

# Maryland Lottery and Gaming Control Commission

Larry Hogan, Governor



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## MARYLAND LOTTERY AND GAMING CONTROL COMMISSION SPECIAL MEETING - SPORTS WAGERING MINUTES

DATE: October 6, 2021

TIME: 10 a.m.

PLACE: Maryland Lottery and Gaming Control Agency  
(Meeting conducted via audio/video conference call)

PRESENT: Chair E. Randolph Marriner  
Vice Chair George L. Doetsch, Jr.  
Commissioner F. Vernon Boozer  
Commissioner Michelle Fager  
Commissioner Harold Hodges  
Commissioner James Stakem

John Martin, Director  
Jim Nielsen, Deputy Director, Chief Operating Officer  
James Butler, Assistant Deputy Director, Chief of Staff  
James Logue, Managing Director, Gaming  
John Mooney, Managing Director, Regulatory Oversight  
Carole Gentry, Managing Director, Communications  
Holly Citko, Principal Counsel, Attorney General's Office  
Kathy Lingo, Executive Assistant

OTHERS: Representative from Live! Casino  
Representative from MGM National Harbor  
Representatives from Horseshoe Casino Baltimore  
Thomas Brandt, Chair, Sports Wagering Application Review Commission (SWARC)  
MLGCA Licensing Staff

**E. Randolph Marriner, Chair**

F. Vernon Boozer, George L. Doetsch, Jr., Michelle R. Fager, Harry E. Hodges, James J. Stakem, Jerry E. Williams

## **ROLL CALL**

Chair Marriner conducted a roll call to establish that a quorum was present. Present via audio/video conferencing for the meeting with Chair Marriner were: Vice Chair George Doetsch and Commissioners Vernon Boozer, Michelle Fager, Harold Hodges, and James Stakem. Commissioner Jerry Williams was not present.

## **CALL TO ORDER**

Chair Marriner called the meeting of the Maryland Lottery and Gaming Control Commission to order at 10:01 a.m.

## **STAFF REPORT**

### ***Regulatory Oversight – John Mooney, Managing Director***

Mr. John Mooney presented his first Commission Action Item.

### ***Commission Action Item – Delegation to MLGCA Staff — Authority to Apply an Alternative Licensing Standard; States with Similar and Adequate Safeguards***

Mr. Mooney reported that for licenses required under the Sports Wagering Law, the Commission may establish an abbreviated licensing process for an applicant who holds a valid license in Maryland or another state, if the Commission determines that the licensing standards of the issuing agency are comprehensive and thorough, and provide similar and adequate safeguards to those in the Sports Wagering Law. The Commission may waive some or all licensing requirements, except those that relate to minority business enterprise participation goals and procedures established under SG § 9-1E-07, or are a requirement of the SWARC. Accordingly, the Commission's regulations implement this provision of the Sports Wagering Law, and establish a process by which the Commission may apply an alternative licensing standard to an applicant, waive some or all licensing requirements. COMAR 36.10.02.12 allows the Commission to delegate to Agency Staff its authority to decide whether to apply an alternative licensing standard.

A similar provision exists in the Gaming Law, under which the Commission determined that the licensing standards of 12 states are comprehensive and thorough, and provide similar and adequate safeguards to those in the Gaming Law: Arkansas, Illinois, Kansas, Louisiana, Mississippi, Missouri, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, and Wisconsin. Staff has determined that these 12 states also have licensing standards that are comprehensive and thorough, and provide similar and adequate safeguards to those in the Sports Wagering Law. Staff has identified four additional states that meet this criteria for sports wagering: Colorado, Michigan, Massachusetts, and Virginia. Maryland's qualification standards for a casino-related license are identical to, and specifically incorporated into, the Sports Wagering Law, and are therefore clearly sufficient for qualifying an applicant for a sports wagering license on that basis.

Mr. Mooney stated that, for these reasons, Staff is requesting that the Commission determine that the 16 states, and Maryland, have licensing standards that are comprehensive and thorough, and provide similar and adequate safeguards to those in the Sports Wagering Law. Staff is also requesting that the Commission delegate to Lottery staff the authority to decide whether to apply an alternative licensing standard to an applicant who holds a valid sports wagering license in at least one of these states and makes a request to apply an alternative licensing standard in support of its application for a sports wagering license. Mr. Mooney stated that Staff recommends the Commission approve the Motion.

Chair Marriner then asked for a Motion that the Commission determine that all 16 states identified have licensing standards that are comprehensive and thorough, and provide similar and adequate safeguards to those in the Sports Wagering Law, and delegate the authority to Staff to decide whether to apply an alternative licensing standard to an applicant on that basis. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

### *Commission Action Items — **THREE QUALIFICATION HEARINGS***

Chair Marriner stated that the Commission would conduct qualification hearings for three applicants for Sports Wagering Facility Licenses: PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel; MGM National Harbor, LLC d/b/a MGM National Harbor; and CBAC Borrower, LLC d/b/a Horseshoe Casino Baltimore. Chair Marriner collectively administered the oath to those who may testify or answer a question in any of the hearings. He stated that Mr. Mooney would conduct a separate hearing for each applicant, and describe the results of Staff's investigation into each applicant. Chair Marriner stated that anyone on the call for the hearing on behalf of the Applicant may speak. The Commission may also ask questions of Staff or an applicant representative. At the end of each hearing, Chair Marriner will ask for a motion to find the applicant qualified by application of alternative licensing standards for a Sports Wagering Facility License. If found qualified, he will ask for a motion to direct Staff to draft a decision statement and for the Secretary of the Commission to transmit it to the SWARC. Chair Marriner then administered the oath to: Phil Metz, Michael Pfisterer, Mark Ermer, John Mooney, Anthony Faranca, Patrick Madamba, Randy Conroy, and Robert Ruben.

Mr. Mooney reported that before the Commission are three hearings in which MLGCA is requesting the Commission to determine whether the applicants are qualified for a sports wagering facility license:

1. PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel
2. MGM National Harbor, LLC d/b/a MGM National Harbor
3. CBAC Borrower, LLC d/b/a Horseshoe Casino Baltimore

The Commission has delegated to Agency Staff its authority to decide whether to apply an alternative licensing standard to an applicant. The Sports Wagering Law requires the Commission to regulate sports wagering to the same extent that it regulates casino licensing and operations under the Gaming Law (SG, Title 9, Subtitle 1A). All three applicants hold current, valid casino operation licenses that this Commission has issued. Therefore, they already meet the Commission's sports wagering qualification standards. However, the Sports Wagering Law requires a person intending to conduct or offer sports wagering in its facility or on its premises to apply for a separate sports wagering facility license and undergo an extensive background investigation, be found qualified, and be issued, a separate sports wagering facility license before it may commence sports wagering operations. These 3 applicants are before the Commission requesting that the Commission find them qualified for a sports wagering facility license, by applying alternative licensing standards based on their current valid casino and sports wagering licenses. Because at a minimum, the three applicants hold a valid MLGCC casino operating license, Staff has decided to apply alternative licensing standards to each applicant to satisfy the qualification requirements before the Agency conducts a full background investigation. Staff will complete an extensive background investigation in due course. The hearings will proceed separately and Mr. Mooney will request an appropriate motion from the Commission at the end of each hearing. Following each sports wagering facility license applicant's qualification hearing, Staff will recommend the Commission find each applicant qualified for a sports wagering facility license by application of alternative licensing standards.

Mr. Mooney reported that Maryland's Sports Wagering Law is found in State Government Article ("SG"), Title 9, Subtitle 1E, Annotated Code of Maryland and the Commission's sports wagering regulations in Code of Maryland Regulations ("COMAR") 36.10 (collectively, "the Sports Wagering Law"). The Sports Wagering Law also includes and incorporates applicable licensing requirements in SG, Title 9, Subtitle 1A, and COMAR 36.03 (collectively, the "the Gaming Law"), which establishes requirements for all casino-related licenses. An applicant for a license related to sports wagering must meet all applicable qualification requirements set forth in both the Sports Wagering Law and the Gaming Law.

Mr. Mooney proceeded to present each of the three applicants for approval.

***Commission Action Item — Live! Casino — Qualification Hearing***

Mr. Mooney reported that PPE Casino Resorts Maryland, LLC ("PPECRM" or "the Company") d/b/a Live! Casino is the holder of the Video Lottery Operation License for Anne Arundel County, Maryland and is the owner and operator of Live! Casino and Hotel. Live! Casino and Hotel features 3,741 slot machines, 190 table games, nightly entertainment and lodging accommodations. PPECRM has applied for a sports wagering facility license.

Mr. Mooney reviewed the regulatory history, ownership of applicant and the principal qualifiers of Live! Casino. He noted that Live! Casino submitted its request for a Sports Wagering Facility License, and listed the states in which Live! currently holds a current license. Mr. Mooney said that MLGCA Staff recommends that the Commission entertain motions to find that PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence; delegate to Lottery staff the authority to draft a written statement of the Commission's decision on the qualification of the PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel and submit it to the Applicant as soon as possible; and to direct the Secretary of the Commission to transmit the decision statement to the SWARC.

Mr. Anthony Faranca thanked the Commission for their support during this process.

Chair Marriner asked for a Motion to find that PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a Motion to direct Staff to draft a decision statement of the Commission on the Commission's decision on the qualification of the PPE Casino Resorts Maryland, LLC d/b/a Live! Casino and Hotel. Commissioner Stakem moved, Vice Chair Doetsch seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a Motion to direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Review Commission. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

***Commission Action Item — MGM National Harbor — Qualification Hearing***

Mr. John Mooney reported that MGM National Harbor, LLC ("MGM" or "the Company") is the holder of the Video Lottery Operation License for Prince George's County, Maryland. MGM currently offers 2,126 video lottery terminals and 201 table games. MGM National Harbor, LLC, is owned and

operated by MGM Resorts International. The facility that MGM National Harbor, LLC occupies is owned by MGM Growth Properties, LLC.

Mr. Mooney reviewed the regulatory History of MGM National Harbor. He noted that MGM National Harbor submitted its request for a Sports Wagering Facility License, and listed the states in which MGM currently holds a current license. Mr. Mooney said that MLGCA confirmed that the licenses issued in the other states are current and valid, and Staff recommends that the Commission entertain motions to find that MGM National Harbor, LLC d/b/ MGM National Harbor has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence; to delegate to Staff the authority to draft a decision statement of the Commission's decision on the qualification of the MGM National Harbor, LLC d/b/a MGM National Harbor and submit it to the Applicant as soon as possible; and to direct the Secretary of the Commission to transmit the decision statement to the SWARC.

Mr. Patrick Madamba thanked Lottery staff, in particular: John Martin, John Mooney, and Phil Metz for their support.

Chair Marriner asked for a Motion to find that MGM National Harbor, LLC d/b/a MGM National Harbor has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a Motion to direct Staff to draft a decision statement of the Commission on the Commission's decision on the qualification of the MGM National Harbor, LLC d/b/a MGM National Harbor. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a motion to direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Review Commission. Vice Chair Doetsch moved, Commissioner Fager seconded, and the motion was unanimously approved by roll call vote.

#### *Commission Action Item — Horseshoe Casino — Qualification Hearing*

Mr. John Mooney reported that CBAC Borrower, LLC (Horseshoe Casino Baltimore) submitted a Sports Wagering Facility License Application on September 15, 2021, to be licensed by the Maryland Lottery and Gaming Control Commission (MLGCC) as a sports wagering facility. Horseshoe Casino features 1,762 video lottery terminals, 137 table games, and a World Series of Poker room. The casino is located along Russell Street on Baltimore's south side, neighboring professional sports venues M&T Bank Stadium, home of the NFL Baltimore Ravens, and Camden Yards, home of the MLB Baltimore Orioles, as well as Baltimore's Inner Harbor.

Mr. Mooney reviewed the regulatory history and ownership of Horseshoe Casino. He noted that Horseshoe Casino submitted its request for a Sports Wagering Facility License, and listed the states in which Horseshoe Casino currently holds a current license. Mr. Mooney said that MLGCA Staff recommends that the Commission entertain motions to find that CBAC Borrower, LLC has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence; delegate to Staff the authority to draft a written statement of the Commission's decision on the qualification of the CBAC Borrower, LLC and submit it to the Applicant as soon as possible; and to direct the Secretary of the Commission to transmit the decision statement to the Sports Wagering Application Review Commission.

Mr. Randy Conroy stated, on behalf of the 1,200 team members of Horseshoe, that they sincerely appreciated the guidance from Lottery staff during the process.

Chair Marriner asked for a motion to find that CBAC Borrower, LLC d/b/a Horseshoe Casino Baltimore has established by application of alternative licensing standards that it is qualified for a Sports Wagering Facility License by clear and convincing evidence. Vice Chair Doetsch moved, Commissioner Fager seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a Motion to direct staff to draft a decision statement of the Commission on the Commission's decision on the qualification of the CBAC Borrower, LLC d/b/a Horseshoe Casino Baltimore. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

Chair Marriner then asked for a Motion to direct the Secretary of the Commission to transmit the decision statement to the SWARC. Vice Chair Doetsch moved, Commissioner Stakem seconded, and the motion was unanimously approved by roll call vote.

#### **DATE AND TIME OF NEXT MEETING**

The next regular Commission meeting will be held on Thursday, October 21, 2021, at 10 a.m., in-person at Maryland Lottery headquarters and via audio/video conference.

#### **ADJOURNMENT**

There being no further business, Chair Marriner adjourned the meeting at 10:35 a.m.

Respectfully submitted,



John Martin  
Director