

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 02 All Applicants and Licensees - Applications and Investigations

Authority: State Government Article, §§9-1A-02, 9-1A-04, 9-1-07, 9-1A-08, 9-1A-20, 9-1A-25, and 9-1E-01 - 9-1E-15, Annotated Code of Maryland.

.14 Bonds.

A. The Commission may require an applicant or licensee to obtain a **performance** bond before the Commission issues or renews a license.

B. The **performance** bond shall: ~~[be]~~

(1) Be for the benefit of the State for the faithful performance of the requirements imposed by State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and Commission regulations; **and**

(2) Designate the Agency as the obligee.

C. If a **performance** bond is required for a license, the Commission may not issue or renew a license unless it has:

(1) Exempted the applicant or licensee from the **performance** bond requirement; or

(2) Received satisfactory ~~[proof]~~ **documentation** of ~~[a]~~ **the performance** bond.

D. The Commission may apply a **performance** bond to the payment of an unpaid liability of the applicant or licensee **to the Agency and the State.**

E. ~~[Bond]~~ **Performance bond** amounts and exemptions are specified in regulations that pertain to a specific license.

F. The Commission may exempt a sports wagering employee from the **performance** bond requirement if the employee is:

(1) – (2) (text unchanged)

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Chapter 03 All Applicants and Licensees - Qualification Requirements

Authority: State Government Article, §§9-1A-02 - 9-1A-04, 9-1A-07, 9-1A-08, 9-1A-14, 9-1A-18 – 9-1A-20, 9-1A-24, 9-1A-25, and 9-1E-01 - 9-1E-15, Annotated Code of Maryland.

.02 Qualification Requirements.

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

(1) (text unchanged)

(2) Unless exempt, provided documentation that ~~[it has]~~:

(a) ~~[acquired]~~ **The applicant has obtained the required performance** bond; ~~[and]~~ **or**

(b) **An entity authorized to provide a performance bond in the State has approved the applicant for a performance bond; and**

(3) (text unchanged)

B. – D. (text unchanged)

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Chapter 04 Specific Requirements for Sports Wagering Facility Licensees

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

.02 Process for Obtaining a Sports Wagering Facility License.

A. – F. (text unchanged)

G. Commission staff shall determine whether the awardee has met applicable technical and operational requirements in this chapter for a Class A-1, A-2, B-1, or B-2 sports wagering facility license, and determine whether it meets the Commission's requirements for:

(1) (text unchanged)

(2) Evidence of a **performance** bond in the amount specified for the license category;

(3) – (16) (text unchanged)

H. – I. (text unchanged)

.03 Class A-1 Sports Wagering Facility License.

A. – C. (text unchanged)

D. The **performance** bond for a Class A-1 sports wagering facility license is \$6,000,000.

E. – G. (text unchanged)

.04 Class A-2 Sports Wagering Facility License.

A. – C. (text unchanged)

D. The **performance** bond for a Class A-2 sports wagering facility license is \$3,000,000

.05 Class B-1 Sports Wagering Facility License.

A. – C. (text unchanged)

D. The **performance** bond for a Class B-1 sports wagering facility license is \$750,000.

.06 Class B-2 Sports Wagering Facility License.

A. – B. (text unchanged)

C. The **performance** bond for a Class B-2 sports wagering facility license is \$150,000.

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Chapter 05 Specific Requirements for Mobile Sports Wagering Licenses

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

.01 General.

A. – E. (text unchanged)

F. The **performance** bond for a mobile sports wagering license is \$1,500,000.

.02 Process for Obtaining a Mobile Sports Wagering License.

A. – F. (text unchanged)

G. Commission staff shall determine whether the awardee has met applicable technical and operational requirements in this chapter for a mobile sports wagering license, and determine whether it meets the Commission's requirements for:

(1) (text unchanged)

(2) Evidence of a **performance** bond in the amount of \$1,500,000;

(3) – (15) (text unchanged)

H. – I. (text unchanged)

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Chapter 06 Specific Requirements for Other Licenses Required for Sports Wagering

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

.02 Online Sports Wagering Operator License.

A. – C. (text unchanged)

D. An applicant for an online sports wagering operator license shall:

(1) – (2) (text unchanged)

(3) If not covered under the online sports wagering licensee's performance bond for which the sports wagering facility operator licensee is conducting sports wagering, obtain the same **performance** bond amount that is required for that sports wagering facility license class as provided in Chapter .05 of this subtitle;

(4) – (5) (text unchanged)

E. (text unchanged)

F. Commission staff shall determine whether the applicant has met applicable technical and operational requirements for a license, and determine whether it meets the Commission's requirements for:

(1) (text unchanged)

(2) Evidence of a **performance** bond in the amount as set forth in §D of this regulation;

(3) – (14) (text unchanged)

G. (text unchanged)

H. Application for an Additional Online Sports Wagering Operator License.

(1) (text unchanged)

(2) For an online sports wagering operator that applies for a second, or successive, license with a different mobile sports wagering licensee within the term of an existing license that is in good standing, the applicant shall submit an application to the Commission:

(a) The online sports wagering operator shall meet the requirements of §D of this regulation; and

(b) The online sports wagering operator shall be qualified by the Commission at the same time as the mobile sports wagering applicant partner is presented to the Commission;

(3) – (4) (text unchanged)

I. Renewal. An online sports wagering operator license may be renewed by the Commission if the licensee:

(1) (text unchanged)

(2) Continues to comply with all licensing requirements **including obtaining a performance bond for the renewal term;**

(3) – (4) (text unchanged)

.03 Sports Wagering Facility Operator License.

A. – C. (text unchanged)

D. An applicant for sports wagering facility operator license shall:

(1) (text unchanged)

(2) If not covered under the sports wagering facility licensee’s performance bond for which the sports wagering facility operator licensee is conducting sports wagering, obtain the same **performance** bond amount that is required for that sports wagering facility license class as provided in COMAR 36.10.04;

(3) – (4) (text unchanged)

E. (text unchanged)

F. Commission staff shall determine whether the applicant has met applicable technical and operational requirements, and determine whether it meets the Commission’s requirements for:

(1) (text unchanged)

(2) Evidence of ~~payment of~~ **securing** a **performance** bond **for the benefit of the Agency and the State** in the amount as set forth in §D of this regulation;

(3) – (14) (text unchanged)

G. – H. (text unchanged)

I. Application for an Additional Sports Wagering Facility Operator License.

(1) A sports wagering facility operator may apply for a license to be a sports wagering facility operator for more than one sports wagering facility ~~licensees~~ **licensee**.

(2) A licensee that applies to be an operator for more than one sports wagering facility licensee shall submit an application to the Commission:

(a) The sports wagering operator shall meet the requirements of Regulation .02D of this chapter; and

(b) The sports wagering operator shall be qualified by the Commission at the same time as the sports wagering facility applicant partner is presented to the Commission;

(3) (text unchanged)

J. Renewal. A licensee that has one sports wagering facility operator license may be renewed by the Commission if the licensee:

(1) (text unchanged)

(2) Continues to comply with all licensing requirements **including obtaining a performance bond for the renewal term;**

(3) – (4) (text unchanged)

.04 Sports Wagering Contractor Licenses.

A. – H. (text unchanged)

I. Exemptions from Certain Requirements. A sports wagering contractor is exempt from:

(1) If a sports wagering contractor is covered by the performance bond of the sports wagering licensee with which it contracts, **performance** bond requirements; and

(2) (text unchanged)

J. (text unchanged)

.05 Sports Wagering Employee Licenses.

A. – D. (text unchanged)

E. Categories.

(1) (text unchanged)

(2) The Commission may issue a sports wagering employee license to an individual who has, or has had on their behalf:

(a) – (f) (text unchanged)

(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 **performance** bond if required under COMAR 36.10.04, COMAR 36.10.05, or COMAR 36.10.06; and

(ii) (text unchanged)

(h) – (i) (text unchanged)

F. (text unchanged)

09 Temporary Sports Wagering Employee License.

A. – B. (text unchanged)

C. An application for a temporary license shall be in a format designated by the Commission and shall include:

(1) – (2) (text unchanged)

(3) Documentation to verify 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 has:

(a) If required under COMAR 36.10.04.03—36.10.04.06, COMAR 36.10.05.02, or COMAR 36.10.06.02—36.10.06.04, obtained a **performance** bond; and

(b) (text unchanged)

(4) (text unchanged)

D. – I. (text unchanged)

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Chapter 13 Sports Wagering Licensee Minimum Internal Control Standards

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

.40 Security of Funds and Data.

A. – C. (text unchanged)

D. A sports wagering licensee shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, **surety** 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 described in 36.10.14.06.

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

(1) – (5) (text unchanged)

(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],~~ **and** by any reasonable means, including ~~[by a bettor]~~ on any platform ~~[used by that]~~ **the** bettor **uses** to make deposits into a segregated account.

F. 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.

G. 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~~ **these** winnings may be withheld and redistributed in a manner that reflects the outcome that would have resulted had that bettor not participated.

H. – J (text unchanged)

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Chapter 14 Sports Wagering Requirements and Limitations

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

.06 Reserve.

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

B. – E. (text unchanged)

F. Surety Bonds.

(1) A surety bond may comprise:

(a) The whole reserve required to be held by the sports wagering licensee; or

(b) A portion of the reserve required to be held by the sports wagering licensee.

(2) A surety bond shall:

(a) Be in a form approved by the Agency;

(b) Be by and between the sports wagering licensee and the surety company;

(c) Identify the sports wagering licensee as an obligee;

(d) Specify that it guarantees the portion of the sports wagering licensee's reserve that is not covered by a cash reserve;

(e) Specify that the surety bond is valid for at least the five-year license term

(3) Commission staff may not issue a sports wagering license unless the applicant or awardee has provided staff with a copy of any surety bond that comprises any portion of the reserve the sports wagering licensee is required to hold.