

**STAFF AGENDA MEMORANDUM**

**TO:** Maryland Lottery and Gaming Control Commission

**FROM:** James Logue, Managing Director, Gaming

**DATE:** November 15, 2021

**SUBJECT:** Delegations to Staff  
Authority to Make Determinations Necessary to  
Qualify Applicants and Issue Sports Wagering Licenses

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**Summary:**

The Sports Wagering Law and the Commission’s regulations require the Commission to make determinations about whether applicants meet the requirements for being qualified for, or issued, sports wagering-related licenses. The Commission’s regulations provide that, unless context dictates otherwise, “Commission” may mean the Agency or its Staff. COMAR 36.01.01.01.B.; State Gov’t Article (“SG”) § 9-1A-02(b)(2), Annotated Code of Md. and as applied to sports wagering pursuant to SG § 9-1E-04(a).

Staff can make determinations about whether applicants satisfy most license requirements expeditiously and efficiently because they are subject matter experts on the various licensing, technical, and operational requirements for licensure. Given Staff’s expertise, given the numerous determinations necessary to ensure that each applicant satisfies the many licensure requirements, and given that – without delegating certain determinations to Staff - the full Commission may need to make all licensing determinations. Staff is asking the Commission delegate to it the authority to make these kinds of licensing-related determinations under the regulations set forth below. These delegations, if granted, will likely help potential and actual applicants by clarifying how the licensing process works, what they may expect during the process, and may reduce delays in starting sports wagering.

Staff is requesting that the Commission delegate to it the authority to determine whether applicants have met licensing requirements under:

**COMAR 36.10.03. All Applicants and Licensees – Qualification Requirements**

These requirements apply to all applicants for any license. A delegation under this chapter would include Staff determinations that an applicant has paid the application fee, furnished the required bond specified by license category, and meets qualification requirements. The determination of qualification requirements would still be made by the Commission, after a hearing, for applicants for licensure as: a sports wagering facility; a sports wagering facility operator; a mobile sports wagering licensee; and an online sports wagering operator.

Applicants for sports wagering facility and mobile sports wagering licenses that the Commission finds qualified then go to the Sports Wagering Application Review Commission (SWARC) for license award, before they come back to Staff for issuance of a license, which is currently permitted by Staff pursuant to COMAR 36.10.03.03.

**COMAR 36.10.04. Specific Requirements for Sports Wagering Facility Licensees**

A delegation under this chapter would include Staff determinations that that an applicant has satisfied statutory requirements about the applicant’s ownership and location, the how-when-and-where in-person wagering would operate, and other related issues.

**COMAR 36.10.13. Sports Wagering Licensee Minimum Internal Control Standards**

A delegation under this chapter would allow Staff to determine that an applicant meets specific and comprehensive requirements of this chapter including: operations; staffing; security; surveillance; reporting; record retention; tables of organization; audits; accounting; bettor tracking; cash and count control; bettor complaints; consumer protection; and voluntary exclusion.

**COMAR 36.10.14. Sports Wagering Requirements and Limitations**

A delegation under this chapter would allow Staff to determine that an applicant meets specific and comprehensive operational requirements for all entities that would offer or conduct sports wagering, including: wagers; bet types; wager limits; funding wagers; reserves; and interested party complaints.

**COMAR 36.10.15 Sports Wagering License Facility Standards**

A delegation under this chapter would pertain only to facilities, and would allow Staff to determine that a facility applicant meets specific and comprehensive standards for facility design, and features including requirements for: physical space; surveillance; security; restricted and outdoor areas; and plans and configurations.

**COMAR 36.10.16 Wagering Using Online, Web-based, or Mobile Applications**

A delegation under this chapter would pertain only to operations and web-based applications that would allow Staff to determine whether functions conform with requirements for: betting limits; geolocation; know your customer (KYC); age verification; and security.

**COMAR 36.10.17 Sports Wagering Equipment**

A delegation under this chapter would pertain to equipment used for wagering at a sports wagering facility, and its: features; surveillance; testing; and authorization for use.

**COMAR 36.10.18 Sports Wagering Technical Standards**

A delegation under this chapter would pertain to required features of a platform to be used for sports wagering including: geolocation; bettor accounts; information security; and required reports.

If granted, this delegation of authority does not change, remove, or waive any authority or requirement of the SWARC, or a reporting requirement of SG § 9-1E-01, *et. seq.*, Annotated Code of Maryland.

**COMMISSION ACTION REQUESTED:**

MOTION:

Consistent with Staff’s request, the Commission delegates to Staff its approval and determination functions under the designated chapters of the Commission’s regulations, so that if Staff determines an applicant meets applicable standards, Staff may determine qualifications for, and issue, a sports wagering license, without necessity of a Commission hearing;

AND THAT

Staff shall report to the Commission an exercise of a Commission function made under the authority of this Delegation;

AND THAT

The Commission may revoke this Delegation at any time.

**STAFF RECOMMENDATIONS:**

Staff recommends that Commission approve the Motion.