

STAFF AGENDA MEMORANDUM

TO: Maryland Lottery and Gaming Control Commission
John A. Martin, Director
Jim Nielsen, Deputy Director

FROM: John J. Mooney, Managing Director, Regulatory Oversight

DATE: November 4, 2021

SUBJECT: **Qualification Hearings –
Applicants for a Sports Wagering Facility Operator License**

Commission Action Items:

Before the Commission are 5 hearings by which we request the Commission determine whether five casino operators meet the Commission's qualification requirements for a sports wagering facility operator license:

1. BetMGM;
2. American Wagering, Inc.;
3. Betfair Interactive US, LLC d/b/a FanDuel Sportsbook;
4. Churchill Downs Interactive Gaming, LLC; and
5. Penn Sports Interactive, LLC.

Summary:

The Commission has delegated to Agency Staff the authority to decide whether to apply an alternative licensing standard to an applicant. Staff has implemented a policy as to the minimum number of other valid and current licenses an applicant must hold before Staff will grant an applicant's request to apply alternative licensing standards to satisfy the Commission's qualification requirements:

1. If an applicant holds a current, valid Maryland issued casino-related license issued by this Commission, that alone is a sufficient basis upon which Staff may grant a request to apply alternative licensing standards to satisfy qualification requirements. Maryland's qualification standards for casino-related licenses are identical to, and specifically incorporated in, the Sports Wagering Law, so they are clearly sufficient for qualifying an applicant for a sports wagering license on that basis.
2. If an applicant does not hold a current, valid Maryland casino-related license, then the applicant must have a current, valid license in at least 3 of the 16 Commission-approved states that have licensing standards which are comprehensive and thorough, and provide similar and adequate safeguards to those in the Sports Wagering Law.

Today's Hearings

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).

The applicants before you for qualification hearings today hold current, valid sports wagering related licenses

issued by at least 3 of the 16 Commission-approved states. They each have submitted requests for the application of alternative licensing standards as the basis for determining their qualifications for a sports wagering facility operator license, based on their licenses issued by other Commission-approved states.

Staff has decided to apply alternative licensing standards to these applicants to satisfy their 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 I will request an appropriate motion from the Commission at the end of each hearing.

COMMISSION ACTION REQUESTED:

Staff recommends that the Commission find that each applicant has established, by application of alternative licensing standards, and by clear and convincing evidence, its qualifications for a sports wagering facility operator license.