terms, conditions, and rules at the time a bettor initially acquires a bettor</u>	Recommend adding in from 30.10.13.40.K with the terminology changed from "segregated account"

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Sports Wagering Regulations		Recommended Update	GLI Comments
		account shall not be deemed sufficient to satisfy the provisions of this subsection.	to “bettor account.
<see 30.10.16.05 and 36.10.05.04.A(1)(a)>		<p><u>G</u></p> <p><u>Age Verification</u></p> <p>(1) A sports wagering licensee shall provide for age verification measures to block access to and prevent sports wagers by an individual younger than 21 years old.</p> <p>(2) A sports wagering licensee shall provide for identity verification through secure online databases, which may require the use of a third party acceptable to Commission staff that is in the business of verifying an individual’s personally identifiable information;</p>	Recommend adding in from 30.10.16.05 and 36.10.05.04.A(1)(a).
<u>H</u>	<p>A bettor account may be funded using:</p> <p>(1) A debit card;</p> <p>(2) A credit card subject to COMAR 36.10.13.28;</p> <p>(3) An electronic bank transfer, including a transfer through third parties;</p> <p>(4) An online or mobile payment system that supports online money transfers;</p> <p>(5) Winnings or payouts;</p> <p>(6) Bonuses and promotions;</p> <p>(7) Reloadable prepaid card, which has been verified as being issued to the bettor and is non-transferable; and</p> <p>(8) Any other means approved by the Commission.</p>	<p><u>K</u></p> <p>A bettor account may be funded using:</p> <p>(1) A cash deposit made directly with a sports wagering licensee;</p> <p>(2) A cash equivalent, personal check, or wire transfer made directly or mailed to the sports wagering licensee;</p> <p>(3) A debit card;</p> <p>(4) A credit card subject to COMAR 36.10.13.28;</p> <p>(5) An electronic bank transfer, including a transfer through third parties;</p> <p>(6) An online or mobile payment system that supports online money transfers;</p> <p>(7) Winnings or payouts;</p> <p>(8) A bettor’s deposit of a winning sports wagering ticket at a sports wagering facility approved by the Commission;</p> <p>(9) Cash complimentaries, bonuses and promotions;</p> <p>(10) Reloadable prepaid card, which has been verified as being issued to the bettor and is</p>	Recommend merging in from 36.10.14.05.A.

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			<p>non-transferable;</p> <p>(11) <u>If there is documented notification to the bettor, an adjustment made by a sports wagering licensee following the resolution of a dispute; or</u></p> <p>(11) Any other means approved by the Commission.</p>	
<see 36.10.14.05.B>		<u>L</u>	<p><u>ACH Transfer.</u></p> <p>(1) <u>If a sports wagering licensee has security measures and controls approved by the Commission to prevent and detect fraud, it may accept an ACH transfer to fund a wager.</u></p> <p>(2) <u>If a bettor has successfully deposited funds through an ACH transfer on a previous occasion with no outstanding chargebacks, a sports wagering licensee is not required to consider one failed ACH deposit attempt as fraudulent.</u></p> <p>(3) <u>If a sports wagering licensee suspects fraud after a bettor's multiple failed ACH deposit attempts, the sports wagering licensee:</u></p> <p>(a) <u>May temporarily freeze or suspend the bettor's account to investigate; and</u></p> <p>(b) <u>If the sports wagering licensee determines that fraud has been attempted or occurred, suspend the bettor's account.</u></p>	Recommend moving in from 36.10.14.05.B.
<u>I</u>	Funds may be withdrawn from a bettor account through: ...	<u>M</u>	Funds may be withdrawn from a bettor account through: ...	Recommend renumbering based on additions.
<u>J</u>	<p><u>Within 5 days of a bettor request for withdrawal of funds, the sports wagering licensee shall complete the withdrawal unless there is a pending:</u></p> <p>(1) <u>Unresolved bettor dispute; or</u></p>	<u>N</u>	<p><u>Within the later of 10 days of a bettor request for withdrawal of funds or 10 days after submission of any tax reporting paperwork required by law, the sports wagering licensee shall honor the withdrawal unless there is a pending unresolved</u></p>	Recommend merging in from 36.10.13.40.F(5)(a) and adding (b) and (c) as items under J. Also recommend change from "segregated account" to "financial account"

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	(2) Investigation prompted by a bettor dispute or the Commission.		<p>bettor dispute or investigation prompted by a bettor dispute or the Commission.</p> <p>(1) The sports wagering licensee may decline to honor the request for withdrawal of funds for a reasonable investigatory period if it provides notice of the nature of the investigation to the bettor it believes has engaged in either:</p> <p>(a) Fraudulent conduct; or</p> <p>(b) Other conduct that would put the sports wagering licensee in violation of this chapter;</p> <p>(2) A request for withdrawal shall be considered honored if it is processed by the sports wagering licensee but delayed by a payment processor or the custodian of a financial account;</p>	
<u>K</u>	Funds for withdrawal may be withheld from withdrawal until: ...	<u>O</u>	Funds for withdrawal may be withheld from withdrawal until: ...	Recommend renumbering based on additions.
<u>L</u>	All adjustments to a bettor account for: ...	<u>P</u>	All adjustments to a bettor account for: ...	
<u>M</u>	A sports wagering licensee may not allow the transfer of funds or credits from or to another bettor account.	<u>Q</u>	A sports wagering licensee may not allow the transfer of funds or credits from or to another bettor account.	
<u>N</u>	Except for the placement or settlement of a wager, the sports wagering licensee shall confirm each transaction on a bettor account by: ...	<u>R</u>	Except for the placement or settlement of a wager, the sports wagering licensee shall confirm each transaction on a bettor account by: ...	
<u>O</u>	Account Statements. ...	<u>S</u>	Account Statements. ...	
<u>P</u>	If a sports wagering licensee knows or has reason to know that a bettor's identification or bettor account has been compromised, a sports wagering licensee shall: ...	<u>T</u>	If a sports wagering licensee knows or has reason to know that a bettor's identification or bettor account has been compromised, a sports wagering licensee shall: ...	
<u>Q</u>	A sports wagering licensee shall: ...	<u>U</u>	A sports wagering licensee shall: ...	
<u>R</u>	A sports wagering platform shall employ a mechanism that can detect and prevent any	<u>V</u>	A sports wagering platform shall employ a mechanism that can detect and prevent any	

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	bettor-initiated activity that would result in a negative balance of a bettor account.		bettor-initiated activity that would result in a negative balance of a bettor account.	
<u>S</u>	A sports wagering licensee shall: ...	<u>W</u>	A sports wagering licensee shall: ...	
<u>T</u>	A sports wagering licensee shall suspend a bettor account if: ...	<u>X</u>	A sports wagering licensee shall suspend a bettor account if: ...	
<u>U</u>	When a sports wagering account is suspended, the bettor shall be prevented from: ...	<u>Y</u>	When a sports wagering account is suspended, the bettor shall be prevented from: ...	
<u>V</u>	A bettor account suspended for a reason stated in §T of this regulation may be restored: ...	<u>Z</u>	A bettor account suspended for a reason stated in §X of this regulation may be restored: ...	
<see 36.10.13.40.F(6)>		<u>AA</u>	<u>A sports wagering licensee shall implement procedures that allow a bettor to permanently close a sports wagering account at any time and for any reason. The procedures shall allow for closing by any means, including by a bettor on any client software used by that bettor to make deposits into a sports wagering account.</u>	Recommend merging in from 36.10.13.40.F(6) with terminology changes from “segregated account” and “user account” to “sports wagering account”, and from “platform” to “client software”.
<see 36.10.13.40.G>			(1) <u>If winnings are awarded to a bettor with a closed sports wagering account, the winnings, to the extent that it consists of funds, shall be distributed by the sports wagering licensee within 10 days.</u>	Recommend merging in from 36.10.13.40.G with change from 7 days to 10 days to match the other requirements.
<see 36.10.13.40.H>			(2) <u>If an account is closed on the basis of the sports wagering licensee's good faith belief, after investigation, that the bettor has engaged in fraud or has attempted to engage in behavior that would put the sports wagering licensee in violation of this chapter, such winnings may be withheld and submitted to the Commission for distribution to the State’s Problem Gambling Treatment and Support Fund.</u>	Recommend merging in from 36.10.13.40.H and replacing “redistributed in a manner that reflects the outcome that would have resulted had that bettor not participated” with “submitted to the Commission for distribution to the State’s Problem Gambling Treatment and Support Fund” to match what is required for 36.10.18.05.E(3). The removed text would not apply in sports wagering.
<see 36.10.13.40.I>		<u>BB</u>	<u>If a bettor's sports wagering account remains unclaimed for 5 years after the balances are payable or deliverable to the bettor, the sports</u>	Recommend moving from 36.10.13.40.I

GLI Comments on Maryland Sports Wagering Regulations

Sports Wagering Regulations	Recommended Update	GLI Comments
	<p>wagering licensee shall presume the account to be abandoned and shall report and remit all sports wagering accounts presumed abandoned to the State Comptroller.</p>	
	36.10.18.06 Limits on Accepting Wagers.	
<see 36.10.14.04>	<p><u>A</u> A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits:</p> <p>(1) A deposit limit on a daily, weekly and monthly basis that specifies the maximum amount of money a registered bettor may deposit into their sports wagering account during a particular period of time;</p> <p>(2) A limit on the amount of money lost within a daily, weekly or monthly basis that:</p> <p>(a) Renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the loss limit; and</p> <p>(b) Does not allow a wager placed prior to reaching the loss limit to be cancelled or refunded;</p> <p>(3) A limit on the amount of money wagered within a daily, weekly or monthly basis that renders the registered bettor unable to place an additional wager for the remainder of the time selected once the registered bettor reaches the wager limit;</p> <p>(4) A limit on the maximum amount of a single wager;</p> <p>(5) A time-based limit that specifies the maximum amount of time, measured hourly from the registered bettor's login to log off, in which a registered bettor may engage in</p>	<p>Recommended entire section 30.10.14.04 move after 30.10.18.05 to better fit with sports wagering account requirements. Also recommend terminology change from "sports betting account" to "sports wagering account"</p>

GLI Comments on Maryland Sports Wagering Regulations

Sports Wagering Regulations		Recommended Update		GLI Comments
			<u>sports wagering on a daily basis;</u> (6) <u>A temporary suspension of sports wagering through the sports wagering account for the number of days selected by the registered bettor; and</u> (7) <u>A mechanism by which a registered bettor may change the limits of §A(1)—A(6) of this regulation;</u>	
		<u>B</u>	<u>Notwithstanding any other provision in this section, the registered bettor may not change wagering limits while a sports wagering account is suspended.</u>	
		<u>C</u>	<u>An increase to financial limits in §A of this regulation may not be effective later than the registered bettor's next login.</u>	
		<u>D</u>	<u>A decrease to the chronological limits in §A of this regulation must become effective only after the time period of the previous limit has expired.</u>	
36.10.18.06 Information Security.		36.10.18.06 Information Security.		
A	A sports wagering licensee shall: ...	A	A sports wagering licensee shall: ... (3) <u>Within 90 days of launch and annually thereafter, have a Commission approved third party as set forth in Regulation .02B of this chapter:</u> (a) <u>Evaluate the security system set forth in §(A)(1) of this regulation against the current ISO 27001 standard, or another similar standard approved by the Commission; and</u> (b) <u>Examine through the performance of vulnerability assessments and penetration testing the sports wagering platform at multiple layers including, but not limited to internal</u>	Recommend adding a requirement for a third party to conduct an annual vulnerability assessment, penetration testing, and operational security control review against ISO 27001 standard, or another similar standard (CIS, NIST CSF, etc.). Also recommend such testing as being performed within 90 days of launch and annually as this is industry standard for establishing how often integrity and security assessments needs to occur. If there are security controls that the Commission feels needs to be evaluated prior to go-live if the operator is not established in other states, it can be done by identifying those key control areas that need to be evaluated prior to launch and the rest during the annual/initial testing.

GLI Comments on Maryland Sports Wagering Regulations

Sports Wagering Regulations		Recommended Update		GLI Comments
			and external network, application (mobile and web), database, firewall, and wireless if applicable.	
B	A sports wagering licensee shall: (1) Perform vulnerability <u>testing</u> of the sports wagering platform, associated equipment, and networks to assess the effectiveness of security controls; <u>and</u> (2) Have the testing set forth in §B(1) of this regulation conducted by a Commission approved third party as set forth in Regulation .02B of this chapter.	B	A sports wagering licensee shall: (1) <u>On a quarterly basis perform vulnerability scans</u> of the sports wagering platform, associated equipment, and networks to assess the effectiveness of security controls; (2) Have the testing set forth in §B(1) of this regulation <u>conducted by the licensee or a Commission approved third party as set forth in Regulation .02B of this chapter; and</u> (3) <u>Submit the results of the scans to the Commission.</u>	Recommend requiring operators submit quarterly vulnerability scans, which don't have to be performed by third party to the Commission. This allows more continuous monitoring of the security posture.
		36.10.18.07 Change Management Process		
<New>		A	<u>The sports wagering operator shall submit a change management process to the Commission for approval which detail evaluation procedures for identifying the criticality of updates and determining the updates that must be submitted to the independent certified testing laboratory for review and certification.</u>	Recommend a requirement for change management be established in the regulations. This can be something embedded directly in the regulation or in a separate document. Examples of change management requirements from other jurisdictions can be provided to the Commission upon request.
		B	<u>These change management processes must be:</u> (1) <u>Developed in accordance with the minimum guidelines for change management established by the Commission; and</u> (2) <u>Approved prior to its deployment by the Commission; and</u> (3) <u>Subject to an audit at any time by the Commission or an independent certified testing laboratory performing the audit on their behalf.</u>	
		C	<u>The sports wagering operator shall identify and classify all components of the sports wagering platform operated under the change</u>	

GLI Comments on Maryland Sports Wagering Regulations

Sports Wagering Regulations	Recommended Update	GLI Comments
	D <u>management process as part of the initial certification and configuration baseline of the platform and aid the independent certified testing laboratory as needed.</u> <u>At least once annually, each component of the sports wagering platform operating under the change management process must be fully certified to the specifications set forth in these rules and accompanied by formal certification documentation from the independent certified testing laboratory. The sports wagering operator shall be allowed to seek approval for extension beyond the annual approval if hardship can be demonstrated. Granting of a hardship waiver is the sole discretion of the Commission.</u>	



Sports Wagering regulations - MGMNH public comment

1 message

Martin, Patrick <pmartin@mgmresorts.com>

Sat, Sep 18, 2021 at 6:11 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: Michael Eaton <michael.eaton@maryland.gov>, "Johnson, Kia" <kjohnson@mgmnationalharbor.com>, "Fisher, Max"

<mfisher@mgmnationalharbor.com>, "Shrader, Jeffrey" <jshrader@mgmnationalharbor.com>, "Watson, Kerry"

<kwatson@mgmresorts.com>, Sarah Brennan <Sarah.Brennan@betmgm.com>, Jeremy Kolman <jeremy.kolman@betmgm.com>

Commission,

We are attaching MGM National Harbor's public comments on the proposed sports wagering regulations. Thank you for considering these, and please do not hesitate to let us know of any questions or comments.

Thank you,

Patrick D. Martin

Vice President – Regional Compliance

O: 301-971-5177

M: 301-893-5015

[101 MGM National Ave.](#)

[National Harbor, MD 20745](#)



 **20210918 MGMNH Sports Regs Public Comment letter.pdf**
49K



Via email: sports.wagering@maryland.gov

September 18, 2021

Re: MGM National Harbor' public comments to the Sports Wagering Regulations

Commission:

We offer the following comments to the Commission's July 15, 2021, Sports Wagering Regulations.¹ In sequential order:

Citation	Comment
36.10.04.08(C)(2)	Maryland's sports wagering legislation allowed patrons to use their "device" for wagering on licensees' properties. That makes sense given that mobile wagering on personal devices is now common and that mobile wagering will soon follow retail in Maryland. But the proposed regulation limits the devices allowed, stating "only on devices provided by the sports wagering licensee for use on the gaming or wagering floor." We believe the legislative intent was to allow personal mobile devices and request that the Commission loosen the regulatory restriction.
36.10.06.03	The regulation should clarify that Class B licensees may operate multiple Class B licenses.
36.10.10.01(G)	This proposed regulation appears to allow current voluntarily excluded patrons to wager on sports. The proposed regulation states "Unless excluded by operation of another directive or order outside the Commission, an individual who has been placed on a voluntary exclusion list of the Commission that is not under this subtitle may engage in sports wagering." We recommend that the Commission prevent a person who has presented themselves with a problem gaming disorder and who is on the state's exclusion program to participate in sports wagering. As is, the language appears to require licensees to allow those excluded patrons to

¹ Available via <https://www.mdgaming.com/maryland-sports-wagering/sports-wagering-regulations/>.

	open sports accounts, which also undercuts some licensees' responsible gaming programs.
36.10.11.01	This proposed regulation appears to create a new list of people who are mandatorily excluded from just sports areas. Having two separate lists for mandatorily excluded people would be a practical difficulty to track and enforce.
36.10.13.05(A)	We would appreciate the Commission's clarification of the reports required by this section. The proposed regulation states that "The Commission may require a sports wagering licensee to submit daily, weekly, monthly, quarterly, and annual reports of financial and statistical data." While verbatim to the corresponding casino regulatory section, the proposed regulation does not define what the required reports are and the time for filing them. Some states do establish the reports needed and their timing. Indeed, the Commission has identified reports under this similar regulation for casino entities. We recommend identifying the reports and their submission timing.
36.10.13.06(N)	The proposed regulations state that licensees are required file federal Suspicious Activity Reports (SARs) with the Commission. That proposed regulation is problematic for several reasons. First, the proposed regulation includes an incorrect citation to a federal regulation. ² Second, the regulation is unnecessary because SARs are filed with the Financial Crimes Enforcement Network (FinCEN). FinCEN's role is to use those reports to investigate threats to the U.S. financial system. The MLGCA's role in that process is not clear. Third, the volume of filings is prohibitive for the Commission. Maryland casinos filed 1,612 SARs with FinCEN in 2020 (with three months closed) and 1,964 in 2019. ³ Fourth, the unauthorized disclosure of a SAR is a violation of federal law, subject to criminal and civil penalties. ⁴ Last, there are better ways for the MLGCA to obtain SARs, particularly by agreeing with FinCEN to access that agency's repository.

² The proposed regulation cites 31 CFR §103.21, which moved to 31 CFR § 1020.320 in 2010.

³ See <https://www.fincen.gov/reports/sar-stats>

⁴ 31 U.S.C. §§ 5318(g)(2), 5321, and 5322; see also FinCEN Advisory FIN-2012-A002 "SAR Confidentiality Reminder for Internal and External Counsel of Financial Institutions."

36.10.13.06(P)	The sports regulations state that casinos are required to file FinCEN's currency transaction forms (CTRs) with the MLGCA. That's a large amount of information that would likely go un-reviewed. In fact, MGMNH filed 17,183 of those forms in 2020 (with three months closed) and 20,779 in 2019. FinCEN already has dedicated staff and systems to make sense of CTRs. Their value to the MLGCA is questionable and some regulators have stopped requesting CTRs.
36.10.13.24	This section reads as if only checks from <i>sports wagering</i> are accepted. It would be a practical difficulty for Maryland's licensees to know if a check under this section is for gambling generally or sports wagering specifically. By comparison, Maryland's casino operators may accept checks from regulated licensees without determining the underlying activity that led to the check issuance.
36.10.13.28(A)	This proposed regulation prohibits the use of a credit card for retail but allows their use for online wagers, treated as a cash advance. Casino patrons may perform cash advances with their credit cards for other gaming, so there appears to be a disconnect. We recommend that cash advances be allowed for sports as they are for casino gaming.
36.10.13.41(B)	This proposed regulation requires promotions to be submitted seven days in advance. There are strategies that cut down on the commission's workload, including template approvals and repository files that can be populated without dedicated timeline. We recommend adopting that flexibility by adding "unless another time is agreed to by the Commission ..."
36.10.14.01(C)	The proposed regulations require the use of "official league data" with some exceptions. That's different than some other states with sports wagering and imposes a requirement not in the legislation. We recommend that the Commission consider limiting the required use of official league data to instances of live betting. Additionally, we request that the Commission consider narrowing the description to "a U.S. governing entity."



None	We request that the Commission clarify the sports wagering law to resolve that a Sports Wagering Licensee at a stadium may contract for a Sports Franchise's sports wagering services based on location. The Maryland legislature intended that, should a Sports Franchise choose to partner with another entity to operate a retail sports betting establishment on behalf of the Sports Franchise, that partner can only be the Video Lottery Operator (or its affiliate or subsidiary)(collectively "VLO") located in the same county or municipality as that Sports Franchise. In practical terms, this means that, should the Washington Football Team, Baltimore Ravens, or Baltimore Orioles opt to use another entity to operate a sports betting facility at FedEx Field, M&T Bank Stadium or Oriole Park at Camden Yards, respectively, they could only do so with MGM National Harbor or Caesars (or their affiliates or subsidiaries), respectively.
None	The Commission should clarify that the sports wagering law includes parimutuel wagering.

Thank you for considering these items.

Respectfully,

Patrick D. Martin
MGM VP of Regional
Compliance

Cc:
MLGCA Compliance
BetMGM Compliance
MGM National Harbor Team



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Sat, Sep 18, 2021 at 12:05 PM

To: sports.wagering@maryland.gov

From: Chong Yi <taloryi.mlf@gmail.com> (My Life Foundation, Inc. | Vendor)

Chapter:
36.10.01 – General

Comment:

I think sports wager should be kept to a minimum amount. Sports wagering is also a gamble, so I believe that the higher the amount, the more problems will arise. My opinion is that the maximum amount should not exceed \$100,000.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 17, 2021 at 5:17 PM

To: sports.wagering@maryland.gov

From: Ana Park <anapark.mlf@gmail.com> (My Life Foundation | Brick-and-mortar)

Chapter:
36.10.01 – General

Comment:

The draft regs state that a bettor can wage up to a maximum of \$5,000,000 on a single sporting event. We would like to see this amount lowered and are recommending it be lowered to \$100,000 or less.

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Sports Wagering Comment | 36.10.04 – Facility Licenses

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 17, 2021 at 12:12 PM

To: sports.wagering@maryland.gov

From: Emmanuel S. Bailey <emmanuel.bailey@VitalCorp.com> (Ezra Technologies, Inc. | None)

Chapter:
36.10.04 – Facility Licenses

Comment:

To address the potential introduction of structural market inequities because of the Proposed Action of Regulation, I would respectfully suggest the Rule Changes be adopted as follows:

1. Amend 36.10.04.11 (D), Minority Business Enterprise Participation Goals and Reporting Requirements, page 735, to require Class A-1, A-2, B-1, or B-2, License Applicants to identify proposed MBE(s) they intend to include in their OPEX and/or CAPEX plans in their initial License applications, rather than "On or before 6 months after the Commission issues a license..." The rationale for the adoption of this change is straightforward and clear. The Sports Wagering License application process requires the submission of detailed and comprehensive operational, financial, and marketing plans that can only be finalized based on the pre-identification of all OPEX and CAPEX costs. Allowing an Applicant(s) to submit MBE participation plans up to 6 months after being granted a State License, will lead, without question, to de minimis, at best, MBE inclusion into the Maryland Sports Wagering industry.
2. Revise Section D to eliminate the references to "reasonable and appropriate" to "shall establish a clear plan for minority business enterprise participation goals consistent with Subtitle 3 - MINORITY BUSINESS PARTICIPATION § 14-302 - Procurement from minority businesses".
3. Adopt in the Proposed Action on Regulation, (05) Class B-1 Sports Wagering Facility License (B), the ability for the Commission to award Licenses to qualified Applicants with at least 51% MBE equity ownership, to provide Self Service Betting Terminal (SSBT) Kiosks to restaurants, bars, and social setting locations throughout the State. All Sports Wagering Operator rules and regulations attendant to Class B Operators, including, but not limited to License fees, AML, BSA, etc., would apply. This structure would provide a balanced, equitable, and inclusive approach that would best position the State to achieve the minority participation objectives articulated by the Legislature in a manner that is financially viable for the MBE business community, and importantly, the State's Sports Gaming program, from a market sustainability perspective. The Small, Minority and Women-Owned business must have at least (2) two-years' experience past performance supporting a U.S. Government Sponsored Enterprise (GSE) Central Gaming System and Related Services to qualify for a License in this class.

In closing, MLGCA adoption of the recommendations contained herein, will lead to a more equitable and inclusive Maryland Sports Wagering industry. Thank you in advance.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 17, 2021 at 12:08 PM

To: sports.wagering@maryland.gov

From: Gerald Stinnett <gerald.stinnett@maryland.gov> (Governor's Office of Small, Minority & Women Business Affairs | None)

Chapter:
36.10.01 – General

Comment:

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Live Audio Only Public Stream of Sports Wagering Regulation

1 message

Karen Grant <kgrant@truevisiontech.com>

Fri, Sep 17, 2021 at 10:36 AM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Hello,

Will we need any passcode to hear the meeting on mdgaming.com?

Thank you.

All the best,

Karen O. Grant

Business Development

[1101 Wootton Pky Suite 400](#)

[Rockville, MD 20852](#)

Mobile: 678-920-4321

Office: 301-375-4106



EIN: 47-2756908

CAGE: 82ES3

A CERTIFIED LOCAL SMALL BUSINESS

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Sports Wagering Comment | 36.10.02 – Applications and Investigations

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 15, 2021 at 12:17 PM

To: sports.wagering@maryland.gov

From: Gwen McCall <gmccall@betonmaryland.com> (Beaton Maryland, LLC | Mobile)

Chapter:
36.10.02 – Applications and Investigations

Comment:
Everyone applying for a class C mobile license should apply and receive consideration at the same time. Brick and Mortar operators that will apply for a Class A & B license should be awarded those only. If they apply for a Class C they should be considered and vetted along with all the class C applicants. Giving Brick and Mortar operators a class C license before everyone else applying for a class C gives them an unfair advantage and allows them to dominate the market. Fanduel got the advantage in Virginia by receiving a mobile license first and 50% of all revenue to date belongs to them. Additionally, large operators are partnering with minorities to receive the benefit of being first to market if they qualify.

--

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Comments on Proposed Regulations

1 message

Ann Ciekot <aciekot@policypartners.net>

Mon, Sep 13, 2021 at 1:25 PM

To: "sports.wagering@maryland.gov" <sports.wagering@maryland.gov>

Cc: "Nancy Rosen-Cohen (nancy@ncaddmaryland.org)" <nancy@ncaddmaryland.org>

Please accept these comments on the proposed regulations regarding sports gambling sent on behalf of NCADD-Maryland.

Thank you.

Ann

Ann Ciekot

Public Policy Partners

15 School Street, 3rd Floor

Annapolis, MD 21401

Cell: 410-207-3189

Office: 410-268-0990

aciekot@policypartners.net

www.policypartners.net





September 13, 2021

James B. Butler, Managing Director of Organizational Compliance
Maryland Lottery and Gaming Control Agency
1800 Washington Blvd., Suite 330
Baltimore, MD 21230

Re: Comments on Proposed Sports Wagering Regulations

Dear Mr. Butler:

Thank you for this opportunity to provide comments on proposed regulations regarding sports wagering in Maryland. NCADD-Maryland's mission includes advocating for policies that support the prevention and treatment of problem gambling. We work closely with our partners at the Center of Excellence on Problem Gambling at the University of Maryland and have consulted with them on the comments below.

- 1) Proposed COMAR 36.10.10.01(B) states that "The Commission shall notify sports wagering licensees that an individual has been placed on the voluntary exclusion list established in COMAR 36.01.03." That section of COMAR does not include sports wagering, so we recommend adding 36.10.11 to the citation.
- 2) Proposed COMAR 36.10.10.03 requires sports wagering licensees to post signage. This provision would benefit from more direction as to the font, size, and contrasting background; similar to the dimensions of a plaque laid out in 36.05.02.09(C). These types of requirements are commonplace in a variety of public health regulations (see e.g. COMAR 15.06.04.07 and COMAR 10.15.02.14).
- 3) Proposed COMAR 36.10.14.01(C) (on page 774 of the Maryland Register**) allows for a maximum wager of \$5,000,000 on any one sporting event. While a licensee can choose a lower wager limit, this dollar amount is far outside the average bets that exist across the country and would benefit from being significantly lowered. We recommend lowering the maximum wager to \$100,000 or less.

***There appears to be an error in this section. It looks like proposed 36.10.14.01 has two items listed as "(C)."*

(over)

- 4) Proposed COMAR 36.10.18.05, cross-referenced with 36.10.13.28, allows for the use of a credit card to fund a bettor account for online sports wagering. Easy access to credit payments could encourage consumers to gamble beyond their means in the heat of play. NCADD-Maryland agrees with funding these accounts through a debit card, electronic bank transfer, winnings, promotions, and prepaid cards and would recommend removing credit as a payment option.
- 5) Finally, NCADD-Maryland supports the inclusion of sports wagering into the state's Voluntary Exclusion Program. While the regulations direct the Agency to inform all licensees when a person has self-excluded, it does not appear that the regulations provide a mechanism for online licensees to inform the Agency if a person has requested to be excluded from online wagering. We recommend a requirement that all licensees must inform the Agency of self-exclusion.

Thank you again. If you have any questions, please feel free to contact me at nancy@ncaddmaryland.org.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Rosen-Cohen". The ink is dark and the signature is fluid, with the first letters of "Nancy" and "Cohen" being capitalized and prominent.

Nancy Rosen-Cohen, Ph.D.
Executive Director



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Sep 3, 2021 at 7:37 PM

To: sports.wagering@maryland.gov

From: Tanya Julius <tjulius@caesars.com> (Horseshoe Baltimore Casino | Brick-and-mortar)

Chapter:
36.10.01 – General

Comment:

Please find attached Horseshoe Baltimore's operator recommendations for regulation reform. Should you have any questions or require anything further, please contact us.

--

This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)

 **Horseshoe-Baltimores-Operator-Regulation-Reform-Submission.docx**
67K



Operator recommendations for regulation reform:

Regulation Name and Number: §36-10 13.07 Record Retention. E

Current Regulation Language: (4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk

Proposed Regulation Language: ~~(4) A minimum retention period of 7 days shall apply to sports wagering tickets redeemed at a ticket redemption unit or kiosk~~

Explanation for Regulation Change: We suggests the removal of the requirement. Ticket status and history are retained in the digital record of the wager and in other states this is an accepted data retention policy. Retaining the paper copy of every paid ticket creates a large and costly stockpile of paper, without providing any significant benefit to customers, operator, or regulator. In the current climate, it is preferable to handle fewer physical artefacts provided the information is securely stored digitally and can be retrieved on demand.

Sports wagering systems are equipped to offer a full digital record of all wagers which are retained and backed up utilizing multiple levels of redundancy. The digital record, including details of place, time of wager acceptance and ticket redemption are available to Sportsbook staff via permission-controlled enquiry screens. Also, this information available to Trading, Finance, and Audit staff via Betting Engine and Central Operations Platform tools. Once a ticket has been redeemed, the system will not allow it to be redeemed again.

Regulation Name and Number: §36-10 13.30 Sports Wagering Ticket. F

Current Regulation Language: (1) Require a sports wagering ticket to include ... (g) At least one anticounterfeiting measure, which appears on one or both sides of the sports wagering ticket

Proposed Regulation Language: (1) Require a sports wagering ticket to include ... ~~(g) At least one anticounterfeiting measure, which appears on one or both sides of the sports wagering ticket~~

Explanation for Regulation Change: We suggest the removal of the requirement. Currently Caesars operates within 19 jurisdictions across the United States and none of those markets incorporate this requirement. The digital record of a ticket is updated immediately when the ticket is redeemed, and it is not possible for the same ticket to be paid out again whether the original ticket or a copy are scanned.

Regulation Name and Number: §36-10 14.04 Limits on Accepting Wagers. A

Current Regulation Language: A sports wagering platform must be capable of allowing a registered bettor to establish the following responsible wagering limits: (1) A deposit limit ... (2) A limit on the amount of money lost ... (3) A limit on the amount of money wagered ... (4) A limit on the maximum amount of a single wager

Proposed Regulation Language: A sports wagering platform must be capable of allowing a ~~registered bettor~~ the holder of a sports wagering bettor account to establish the following responsible wagering limits: (1) A deposit limit ... (2) A limit on the amount of money lost ... (3) A limit on the amount of money wagered ... (4) A limit on the maximum amount of a single wager

Explanation for Regulation Change: We suggest changing the wording from "registered bettor" to "holder of a sports wagering bettor account" in order to clarify that the responsible wagering limits listed apply to sports wagering accounts, not the bettor tracking system.

Regulation Name and Number: §36-10 18.03 Sports Wagering Platform Requirements. G

Current Regulation Language: For each wager, a sports wagering platform shall be capable of recording the: ...(7) Bettor identification number;

Proposed Regulation Language: For each wager, a sports wagering platform shall be capable of recording the: ...(7) Bettor identification number (for wagers placed using a sports wagering account or by a registered bettor);

Explanation for Regulation Change: We suggest a betting identification number is recorded wherever possible but notes that in the case of anonymous Retail customers there is no bettor identification number to be recorded.

Regulation Name and Number: §36-10 18.03 Sports Wagering Platform Requirements. J.

Current Regulation Language: If a wager is voided or cancelled, a sports wagering platform shall indicate that: (1) The transaction was voided or cancelled; (2) The transaction was rendered nonredeemable;

Proposed Regulation Language: If a wager is voided or cancelled, a sports wagering platform shall indicate that: (1) The transaction was voided or cancelled; (2) ~~The transaction was rendered nonredeemable~~ A cancelled or voided wager may be redeemed for the value of the wager amount, but no winnings may be paid;

Explanation for Regulation Change: We suggest adding clarification that a refund of staked amount is payable when a ticket is voided or cancelled, but no winnings are possible. The voided/cancelled ticket is therefore redeemable to the value of the Proposed Regulation Language: e staked amount.

Regulation Name and Number: §36-10 13.30 Sports Wagering Ticket. C

Current Regulation Language: Except for mobile sports wagering, a sports wagering licensee shall: (1) Configure its sports wagering ticket system to: (a) Prevent issuance of a sports wagering ticket from a kiosk exceeding \$10,000;

Proposed Regulation Language: Except for mobile sports wagering, a sports wagering licensee shall: (1) Configure its sports wagering ticket system to: (a) Prevent issuance of a sports wagering ticket from a kiosk with [potential payout](#) exceeding \$10,000;

Explanation for Regulation Change: Caesars suggests adding the words "with potential payout" to clarify precisely which attribute of the bet is to be limited

Regulation Name and Number: §36-10 13.30 Sports Wagering Ticket. C

Current Regulation Language: Except for mobile sports wagering, a sports wagering licensee shall: (1) Configure its sports wagering ticket system to: ... (b) Require sports wagering tickets of \$3,000 or more to be redeemed only at the cashiers' cage;

Proposed Regulation Language: Except for mobile sports wagering, a sports wagering licensee shall: (1) Configure its sports wagering ticket system to: ... (b) Require sports wagering tickets of \$3,000 or more to be redeemed only at the cashiers' cage;

Explanation for Regulation Change: We would like to request that a definition of "Cashier's Cage" be provided so as to clarify whether Ticket Writer's windows or the Casino Cage are the intended subject of the clause "only at the cashiers' cage".

In addition, if the Commission wishes to set a limit on the maximum ticket payout allowed at Ticket Writer Windows, we request a higher limit of \$10,000 be set to minimize inconvenience to winning patrons and align more closely to operations in other jurisdictions.

Regulation Name and Number: Subtitle 10 Sports Wagering Provisions Chapter 18 Sports Wagering Technical Standards .03 Sports Wagering Platform Requirements.

Current Regulation Language: D. Upon request, a sports wagering licensee shall promptly provide the Commission with

relevant reports and documentation that shall include, at a minimum:

- (1) Complete, comprehensive, technically accurate description and explanation of the sports wagering platform;
- (2) The ability to query or sort wagering data; and
- (3) The ability to export wagering data.

Proposed Regulation Language: No change to this particular regulation, but [we are requesting that the Commission to include a definition of "Wagering Data"](#).

Regulation Name and Number: Subtitle 10 Sports Wagering Provisions Chapter 18 Sports Wagering Technical Standards .03 Sports Wagering Platform Requirements.

Current Regulation Language: S. In a format required by the Commission, a sports wagering platform shall provide a process for the Commission to query and export all sports wagering platform data.

Proposed Regulation Language: S. In a format required by the Commission [and listed on the mdgaming.com website](#), a sports wagering platform shall provide a process for the Commission to query and export all sports wagering platform data.

Explanation for Regulation Change: To provide clarity on the required reporting format and to ensure all licensee providers are subject to the same requirements, we request that the format available be listed on the Commission's website.

Horseshoe Baltimore thanks the Maryland Gaming Control Agency for the opportunity to make recommendations and work with the Agency to ensure regulations are aligned with industry's best business practices.



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Aug 30, 2021 at 3:59 AM

To: sports.wagering@maryland.gov

From: Cynthia Lyons <cynthialyons65@gmail.com> (None | None)

Chapter:
36.10.01 – General

Comment:
Very much AGAINST all sports betting. Please make it as restrictive as possible. The very integrity of sports ethics is being imperiled.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



Sports Wagering Comment | 36.10.18 – Technical Standards

1 message

Apache <msla.microsite@maryland.gov>

Fri, Aug 27, 2021 at 8:08 PM

To: sports.wagering@maryland.gov

From: Thomas J. Ventre <tommy.ventre@gmail.com> (None | None)

Chapter:
36.10.18 – Technical Standards

Comment:

As a prospective sports bettor, I applaud these regulations generally and Section 36.10.13.37 ("Bettor Complaints") and Section 36.10.13.41 ("Consumer Protection") specifically. In watching the industry for several years in anticipation of its legal launch in Maryland, I have frequently seen accounts of sportsbooks dealing with bettor complaints and consumer-protection issues in a less-than-satisfactory manner. My hope is that Maryland's regulations are sufficiently robust so as to a) allow for bettors to participate confidently in the industry and b) guarantee that bettors' rights as consumers will be protected by the state. As these regulations take effect, I encourage a) the maintenance of transparent procedures for the filing and adjudicating of complaints and b) the maintenance of strong protections for consumers (bettors) in disputes with licensees.

Yours,
Tommy Ventre
Baltimore

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Sat, Sep 4, 2021 at 8:52 AM

To: sports.wagering@maryland.gov

From: Austin Glaspey <austinglaspey@icloud.com> (Gov Contractor | Mobile)

Chapter:
36.10.01 – General

Comment:

Please pass this framework quickly and efficiently so residents of Maryland can enjoy sports betting. Nothing says footballs back like hammering a 6 game spread parlay. Let's go

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Wed, Sep 1, 2021 at 12:54 PM

To: sports.wagering@maryland.gov

From: James M. <jwm5853@gmail.com> (none | None)

Chapter:
36.10.01 – General

Comment:

It's ridiculous that it is the start of football season and Maryland residents are still waiting to make a legal sports bet. Sports wagering was approved by the voters months ago. Brick and Mortar operators and mobile apps are ready to go. And still the state can't it right. Hire some people from Pennsylvania, West Virginia, or Delaware, or any other state that has competent people who can get it done. It's not that hard, Larry.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Aug 30, 2021 at 9:49 AM

To: sports.wagering@maryland.gov

From: Caleb Walter <clbwltr@gmail.com> (| None)

Chapter:
36.10.01 – General

Comment:

It's terrible that it's taken this committee so long to even have this comment section set up, and that online gambling in the state is still so far away. The gross incompetence of the Gaming Control Agency would be funny if it wasn't so pathetic.

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sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Aug 30, 2021 at 8:15 AM

To: sports.wagering@maryland.gov

From: Stephen Joseph Reyda <sjreyda@verizon.net> (| None)

Chapter:
36.10.01 – General

Comment:

Why is this taking so long? Please get your act together and get this open to wagering... I prefer to keep my gambling money in MD. Until then I will continue to take my gambling funds to VA, WVA, PA and Delaware.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Sun, Aug 29, 2021 at 4:45 PM

To: sports.wagering@maryland.gov

From: Shaquane Madison <showtimemadison93@ymail.com> (DukeMadisonLLC | Mobile)

Chapter:
36.10.01 – General

Comment:
Hurry up it's money to be made out here!

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Fri, Aug 27, 2021 at 2:49 PM

To: sports.wagering@maryland.gov

From: Steve Taylor <steve.taylor859@gmail.com> (Citizen | None)

Chapter:
36.10.01 – General

Comment:
Get the operation up and running ASAP. It's years past due and already behind schedule.

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



sports wagering -MLGCA- <sports.wagering@maryland.gov>

Sports Wagering Comment | 36.10.01 – General

1 message

Apache <msla.microsite@maryland.gov>

Mon, Sep 27, 2021 at 11:19 PM

To: sports.wagering@maryland.gov

From: Andrew Winchell <andrew.winchell@fanduel.com> (FanDuel | Mobile)

Chapter:
36.10.01 – General

Comment:

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This e-mail was sent from a contact form on Maryland Lottery and Gaming (<https://www.mdgaming.com>)



FanDuel-Comments-on-Proposed-Maryland-Sports-Wagering-Regulations-9.27.21.pdf

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