

1 **Title 36 MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY**
2 **Subtitle 10 SPORTS WAGERING PROVISIONS**
3 **Chapter 04 Specific Requirements for Sports Wagering Facilities Licensees**

4 *Authority: State Government Article, §§9-1E-01—9-1E-15, Annotated Code of Maryland.*

5 **.01 - .02** (text unchanged)

6 **.03 Class A-1 Sports Wagering Facility License.**

7 A. – D (text unchanged)

8 *E. If an applicant that is an owner identified under §B(2) – (7) of this regulation identifies a*
9 *designee:*

10 *(1) The owner shall complete and execute an Affidavit of Owner of a Professional Sports*
11 *Franchise or Stadium Supporting the Owner’s Designee to be the Applicant for, and Holder of, a*
12 *Sports Wagering Facility License that:*

13 *(a) Identifies the designee;*

14 *(b) Acknowledges that the sports wagering law authorizes the Commission to issue a*
15 *Class A-1 sports wagering facility license to an owner of a specified professional sports*
16 *franchise or stadium, or to the owner’s designee, if the applicant meets all applicable*
17 *requirements;*

18 *(c) Understands, acknowledges and certifies that the designee is required to meet all*
19 *applicable requirements for:*

20 *(i) Qualification by the Commission;*

21 *(ii) License award by SWARC;*

22 *(iii) License issuance by the Commission; and*

23 *(iv) Continuing obligations for the term of the license;*

For December 16, 2021 Commission Meeting.

The proposed amendment to COMAR 36.10.04.03 would describe the unique requirements of an application process when the owner of a professional sports franchise or stadium under State Government Article, § 9-1E-06(a)(1)(i)2 selects a designee to be its applicant for a sports wagering facility license. The proposed amendment to COMAR 36.10.04.08 would remove the reference to a runner who may place an in-person sports wager.

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1 (d) Understands, acknowledges and certifies that the owner is prohibited from controlling
2 or influencing the designee in the designee's capacity as an applicant for or holder of a sports
3 wagering facility license;

4 (e) Understands, acknowledges and certifies that the owner is prohibited from receiving
5 from the designee any interest, percentage, or share of handle, proceeds, or profit, that is based
6 on sports wagering;

7 (2) The owner shall submit to the Commission documentation establishing that it has no
8 control or influence over an owner's designee;

9 (3) The designee shall complete and execute an Affidavit of Designee of an Owner of a
10 Professional Sports Franchise or Stadium Supporting the Owner's Designee to be the Applicant
11 for, and Holder of, a Sports Wagering Facility License that meets the same requirements in
12 §E(1) of this regulation;

13 (5) The designee shall submit to the Commission documentation that the owner has no control
14 or influence over it; and

15 (6) If an owner seeks to replace the named designee:

16 (i) The owner and the designee shall submit to the Commission a request to replace the
17 designee as the holder of the license;

18 (ii) The new designee shall submit to the Commission an application for a sports wagering
19 facility license; and

20 (iii) The Commission may transfer the sports wagering facility license to the new designee
21 after the Commission determines that the new designee meets all applicable requirements for a
22 sports wagering facility license, and issues the license.

23 **.04 - 07** (text unchanged)

24 **.08 In-person Wagering at Sports Wagering Facilities.**

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

For December 16, 2021 Commission Meeting.

The proposed amendment to COMAR 36.10.04.03 would describe the unique requirements of an application process when the owner of a professional sports franchise or stadium under State Government Article, § 9-1E-06(a)(1)(i)2 selects a designee to be its applicant for a sports wagering facility license. The proposed amendment to COMAR 36.10.04.08 would remove the reference to a runner who may place an in-person sports wager.

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B. – D. (text unchanged)

.09 - .11 (text unchanged)

Chapter .05 – Chapter .11 (text unchanged)

For December 16, 2021 Commission Meeting.

The proposed amendment to COMAR 36.10.04.03 would describe the unique requirements of an application process when the owner of a professional sports franchise or stadium under State Government Article, § 9-1E-06(a)(1)(i)2 selects a designee to be its applicant for a sports wagering facility license. The proposed amendment to COMAR 36.10.04.08 would remove the reference to a runner who may place an in-person sports wager.

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1 **Chapter 12 Collection of Taxes, Fees, and Penalties**

2 *Authority: State Government Article, §§9-1A-02, 9-1A-04, 9-1A-33, and*
3 *9-1E-01—9-1E-15, Annotated Code of Maryland*

4
5 **.01 - .02** (text unchanged)

6 **.03 Obligation to Pay.**

7 A. (text unchanged)

8 B. *A sports wagering licensee shall submit monthly sports wagering tax returns to the*
9 *Commission by the 5th day of the following month.*

10 *C. If monthly sports wagering taxes are due, the licensee shall pay them to the Commission by*
11 *wire transfer by the 5th day of the following month.*

12 *D. If, by the seventh calendar day of the month, a sports wagering licensee fails to submit a*
13 *properly completed sports wagering tax return and all taxes due to the Commission, the sports*
14 *wagering license shall be automatically suspended.*

15 *E. If a sports wagering license is suspended under of this regulation, the Commission may lift*
16 *the license suspension after the licensee submits the tax return and the tax payment.*

17 ~~B.—C]~~ *E. — F.* (text unchanged)

18
19 **.04** (text unchanged)
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For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.12.03 would specify when tax returns and tax payments are due to the Commission, and provide for the automatic suspension of a license if a licensee fails to timely remit tax returns or tax payments to the Commission.

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1 **Chapter 13 Sports Wagering Licensee Minimum Internal Control Standards**

2 *Authority: State Government Article, §§9-1E-01—9-1E-15, Annotated Code of Maryland*

3 **.01 - .39** (text unchanged)

4 **.40 Security of Funds and Data.**

5 A. – D. (text unchanged)

6 E. A sports wagering licensee shall implement and prominently publish the following on its
7 platform:

8 (1) – (4) (text unchanged)

9 (5) Procedures that allow a bettor to request withdrawal of funds from their user account,
10 whether such account is open or closed, including:

11 (a) Honoring a bettor’s request to withdraw funds by the later of [~~10~~] 5 days after receipt of
12 the request or [~~10~~] 5 days after submission of any tax reporting paperwork required by law;

13 (b) – (c) (text unchanged)

14 (6) (text unchanged)

15
16 **.41 - .44** (text unchanged)
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For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.13.40 would change the number of days from 10 to 5 in which a sports wagering licensee shall honor a bettor’s request to withdraw funds, which is the later of either the request or submission of tax reporting paperwork to align it with timeframes specified in the Internal Controls chapter.

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1 **Chapter 14 Sports Wagering Requirements and Limitations**

2 *Authority: State Government Article, §§9-1E-01—9-1E-15, Annotated Code of Maryland*

3 **.01 Authorized Wagers.**

4 A. – B. (text unchanged)

5 C. Verifiable Outcome.

6 (1) (text unchanged)

7 (2) A sports wagering licensee may use any Commission approved data source *for*
8 *determining the results of sports wagers.*

9 ~~[(3) A governing entity may submit a request to the Commission to require a sports wagering~~
10 ~~licensee to use official league data to settle a wager placed.~~

11 ~~(4) Within 60 days after the Commission approves the request from a governing entity, a~~
12 ~~sports wagering licensee may only use official league data to determine the result of a wager~~
13 ~~placed.~~

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

15 ~~(a) The governing entity is unable to provide, on commercially reasonable terms as~~
16 ~~determined by the Commission, a timely feed of official league data; or~~

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

21 ~~(i) The availability of a governing entity's official league data for such bets on~~
22 ~~commercially reasonable terms from an alternative authorized source;~~

23 ~~(ii) Costs paid by the sports wagering licensee for data from authorized sources, in~~
24 ~~Maryland and in other states;~~

25 ~~(iii) The reliability of the data, including the quality and complexity of the process used~~
26 ~~for collecting the data; and~~

27 ~~(iv) Any other information the Commission requires.~~

28 ~~(6) While the Commission is considering whether official league data is available on~~
29 ~~commercially reasonable terms, a sports wagering licensee may use any other approved data~~
30 ~~source for determining the results of bets placed.]~~

31 D. (text unchanged)

32 **.02** (text unchanged)

33 **.03 Prohibited Wagers.**

34 A. (text unchanged)

For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.14.01 would remove the requirements for the use of official league data. The proposed changes to COMAR 36.10.14.03 would remove the limitation of an athletic event in which the athlete participates to merely include the broader statement of an athletic event governed by the same governing body under which the athlete competes.

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- 1 B. A sports wagering licensee may not accept a wager that the licensee knew or should have
2 known:
3 (1) Involves cheating;
4 (2) Was made by an athlete on [~~an athletic event of the type in which the athlete participates~~
5 ~~or~~] an athletic event governed by the same governing entity under which the athlete competes;
6 (3) – (5) (text unchanged)
7 C. – D. (text unchanged)
8
9 **.04 - .07** (text unchanged) **Chapter 15** (text unchanged)
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For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.14.01 would remove the requirements for the use of official league data. The proposed changes to COMAR 36.10.14.03 would remove the limitation of an athletic event in which the athlete participates to merely include the broader statement of an athletic event governed by the same governing body under which the athlete competes.

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1 **Chapter 16 Wagering Using Online, Web-based, or Mobile Applications**

2 *Authority: State Government Article, §§9-1E-01—9-1E-15, Annotated Code of Maryland*

3 **.01 - .02** (text unchanged)

4 **.03 Geolocation Requirements.**

5 A sports wagering licensee and its agents, contractors, and vendors shall ensure that all of its
6 sports [~~wagering is~~] *wagers are* initiated, received, and completed within the State and that only
7 intermediate routing of a sports wager occurs outside the State.

8 **.04 Periodic Review of Systems.**

9 A sports wagering licensee and its agents, contractors, and vendors shall periodically review
10 their [~~information~~] *geolocation* technology systems [~~and networks~~] to ensure compliance with this
11 chapter.

12 **.05 - .06** (text unchanged)
13
14

For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.16.03 would change “wagering” to “wagers” to permit access to a bettor’s account while the bettor is outside the State, as long as wagering does not occur. The proposed amendment to COMAR 36.10.16.04 would clarify that a licensee is required to periodically review its geolocation technology systems.

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1 **Chapter 17 Sports Wagering Equipment**

2 Authority: State Government Article, §§9-1E-01—9-1E-15, Annotated Code of Maryland

3 **.01 - .03** (text unchanged)

4 **.04 Change Management.**

5 Sports wagering licensees shall adhere to a Change Management Plan issued by the
6 Commission.

7

For December 16, 2021 Commission Meeting.

The proposed amendment is an all new regulation that requires licensees to adhere to a Change Management plan issued by the Commission.

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1 **Chapter 18 Sports Wagering Technical Standards**

2 *Authority: State Government Article, §§9-1E-01—9-1E-15, Annotated Code of Maryland*

3 **.01 - .04** (text unchanged)

4 **.05 Bettor Accounts.**

5 A. – M. (text unchanged)

6
7 N. Except for the placement or settlement of a wager, *unless the bettor has opted to not receive*
8 *such notifications*, the sports wagering licensee shall confirm each transaction on a bettor account
9 by:

10 (1) – (3) (text unchanged)

11
12 O. – V. (text unchanged)

13 **.06 Information Security.**

14 A. A sports wagering licensee shall:

15 (1) Implement, maintain, regularly review and revise, and comply with a comprehensive
16 information security system that ~~[takes reasonable steps to protect]~~ *reasonably protects* the
17 confidentiality, integrity, and availability of a bettor’s personally identifiable information; and

18 (2) Ensure that the security system set forth in §A(1) of this regulation ~~[shall contain]~~ *includes*
19 administrative, technical, and physical safeguards which ~~[are]~~:

20 (a) ~~[Appropriate]~~ *Are appropriate* to the size, complexity, nature, and scope of the
21 operations; and

22 (b) ~~[Sensitive of]~~ *Protect* the personal information owned, licensed, maintained, handled,
23 or otherwise in the possession of the sports wagering licensee.

24 B. A sports wagering licensee shall:

25 *(1) Within 90 days of commencing operations, and annually thereafter, conduct a*
26 *vulnerability assessment, penetration testing, and operational security control review against ISO*
27 *27001 standard, or other similar standards such as CIS or NIST CSF; and*

28 (2) Perform vulnerability *assessments and penetration* testing of the sports wagering
29 platform ~~[-, associated equipment, and networks to assess the effectiveness of security controls;~~
30 ~~and]~~ *at multiple layers, including:*

31 *(a) Internal and external network;*

32 *(b) Mobile and web application;*

33 *(c) Database;*

34 *(d) Firewall;*

35 *(e) If applicable, wireless; and*

36 *(f) Any additional security testing that the Commission requires.*

For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.18.05 would allow for a bettor to opt out of receiving notifications that are otherwise required. The proposed amendments to COMAR 36.10.18.06 clarify the information security measures required.

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1 ~~[2] [Have the testing set forth in §B(1) of this regulation conducted by a Commission approved~~
2 ~~third party as set forth in Regulation .03B of this chapter]~~ (3) Ensure that a Commission approved
3 third party described in Regulation .02B of this chapter conducts the testing required in §B(1) and
4 §B(2) of this regulation.

5 (4) Perform internal quarterly vulnerability scans, and retain documentation of the scan
6 results and the actions taken to resolve identified vulnerabilities.

7 C. A sports wagering licensee shall ~~[create a report that:]~~ submit to the Commission the
8 assessment report issued by the third party and the licensee's report.

9 D. The combined reports in §C of this regulation shall:

10 (1) Provide details for all vulnerabilities identified;

11 ~~[(1)]~~ (2) [Assesses] Assess the adequacy and effectiveness of the sports wagering licensee's
12 information technology security controls and system configurations; and

13 ~~[(2)]~~ (3) [Provides] Provide recommendations for eliminating each material weakness or
14 significant deficiency identified.

15 ~~[D]~~ E. A sports wagering licensee shall evaluate all identified vulnerabilities for potential
16 adverse effect on security and integrity, and:

17 (1) – (2) (text unchanged)

For December 16, 2021 Commission Meeting.

The proposed amendments to COMAR 36.10.18.05 would allow for a bettor to opt out of receiving notifications that are otherwise required. The proposed amendments to COMAR 36.10.18.06 clarify the information security measures required.

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