



STAFF AGENDA MEMORANDUM

DATE OF MEETING: April 24, 2025

AGENDA ITEM: Proposed Amendments to Lottery Regulations

PRESENTER: James Nielsen, Deputy Director / COO

ISSUE SUMMARY: On September 26, 2024, several proposed amendments to Agency regulations, were approved by the Commission. These were published in the *Maryland Register* on December 2, 2024, which are attached to this Agenda Item. The proposed amendments affected regulations in:

COMAR 36.01 – General
COMAR 36.02 - Lottery

Public comment on the proposed amendments.

During the 30-day public comment period for the proposed amendments, the Agency received one set of public comments, which are published on the Agency's website for the Commission's and the public's review.

The public comment period has concluded, and the proposed regulatory amendments are now before the Commission for approval for their final publication in the *Maryland Register*, after which they will take effect 10 days after publication.

The proposed amendments to COMAR 36.01 and COMAR 36.02 were the subject of public comment. Below portions of the proposed changes that are the subject of the comments the Agency received, if relevant to the comment are included below. Staff requests that the Commission approve the amendments as published:

COMAR 36.01.01 General

.01 Definitions.

The Center of Excellence (COE) suggests that a portion of Lottery proceeds be directed to support the Problem Gaming Fund. This is a statutory matter and cannot be addressed in Regulation.

Recommendation: approve as published, no changes.

.02 Rules of Construction.

No comments received.

Recommendation: approve as published, no changes.

.03 Commission.

A. Overview of Commission.

(1)—(2) (text unchanged)

(3) [With the assistance of the Agency, the Commission shall regulate the operation of video lottery terminals and table games in accordance with the gaming law] *The Agency shall assist the Commission to carry out its statutory and regulatory obligations.*

The COE suggests that the Agency not assist the Commission, nor have any other member of the industry assist the Commission. However, the Agency and the Commission operate in accordance with State statutes. State Gov't § 9-101 et seq., Annotated Code of Md. Specifically, SG § 9-104, "there is a State Lottery and Gaming Control Commission in the Agency."

Recommendation: approve as published, no changes.

.04 [Lottery and Gaming Control] Agency Director.

No comments received.

Recommendation: approve as published, no changes.

.05 Limitations on Gaming Activity.

Gaming activity may not be engaged in by, and a prize, jackpot, or winnings may not be paid to:

A.—C. (text unchanged)

[D. A person whose name appears on a Voluntary Exclusion Program list under COMAR 36.01.03.]

[E.] *D. The Agency [shall] may conduct periodic reviews [to ensure compliance with this Regulation] of prizes paid in excess of \$600 by reviewing data available to the Agency.*

The COE suggests that language prohibiting payment to an individual on the Voluntary Exclusion Program list not be removed. This section was updated to remove some redundant language and directly pertains to limitations on Commission members, Agency staff and those related to them. VEP exclusions are included elsewhere in applicable regulations pertaining to voluntary exclusion.

Recommendation: approve as published, no changes.

.06 Code of Conduct.

No comments received.

Recommendation: approve as published, no changes.

COMAR 36.01.03 Voluntary Exclusion and Responsible Gaming

.01 General.

No comments received.

Recommendation: approve as published, no changes.

.02 Application for Placement on the Commission's Voluntary Exclusion List.

A. *An individual may obtain an application for placement on the Commission's Voluntary Exclusion List [shall be available through] by:*

(1) [Each] *Contacting a licensed video lottery facility [upon request to] and requesting an application from Commission staff;*

(2) [Each] *Contacting a licensed instant bingo facility with more than 10 instant bingo machines and requesting an application that is solely for exclusion from a licensed instant bingo facility; [and]*

(3) [The] *Contacting the Agency[.]; or*

(4) *Obtaining an application online.*

...

G. *In the completed application, an applicant shall acknowledge:*

(1) *With the applicant's written consent, certain problem gambling programs may contact the applicant;*

(2) *The applicant is knowingly and voluntarily applying for inclusion on the Commission's Voluntary Exclusion List;*

...

[(i)] (10) [Acknowledges that the individual may be, for the entire term of the requested period of exclusion:] *That the individual may be excluded from participating in the gaming activity of an affiliated entity;*

[(i) Banned by a video lottery facility from any of its affiliated facilities in Maryland or other jurisdictions;

(ii) Removed or precluded from utilizing a video lottery facility's associated sports wagering platform;

(iii) Banned from video lottery facilities that offer sports wagering;

(iv) Even if accessed from a different state, removed or precluded from joining or participating in a fantasy competition operator's online platform;

(v) Banned by a sports wagering facility from any of its affiliated facilities in Maryland or other jurisdictions; or

(vi) Even if accessed from a different state, removed or precluded from joining or participating in a mobile sports wagering licensee's online platform;]

(11) *That the individual is responsible for knowing from which properties and gaming platforms the individual is excluded;*

...

[E.] H. Upon receipt of a completed application for placement on the Commission's Voluntary Exclusion List, assigned [Commission] Agency staff may:

(1) Interview the individual in order to [ascertain that the individual] *confirm that the individual:*

(a)—(b) (text unchanged)

(c) Confirms the information provided in the application *is accurate and complete;* and

(d) Is fully informed of the [consequences of] *outcomes associated with* being placed on the Commission's Voluntary Exclusion List; *and*

(2) Decide whether to [accept the request] *grant or deny the individual's application* for placement on the Commission's Voluntary Exclusion List.

...

J. *Agency staff shall notify the individual:*

[(a)] (1) [Placement] *For placement on the Commission's Voluntary Exclusion List[; or], by U.S. Mail; or*

(2) *For denial of an application, by U.S. mail or other agreed upon written communication.*

[(b) Denial of the application requesting placement on the Commission's Voluntary Exclusion List.]

The COE suggests that the Agency permit an application to be completed fully online so a person does not have to enter a gaming facility to sign up. However, a copy of the application can be obtained online and completed without going to a casino. Individuals are able to schedule a meeting with the Director of Responsible Gaming, or other Agency Staff at Agency Headquarters to submit an application to be added to the Commission's Voluntary Exclusion List. Staff are trained to ensure applicants are signing up voluntarily, knowingly, and of their own volition.

Additionally, the COE recommends that instead of applicants opting in to be contacted by the Center, the application be modified so applicants would have to opt out of being contacted.

The Agency found that the vast majority of state-operated self-exclusion lists do not even offer an opt-in option to be contacted by problem gambling resources. We are not aware of any jurisdictions that require opting out of being contacted by problem gambling resources. Overall, the Voluntary Exclusion List is just one tool meant to assist those who wish to control their gambling. We ensure that applicants are aware of resources for additional help during the enrollment process and that they engage with an approved resource program before they are removed from the Voluntary Exclusion List.

Finally, the COE suggests that the Agency require licensees to exclude individuals on the Maryland VEP list from participating in gaming at any affiliated properties. The Agency does not have authority to require operators to exclude an individual who voluntarily excludes themselves in Maryland to also exclude them in another jurisdiction.

Recommendation: approve as published, no changes.

.03 Direct Exclusion by Operator.

No comments received.

Recommendation: approve as published, no changes.

.04 Voluntary Surrender.

No comments received.

Recommendation: approve as published, no changes.

.05 The Commission's Voluntary Exclusion List.

No comments received.

Recommendation: approve as published, no changes.

.06 Removal from the Commission's Voluntary Exclusion List.

No comments received.

Recommendation: approve as published, no changes.

.08 Responsible Gaming Program.

A. (text unchanged)

B. A responsible gaming program established by the Commission under §A of this regulation shall be designed to:

(1) (text unchanged)

(2) Maximize the access of [individuals who have a gambling problem to] problem gambling resources *by an individual who has a gambling problem.*

The COE suggests that the regulation include “significant others and family” when explaining the responsible gaming program. The Responsible Gaming program established by the Commission is designed to provide access to resources by an individual who has a gambling problem. The statute requires the Commission to maintain a list for individuals to voluntarily exclude themselves from certain gaming activities. While the Agency's regulations do not go into detail about the resources available for families, if contacted, Agency Staff will point family members in the direction of resources that exist in the State including those promoted by the Center of Excellence. The Agency's website also includes links to these resources.

Recommendation: approve as published, no changes.

COMAR 36.02.01 General

.01 Definitions.

No comments received.

Recommendation: approve as published, no changes.

.02 Sponsorship Request.

A. Scope. This regulation sets out procedures under which a person may submit a sponsorship request to the Agency pursuant to State Government Article, § 9-111(d)(1), Annotated Code of Maryland to promote the Maryland State Lottery.

B. A person holding an event in Maryland may submit a request to the Agency to sponsor the event.

C. Form and Content of Request.

(1) A requestor for Agency sponsorship shall submit a request in writing to the Assistant Director of Communications.

(2) The sponsorship request shall describe the event and include:

(a) The date, time, and location;

(b) A description;

(c) The expected number of people in attendance;

(d) The number of years it has taken place in Maryland;

(e) The types of sponsorship opportunities that are available;

(f) The cost associated with each type of sponsorship opportunity; and

(g) An explanation with examples as to why the event may be a good fit for the Agency.

D. The decision to sponsor an event is within the sole discretion of the Agency and is not subject to review.

The COE requests that the Agency not sponsor any events as it is against public policy. However, the Agency is statutorily required to raise funds for the State for its good causes. One of the ways in which the Agency is authorized to raise funds is through sponsorships and other advertising. This regulation was promulgated to memorialize a long existing practice within the Agency to support events and promote the Lottery. It also reinforces that the Lottery is a part of the fabric of the community.

Recommendation: approve as published, no changes.

COMAR 36.02.02 Retailer Licensing

.01 Definitions.

No comments received.

Recommendation: approve as published, no changes.

.02 License Required.

No comments received.

Recommendation: approve as published, no changes.

.03 License Restrictions.

A. A retailer license *is specific to an individual and* may not be transferred or sold [to another person without the approval of the Director].

B. A *retailer* license may not be issued to [any] a person to engage in business primarily as a lottery retailer.

C. A retailer license does not permit a retailer to:

(1) Have a system or program that allows a person to purchase a ticket through a device that connects to the Internet;

(2) Sell a ticket over the phone or other manner of electronic communication;

(3) Sell a ticket over the Internet; or

(4) Sell a ticket at a price higher than the price established by the Director; or

(5) Sell a ticket at a location other than the location identified in the license.

The COE does not have any suggested changes, but supports the prohibition on telephone or internet-based sales, even by the Agency.

Recommendation: approve as published, no changes.

.04 Application Process.

No comments received.

Recommendation: approve as published, no changes.

.05 Security.

No comments received.

Recommendation: approve as published, no changes.

.06 Probationary License.

No comments received.

Recommendation: approve as published, no changes.

.07 Special License.

No comments received.

Recommendation: approve as published, no changes.

.08 Denial of a License.

No comments received.

Recommendation: approve as published, no changes.

.09 Corrective Action.

No comments received.

Recommendation: approve as published, no changes.

.10 Sanctions and Agency Actions on a License.

The COE does not have any suggested changes, but supports the prohibition on telephone or internet-based sales, even by the Agency.

Recommendation: approve as published, no changes.

COMAR 36.02.03 Retailer Requirements

.01 General Responsibilities.

No comments received.

Recommendation: approve as published, no changes.

.02 Retailer Obligations.

A. Services. A retailer shall:

- (1) Provide specified services for the Agency, including the sale, cashing, and issuance of lottery tickets and coupons or vouchers, as directed by the Agency;*
- (2) Sell a ticket for cash only;*
- (3) Sell a ticket only at the location specified on the retailer's license.*
- (4) Sell a ticket only during the hours listed in the application, or as modified after notifying the Commission, unless otherwise approved in advance by the Agency;*
- (5) Exercise courteous and fair treatment to lottery players;*
- (6) Sell all lottery games as directed by the Agency;*
- (7) Except for those requiring submission of a claim form to the Agency, pay every winning ticket upon validation under COMAR 36.02.06;*
- (8) Report to the Agency, as required by the Internal Revenue Service or the Agency, income tax information relating to a holder of a winning ticket;*
- (9) Charge no fee for the issuance or cashing of checks for lottery winnings;*
- (10) Display the retailer's license in a prominent location;*
- (11) Keep playslips in stock and available to players;*
- (12) Not sell any ticket or lottery-style ticket other than those made available for sale by the Agency;*
- (13) Except for advertising already located on the retailer's premises, obtain prior Agency approval for permanent or semipermanent lottery advertising such as signs and billboards;*
- (14) Prominently post point-of-sale and other promotional or player-related materials supplied by the Agency;*
- (15) Free of charge, provide the latest winning game data;*
- (16) Properly manage customer data; and*
- (17) Except as permitted in Regulation .12 of this chapter, not have on its premises an illegal gaming device or a slot machine as defined in Criminal Law Article, §12-301, Annotated Code of Maryland.*

...

The COE suggests that retailers be required to prominently post responsible gaming messages. The Agency provides numerous assets to Lottery Retailers which include responsible gambling messaging automatically displayed digitally on display screens.

Recommendation: approve as published, no changes.

.03 Prohibited Acts.

A. A retailer may not:

- (1) Sell a ticket at any price higher than that established by the Director;*
- (2) Sell to or cash a ticket for an individual younger than 18 years old;*
- (3) Allow an employee younger than 18 years old to sell or cash a ticket or operate lottery equipment;*

...

The COE suggests that the legal age to purchase a lottery ticket be increased to 21. This is a statutory matter and cannot be addressed in Regulation.

Recommendation: approve as published, no changes.

.04 Lottery Sale – General.

- A. Nothing prevents a person from giving a ticket as a gift.*
- B. Only a licensed retailer or the retailer’s employee may sell a ticket.*
- C. The Agency may sell a ticket or a lottery subscription.*
- D. A retailer shall require that a person pay for a ticket at the time of purchase.*

The COE requests that the Agency remove the provision that states that nothing prevents a person from giving a ticket as a gift. This language is consistent with statute. (State Gov't § 9-124(a), Annotated Code of Md.)

Recommendation: approve as published, no changes.

.05 Cessation of Operations.

No comments received.

Recommendation: approve as published, no changes.

[.02] .06 Sale of [Lottery] Tickets — Instant Ticket Procedure.

No comments received.

Recommendation: approve as published, no changes.

[.03] .07 Sale of Lottery Tickets — Draw Game Ticket Procedure.

No comments received.

Recommendation: approve as published, no changes.

[.04] .08 Sale of [Lottery] Tickets — Fast Play Game Ticket Procedure.

No comments received.

Recommendation: approve as published, no changes.

[.05] .09 Lost, Stolen, or Missing Tickets.

No comments received.

Recommendation: approve as published, no changes.

[.06] .10 Posting of Winning [Numbers] Game Data.

No comments received.

Recommendation: approve as published, no changes.

[.07] .11 Payment of Prizes.

No comments received.

Recommendation: approve as published, no changes.

[.08] .12 Expanded Cashing Authority Program.

No comments received.

Recommendation: approve as published, no changes.

[.09] .13 Payments to Agency.

No comments received.

Recommendation: approve as published, no changes.

[.10] .14 Americans with Disabilities Act.

No comments received.

Recommendation: approve as published, no changes.

[.11] .15 Changes in Ownership.

No comments received.

Recommendation: approve as published, no changes.

36.02.04 Common Provisions for All Lottery Games

.01 Governing Law and Rules.

No comments received.

Recommendation: approve as published, no changes.

.02 Ticket Purchaser Responsibilities.

No comments received.

Recommendation: approve as published, no changes.

.03 Methods of Purchase.

No comments received.

Recommendation: approve as published, no changes.

.04 Cancellation of Tickets.

No comments received.

Recommendation: approve as published, no changes.

.05 [Game] Liability [Limit] *Limits*.

No comments received.

Recommendation: approve as published, no changes.

.06 Agency Not Liable.

No comments received.

Recommendation: approve as published, no changes.

.07 No Endorsement.

No comments received.

Recommendation: approve as published, no changes.

36.02.05 Specific Game Provisions

.01 Draw Games.

No comments received.

Recommendation: approve as published, no changes.

.02 Fast Play Games.

No comments received.

Recommendation: approve as published, no changes.

.03 Instant Ticket Games.

No comments received.

Recommendation: approve as published, no changes.

.04 Bonus and Promotional Games.

No comments received.

Recommendation: approve as published, no changes.

36.02.07 Unclaimed Lottery Prizes

.01 Prize Claiming Period.

No comments received.

Recommendation: approve as published, no changes.

.02 Unclaimed Prize Fund.

No comments received.

Recommendation: approve as published, no changes

COMAR 36.02.09 [Special Operation Licenses for] Instant Ticket Lottery Machines

.01 Scope.

No comments received.

Recommendation: approve as published, no changes

.02 Definitions.

No comments received.

Recommendation: approve as published, no changes

.03 [Operation] ITLM Licensee Requirements.

No comments received.

Recommendation: approve as published, no changes

.04 [Sales of Instant Tickets] Instant Ticket Lottery Machine Play.

A. An [operation] ITLM licensee may [sell an instant ticket only to] *allow* an individual who is 18 years old or older *to play an instant ticket lottery machine.*

B. An [operation] ITLM licensee shall be:

(1)—(2) (text unchanged)

[C. The purchase of an instant ticket may not be cancelled.]

The COE suggests that the legal age to purchase a lottery ticket be increased to 21. This is a statutory matter and cannot be addressed in Regulation.

Recommendation: approve as published, no changes.

.05 Payment of Prizes.

No comments received.

Recommendation: approve as published, no changes

COMMISSION ACTION REQUESTED – MOTIONS FOR:

- 1) Commission approval for final publication in the *Maryland Register* all proposed amendments to Agency regulations that were initially published on December 2, 2024.
- 2) Commission delegation to Staff the authority to make any non-substantive changes to the approved regulatory amendments that may be necessary to prepare them for publication in the *Maryland Register*.

STAFF RECOMMENDATIONS: Staff recommends approval of all motions.