

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 03 GAMING PROVISIONS
Chapter 01 General

Authority: State Government Article, §§9-1A-01, 9-1A-02(b) and 9-1A-04(d), Annotated Code of Maryland

.02 Definitions.

- A. (text unchanged)
- B. Terms Defined.

(1) “Beneficial owner” means a person that holds at least a 5 percent interest in an applicant for or holder of, a license awarded or issued under this subtitle, that is evidenced by:

- (a) Record ownership;**
- (b) Stock or other ownership in an entity in a chain of parent and subsidiary, or affiliate entities, any one of which participates in the capital or profits of a video lottery facility operator licensee; or**
- (c) An interest that entitles a person to benefit substantially and is equivalent to ownership by an agreement, relationship, or other arrangement; or**
- (d) Compensation of a person, in any financial, legal, or beneficial form, if the compensation is based on revenue generated by a video lottery facility operator licensee, including a percentage share on, or any compensation that is tied to the performance of a video lottery facility operator licensee’s operations.**

~~[(1)]~~**(2)** (text unchanged)

~~[(2)]~~**(3)** “Contractor” **or “gaming contractor”** means a person [~~or individual, other than an employee of a video operation licensee,~~] who contracts with a video lottery operation licensee **to provide services as a Tier 1 or Tier 2 contractor, that may include:** [~~or other person to:~~

- ~~(a) Manage or operate a video lottery facility;~~
- ~~(b) Provide security for a video lottery facility;~~
- ~~(c) Perform service, maintenance, or repairs of a video lottery terminal, table game device, central operating system, associated equipment, or software;~~
- ~~(d) Own or control a person described in §B(1)(a) — (c) of this regulation;~~
- ~~(e) Provide junket enterprise services; or~~
- ~~(f) Provide any other service that is essential to operation of a video lottery facility.]~~

(a) Management or operation;

(b) Security;

- (c) Service, maintenance, update, or repair of video lottery or table game equipment or associated equipment or software;
- (d) Own or control a person described in §B(2)(a) – (c) of this regulation; or
- (e) Any other service for which the Commission requires a contractor license.

(4) “Contractor – Tier 1” or “Tier 1 Contractor” means a person, other than an employee of a video lottery operation licensee, who contracts with a video lottery operation licensee or other person to:

- (a) Manage or operate a video lottery facility;
- (b) Provide security for a video lottery facility;
- (c) Perform service, maintenance, or repairs of a video lottery terminal, table game device, central operating system, associated equipment, or software;
- (d) Provide junket enterprise services;
- (e) Provide any other service that is essential to operation of a video lottery facility that may involve contact with or access to:
 - (i) A central operating system;
 - (ii) A facility’s video lottery system;
 - (iii) A video lottery terminal; or
 - (iv) An electronic component of a table game.

(5) “Contractor – Tier 2” or “Tier 2 Contractor” means a person, other than an employee of a video lottery operation licensee, who contracts with a video lottery operation licensee or other person to provide a service that is essential to the operation of a video lottery facility, but has no contact or access to:

- (a) A central operating system;
- (b) A facility’s video lottery system;
- (c) A video lottery terminal; or
- (d) An electronic component of a table game.

~~[(3)–(20)](6) – (23) (text unchanged)~~

(24) “Manufacturer” has the meaning stated in State Government Article § 9-1A-01, Annotated Code of Maryland.

(25) “Manufacturer – Tier 1” or “Tier 1 Manufacturer” means a person that:

- (a) Produces:
 - (i) A video lottery terminal;
 - (ii) Table game equipment;
 - (iii) A central monitor and control system; or
 - (iv) Equipment associated with §B(24)(a)(i) – (iii) of this regulation; or

(b) Distributes or resells:

(i) A video lottery terminal;

(ii) Table game equipment;

(iii) A central monitor and control system; or

(iv) Equipment associated with §B(24)(b)(i) – (iii) of this regulation.

(26) “Manufacturer – Tier 2” or “Tier 2 – Manufacturer” means a person that produces a product:

(a) Intended for sale, lease or other assignment to a licensee and is related to:

(i) Video lottery terminals;

(ii) Table games; or

(iii) Equipment or software associated with §B(25)(a)(i) or (ii) of this regulation.

(b) That does not have the ability to impact the integrity of a game; and

(c) Is not essential to table game play.

~~[(21)–(24)]~~**(27) – (30)** (text unchanged)

~~[(25)]~~**(31)** Principal Employee.

- (a) “Principal employee” means a video lottery employee who owns, controls, or manages a licensee, or otherwise exercises control over a video lottery or table game function of a licensee;
- (b) “Principal employee” includes an employee of a contractor who performs any function described in §B~~[(1)]~~**(3)** of this regulation; and
- (c) “Principal employee” does not include a gaming, **temporary gaming, or nongaming** employee.

~~[(26)–(31)]~~**(32) - (37)** (text unchanged)

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

Chapter 02 Investigation and Licensing

Authority: State Government Article, §§ 9-1A-04, 9-1A-14, 9-1A-24, Annotated Code of Maryland

.06 Owners.

A. – L. (text unchanged)

M. Qualified Principal Entities.

(1) This section does not apply to a principal entity that is an approved institutional investor under §L of this regulation.

(2) If the Commission investigates a principal entity's application for qualification and determines that the principal entity is qualified:

(a) The Commission shall recognize the qualification determination for five years from the date the principal entity is found qualified; and

(b) If the same qualified principal entity is identified in a subsequent license application within the five-year period described in §M(2)(a) of this regulation, the principal entity is not required to submit a new principal entity disclosure form.

(3) A qualified principal entity shall comply with the continuing obligation requirements described in Regulation .01 of this chapter.

(4) If a qualified principal entity no longer meets a qualification requirement, the Commission may require the principal entity to:

(a) File a new principal entity disclosure form;

(b) Submit to a new background investigation; and

(c) Pay all fees and costs associated with the new principal entity disclosure form and investigation.

.12 Video Lottery Employee Licenses.

A. – B. (text unchanged)

C. Requirements. The Commission may issue a video lottery employee license to an individual who has or has had on their behalf:

(1) – (9) (text unchanged)

(10) Provided the Commission with sufficient information, documentation, and assurances to establish, by clear and convincing evidence, that the individual:

(a) **Except as provided in §L of this regulation, [Has] has not been mandatorily disqualified under State Government Article, §9-1A-14(c), Annotated Code of Maryland;**

(b) – (c) (text unchanged)

D. (text unchanged)

E. Employment [by] **of** a Video Lottery Employee Licensee.

(1) A video lottery employee license authorizes the licensee to be employed as a principal, gaming or nongaming employee in the State.

(2) Nothing in this chapter precludes a licensee from being employed by more than one **video lottery facility or sports wagering licensee**, concurrently or consecutively, while the individual's license is in good standing.

(3) A video lottery employee's second or subsequent employment with a licensee or a sports wagering licensee does not change the term of the individual's license.

(4) Without filing an application for a sports wagering employee license, a video lottery employee may be employed by a sports wagering licensee if:

(a) The individual will perform work for the sports wagering licensee that is comparable to work performed as a video lottery employee; and

(b) The individual's license is in good standing.

(5) Under State Government Article, §9-1A-24(c)(2), Annotated Code of Maryland, a video lottery employee who is 18 to 20 years old may enter, or remain on, the gaming floor if the employee is working.

F. A licensed video lottery employee, [~~sponsored gaming employee~~] or temporary licensee may not play a video lottery terminal or table game at, or receive a jackpot from, a facility:

(1) Where the individual is employed;

(2) That is operated by the individual's employer; or

(3) Where the individual is currently assigned to work.

G. A sports wagering employee who is employed as a video lottery facility employee is subject to the restrictions in:

(1) Section F of this regulation; and

(2) COMAR 36.10.06.07.

[G.—I.] **H. – J.** (text unchanged)

K. Relinquishment of a License.

(1) An individual who is licensed as a video lottery employee may relinquish the license.

(2) A licensee shall relinquish a license in writing, by submitting to Agency staff a document that:

(a) Includes the licensee's name and date of request;

(b) Clearly expresses the individual's desire to knowingly and voluntarily relinquish, end, or otherwise give up, the individual's licensure; and

(c) Gives a reason for the request.

(3) Agency staff may accept a relinquishment request that is consistent with §K(2) of this regulation.

(4) Agency staff shall update the Agency's records to show the voluntary relinquishment.

(5) By submitting a written relinquishment request of a video lottery employee license under §K(2) of this regulation, the individual acknowledges that:

(a) The State is not financially responsible for any consequences resulting from the relinquishment of the individual's license;

(b) Regardless of relinquishment, the Agency shall maintain an individual's licensing records, to which public access is governed by General Provisions Article, §4-201, et seq., Annotated Code of Maryland;

(c) Although relinquishment ends an individual's obligation to comply with the Commission's licensing requirements, relinquishment does not change or affect any other obligation.

(6) Agency staff may deny a relinquishment request from an individual who is not in good standing.

(7) An individual who has relinquished a video lottery employee license may request that the Commission return the license to active status, and the Commission may require the individual to:

(a) Submit fingerprint cards; and

(b) Provide any other information that staff requires.

L. Exemption from Mandatory Disqualification.

(1) Definition. In this section, "Problem – Solving Court" means:

(a) A judiciary program under the Office of Problem-Solving Courts of the Maryland Administrative Office of the Courts; or

(b) A program from another state that:

(i) Provides a collaborative, therapeutic, non-adversarial approach to judicial supervision of eligible offenders; and

(ii) Is comparable to a judiciary program described in §L(1)(a) of this regulation.

(2) Except for a crime involving gambling, an applicant for a video lottery employee license is not disqualified from licensure under State Government Article, §9-1A-14(c)(1)(iii) or (iv), Annotated Code of Maryland for a nonviolent misdemeanor offense for which the applicant has:

(a) Been convicted, or is on active parole, probation, or prosecution; and

(b) Participated in and completed a problem-solving court program described in §L(1) of this regulation.

(3) An applicant shall provide the Commission with documentation to verify the applicant's exemption from disqualification under §L(1) of this regulation.

.13 Manufacturer Licenses.

A. General.

(1) Unless a manufacturer holds a valid manufacturer's license issued by the Commission **or Agency staff** before conducting business with a licensee or the State, the manufacturer may not offer any video lottery terminal, table game device, central monitor and control system, associated equipment or software, or goods or services that directly relate to the operation of video lottery terminals or table games under State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland.

(2) The following persons must meet the Commission's manufacturer license requirements:

(a) A manufacturer; and

(b) Each person that owns, controls, or is a representative of a manufacturer.

B. Qualification Requirements. ~~[After conducting a hearing that complies with the requirements of COMAR 36.01.02.06, the Commission]~~ **Agency staff** may issue a manufacturer license to a manufacturer that has:

(1) Paid the application and license fee under §C of this regulation;

(2) Unless exempt, obtained a bond required under Regulation .15 of this chapter;

(3) Furnished the Commission **or Agency staff** with the information and documentation required under this chapter;

(4) Established by clear and convincing evidence that each person identified in §A(2) of this regulation has:

(a) Qualified under State Government Article, §9-1A-07(c), Annotated Code of Maryland; and

(b) Not been disqualified under State Government Article, §9-1A-08, Annotated Code of Maryland;

(5) Provided the Commission **or Agency staff** with sufficient information to establish that the manufacturer has otherwise qualified for a manufacturer license; and

(6) Established that its system, associated equipment or software, or goods or services meet the specifications and procedures in COMAR 36.03.12.

C. Application and License Fees.

(1) The application fee **for a:** ~~[is:]~~

- (a) **Tier 1 manufacturer is \$10,000; and** [~~for a manufacturer of a video lottery terminal or table game device;~~
- (b) ~~\$10,000 for a manufacturer of a central monitor and control system;~~
- (c) ~~\$10,000 for a **manufacturer** of associated equipment and software;~~
- (d) ~~\$10,000 for a distributor or reseller of a video lottery terminal, a table game device, a central monitor and control system, or associated equipment and software; and~~
- (e) **(b) Tier 2 manufacturer is \$1,200.** [~~for a manufacturer that produces a product that:~~
 - (i) ~~Is related to video lottery terminals, table games, or associated equipment and software that is intended for sale, lease, or other assignment to a licensee;~~
 - (ii) ~~Does not have the ability to impact the integrity of a game; and~~
 - (iii) ~~Is not essential to table game play.]~~

(2) The license fee **for a:** [~~is:~~

- (a) **Tier 1 manufacturer of a central monitor and control system is \$25,000;**
- (b) Tier 1 manufacturer of** [~~\$5,000 for a manufacturer of]~~ a video lottery terminal or table game [~~device]~~ **equipment is \$5,000;**
- [~~(b) \$25,000 for a manufacturer of a central monitor and control system;~~
- (c) [~~\$5,000 for a~~] **Tier 1** manufacturer of associated equipment and software **of §C(2)(a) or (b) of this regulation is \$5,000;**
- (d) **Tier 1 manufacturer that distributes or resells** [~~\$1,000 for a distributor or reseller of]~~ a video lottery terminal, a table game device, a central monitor and control system, or associated equipment and software **is \$1,000;** and
- (e) **Tier 2 manufacturer is \$800.** [~~for a manufacturer that produces a product that is:~~
 - (i) ~~Is related to video lottery terminals, table games, or associated equipment and software that is intended for sale, lease, or other assignment to a licensee;~~
 - (ii) ~~Does not have the ability to impact the integrity of a game; and~~
 - (iii) ~~Is not essential to table game play.]~~

D. The manufacturer license authorizes the licensee to manufacture or distribute a video lottery terminal, table game equipment, central monitor and control system, and associated equipment and software to the Commission or a [~~video lottery destination location]~~ **facility operator** in the State.

E. A licensee has a continuing duty to inform the Commission of an act or omission that the licensee knows or should know constitutes a violation of State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or the Commission's regulations.

F. Term; Renewal; License Renewal Fee.

(1) The term of a **Tier 1 and Tier 2** manufacturer license is 5 years from the date of initial licensure.

(2) The Commission may stagger the terms of licenses.

- (3) ~~[The Commission]~~ **Agency staff** may renew the license if the manufacturer licensee:
- (a) ~~[submits]~~ **Submits** an application for renewal to the Commission at least 6 months before the manufacturer's license expires; ~~[and the licensee:]~~
 - ~~[(a)](b)~~ Continues to comply with all licensing requirements;
 - ~~[(b)](c)~~ Submits to a background investigation under Regulation .05 of this chapter; and
 - ~~[(e)](d)~~ Pays a license renewal fee ~~[in the amount of the license fee that is required under §C(2) of this regulation].~~

(4) The license renewal fee for a:

- (a) Tier 1 manufacturer of a central monitor and control system is \$25,000;**
- (b) Except as provided in §F(4)(a) of this regulation, Tier 1 manufacturer is \$5,000; and**
- (c) Tier 2 manufacturer is \$800.**

G. Background Investigation Deposit.

(1) A \$2,000 background investigation deposit is required at the time an applicant files a manufacturer license application.

(2) If the deposit is exhausted prior to completion of the background investigation, the applicant will be billed for any additional investigative costs the Commission incurs.

.14 Contractor Licenses.

A. General. If a video lottery operation licensee engages a **Tier 1 or Tier 2** contractor to provide services described in ~~[COMAR 36.03.01.02B(1)]~~ **COMAR 36.03.01.02B(2)**, the contractor shall qualify under the standards and provisions set forth in State Government Article, §§9-1A-07 and 9-1A-08, Annotated Code of Maryland.

B. Qualification Requirements. ~~[The Commission]~~ **Agency staff** may issue a **Tier 1 or Tier 2** contractor license to a ~~[contractor that]~~ **person that** has provided the Commission **or Agency staff** with sufficient information to establish by clear and convincing evidence that it:

(1) Is qualified under State Government Article, §9-1A-07(c), Annotated Code of Maryland; and

(2) Has not been disqualified under State Government Article, §9-1A-08, Annotated Code of Maryland.

C. The Commission may charge a **Tier 1 or Tier 2** contractor for the administrative costs associated with performing a background investigation.

D. Application and License Fees.

(1) ~~[Application Fees.]~~ **For a Tier 1 contractor, the:**

- (a) ~~[Except as provided in §D(1)(b) of this regulation, the application fee for a contractor]~~ **Application fee** is \$1,500.

- (b) ~~[The application fee is \$750 for a contractor that provides a service that is essential to the operation of a facility service, but has no contact with or access to a:~~
- ~~(i) Central operating system;~~
 - ~~(ii) Facility's video lottery system;~~
 - ~~(iii) Video lottery terminal; or~~
 - ~~(iv) Table game.]~~ **License fee is \$2,500; and**

(c) Background investigation deposit is \$2,000.

(2) ~~[License Fees.]~~ **For a Tier 2 contractor, the:**

- (a) ~~[Except as provided in §D(2)(b) of this regulation, the license fee for a contractor is \$2,500.]~~ **Application fee is \$750;**
- (b) ~~[The license]~~ **License** fee is \$800; **and** ~~[for a contractor that provides a service that is essential to the operation of a facility service, but has no contact with or access to a:~~
- ~~(i) Central operating system;~~
 - ~~(ii) Facility's video lottery system;~~
 - ~~(iii) Video lottery terminal; or~~
 - ~~(iv) Table game.]~~

(c) Background investigation deposit is \$2,000.

E. Term; Renewal; Fees.

(1) The term of a **Tier 1 and Tier 2** contractor license is 5 years **from the date of initial licensure.**

(2) The Commission may stagger the terms of licenses.

(3) ~~[The Commission]~~ **Agency staff** may renew the license if the contractor licensee:

- (a) Submits an application for renewal to the Commission at least 6 months before the contractor's license expires;
- (b) Continues to comply with all licensing requirements;
- (c) Submits to a background investigation under Regulation .05 of this chapter; and
- (d) Pays a license renewal fee ~~[in the amount of the license fee that is required under §D(2)(a) or (b) of this regulation].~~

(4) The license renewal fee for a:

(a) Tier 1 contractor is \$2,500; and

(b) Tier 2 contractor is \$800.

(5) The background investigation deposit for license renewal of a Tier 1 or Tier 2 contractor is \$2,000.

F. A **Tier 1 and Tier 2** contractor is exempt from:

- (1) Bond requirements under Regulation .15 of this chapter; and
- (2) Labor peace agreement requirements under State Government Article, §9-1A-07(c)(7)(v), Annotated Code of Maryland, unless the contractor is engaged:
 - (a) As a lessee;
 - (b) As a tenant; or
 - (c) Under a management agreement.

.16 Denial of a License.

A. Denial of a Video Lottery Employee, Manufacturer, or Contractor License.

(1) ~~[Except for an operation license, in]~~ **In** addition to the hearing requirements in §B of this regulation, the following process shall precede a hearing on the denial of a video lottery employee, **manufacturer**, or contractor license.

(2) – (12) (text unchanged)

(13) Following a hearing **at which a license is denied**, the Commission shall:

(a) – (b) (text unchanged)

B. (text unchanged)

.17 Vendor Registration ~~[and Certification]~~.

A. ~~[Definition:]~~ **Definitions.**

~~[(1)]~~ In this regulation, the following ~~[term has]~~ **terms have** the meaning indicated.

~~[(2)-Term]~~ **B. Terms** Defined.

(1) “Commission” means Agency staff in this regulation.

(2) “Vendor”:

(a) “Vendor” means a person [who] that provides goods or services:

(i) A value of \$50,000 or more to a video lottery operation applicant or licensee;
and

(ii) That [who] is not required to be licensed as a manufacturer or contractor under State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or this **chapter**.

(b) “Vendor” does not include:

(i) Public utilities that provide water, sewerage, electricity; or natural gas;

(ii) Insurance companies that provide insurance to a video lottery applicant or licensee or its employees;

(iii) Employee benefit and retirement plans, including 401(k) plans and employee stock purchase programs;

- (iv) Professional associations that receive funds from the video lottery applicant or licensee for the cost of enrollment, activities, and membership;**
- (v) Units of federal, State, county, or municipal government;**
- (vi) Manufacturers of alcoholic beverages;**
- (vii) State-chartered or federally chartered banks or savings and loan associations;**
- (viii) Providers of professional services, including accountants, attorneys, engineers or architects, and others identified by Agency staff to be providers of professional services;**
- (ix) Telecommunication, satellite, or internet services;**
- (x) Parcel shipping and delivery services;**
- (xi) Persons that engage in efforts to influence legislative or administrative action on behalf of a video lottery operation applicant or licensee for economic consideration;**
- (xii) Educational or training opportunities for facility employees;**
- (xiii) Professional or amateur entertainers, sports figures, social media personalities, or other celebrities engaged by a video lottery operation licensee to appear at a licensee-sponsored entertainment or promotional event;**
- (xiv) Representatives of a media outlet or provider of a simulcast service;**
- (xv) A vendor that provides, or anticipates providing, within a calendar year a combined total value of nongaming related goods and services to State video lottery operation applicants or licensees of less than \$50,000; or**
- (xvi) A vendor for whom the Commission determines is not necessary in order to protect the public interest.**

[subtitle, and includes:

- ~~(a) Suppliers of alcoholic beverages;~~
- ~~(b) Suppliers of food and nonalcoholic beverages;~~
- ~~(c) Refuse handlers;~~
- ~~(d) Vending machine providers and service personnel;~~
- ~~(e) Janitorial and maintenance companies;~~
- ~~(f) Tenant businesses or franchises located within facilities if such goods and services are not gaming related;~~
- ~~(g) Providers of transportation services if such services are not gaming related;~~
- ~~(h) Persons involved in the construction of a facility;~~
- ~~(i) Lessors of real property or goods;~~

- ~~(j) Payroll services and other employer related services;~~
- ~~(k) Employee recruiting services; and~~
- ~~(l) Persons whose services the Commission reviews and determines must be registered or certified under this regulation.]~~

B. Except as provided in §§C and F of this regulation, [A] a vendor that conducts business with a video lottery operation applicant or licensee shall be registered ~~[or certified by]~~**with** the Commission. ~~[if the vendor is not exempt, and:~~

~~(1) The vendor is providing nongaming related goods and services to a video lottery operation applicant or licensee for a value described in §D or E of this regulation; or~~

~~(2) The Commission:~~

~~(a) Reviews a vendor's services and determines that registration or certification is required to protect the public interest of the State or accomplish the policies in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, and this subtitle; and~~

~~(b) Notifies the vendor that registration or certification is required.~~

C. The following persons that provide any of the enumerated services to a video lottery operation applicant or licensee are exempt from vendor registration and certification requirements:

~~(1) Public utilities that provide:~~

~~(a) Water;~~

~~(b) Sewerage;~~

~~(c) Electricity; or~~

~~(d) Natural gas;~~

~~(2) Insurance companies that provide insurance to a video lottery applicant or licensee or its employees;~~

~~(3) Employee benefit and retirement plans, including 401(k) plans and employee stock purchase programs;~~

~~(4) Professional associations that receive funds from the video lottery applicant or licensee for the cost of enrollment, activities, and membership;~~

~~(5) Units of federal, State, county, or municipal government;~~

~~(6) Manufacturers of alcoholic beverages;~~

~~(7) State chartered or federally chartered banks or savings and loan associations;~~

~~(8) Providers of professional services, including accountants, attorneys, engineers or architects, and others identified by Commission staff to be providers of professional services;~~

~~(9) Telecommunication, satellite, or internet services;~~

~~(10) Shipping services;~~

~~(11) Persons that engage in efforts to influence legislative or administrative action on behalf of a video lottery operation applicant or licensee for economic consideration;~~

~~(12) Educational or training opportunities for facility employees;~~

~~(13) Professional entertainers, sports figures, or other celebrities engaged by a video lottery operation licensee to appear at a licensee-sponsored entertainment or promotional event;~~

~~(14) Representatives of a media outlet or provider of a simulcast service;~~

~~(15) A vendor that provides, or anticipates providing, within a calendar year a combined total value of nongaming related goods and services to State video lottery operation applicants or licensees of less than \$20,000; or~~

~~(16) A vendor for whom the Commission determines registration or certification is not necessary in order to protect the public interest.]~~

~~[C-1.]~~ **C.** Certain Vendors Exempt from ~~[Certification or]~~ Registration Requirements:

(1) A vendor is exempt from ~~[certification or]~~ registration requirements if it provides, or anticipates providing, goods or services that a video lottery operator purchases solely to be given to a player.

(2) – (3) (text unchanged)

D. Vendor Registration.

(1) A vendor that provides, or anticipates providing, ~~[in a calendar year]~~ nongaming related goods and services to a single video lottery **operation** applicant or licensee ~~[that are valued from \$20,000 to \$299,999]~~ shall be registered with the Commission.

(2) The video lottery **operation** applicant or licensee to which a vendor provides, or anticipates providing, the nongaming related goods and services shall submit to the Commission a completed registration form in a format designated by the Commission that includes:

(a) Vendor name;

(b) Vendor business address;

(c) Type of **goods or [service]services** provided;

(d) Total value of goods or services provided to video lottery applicants or licensees in the State within a calendar year;

(e) ~~[Verification]~~ **Documentation** that:

(i) [the] The vendor's business is in good standing or active with the Maryland State Department of [Assessment] Assessments and Taxation; or

(ii) The vendor is not a legal entity that is required to register with the Maryland State Department of Assessments and Taxation.

(f) – (g) (text unchanged)

(3) (text unchanged)

~~[E. Vendor Certification.~~

~~(1) A vendor shall be certified by the Commission if it provides, or anticipates providing, in a calendar year nongaming related goods and services to:~~

~~(a) A single video lottery applicant or licensee that are valued at or above \$300,000; or~~

~~(b) Multiple video lottery applicants or licensees that are valued at or above \$600,000.~~

~~(2) A vendor that provides, or anticipates providing, the nongaming related goods and services shall submit to the Commission a:~~

~~(a) Completed certification form in a format designated by the Commission that includes:~~

~~(i) Vendor name;~~

~~(ii) Vendor business address;~~

~~(iii) Each video lottery operation applicant or licensee in the State with which it does or expects to do business;~~

~~(iv) Type of service provided;~~

~~(v) Total value of goods or services provided to video lottery applicants or licensees in the State within a calendar year;~~

~~(vi) Any other jurisdiction where it conducts business related to a video lottery operation;~~

~~(vii) Verification that the vendor's business is in good standing with the Maryland Department of Assessment and Taxation; and~~

~~(viii) Any other information the Commission requires; and~~

~~(b) Certification fee of \$1,000.~~

~~(3) Upon receipt of a certification fee and completed certification form, the Commission shall verify the information provided by the vendor and:~~

~~(a) If the Commission determines that the vendor's conduct of business with a video lottery operation applicant or licensee is consistent with the public interest of the State and the policies in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, and this subtitle, grant the vendor's application for certification; or~~

~~(b) If the Commission determines that the vendor's conduct of business with a video lottery operation applicant or licensee is contrary to the public interest of the State or the policies in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or this subtitle, deny the vendor's request for certification.~~

~~(4) The Commission shall provide the vendor with written notification of its decision.]~~

~~[F.]E. Except as provided in [§G] §F of this regulation, a [nonexempt] vendor may not **provide goods or services** [conduct business that relates] **related** to [facility operations with] a video lottery operation applicant or licensee until it is registered [or certified by] **with** the Commission.~~

~~[G.]E. Emergency Notification. An applicant or licensee may accept goods or services from a vendor that is not registered [or certified] by the Commission if:~~

(1) The applicant or licensee encounters an emergent threat to public health, safety, or welfare that is outside its control and requires immediate provision of goods or services by a vendor; and

(2) ~~[Unless the vendor is exempt under §C]~~ **Except as provided in §C** of this regulation:

(a) No later than the next State business day after the vendor's emergency provision of goods or services, the applicant or licensee shall submit to the Commission a vendor emergency notification form that includes an explanation of the need for its emergency use of a vendor that is not registered ~~[or certified by]~~ **with** the Commission; and

(b) Within 20 business days of submitting the vendor emergency notification form, ~~;~~

~~(i) The~~ **the** applicant or licensee shall submit to the Commission a vendor registration form. ~~;~~ ~~or~~

~~(ii) The vendor shall submit to the Commission a vendor certification form and the \$500 certification fee.]~~

~~[H.]~~ **G.** A vendor's registration ~~[or certification]~~:

(1) Remains in effect for 5 years from the date the Commission approves **the** registration ~~[or certification]~~; **and**

(2) May be renewed by the Commission if the ~~[applicable]~~ **vendor submits the required** form, and ~~[any required]~~ renewal fee **required in §H of this regulation**, are submitted as required under §D ~~[or E]~~ of this regulation at least 90 days before the expiration of 5 years from the date of written notification under §D(3) ~~[or E(3)(e)]~~ of this regulation;

(3) Shall automatically expire if a vendor does not comply with renewal requirements under this regulation; and

(4) Is subject to cancellation by the Commission if the Commission determines that the vendor's continued conduct of business with a video lottery operation applicant or licensee is contrary to the public interest of the State or the policies in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or this subtitle.

~~[I.]~~ **H.** Renewal ~~[Fees.]~~ **Fee.**

~~(1) For a registered vendor, the~~ **The** renewal fee **for a vendor** is \$100.

~~(2) For a certified vendor, the renewal fee is \$500.]~~

~~[J.]~~ **I.** The Commission's decision to deny or cancel a vendor registration ~~[or certification]~~, or to deny the renewal of a vendor registration [or certification], does not give rise to an appeal right under the contested case provisions of the Maryland Administrative Procedure Act.

~~[K.]~~ **J.** The Commission may maintain and make publicly available a list of:

(1) Registered ~~[and certified]~~ vendors; and

(2) Vendors that are prohibited from doing business with a video lottery operation applicant or licensee because the Commission has denied or cancelled their **application or** registration ~~[or certification]~~.

~~[L.]~~ **K.** A video lottery operation applicant or licensee shall:

(1) Submit to the Commission a monthly vendor payments report in a format prescribed by the Commission; and

(2) Ensure that a vendor appearing on its monthly vendor payments report is:

(a) Registered;

~~[(b) Certified;]~~ or

~~[(e)]~~**(b)** Exempt.

PROPOSED

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

Chapter 03 Video Lottery Operation License

Authority: State Government Article, §§9-1A-02, 9-1A-04, 9-1A-07, 9-1A-08, 9-1A-11, 9-1A-13, 9-1A-19, 9-1A-23, 9-1A-24, and 9-1A-36, Annotated Code of Maryland

.01 General.

A. This chapter articulates the standards which the Commission shall use to:

- (1) ~~[qualify]~~ **Qualify** an applicant for a video lottery facility operation license; **and**
- (2) **Renew a video lottery facility operation license.**

B. (text unchanged)

.05 Issuance of License; Term.

A. The Commission shall issue an operation license to the applicant selected for award by the Location Commission.

B. For an original license for a location that was awarded by the Video Lottery Facility Location Commission and issued by the Commission, the term of a license is 15 years from the date issued.

C. As described in Regulation .10 of this chapter, upon timely and proper application, the Commission shall renew the operation license of a qualified operator.

D. A renewal term of a license is 15 years from expiration of the existing term.

.06 Continuing Obligations.

A. Upon issuance **or renewal** of an operation license, a license holder shall exercise all diligence in fulfilling the specific requirements set out in the Location Commission's request for proposals and the specific details in its license application, including all of the details in the final proposal that the license holder submitted to, and was approved by, the Location Commission.

B.– C. (text unchanged)

.07 Automated Teller Machines.

A. Placement; Limitations.

(1) (text unchanged)

(2) Gaming Floor. The proximity of an automated teller machine to a video lottery terminal or table game that is on a gaming floor is subject to the following limitations:

(a) (text unchanged)

(b) There may be no more than one automated teller machine for every [400] 75 video lottery terminals and table game seats.

B. – C. (text unchanged)

.10 Renewal of Operation License.

A. General.

(1) Unless otherwise specified, nothing in this chapter changes a requirement set forth in applicable law or regulation.

(2) Unless the Commission finds that the licensee is not qualified to hold a license, the Commission shall renew an operation license.

B. Notice of Intent to Apply for Renewal.

(1) If a licensee seeks renewal of its operation license, the licensee shall submit to the Commission a timely and proper notice of intent to apply for renewal:

(a) At least two years, but not more than five years, before the expiration of a license term; and

(b) In a form and format required by the Commission.

(2) The notice of intent shall include:

(a) Name under which the licensee operates;

(b) Identification of all persons that are legal or beneficial owners as defined in State Government Article, §9-1A-05(d) and COMAR 36.03.01;

(c) An affidavit signed by an authorized representative affirming that the licensee:

(i) Intends to apply for license renewal;

(ii) Is currently in compliance with all applicable requirements in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, and COMAR 36.03;

(iii) Acknowledges that the Agency may begin investigating the licensee's qualifications upon receiving the notice of intent;

(iv) Acknowledges that the licensee is responsible for reimbursing the Agency for the cost of the investigation;

(v) Attests to the truth and accuracy of the notice of intent;

(vi) Agrees to the release of information; and

(d) Any other information the Commission requires.

C. Application to Renew Video Lottery Operation License.

(1) If a licensee submitted a timely and proper notice of intent to apply for renewal of the operation license, the licensee may submit an application to renew the license.

(2) A licensee shall submit an application to renew:

(a) At least one year, but not more than five years, before the expiration of a license term; and

(b) In a form and format required by the Commission.

(3) The application shall include:

(a) Proof of the \$1,000,000 performance bond;

(b) Proof of the \$2,000,000 payment bond;

(c) Proof of the \$100,000 fidelity bond; and

(d) Any other information the Commission requires.

(4) After completing the investigation of qualifications under §D of this regulation, the Agency shall provide the Commission with the investigation results and a recommendation about the licensee's qualifications.

(5) If the Agency recommends the Commission find the licensee qualified, the Commission shall issue a license renewal.

(6) If the Agency recommends that the Commission find the licensee not qualified, the Commission shall notify the licensee of the recommendation and provide the licensee with due process required for denial of a license application in COMAR 36.03.02.16.B.

D. Investigation of Qualifications.

(1) The Commission may choose to commence its investigation no sooner than two years before expiration of the licensee's current license.

(2) If an application is submitted prior to two years before the expiration of the licensee's existing license, the licensee shall:

(a) Update its license application within two years of the expiration of the existing license; and

(b) Provide any additional information required by the Commission.

(3) The Agency shall:

(a) Conduct the investigation of the licensee's qualifications in the same manner as under COMAR 36.03.02; and

(b) Apply the qualification criteria in Regulation .04B and C of this chapter;

(4) A licensee shall pay a deposit and submit reimbursement to the Commission for the costs of the investigation.

E. License Renewal Fee.

(1) If the Commission renews a video lottery facility operation license, the licensee shall pay the license renewal fee in equal annual installments, as provided in State Government Article, §9-1A-13(d)(6), Annotated Code of Maryland.

(2) For each 5-year period of the 15-year renewal term, the video lottery licensee shall pay an amount calculated as the most recent 3-year average of:

(a) 0.75% of the amounts wagered less the amounts paid as prizes for VLTs and banked table games;

(b) plus 0.75% of the facility share of non-banked table game revenues.

(3) On or before the date the Commission renews the license, the licensee shall pay the first installment of the license renewal fee, representing 20% of the total fee due.

(4) Subsequent payments shall be paid on the anniversary of the license renewal.

(5) At the conclusion of each 5-year period, a new 3-year average will be calculated as the basis for the renewal fee payments over the next five years.

PROPOSED

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

Chapter 06 Enforcement of Voluntary Exclusion Program

Authority: State Government Article, §9-1A-24, Annotated Code of Maryland

.03 Requirements.

A. Definitions.

(1) – (2) (text unchanged)

B. A facility operator shall:

(1) – (6) (text unchanged)

(7) Ensure that the gambling assistance message is printed on ticket stock; ~~[and]~~

(8) Place in the facility responsible gambling awareness materials according to its responsible gaming plan required under Regulation .02 of this chapter ~~[-]; and~~

(9) Ensure that the gambling assistance message is conspicuous and readable.

TITLE 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 03 Gaming Provisions
Chapter 08 Collection of Taxes, Fees, and Penalties

*Authority: State Government Article, §§9-1A-01, 9-1A-04, 9-1A-13, 9-1A-26, and 9-1A-33,
Annotated Code of Maryland*

.02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) “Fee” means an amount established by the Commission that an applicant or licensee is required to pay and includes:

(a) A license fee under State Government Article, §9-1A-07(b), Annotated Code of Maryland;

(b) A fee associated with an applicant’s criminal history records check under State Government Article, §9-1A-20(d), Annotated Code of Maryland;

(c) An application, license, or renewal fee under COMAR 36.03.02, **36.03.03**, and 36.04.02;

(d) An annual fee of \$425 for each **authorized** video lottery terminal **on a video lottery terminal operator’s license**, to be paid by a video lottery operation licensee as required by State Government Article, §9-1A-33, Annotated Code of Maryland **and COMAR 36.04.02.02**;

(e) ~~[A]~~ **For the highest number of table games in use on a single gaming day in the applicable calendar year, an** annual fee of \$500 ~~[for each table game]~~ to be paid by a video lottery operation licensee for each table game, as authorized by State Government Article, §9-1A-33, Annotated Code of Maryland;

(f) Except for ~~[a]~~ **an initial** license fee for a video lottery operation license, any other fee imposed by the Commission under State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland;

(g) A renewal of a video lottery facility license under COMAR 36.03.03.10.

.04 Collection and Deposit of Payments.

A. (text unchanged)

B. The Commission shall deposit payment of:

(1) ~~As~~ **Except as provided in §B(3) of this regulation, an** application, license, renewal, or other fee into a bank account that the State Treasurer designates to the credit of the State Lottery and Gaming Control Agency Fund to cover the Commission’s administrative costs related to licensing; ~~[and]~~

(2) A fee into the Problem Gambling Fund established in the Maryland Department of Health under State Government Article, §9-1A-33(b), Annotated Code of Maryland:

(a) An annual fee of \$425 for a video lottery terminal; and

(b) An annual fee of \$500 for a table game; **and**

(3) A fee for renewing a video lottery facility operator license as authorized in State Government Article, §9-1A-13, Annotated Code of Maryland into the Education Trust Fund established in State Government Article, §9-1A-30, Annotated Code of Maryland.

C. (text unchanged)

D. The failure of a licensee to timely pay a fee or penalty is a violation of [~~an order~~] **a directive** of the Commission.

E. – G. (text unchanged)

PROPOSED

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

Chapter 10 Video Lottery Facility Minimum Internal Control Standards

Authority: Family Law Article, §10-113.1; State Government Article, §§9-1A-01(u), 9-1A-02, 9-1A-04, and 9-1A-24; Annotated Code of Maryland

.16 Internal Audit Department Standards.

- A. – C (text unchanged)
- D. The audit department shall audit at least annually:
 - (1) – (5) (text unchanged)
 - ~~[(6) Accounts payable;~~
 - ~~(7) Purchasing;]~~
 - ~~[(8)–(9)]~~ **(6) – (7)** (text unchanged)
- E. (text unchanged)

.20 Checks Accepted from a Player.

- A.-C. (text unchanged)
- F. A facility operator may not:
 - (1) (text unchanged)
 - (2) Except for a check issued under §§E ~~[and], J, and K~~ of this regulation, accept from a player under this regulation a check or multiple checks which in the aggregate exceed ~~[\$30,000]~~ **\$50,000** during a gaming day.
- G. – J. (text unchanged)
- K. ~~[Subject to the limit in §F(2) of this regulation,]~~ **On a single gaming day, a facility operator may accept a check or multiple checks which:**
 - (1) In the aggregate do not exceed \$250,000; and**
 - (2) Were** issued to an individual as a payout in connection with gaming activity ~~[from]~~ **by:**
 - (a) [a] A facility operator [that holds a valid gaming license in another jurisdiction]; or**
 - (b) A person that:**
 - (i) Is an affiliate of a facility operator; and**
 - (ii) Holds a valid gaming license in another jurisdiction.**

.21 Wire Transfers or ACH Transfers.

A. A facility operator may accept a negotiable instrument in the form of a wire transfer **or ACH transfer** from a player to enable the player to take part in gaming **or to pay an outstanding debt to a facility operator.**

B. A facility operator shall record in its cashiers' cage accountability any funds accepted by wire transfer **or ACH transfer** with no documented business purpose other than to enable a player to take part in gaming within 24 hours of receipt of the wire transfer **or ACH transfer.**

C. A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter procedures addressing the acceptance, verification, and sending of wire transfers **or ACH transfers** meeting the requirements of this regulation.

D. A facility operator's internal controls shall:

(1) Require preparation of a cashiers' cage wire transfer **or ACH transfer** log to record the following information pertaining to a wire transfer **or ACH transfer** accepted by a facility operator on behalf of a player:

- (a) A sequential number assigned by the facility operator to the wire transfer **or ACH transfer** accepted;
- (b) Date and time notice of the wire transfer **or ACH transfer** was received;
- (c) – (f) (text unchanged)
- (g) The method by which the facility operator was notified of the receipt of the wire transfer **or ACH transfer**;
- (h) – (i) (text unchanged)
- (j) If applicable, a notation that the wire transfer **or ACH transfer** has been returned under §E of this regulation;

(2) Require that a cashiers' cage supervisor other than the cashiers' cage employee who initially documented acceptance of the wire transfer **or ACH transfer**:

- (a) Independently confirm:
 - (i) Date, time, and method by which the facility operator was notified of the wire transfer **or ACH transfer**; and
 - (ii) (text unchanged)
- (b) Record the date and time of confirmation in the wire transfer **or ACH transfer** log; and

(c) Sign the wire transfer **or ACH transfer** log as completing the confirmation process;

(3) Document the procedures used to:

- (a) Establish, verify, and document the identity of a player sending a wire transfer **or ACH transfer**;
- (b) Make the wire transfer **or ACH transfer** proceeds available to a player at the cashiers' cage; and

(c) (text unchanged)

(4) Require preparation of a cashiers' cage wire transfer **or ACH transfer** log to record the following information pertaining to a wire transfer **or ACH transfer** sent by a facility operator on behalf of a player:

(a) A sequential number assigned by the facility operator to the wire transfer **or ACH transfer** sent;

(b) – (g) (text unchanged)

(h) If the request to send a wire transfer **or ACH transfer** is made in person at the cashiers' cage, the signature of the player;

(i) If the request to send a wire transfer **or ACH transfer** is not made in person at the cashiers' cage, documentation supporting the receipt of a request by the facility operator to send a wire transfer **or ACH transfer** on behalf of a player;

(j) (text unchanged)

(k) The signature of the cashiers' cage supervisor or accounting department supervisor authorizing the wire transfer **or ACH transfer**; and

(5) Document the procedures used to:

(a) Establish, verify, and document the identity of a player requesting that a wire transfer **or ACH transfer** be sent;

(b) Send the wire transfer **or ACH transfer**; and

(c) (text unchanged)

E. A facility operator shall take immediate action to return to a player by wire transfer **or ACH transfer** funds initially accepted by wire transfer **or ACH transfer** under the following circumstances:

(1) – (2) (text unchanged)

(3) The player has engaged in minimal or no video lottery or table game play since receipt of the wire transfer **or ACH transfer**.

F. A wire transfer **or ACH transfer** returned in accordance with §E of this regulation shall be sent to the same individual, financial institution, and account number from which the funds were debited.

G. Return of a wire transfer **or ACH transfer** shall be recorded in the wire transfer **or ACH transfer** log maintained under §D of this regulation.

.34 Player Tracking System.

A. – C. (text unchanged)

D. A facility operator shall provide a player with a record of video lottery terminal and table game spending levels if:

(1) (text unchanged)

(2) The identification of the player and the authenticity of the player's signature on the request is established by an employee satisfactorily comparing the:

(a) (text unchanged)

(b) Player's physical appearance with the photograph contained on the valid, unexpired government-issued photographic identification presented by the player[-]; **or**

(3) The player:

(a) Has registered online with the facility operator for the establishment of an account; and

(b) Enters a unique login credentials at a:

(i) Self-service kiosk; or

(ii) Facility operator's player rewards website.

PROPOSED

Title 36
MARYLAND LOTTERY AND GAMING CONTROL AGENCY
Subtitle 03 GAMING PROVISIONS
Chapter 11 Facility Standards

Authority: State Government Article, §§9-1A-02, 9-1A-04, 9-1A-11, and 9-1A-23, Annotated Code of Maryland

.05 Gaming Floor Plan.

- A. – B. (text unchanged)
- C. A gaming floor plan that a facility operator submits to the Commission shall:
 - (1) – (2) (text unchanged)
 - (3) Depict the gaming floor with a notation as to:
 - (a) – (h) (text unchanged)
 - (i) A clearly delineated route for ~~and~~ **an** individual who is not allowed to play video lottery terminals or table games to bypass the gaming floor;
 - (j) – (k) (text unchanged)
 - (4) – (6) (text unchanged)
- D. (text unchanged)
- E. A facility operator may not implement any change to its approved gaming floor plan without the prior written approval of ~~the Commission~~ **Agency staff**.

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 04 VIDEO LOTTERY TERMINALS

Chapter 01 Video Lottery Technical Standards

*Authority: State Government Article, §§9-1A-02, 9-1A-04, 9-1A-15, 9-1A-22, and 9-1A-24,
Annotated Code of Maryland*

.11 Average Payout Percentage.

A. – C. (text unchanged)

D. **Unless the paytables have been previously approved by the Commission, a** [A] facility may not make available for play a video lottery terminal with an average payout percentage which exceeds 95 percent [~~without the written approval of the Commission~~].

E. – I. (text unchanged)

PROPOSED

Title 36

MARYLAND LOTTERY AND GAMING CONTROL AGENCY

Subtitle 04 VIDEO LOTTERY TERMINALS

Chapter 02 Video Lottery Terminal Machines

Authority: State Government Article, §§9-1A-04 and 9-1A-21, Annotated Code of Maryland

.01 Purchase or Lease of Video Lottery Terminals[; ~~Manufacturer Incentives~~].

A. ~~[Except as provided in §B, C, and D of this regulation, the Commission]~~ **A facility operator** shall:

- (1) Purchase or lease video lottery terminals for use in ~~[a]~~**its** facility; and
- (2) Maintain control over the video lottery terminals that it has purchased or leased.

~~[B. For each video lottery terminal used by a facility, a facility in Allegany or Worcester County may submit a written application to the Commission for permission to:~~

- ~~(1) Assume ownership of the machine; or~~
- ~~(2) Obtain the right to lease the machine.~~

~~C. For a facility in Anne Arundel or Cecil County:~~

- ~~(1) The Commission shall own each video lottery terminal through March 31, 2015; and~~
- ~~(2) Effective April 1, 2015, a facility shall own or lease each video lottery terminal from a manufacturer that is licensed under COMAR 36.03.02.13.~~

~~D. For a facility in Baltimore City or Prince George's County, the facility shall own or lease the machines.~~

~~E. In deciding which video lottery machines to purchase or lease, the Commission shall evaluate bids submitted by a manufacturer of video lottery terminal machines based on:~~

- ~~(1) Price per machine for:~~
 - ~~(a) Purchase;~~
 - ~~(b) Lease;~~
 - ~~(c) Fixed daily rate;~~
 - ~~(d) Percentage of proceeds; or~~
 - ~~(e) Any other pricing option provided by a manufacturer;~~
- ~~(2) The Commission's projection of a machine price over:~~
 - ~~(a) A 5-year period; or~~
 - ~~(b) The remaining life of a master contract for video lottery terminal machines that is in effect at the time a manufacturer submits pricing under §B(1) of this regulation;~~
- ~~(3) A purchase method that is most advantageous to the State; or~~
- ~~(4) Any other factor that serves the best interests of the State.~~

F. The Commission may cancel or alter a contract for purchase or lease of video lottery terminal machines if one or more eligible applicant for a video lottery facility license fails to obtain a license.

G. Except as provided in §§B, C and D of this regulation, a facility shall operate only video lottery terminal machines that have been purchased or leased by the Commission.

H. The Commission may provide an incentive to a licensed manufacturer of video lottery terminal machines that is based on the performance of the manufacturer's video lottery terminal machines.]

B. Before placing a video lottery machine into operation in a facility, a facility operator shall obtain written authorization from Agency staff for:

(1) Operating the video lottery terminal on the gaming floor; and

(2) As required under COMAR 36.03.11.05, any corresponding change to the facility gaming floor.

[.02 Request for Reduction.

A. A facility operator may request a reduction in the number of video lottery terminals that are authorized for operation at the facility by submitting a request to the Commission.

B. The request shall indicate:

(1) The reason for the request;

(2) The number of video lottery terminals requested for removal, including, if applicable, the:

(a) Device Asset Number;

(b) Manufacturer; and

(c) Game theme;

(3) The proposed reconfiguration of the facility's floor plan;

(4) Whether the requested removal is temporary or permanent;

(5) The requested time frame for the reduction; and

(6) A projected analysis of the impact of the reduction on gaming revenues at the facility.

C. If the reduction request is determined to be in the best interest of the State, the Commission may grant approval.

D. The Commission may approve:

(1) A reduction in the amount requested;

(2) A different selection of video lottery terminal machines than what was requested; or

(3) A different timeline than what was requested.

~~E. Temporary Removal.~~

~~(1) A removal under this regulation shall be considered to be temporary if it is for 365 days or less.~~

~~(2) A temporary removal that is not restored to operation within 365 days shall become a permanent removal.~~

~~(3) For each video lottery terminal that is temporarily removed, a facility operator shall continue to pay the annual fee of \$425 per video lottery terminal as required by State Government Article, §9-1A-33, Annotated Code of Maryland.~~

~~F. Permanent Removal.~~

~~(1) A facility operator's authorized allocation of video lottery terminals shall be permanently reduced by the number approved by the Commission.~~

~~(2) For permanently removed video lottery terminals, a facility operator may not be credited or refunded any portion of the Initial License Fee paid under State Government Article, §9-1A-36, Annotated Code of Maryland.~~

~~(3) The facility operator's license shall be amended to reflect the lower number of video lottery terminals.~~

~~(4) A facility operator who later wishes to expand its complement of authorized video lottery terminals shall follow the procedure for reallocation of video lottery machines in State Government Article, §9-1A-36, Annotated Code of Maryland.~~

~~G. Cost of Reduction.~~

~~(1) A facility operator shall pay all costs incurred by the Commission associated with the removal of video lottery terminals, including:~~

- ~~(a) Handling;~~
- ~~(b) Transportation;~~
- ~~(c) Storage;~~
- ~~(d) Contract termination; and~~
- ~~(e) Disposition.~~

~~(2) A facility operator shall pay all costs incurred by the Commission associated with restoring any temporarily removed video lottery terminals.]~~

.02 Authorized Video Lottery Terminals.

A. General. A facility operator:

(1) Is authorized to operate a maximum number of video lottery terminals that is specified on its video lottery facility operation license;

(2) Subject to §A(3) of this regulation, may operate less than the number of authorized video lottery terminals on its license; and

(3) Submit written notification to Agency staff at least 21 days before temporarily decreasing the number of video lottery terminals on its gaming floor.

B. Request for Reduction.

(1) A facility operator may submit one request each calendar year to reduce the number of authorized video lottery terminals on its video lottery facility operation license.

(2) An operator seeking to reduce the number of authorized video lottery terminals on its license shall submit to Agency staff a written request for reduction no later than December 1 of a calendar year and specify the:

(a) Reason for the request;

(b) Number of video lottery terminals requested to be taken off the license;

(c) For each video lottery terminal subject to the request, the:

(i) Device asset number;

(ii) Proposed reconfiguration of the facility's floor plan after the reduction;

(iii) Proposed date by which the reduction would be implemented; and

(iv) Projected analysis of the impact of the reduction on the facility's gaming revenue.

(3) Agency Staff may approve or deny a request.

(4) Agency staff shall notify the operator in writing of the effective date of an approved request.

C. Implementation of Approved Request for Reduction.

(1) No later than December 31 following the effective date of an approved reduction request, the operator shall remove the subject video lottery terminals from its gaming floor.

(2) Agency staff shall implement an approved reduction by issuing the operator an amended license certificate.

(3) The operator for which a request for reduction was approved may operate:

(a) A maximum of the number of authorized video lottery terminals on its license;
or

(b) Less than the number of authorized video lottery terminals on its license.

(4) The facility operator shall pay all costs incurred by the Commission associated with reducing the number of authorized video lottery terminals from the operator's license.

(5) A facility operator for which a reduction was approved may not be credited or refunded any portion of the Initial License Fee paid under State Government Article, §9-1A-36, Annotated Code of Maryland.

(6) For each authorized video lottery terminal on its license, a facility operator shall pay the annual fee of \$425 required by State Government Article, §9-1A-33, Annotated Code of Maryland.

(7) Unless otherwise specified, a reduction in the number of authorized video lottery terminals does not change any other applicable requirement.

D. Request to Increase Number of Authorized Video Lottery Terminals on a License.

(1) A facility operator may submit a written request to the Commission to increase the number of authorized video lottery terminals on its license up to and including the allocation limit for its location specified in State Government Article, §9-1A-36(i)(1), Annotated Code of Maryland.

(2) A written request under §D(1) of this regulation shall include the:

(a) Reason for the request;

(b) Number of video lottery terminals to be added to the license;

(c) Proposed reconfiguration of the facility's floor plan;

(d) Proposed date by which the increase would be implemented; and

(e) Projected analysis of the impact of the increase on the facility's gaming revenues.

(3) The Commission may approve or deny a request.

(4) To implement an approved request for an increased number of authorized video lottery terminals on its license, the operator shall:

(a) Pay a nonrefundable license fee of \$6,000 for each additional video lottery terminal on the license, to accrue to the Education Trust Fund;

(b) At its own expense, purchase or lease, and maintain, the additional video lottery terminals;

(c) Pay all costs incurred by the Commission associated with increasing the number of authorized video lottery terminals on the operator's license; and

(d) Meet all applicable Commission requirements for placing the additional authorized video lottery terminals on the gaming floor.

(4) For each authorized video lottery terminal on its license, a facility operator shall pay the annual fee of \$425 required by State Government Article, §9-1A-33, Annotated Code of Maryland.

(6) Agency staff shall implement an approved increase by issuing the operator an amended license certificate.

(7) The operator for which a request for increase was approved may operate:

**(a) A maximum of the number of authorized video lottery terminals on its license;
or**

(b) Less than the number of authorized video lottery terminals on its license.

E. This regulation does not apply to a request for an increased allocation of video lottery terminals under State Government Article, §9-1A-36(i), Annotated Code of Maryland.

PROPOSED

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 07 INSTANT BINGO MACHINES IN ANNE ARUNDEL AND CALVERT
COUNTIES

Chapter 02 Application and Licensing

*Authority: State Government Article, §9-110; Criminal Law Article, §§12-301.1 and 12-308;
Annotated Code of Maryland*

.12 Manufacturer Licenses.

A. Unless a manufacturer holds a valid manufacturer's license issued by the Commission **or Agency staff**, the manufacturer may not offer any instant bingo machine, associated equipment or software, or goods or services that directly relate to the operation of instant bingo machines.

B. – C. (text unchanged)

D. Qualification Requirements. ~~[The Commission]~~ **Agency staff** may issue a manufacturer license to a person that has:

(1) – (4) (text unchanged)

E. – F. (text unchanged)

G. ~~[The Commission]~~ **Agency staff** may issue a manufacturer license subject to conditions.

H. Term; Renewal; License Renewal Fee.

(1) (text unchanged)

(2) ~~[The Commission]~~ **Agency staff** may renew the license if, before the term of the license expires, the licensee applies for renewal; and

(a) – (c) (text unchanged)

I. – J. (text unchanged)

.18 Recommended Actions and Hearings.

A. ~~[The Commission shall conduct a hearing in order to:~~

(1) ~~Grant or deny a facility or manufacturer license;~~

(2) ~~Suspend a license; and~~

(3) ~~Revoke a license.] **Recommended Sanctions.**~~

(1) The Director or the Director's designee may recommend a sanction concerning a license.

(2) If the Director or the Director's designee recommends a sanction including revocation, the Director or Director's designee, shall promptly provide the licensee with written notice of the:

(a) Recommendation;

(b) Basis for the recommendation; and

(c) Applicant's right to request a hearing with the Commission.

(3) A licensee may submit to the Commission in writing, a request for a hearing:

(a) Within 15 days of the date of the recommendation of the Director or the Director's designee; and

(b) Identifying the legal and factual bases for disagreeing with the recommendation of the Director or the Director's designee.

(4) If a licensee fails to timely submit a hearing request under §A(3) the Commission may adopt as final the recommendation of the Director or the Director's designee.

B. Denial of a License.

(1) After reviewing an application submitted under Regulation .02 of this chapter, the Director **or the Director's designee** may recommend that the Commission deny a license.

(2) If the Director **or Director's designee** recommends that the Commission deny a license, the Director, or the Director's designee, shall promptly provide the applicant with written notice of the:

(a) – (c) (text unchanged)

(4) – (10) (text unchanged)

C. (text unchanged)

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 01 General

Authority: Business Regulation Article, §§11-101, 11-524, and 11-815—11-832; Criminal Law Article, §§12-301.1 and 12-308; State Government Article, §§9-110, 9-1A-01, 9-1A-04, 9-1A-05, 9-1A-11, 9-1A-14, 9-1A-24, ~~and~~ 9-1E-01, and 9-1E-17; Annotated Code of Maryland; Ch. 603, §6, Acts of 2012, and Ch. 10, §23, Acts of 2018

.02 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) – (9) (text unchanged)

(10) “Beneficial owner” means a person that holds at least a 5 percent interest in an applicant for or holder of, a license awarded or issued under this subtitle, that is evidenced by:

(a) Record ownership;

(b) Stock or other ownership in an entity in a chain of parent and subsidiary, or affiliate entities, any one of which participates in the capital or profits of a sports wagering applicant or licensee; ~~or~~

(c) An interest that entitles a person to benefit substantially and is equivalent to ownership by an agreement, relationship, or other arrangement; or

(d) Compensation of a person, in any financial, legal, or beneficial form, if the compensation is based on revenue generated by a sports wagering licensee, including a percentage share on, or any compensation that is tied to the performance of a sports wagering licensee’s sports wagering operations.

(11) – (30) (text unchanged)

(31) **“Independent evaluator” means a person that:**

(a) Independently evaluates and rates sports wagering content provided by a sports wagering expert, sports wagering influencer, or content partner; or

(b) Independently evaluates, audits or rates the accuracy of predictions for sporting event outcomes.

~~[(31)—(57)]~~ **(32) – (58)** (text unchanged)

~~[(58)]~~ **(59)** Principal Employee.

(a) – (b) (text unchanged)

(c) “Principal employee” does not include a wagering employee, **temporary wagering employee**, or non-wagering employee.

~~[(59)–(71)]~~ **(60) – (72)** (text unchanged)

~~[(72)]~~ **(73) “Sports wagering content” means:**

(a) The setting of odds; or

(b) The prediction of sporting event outcomes of any type provided at no cost, for a fee or through a subscription or other partnership, including:

(i) Moneylines;

(ii) Against the spread;

(v) Totals;

(iv) Futures;

(v) Parlays; and

(vi) Other outcomes.

(74) “Sports wagering content partner” or “content partner” means an individual who, or a platform that, creates sports wagering content for a sports wagering licensee through contracted work, affiliation, or other partnership.

~~[(72)]~~**(75) “Sports wagering contractor” or “contractor” means, other than an individual, a person who contracts with a sports wagering licensee to provide services as a Tier 1 or Tier 2 sports wagering contractor, that may include:**

(a) Management or operation;

(b) Security;

(c) Service, maintenance, update, or repair of sports wagering equipment or associated equipment or software;

(d) ~~[Ownership]~~ **Own** or control **a person described in §B(75)(a)–(c) of this regulation**~~[of a sports wagering licensee];~~ or

(e) Any other service for which the Commission requires a sports wagering contractor license.

~~[(73)]~~**(76) “Sports wagering contractor Tier 1” or “Tier 1 contractor” means a sports wagering contractor that provides sports wagering equipment or services and:**

(a) (text unchanged)

(b) Whose services may affect **sports** wagering~~;~~**payouts, or other wagering** outcomes;

(c) – (e) (text unchanged)

(f) Provides security for sports wagering operations; ~~[or]~~

(g) May employ a sports wagering employee that is a principal employee;

(h) Is an independent evaluator; or

(i) Is a sports wagering content partner.

~~[(74)–(79)]~~ **(77) – (82)** (text unchanged)

(83) “Sports wagering influencer” or “sports wagering expert” means:

(a) A person who creates sports wagering content for the benefit of a sports wagering licensee, a content partner, or the person’s benefit; and

(b) The sports wagering content:

(i) Uses a person’s prestige, popularity, notoriety, or specific knowledge or expertise that is real, implied, or suggested; and

(ii) Attempts to, or does, encourage, induce, or persuade a bettor’s wagering decision.

~~[(80)–(82)]~~ **(84) – (86)** (text unchanged)

~~[(83)]~~**(87)** “Sports wagering operation” or “sports wagering operations” means the entirety of a sports wagering licensee’s business of conducting sports wagering and related activities, including:

(a) – (e) (text unchanged)

(f) Owning, leasing, or occupying a sports wagering facility; **and**

~~[(g) Developing marketing;~~

~~(h) Arranging advertising; and]~~

~~[(i)]~~ **(g)** Performing any other related activity.

~~[(84)–(95)]~~**(88) – (99)** (text unchanged)

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, 9-1A-07, 9-1A-08, 9-1A-20, 9-1A-25, and 9-1E-01—9-1E-15; Annotated Code of Maryland

.10 Principal Entity.

A. – B. (text unchanged)

C. Qualified Principal Entities.

(1) This section does not apply to a principal entity that is an approved institutional investor under §B of this regulation.

(2) If the Commission investigates a principal entity's application for qualification and determines that the principal entity is qualified:

(a) The Commission will recognize the qualification determination for five years from the date that the principal entity is found qualified; and

(b) If the same qualified principal entity is identified in a subsequent license application within the same five-year period, the qualified principal entity is not required to submit a new principal entity disclosure form.

(3) A qualified principal entity shall comply with the continuing obligation requirements described in Regulation .03 of this chapter.

(4) If a qualified principal entity no longer meets a qualification requirement, the Commission may require the principal entity to:

(a) File a new principal entity disclosure form;

(b) Submit to a new background investigation; and

(c) Pay all fees and costs associated with the new principal entity disclosure form and investigation.

.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) Identify 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 bond requirement if the employee is:~~

- ~~(1) Covered under another bond that the Commission deems adequate to protect the public interests; or~~
- ~~(2) Employed in a capacity for which the Commission determines the bond is not necessary to protect the public interest.]~~

Title 36
MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY
Subtitle 10 SPORTS WAGERING PROVISIONS

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 or Agency staff 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) **A person authorized to provide a performance bond in the State has approved the applicant for a performance bond; and**

(3) ~~[Furnished]~~ **Provided** the Commission with all required information and documentation.

B. – D. (text unchanged)

.04 Ongoing Requirements and Continuing Obligations for All Licensees.

A. – E. (text unchanged)

F. Other than an individual, a sports wagering licensee may sell or transfer an interest in the ownership of the license, if:

~~[(1) The licensee, if a Class B or Mobile licensee, was actively engaged in operating sports wagering authorized under its license in the State for at least 3 years from the commencement of its sports wagering operations;]~~

~~[(2)—(3)]~~ (1) – (2) (text unchanged)

G. (text unchanged)

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 04 Specific Requirements for Sports Wagering Facilities Licensees

*Authority: State Government Article, §§9-1E-01—9-1E-15, **and 2023, Chapter 638** 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.

D. Request to change proposed facility location.

(1) An applicant for a Class B-2 sports wagering facility license may submit to the Commission and SWARC a request to amend the application for the sole purpose of altering the proposed location of the sports wagering facility, if:

(a) The Commission qualified the applicant on or before February 15, 2023;

(b) SWARC awarded the applicant's sports wagering facility license on or before February 15, 2023; and

(c) The Commission has not yet issued the license.

(2) The applicant shall submit its written request to the Commission and SWARC so that the request is received by both commissions on or before December 31, 2023.

(3) If SWARC approves the request, the Commission may:

(a) Consider a timely written request;

(b) In the Commission's discretion, grant or deny the request; and

(c) Notify the applicant of the outcome.

(4) Nothing in this section may be construed to change or supersede any provision of State Government Article, §9-1E-01, et seq., Annotated Code of Maryland or any other provision in COMAR Title 36, Subtitles 10 or 11.

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

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~~] **Agency** 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)

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 06 Specific Requirements for Other Licenses Required for Sports Wagering

Authority: State Government Article, §§9-1A -24, 9-1E-01—9-1E-15,9-1E-17 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 **licensee** 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:

(a) [submit] Submit an application to the Commission; and

(b) Meet the requirements of §D of this regulation.

(3) The Commission’s approval of [the] an online sports **wagering** operator’s qualifications is valid for 5 years from the date [the Commission issued the previous existing online sports wagering operator license] **that the Agency issues the online sports wagering operator license; [and]**

(4) Staff may issue additional online sports wagering operator licenses to a qualified licensee[-]; **and**

(5) If the existing term of an online sports wagering operator license is not expired, Agency staff may:

(a) Allow the online sports wagering operator to submit an abbreviated license application for an additional location in a form specified by the Commission;

(b) Qualify the online sports wagering operator for an additional operator license; and

(c) If no problems are identified, issue an additional license without necessity of a qualification hearing.

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) (text unchanged)

(4) Pays a license renewal fee of \$25,000 **for each online sports wagering operator license for which it seeks renewal.**

.03 Sports Wagering Facility Operator License.

A. – C. (text unchanged)

D. An applicant for **a** 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~~] **set forth** in COMAR 36.10.04;

(3) – (4) (text unchanged)

E. (text unchanged)

F. [~~Commission~~] **Agency** 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 **license** 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]~~:

(a) Submit an application to the Commission~~[?]~~; **and**

(b) Meet the requirements of Regulation .02D of this chapter.

(3) (text unchanged)

J. Renewal. ~~[A licensee that has one]~~ **Agency staff may renew a** 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) (text unchanged)

(4) ~~[Pays]~~ **Submits** a license renewal fee of \$25,000 **for each sports wagering facility operator license for which it seeks renewal.**

.04 Sports Wagering Contractor Licenses.

A. – H. (text unchanged)

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

(1) **Except as provided in §K of this regulation, [H] 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)

K. Independent Evaluator.

(1) In addition to complying with requirements for all applicants for a Tier 1 sports wagering contractor license, an applicant for a Tier 1 contractor license that is an independent evaluator:

(a) Shall have demonstrated experience and expertise in evaluating and rating sports wagering content;

(b) Shall have an audit process constructed and maintained by in-house, licensed certified public accountants;

(c) Shall have evaluation and rating procedures that are unable to be adjusted, duplicated, or altered by the persons subject to evaluation;

- (d) May not have any direct or indirect financial interest, ownership, or management, including holding any stocks, bonds, or other similar financial interests in any sports wagering activities;
- (e) May not receive or share in, directly or indirectly, the receipts or proceeds of any sports wagering activities;
- (f) May not have any revenue-sharing relationship with, or other financial interest, in a sports wagering licensee or sports wagering operator;
- (g) Notwithstanding any other requirement in COMAR 36.10, the Commission may require a performance bond in an amount that relates to the work performed by the independent evaluator.

(2) Prohibition on wagering.

- (a) A wager on a sporting event may not be placed by an independent evaluator or a person that is:
 - (i) Regardless of percentage of ownership, a legal or beneficial owner of an independent evaluator;
 - (ii) Regardless of compensation amount or type, an employee of an independent evaluator;
 - (iii) An affiliate of an independent evaluator;
 - (iv) A person that provides a paid or free service to an independent evaluator that is related to sports wagering; or
 - (v) An agent or representative of an independent evaluator.
- (b) A wager on a sporting event may not be placed by:
 - (i) An immediate family member or affiliate of a person described in § K(2)(a) of this regulation; or
 - (ii) A person that Agency staff determines would, if the person wagered, compromise the independence of an independent evaluator.

(3) Compensation of independent evaluator.

- (a) Except as provided in §K(3)(b) of this regulation, an independent evaluator may not be compensated by a sports wagering licensee that utilizes the independent evaluator's evaluation services solely for marketing materials.
- (b) A sports wagering licensee that advertises in the State may contract with a licensed independent evaluator to evaluate and rate the licensee's:
 - (i) Sports wagering content;
 - (ii) Sports wagering influencers; and
 - (iii) Content partners.

(4) Required submission. For every person described in §K(2) of this regulation, an applicant for licensure as an independent evaluator shall submit to Agency staff documentation that:

- (a) Identifies the person;**
- (b) Explains the means by which the applicant will notify the person of the prohibition; and**
- (c) Attests that the submission is accurate and complete to the best of the knowledge of the authorized individual who signed the attestation.**

(5) Issuance of License. Agency staff may issue a license for a Tier 1 contractor that is an independent evaluator.

.05 Sports Wagering Employee Licenses.

A. – B (text unchanged)

~~[C. A sports wagering employee license authorizes a licensee to contract with a sports wagering licensee to conduct or offer the services of a sports wagering contractor to a sports wagering licensee.]~~

~~[D]C.~~ (text unchanged)

~~[E]D.~~ Categories.

(1) (text unchanged)

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

(a) – (g) (text unchanged)

(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)

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

(1) Covered under another bond that the Commission deems adequate to protect public interests; or

(2) Employed in a capacity for which the Commission determines the performance bond is not necessary to protect the public interest.

F. (text unchanged)

.06 Employment of a Sports Wagering Employee

A. – C. (text unchanged)

D. A wagering or non-wagering employee who is 18 to 20 years old may enter, or remain in a restricted area if the employee is working.

~~[D.—E.]~~ **E. – F.** (text unchanged)

.07 Restrictions on Wagering.

A. (text unchanged)

B. A video lottery facility employee who is employed as sports wagering employee is subject to the restrictions in:

- (1) Section ~~[A(1)]~~ **A** of this regulation; and
- (2) COMAR 36.03.02.12F~~[–]~~ **and G.**

.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)

.11 Sports Wagering Vendor Registration ~~[and Certification]~~.

A. ~~[Definition:]~~ **Definitions.**

~~[(1)]~~ In this regulation, the following ~~[term has]~~ **terms have** the meaning indicated.

~~[(2) Term]~~ **B. Terms** Defined.

(1) “Commission” means Agency staff in the context of this regulation.

(2) “Sports wagering vendor”.

(a) “Sports ~~[Wagering Vendor”]~~ wagering vendor” means a person ~~[who]~~that provides goods or services:

(i) A vendor that provides, or anticipates providing, within a calendar year a combined total value of nongaming related goods and services to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering

~~contractor of \$50,000 or more [to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor,]; and~~

(ii) That [who] is not required to be issued a sports wagering license or sports wagering contractor license under State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, **or this subtitle.**

(b) “Sports wagering vendor” does not include:

(i) Public utilities that provide water, sewerage, electricity; or natural gas;

(ii) Insurance companies that provide insurance to a sports wagering license applicant or licensee or its employees;

(iii) Employee benefit and retirement plans, including 401(k) plans and employee stock purchase programs;

(iv) Professional associations that receive funds from the sports wagering license applicant or licensee for the cost of enrollment, activities, and membership;

(v) Units of federal, State, county, or municipal government;

(vi) Manufacturers of alcoholic beverages;

(vii) State-chartered or federally chartered banks or savings and loan associations;

(viii) Providers of professional services, including accountants, attorneys, engineers or architects, and others identified by Agency staff to be providers of professional services;

(ix) Telecommunication, satellite, or internet services;

(x) Parcel shipping and delivery services;

(xi) Persons that engage in efforts to influence legislative or administrative action on behalf of a sports wagering license applicant or licensee for economic consideration;

(xii) Educational or training opportunities for facility employees;

(xiii) Unless the individual is an independent evaluator, professional or amateur entertainers, sports figures, social media personalities, or other celebrities engaged by a sports wagering licensee to appear at a licensee-sponsored entertainment or promotional event;

(xiv) Representatives of a media outlet or provider of a simulcast service;

(xv) A vendor that provides, or anticipates providing, within a calendar year a combined total value of nongaming related goods and services to State licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor of less than \$50,000; or

(xvi) A vendor for which the Commission determines registration is not necessary.

~~and is a:~~

- ~~(a) Supplier of alcoholic beverages;~~
- ~~(b) Supplier of food and nonalcoholic beverages;~~
- ~~(c) Refuse handler;~~
- ~~(d) Vending machine provider, and its service personnel;~~
- ~~(e) Janitorial and maintenance company;~~
- ~~(f) Tenant business or franchise located within a sports wagering facility if such goods and services are not related to sports wagering;~~
- ~~(g) Provider of transportation services if such services are not related to sports wagering;~~
- ~~(h) Person involved in the construction of a portion of a sports wagering facility where sports wagering is conducted;~~
- ~~(i) Lessor of real property or goods;~~
- ~~(j) Provider of payroll, recruiting, and other employer-related services; and~~
- ~~(k) Person whose services the Commission reviews and determines must be registered or certified under this regulation.]~~

[B.] C. Except as provided in §§D and G of this regulation, [A] a sports wagering vendor that conducts business with a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such a license, shall be registered ~~[or certified by]~~ **with the Commission. ~~[if the sports wagering vendor is not exempt, and:~~**

~~(1) The sports wagering vendor is providing goods or services to a sports wagering licensee for a value described in §D or E of this regulation; or~~

~~(2) The Commission:~~

- ~~(a) Reviews a sports wagering vendor's services and determines that registration or certification is required to protect the public interest of the State or accomplish the policies in State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or the Commission's regulations; and~~
- ~~(b) Notifies the sports wagering vendor that registration or certification is required.~~

~~C. The following persons that provide any of the enumerated services to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license, are exempt from sports wagering vendor registration and certification requirements:~~

~~(1) Public utilities that provide:~~

- ~~(a) Water;~~
- ~~(b) Sewerage;~~

(c) Electricity; or

(d) Natural gas;

(2) Insurance companies that provide insurance to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license, or its employees;

(3) Employee benefit and retirement plans, including 401(k) plans and employee stock purchase programs;

(4) Professional associations that receive funds from the licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license, for the cost of enrollment, activities, and membership;

(5) Units of federal, State, county, or municipal government;

(6) Manufacturers of alcoholic beverages;

(7) State chartered or federally chartered banks or savings and loan associations;

(8) Providers of professional services, including accountants, attorneys, engineers or architects, and others identified by Commission staff to be providers of professional services;

(9) Telecommunication, satellite, or internet services;

(10) Shipping services;

(11) Persons that engage in efforts to influence legislative or administrative action on behalf of a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license, for economic consideration;

(12) Educational or training opportunities for employees of a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license;

(13) Professional entertainers, sports figures, or other celebrities engaged by a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor, or an applicant for such license to appear at a licensee sponsored entertainment or promotional event;

(14) Representatives of a media outlet or provider of a simulcast service;

(15) A sports wagering vendor that provides, or anticipates providing, within a calendar year a combined total value of goods and services that are not related to sports wagering to State sports wagering facilities, mobile sports wagering licensees, online sports wagering operators, sports wagering facility operators, or sports wagering contractors applicants or licensees of less than \$20,000; or

(16) A sports wagering vendor for whom the Commission determines registration or certification is not necessary in order to protect the public interest.]

D. **Certain** Sports Wagering Vendors Exempt from [Certification or] Registration Requirements[-];

(1) A sports wagering vendor is exempt from ~~[certification or]~~ registration requirements if it provides, or anticipates providing, goods or services that a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor purchases solely to be given to a bettor.

(2) – (3) (text unchanged)

E. Sports Wagering Vendor Registration.

(1) A sports wagering vendor [shall be registered with the Commission if it] that provides, or anticipates providing, goods or services that are not related to sports wagering operation~~±~~:

~~(a) To~~ to a single licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor;

~~[(b) In a calendar year; and~~

~~(c) That are valued from \$20,000 to \$299,999.]~~

(2) The sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee to which a sports wagering vendor provides, or anticipates providing, goods and services that are not related to sports wagering shall submit to the Commission a completed registration form in a format designated by the Commission that includes:

(a) Sports wagering vendor name;

(b) Sports wagering vendor business address;

(c) Type of ~~[service]~~ goods or services provided;

(d) Total value of goods or services provided to the sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee in the State within a calendar year;

(e) ~~[Verification]~~ Documentation that:

(i) The [the] sports wagering vendor's business is in good standing or active with the Maryland State Department of Assessments and Taxation; or

(ii) The sports wagering vendor is not a legal entity that is required to register with the Maryland State Department of Assessments and Taxation.

(f) (text unchanged)

(3) (text unchanged)

~~[F. Sports Wagering Vendor Certification.~~

~~(1) A sports wagering vendor shall be certified by the Commission if it provides, or anticipates providing in a calendar year goods or services that are not related to sports wagering to:~~

- ~~(a) A single sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee that are valued at or above \$300,000; or~~
 - ~~(b) Multiple sports wagering facilities, mobile sports wagering licensees, online sports wagering operators, sports wagering facility operators, or sports wagering contractor applicants or licensees that are valued at or above \$600,000.~~
- ~~(2) A sports wagering vendor that provides, or anticipates providing, goods or services not related to sports wagering shall submit to the Commission:~~
- ~~(a) A completed certification form in a format designated by the Commission that includes:

 - ~~(i) Sports wagering vendor name;~~
 - ~~(ii) Sports wagering vendor business address;~~
 - ~~(iii) Each sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee in the State with which it does or expects to do business;~~
 - ~~(iv) Type of service provided to each sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee;~~
 - ~~(v) Total value of goods or services provided to all sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicants or licensees in the State within a calendar year;~~
 - ~~(vi) Identification of any other jurisdiction where it conducts business related to a licensed sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor;~~
 - ~~(vii) Verification that the sports wagering vendor's business is in good standing with the Maryland Department of Assessments and Taxation; and~~
 - ~~(viii) Any other information the Commission requires; and~~~~
 - ~~(b) A certification fee of \$1,000.~~
- ~~(3) Upon receipt of a certification fee and completed certification form, the Commission shall verify the information provided by the sports wagering vendor, and:~~
- ~~(a) If the Commission determines that the sports wagering vendor's conduct of business with a sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee is consistent with the public interest of the State and the policies in State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, and the Commission's regulations, it may grant the sports wagering vendor's application for certification; or~~

~~(b) If the Commission determines that the sports wagering vendor's conduct of business with a sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant licensee is contrary to the public interest of the State or the policies in State Government Article, Title 9, Subtitle 1E, Annotated Code of Maryland, or the Commission's regulations, it shall deny the sports wagering vendor's request for certification.~~

~~(4) The Commission shall provide the sports wagering vendor with written notification of its decision.~~

~~[G.]F.~~ Except as provided in ~~[\$H]~~ **§G** of this regulation, a ~~[nonexempt]~~ sports wagering vendor may not ~~[conduct business that relates]~~ **provide goods or services related** to ~~[sports wagering operations with]~~ a sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee until it is registered ~~[or certified by]~~ **with** the Commission.

~~[H.]G.~~ Emergency Notification. A sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee may accept goods or services from a sports wagering vendor that is not registered ~~[or certified]~~ by the Commission if:

(1) The sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee encounters an emergent threat to public health, safety, or welfare that is outside its control and requires immediate provision of goods or services by a sports wagering vendor; and

(2) ~~[Unless the sports wagering license is exempt under §C]~~ **Except as provided in §D** of this regulation:

(a) No later than the next State work day after the sports wagering vendor's emergency provision of goods or services, the sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee shall submit to the Commission a sports wagering vendor emergency notification form that includes an explanation of the need for its emergency use of a sports wagering vendor that is not registered ~~[or certified by]~~ **with** the Commission; and

(b) Within 20 work days of submitting the sports wagering vendor emergency notification form, ~~;~~

~~(i) The~~ **the** sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee shall submit to the Commission a sports wagering vendor registration form. ~~;~~ ~~or~~

~~(ii) The sports wagering vendor shall submit to the Commission a sports wagering vendor certification form and the \$1,000 certification fee.]~~

~~[I.]H.~~ Term, Renewal, and Cancellation. A sports wagering vendor's registration or certification:

(1) Remains in effect for 5 years from the date the Commission approves the registration [~~or certification~~]; **and**

(2) May be renewed by the Commission if the [~~applicable~~] **vendor submits the required** form, and [~~any required~~] renewal fee, [~~are submitted as required under §E or F~~] of this regulation at least 90 days before the expiration **of the registration** [~~5 years from the date of written notification under §E(3) or F(4) of this regulation~~];

(3) Shall automatically expire if a sports wagering vendor does not comply with renewal requirements under this regulation; and

(4) Is subject to cancellation by the Commission, at any time and without advance notice, if the Commission determines that the sports wagering vendor's continued conduct of business with a sports wagering applicant or licensee is contrary to the public interest of the State or the policies in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or the Commission's regulations.

~~[H.]~~ **L. Renewal [Fees.] Fee.**

~~[(1) For a registered sports wagering vendor, the]~~ **The renewal fee for a sports wagering vendor** is \$100.; ~~and~~

~~[(2) For a certified sports wagering vendor, the renewal fee is \$500.]~~

~~[K.]~~ **J.** The Commission's decision to deny or cancel a sports wagering vendor registration [~~or certification~~], or to deny the renewal of a sports wagering vendor registration [~~or certification~~], does not give rise to an appeal right under the contested case provisions of the Maryland Administrative Procedure Act.

~~[L.]~~ **K.** The Commission may maintain and make publicly available a list of:

(1) Registered [~~and certified~~] sports wagering vendors; and

(2) Sports wagering vendors that are prohibited from doing business with a sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor applicant or licensee because the Commission has denied or cancelled their application[~~;~~] **or** registration [~~or certification~~].

~~[M.]~~ **L.** A sports wagering facility, mobile sports wagering licensee, online sports wagering operator, sports wagering facility operator, or sports wagering contractor [~~Applicant or Licensee~~] **applicant or licensee** shall:

(1) Submit to the Commission a quarterly sports wagering vendor payments report in a format prescribed by the Commission; and

(2) Ensure that a sports wagering vendor appearing on its quarterly sports wagering vendor payments report is:

(a) Registered;

~~[(b) Certified;]~~ or

~~[(c)]~~ **(b)** Exempt.

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 10 Enforcement of Voluntary Exclusion Program

Authority: State Government Article, §§9-1A-24 and 9-1E-01—9-1E-15, Annotated Code of Maryland

.03 Requirements.

A. Definitions.

(1) – (2) (text unchanged)

B. A sports wagering licensee shall:

(1) – (7) (text unchanged)

(8) Ensure that the gambling assistance message is printed on a sports wagering ticket or sports wagering voucher; ~~and~~

(9) Place in the sports wagering facility and sports wagering platform responsible gambling awareness information according to its responsible gaming plan required under COMAR 36.10.10.02~~[-]~~;

(10) Ensure that the gambling assistance message is conspicuous and readable; and

(11) Not include in an advertisement for sports wagering, video lottery terminal, or table game play language that suggests an outcome is guaranteed or without risk.

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 Sports Wagering Provisions

13 Sports Wagering Licensee Minimum Internal Control Standards

Authority: State Government Article, §§9-1A-02, 9-1A-04, 9-1A-33, 9-1E-01 – 9-1E-15; Education Article §§ 10-101, 26-801, Annotated Code of Maryland

.20 Internal Audit Department Standards.

A. – E. (text unchanged)

F. If applicable, the audit department shall audit at least annually:

- (1) Responsible gaming program;
- (2) Security department;
- (3) Currency transaction reporting;
- (4) Suspicious activity reporting;
- (5) Information technology controls;
- ~~[(6) Accounts payable;~~
- ~~(7) Purchasing;]~~
- ~~[(8) – (10)] **(6) – (8) (text unchanged)**~~

G. (text unchanged)

.34 Collection of Cash Storage and Drop Boxes.

A. – D. (text unchanged)

E. A sports wagering licensee's internal controls shall:

- (1) (text unchanged)
- (2) Require:
 - (a) (text unchanged)
 - (b) ~~[The]~~ **Except as provided in (e) of this regulation,** cash storage drop box collection process to involve the participation of at least three employees, at least one of whom is an employee of the:
 - (i) – (ii) (text unchanged)
 - (c) Prior to the movement of a trolley containing cash storage boxes from the sports wagering facility floor into the count room, an accounting department supervisor to verify that the number of cash storage boxes being transported from the facility floor equals the number of cash storage boxes scheduled for collection that day; ~~[and]~~

(d) Prior to changing the type of a kiosk, or removing a kiosk from the sports wagering facility floor, that an emergency drop shall be conducted[-]; **and**

(e) The Commission may allow the holder of a Class B-2 sports wagering license to perform the cash storage drop box collection process with at least two employees, one of whom is an employee of the:

(i) Security department or other department approved by the Commission;
and

(ii) Accounting department.

F. – J. (text unchanged)

.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 **set forth in COMAR 36.10.14**, 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)

.41 Consumer Protection.

A. – B. (text unchanged)

~~[C. A sports wagering licensee shall be responsible for the submission of the terms and conditions of promotions and the conduct of all promotions offered directly or indirectly by a third party vendor or marketing affiliate on behalf of the sports wagering licensee.]~~

D. ~~The A link to the terms and conditions of all promotions communicated to bettors shall be posted on the sports wagering licensee's home website as well as any websites the sports wagering contractor operates on behalf of a sports wagering licensee.~~

E. ~~The terms and conditions shall be stated in a clear and conspicuous manner using plain language and be readily accessible and available for review for the duration of the promotion.~~

F. ~~A sports wagering licensee shall provide a clear and conspicuous method for a bettor to cancel his participation in a promotion that utilizes restricted sports wagering credits.~~

G. ~~Upon request for cancellation, the sports wagering licensee or sports contractor shall inform the bettor of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted funds that will be removed from the bettor's sports wagering account.~~

H. ~~If the bettor elects to proceed with cancellation, unrestricted funds remaining in a bettor's sports wagering account shall be returned in accordance with the terms and conditions.~~

I. ~~A sports wagering licensee may not, once a bettor has met the terms of a promotion, cap or limit winnings earned while participating in the promotion.~~

J. ~~A sports wagering licensee or a sports wagering contractor may be required to discontinue, as expeditiously as possible, the use of a particular promotion upon receipt of written notice from the Commission that the Commission has determined that the use of the particular promotion in, or with respect to, this Commission could adversely impact the public or the integrity of gaming.~~

K. ~~A sports wagering licensee or sports wagering contractor may not offer or conduct a promotion which violates any Federal, State or local law.-]~~

C. Promotional Offers - Responsibility of Licensee.

(1) A sports wagering licensee is responsible for the terms, conditions, and conduct, of promotions it offers, and those that are offered on behalf of the licensee, directly or indirectly, by a sports wagering contractor or marketing affiliate vendor, including:

- (a) Ensuring that the terms and conditions of all promotions are communicated to bettors by a link posted on the licensee's home website, and on the home website or any website operated on behalf the licensee by a contractor or vendor.**
- (b) Stating the terms and conditions clearly and in plain language, and displaying them conspicuously so they are readily accessible and available for bettors' review for the duration of the promotion.**
- (c) Providing a clear and conspicuous method for a bettor to cancel the bettor's participation in a promotion that utilizes restricted sports wagering credits.**
- (d) When a bettor requests cancellation, informing the bettor of the amount of unrestricted funds that will be returned upon cancellation, and the value of restricted funds that will be removed from the bettor's sports wagering account; and**
- (e) If a bettor elects to proceed with cancellation, returning unrestricted funds remaining in the bettor's sports wagering account in accordance with the terms and conditions.**

(2) A sports wagering licensee, directly or through a contractor or vendor on behalf of the licensee, may not:

- (a) Offer or conduct a promotion which violates any federal, State or local law or regulation;**
- (b) When a bettor has met the terms of a promotion, cap or limit a bettor's winnings earned while participating in the promotion;**
- (c) Include in an advertisement language that suggests the outcome is guaranteed or without risk; or**
- (d) Advertise, market, promote, or offer, or conduct sports wagering in a manner that may adversely impact the public or the integrity of sports wagering.**

(3) If Agency staff determines that a sports wagering licensee's promotion may or does adversely impact the public or the integrity of sports wagering, staff may direct the licensee to immediately cease some or all activities related to the promotion, and may take other enforcement action against a licensee, contractor, or vendor.

D. Sports Wagering Contracts.

(1) Defined Terms. In addition to the terms defined in State Government Article, § 9-1E-01, Annotated Code of Maryland, and terms defined in this subtitle, in this section the following terms have the meanings indicated:

- (a) "Agent of a regulated gaming entity" includes a marketing firm or other similar entity contracted to perform gaming-related services for a regulated gaming entity.**
- (b) "Institution of higher education" has the meaning stated in Education Article, § 10-101, Annotated Code of Maryland;**
- (c) "Regulated gaming entity" means:**
 - (i) A mobile sports wagering licensee;**
 - (ii) A online sports wagering operator; or**
 - (iii) A sports wagering licensee.**
- (d) "Sports marketing entity" means a person that contracts with a sports wagering licensee or regulated entity to provide advertising or marketing services for the sports wagering operations of a regulated entity.**

(2) Prohibitions.

- (a) An institution of higher education may not enter into a contract with a regulated gaming entity or an agent of a regulated gaming entity if, under the terms of the contract, the institution of higher education receives a commission, a bonus, or any other incentive payment based on the success of securing student participation in sports wagering or online sports wagering.**
- (b) An institution of higher education may not enter into a contract with a sports marketing entity that enters into a contract with a regulated gaming entity or an agent of a regulated gaming entity if, under the terms of the contract, either the**

sports marketing entity or the institution of higher education receives a commission, bonus, or any other incentive payment based on the success of securing student participation in sports wagering or online sports wagering.

(3) A regulated gaming entity may not enter into a contract described in §§D(1) and (2) of this regulation.

(4) The prohibition described in subsections (1) and (2) of this section do not preclude contract formation between an institution of higher education and:

- (a) A regulated gaming entity;**
- (b) An agent of a regulated gaming entity; or**
- (c) A sports marketing entity.**

(5) Notwithstanding any other provision of law, a contract formed in accordance with subsection (4) of subsection is subject to public inspection in accordance with the Maryland Public Information Act, General Provisions Article, § 4-101, et seq., Annotated Code of Maryland.

(6) Mobile sports wagering licensees and online sports wagering operator licensees shall submit written notification to the Commission of any contract it has, or plans to enter into, with a public institution of higher education.

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Subtitle 10 SPORTS WAGERING PROVISIONS

Chapter 14 Sports Wagering Requirements and Limitations

Authority: State Government Article, §§ 9-1E-01 – 9-1E-15, and 9-1E-17 Annotated Code of Maryland.

.03 Prohibited Wagers.

A. (text unchanged)

B. A sports wagering licensee may not accept a wager that the licensee knew or should have known:

(1) – (3) (text unchanged)

(4) Was made by an independent evaluator;

[(4) – (5)] **(5) – (6)** (text unchanged)

C. – E. (text unchanged)

.06 Reserve.

A. A sports wagering licensee shall maintain a reserve in cash, cash equivalents, irrevocable letter of credit, surety bond set forth in §F of this regulation, 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) The sports wagering licensee may obtain a single surety bond or multiple bonds to be used as a cash reserve to pay the current outstanding liability of all winnings and awards offered to a winning bettor as set forth in this regulation and COMAR 36.10.13.40;

(2) A surety bond shall:

(a) Be in a form approved by the Agency and:

(i) Identifies the sports wagering licensee or applicant as the Principal of the surety bond;

(ii) Indicates what license type and class the sports wagering licensee or applicant offers or intends to offer in the State of Maryland;

(iii) Provides that the surety bond is protected against claims by creditors of the Principal including the patrons for whose benefit and protection the reserve account is established;

- (iv) Allows the Director of the Agency or the Director's designee to make demand upon the surety for the payment of valid winning amounts not paid by the Principal;
 - (v) Requires the sports wagering licensee to provide an updated listing of winning wagers that form the basis of the reserve to the Agency within 72 hours;
 - (vi) Includes a statement that within 24 hours of receiving the updated listing of winning wagers that form the basis of the Reserve that the Agency will commence review of the list of outstanding patron accounts;
 - (vii) Includes a statement that within 10 business days of the demand made by the Director or the Director's designee the processing of payment will commence;
 - (viii) Includes a statement that within 60 days of the demand made by the Director or the Director's designee issuance of payment shall occur; and
 - (ix) Includes a statement that if the surety provides written notice of withdrawal, the withdrawal is not effective until 60 days have elapsed after receipt of the notice.
- (b) Be by and between the sports wagering licensee or applicant and the surety company;
 - (c) Identify the Agency as the 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) The sports wagering licensee or applicant shall provide the original surety bond to the Agency.
- (4) 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.

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

SUBTITLE 10 SPORTS WAGERING PROVISIONS

15 Sports Wagering Licensee Facility Standards

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

.03 Facility Design Standards.

The ~~holder~~ **awardee** of a Class A or Class B license shall, at its own expense, construct its facility in accordance with ~~specifications~~ **requirements** established by the Commission, including:

A. For any sports wagering licensee that does not currently hold a video lottery facility operator's license, at least 100 square feet of office space or an amount approved by ~~the Commission~~ **Agency staff** that is available for use by the ~~Commission~~ **Agency staff** and equipped with:

(1) – (3) (text unchanged)

B. A surveillance system approved in writing by ~~the Commission~~ **Agency staff** that:

(1) Is configured to provide surveillance of all sports wagering related activities within the facility in accordance with standards established by the Commission **or Agency staff**;

(2) (text unchanged)

(3) Provides ~~the Commission~~ **Agency staff** with timely and unfettered access to its surveillance system;

C. (text unchanged)

D. Any signage required by ~~the Commission~~ **Agency staff**;

E. (text unchanged)

F. Any other equipment or design feature required by the Commission **or Agency staff**.

.04 Sports Wagering Facility Plan.

A. This regulation is only applicable to the ~~holder~~ **awardee** of a sports wagering facility ~~licensee~~ **license**.

B. At least 60 days before sports wagering operations are to commence, a licensee shall submit a floor plan depicting its facility and all restricted areas to ~~the Commission~~ **Agency staff** for review and written approval.

C. ~~A licensee~~ **An awardee** may not commence operations until its facility plan is approved in writing by ~~the Commission~~ **Agency staff**.

D. A facility plan that ~~a~~ **an awardee or** licensee submits to ~~the Commission~~ **Agency staff** shall:

(1) Be drawn to 1/8-inch scale, unless another scale is approved by ~~[the Commission]~~ **Agency staff**;

(2) (text unchanged)

(3) Depict any restricted areas within the facility with a notation identifying:

(a) – (e) (text unchanged)

(f) Any area designated as restricted by the **awardee or** licensee in its ~~[Commission-]~~ approved internal controls;

(4) – (5) (text unchanged)

(6) Any other equipment or design feature required by ~~[the Commission]~~ **Agency staff**.

E. If a facility includes an outdoor area, in addition to the requirements of §D of this regulation, a licensee shall submit to ~~[the Commission]~~ **Agency staff** a facility plan that includes:

(1) – (3) (text unchanged)

F. A licensee may not implement any change to its approved wagering facility plan without the prior written approval of ~~[the Commission]~~ **Agency staff**.

PROPOSED