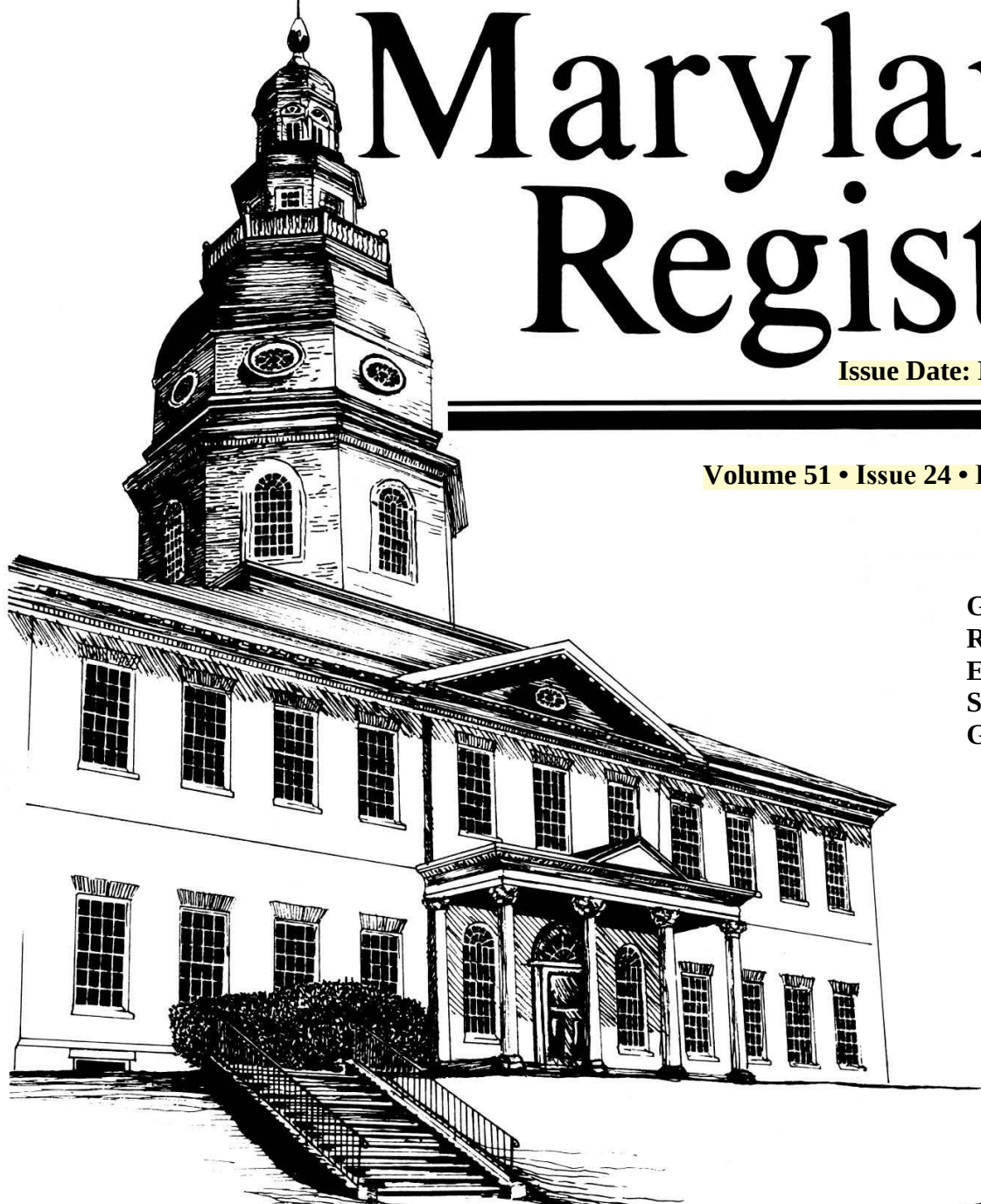




Maryland Register

Issue Date: December 2, 2024

Volume 51 • Issue 24 • Pages 1075—1130

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Pursuant to State Government Article, §7-206, Annotated Code of Maryland, this issue contains all previously unpublished documents required to be published, and filed on or before November 8, 2024, 5 p.m.

Pursuant to State Government Article, §7-206, Annotated Code of Maryland, I hereby certify that this issue contains all documents required to be codified as of November 8, 2024.

Gail S. Klakring
Administrator, Division of State Documents
Office of the Secretary of State



Estimate of Economic Impact

I. Summary of Economic Impact. The economic impact on the regulated industry is expected to be minimal and is expected to be comparable to surrounding states.

II. Types of Economic Impact.

Impacted Entity	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
A. On issuing agency:		
Maryland Department of Agriculture (R+)		Minimal
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:		
Registered Service Agency (+)		Minimal
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

The bill will increase revenue for the special funds of the Maryland Department of Agriculture, assisting the Registered Service Agency Program for mandatory training, testing, and issuing of certificates and cards to regulated industry. This will benefit the industry as training and subject materials are provided.

This proposed action would increase the fees charged to register agencies, their technicians, and administer the mandatory class and test. The overall impact is expected to be minimal and similar to other states fee structures.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Alison L Wilkinson, Chief of Weights and Measures, Maryland Department of Agriculture, 50 Harry S Truman Parkway, Annapolis, Maryland 21401, or call 410-841-2706, or email to alison.wilkinson@maryland.gov. Comments will be accepted through January 2, 2025. A public hearing has not been scheduled.

.04 Qualifications for Registration.

A. Registered Service Technician. An applicant seeking to become a certified service technician shall:

(1) Except as provided in §B of this regulation, pass a written examination for each type of weighing and measuring device the applicant intends to install, service, [or] repair[;], or *pass and provide certification of National Council on Weights and Measures Registered Service Agency Exams.*

(2)—(4) (text unchanged)

B.—C. (text unchanged)

.05 Notice of Pass or Fail.

A. The Department shall notify the applicant of the examination results for each type of weighing and measuring device for which the applicant tested.

B. An applicant who fails and wants to retake an examination shall pay a [10] \$25 reexamination fee.

.06 Additional Examinations following Certification.

A service technician possessing a current certificate of registration from the Department may take additional examinations for other types of weighing and measuring devices. The certified service technician shall submit to the Department, before the testing date, a [10] \$25 examination fee in the form of a check or money order.

.07 Certificate of Registration Fee.

A. (Text unchanged).

B. A qualified person seeking a certificate of registration shall pay to the Department one of the following fees for the appropriate type of registration for which certification is sought:

(1) [50] \$75 for a service technician certificate; or

(2) [200] \$250 for a service agency certificate.

C.—D. (text unchanged)

STEVEN A. CONNELLY
Deputy Secretary

Title 36

MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY

Notice of Proposed Action

[24-156-P]

The Maryland State Lottery and Gaming Control Agency proposes to:

(1) Amend Regulations .01—.06 under COMAR 36.01.01 **General**;

(2) Amend Regulations .01—.06, and .08 under COMAR 36.01.03 **Voluntary Exclusion and Responsible Gaming**;

(3) Amend Regulation .01 and adopt new Regulation .02 under COMAR 36.02.01 **General**;

(4) Amend Regulations .01—.10 under COMAR 36.02.02 **Retailer Licensing**;

(5) Amend Regulation .01, adopt new Regulations .02 —.05, amend and recodify existing Regulations .02—.11 to be Regulations .06 —.15, and repeal existing Regulation .12 under COMAR 36.02.03 **Retailer Requirements**;

(6) Amend Regulations .01—.07 and repeal existing Regulation .08 under COMAR 36.02.04 **Common Provisions for All Lottery Games**;

(7) Amend Regulations .01—.04 under COMAR 36.02.05 **Specific Game Provisions**;

(8) Amend Regulations .01 and .02 under COMAR 36.02.07 **Unclaimed Lottery Prizes**; and

(9) Amend Regulations .01—.05 under COMAR 36.02.09 **Special Operation Licenses for Instant Ticket Lottery Machines**.

This action was considered at the Maryland Lottery and Gaming Control Commission open meeting held on September 26, 2024, notice of which was given pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

Statement of Purpose

PROPOSED ACTION ON REGULATIONS

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Under COMAR 36.01.01 General Provisions:

- (1) Add a number of definitions used elsewhere in the Agency's regulations for consistency, and simplify other regulations
- (2) Update and simplify the rules of construction for regulations by cross-referencing to existing law;
- (3) Align these regulations with current terminology and industry practice; and
- (4) Update and clarify ethical issues that will be included in the revised Code of Conduct for Commissioners and Staff;

Under COMAR 36.01.03 Voluntary Exclusion and Responsible Gaming:

- (1) Simplify some cumbersome language regarding self-exclusion from multiple types of gaming activities and add a definition;
- (2) Clarify the expanded gaming activities offered in Maryland and how to self-exclude from each;
- (3) Remove extraneous language and make regulations consistent with the Style Manual for Maryland Regulations;
- (4) Ensure regulations are consistent with the Style Manual and address a statutory change requiring disclosure of certain anonymized information to the Maryland Department of Health; and
- (5) Make the language in the regulation consistent with revised definitions

Under COMAR 36.02.01 General:

- (1) Bring lottery terminology in line with current systems and industry practices; and
- (2) Describe how organizations may submit a request for the Agency to sponsor an event

Under COMAR 36.02.02 Retailer Licensing:

- (1) Update definitions consistent with the Style Manual and for accuracy;
- (2) Remove a superfluous word for consistency with the definitions;
- (3) Update the list of prohibited acts by a licensed retailer consistent with statute
- (4) Specify that applications are submitted electronically and update the criteria the Agency considers when deciding whether to issue a license;
- (5) Provide further information on bonds that may be required before or after licensing as required by statute;
- (6) Ensure regulations are written for style, clarity, and consistency;
- (7) Clarify the procedures and requirements of a corrective action plan, including what is within the discretion of the Agency to permit; and
- (8) Expand and update the list of impermissible acts by a retailer, identify sanctions the Agency may impose, and identify a retailers' rights after sanctions have been imposed.

Under COMAR 36.02.03 Retailer Requirements:

- (1) Ensure formatting changes are aligned with the Style Manual;
- (2) Clarify and identify obligations of a lottery retailer;
- (3) Reorganize retailer prohibitions that were located elsewhere in the regulations;
- (4) Reorganize permissible sales of lottery tickets that were located elsewhere in the regulations;
- (5) Renumber an existing regulation because of the reorganization of content in the newly created Regulations, and update terminology;

(6) Describe the Agency's use of tools to assist with identifying unusual claims;

(7) Renumber an existing regulation, update terminology and clarify that the Director has discretion in considering whether a retailer may participate in the Expanded Cashing Authority Program;

(8) Clarify the process for retailer compliance with The Americans with Disabilities Act (ADA);

(9) Renumber existing regulations, update terminology, and describe what constitutes a change in ownership of a lottery retailer's business; and

(10) Repeal regulation as it is reorganized into new Regulations.

Under COMAR 36.02.04 Common Provisions for All Lottery Games:

- (1) Add changes to clarify and update language consistent with the Style Manual;
- (2) Clarify and update liability limits for draw games; and
- (3) Repeal a regulation as it is no longer applicable.

Under COMAR 36.02.05 Specific Game Provisions, clarify and update terminology to align with current industry practices and technology.

Under COMAR 36.02.07 Unclaimed Lottery Prizes, clarify and update terminology.

Under COMAR 36.02.09 Instant Ticket Lottery Machines:

- (1) Identify the applicable statutory provision; and
- (2) Clarify and update terminology and cross-references.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to: James B. Butler, Assistant Deputy Director, Chief of Staff, Maryland Lottery and Gaming Control Agency, 1800 Washington Blvd., Suite 330, Baltimore, MD 21230, or call 410-230-8781, or email to jbutler@maryland.gov. Comments will be accepted through **January 2, 2025**. A public hearing has not been scheduled.

Subtitle 01 GENERAL PROVISIONS

36.01.01 General

Authority: State Government Article, §§9-101—9-111, 9-116, 9-123, 9-1A-01, 9-1A-02, 9-1A-04, 9-1A-24, 9-1D-01, 9-1E-01, 9-1E-04, [and] 10-205, and 10-219, Annotated Code of Maryland

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) (text unchanged)

(2) Cash.

(a) "Cash" means coins, U.S. currency, money orders, debit cards, [and] checks, *gaming chips*, *gaming tickets*, *vouchers*, or *prepaid cards issued or approved by the Agency*.

(b) (text unchanged)

(3)—(4) (text unchanged)

(5) Direct Exclusion.

(a) “Direct exclusion” means the process by which a fantasy competition operator, mobile sports wagering licensee, or online sports wagering operator licensee allows an individual to self-exclude from a gaming platform.

(b) “Direct exclusion” does not include:

(i) Voluntary exclusion under COMAR 36.01.03; or

(ii) Mandatory exclusion under COMAR 36.03.07 or COMAR 36.10.10.

[(5)] (6) “Director” means the Director of the Agency and includes the Director’s [designees] designee.

(7) “Fantasy competition” has the meaning stated in State Government Article, § 9-1D-01, Annotated Code of Maryland.

(8) “Fantasy competition operator” has the meaning stated in State Government Article, § 9-1D-01, Annotated Code of Maryland.

(9) “Fantasy competition platform” has the meaning stated in COMAR 36.09.01.02

[(6)] (10) (text unchanged)

[(7)] (11) “Final action on a sanction” means:

(a) [If after the Director sends a deficiency notice] *The Commission adopts the Director’s deficiency notice* under COMAR 36.02.02, 36.03.04, 36.06.05, 36.07.02, 36.03.03 or 36.10.08, and a licensee fails to submit a timely, acceptable corrective action plan[, and the Commission adopts as final the Director’s deficiency notice];

(b) [If the Commission holds] *The date of the Commission’s written decision after a hearing on the Director’s recommendation to impose a sanction*[, the date of the Commission’s written decision]; or

(c) If a licensee seeks judicial review of the Commission’s sanction, the most recent date of:

(i) [The] A decision of the Office of Administrative Hearings;

(ii) A final [judgement] *judgment* under Maryland Rule 2-601; or

(iii) (text unchanged)

[(8)] (12) Gaming Activity.

(a) “Gaming activity” means play of a game, device, or machine that is regulated by the Agency[.].

(b) “Gaming activity” includes activities described in COMAR 36.06 — COMAR 36.10.] *which is:*

(i) Lottery, under COMAR 36.02;

(ii) Video lottery terminals, under COMAR 36.03;

(iii) Table games, under COMAR 36.05;

(iv) Electronic gaming devices, under COMAR 36.06;

(v) Instant bingo machines in Anne Arundel or Calvert Counties, under COMAR 36.07;

(vi) Fantasy competitions, under COMAR 36.09; and

(vii) Sports wagering, under COMAR 36.10.

[(9)] (13) “Gaming law” means State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland.

(14) Gaming Platform.

(a) “Gaming platform” means hardware and software used for a website, application, or other platform which is accessible via the internet or mobile, wireless, or similar communications technology that allows players to participate in a gaming activity.

(b) “Gaming platform” includes a sports wagering platform and a fantasy competition platform.

(15) “Gaming ticket” has the meaning stated in COMAR 36.03.10.02.

[(10)] (16) (text unchanged)

(17) Lottery Game.

(a) “Lottery game” means a game, activity, or other activity that is approved or offered by the Agency for consideration to win a prize by chance in which the:

(i) Only direct or personal participation by a player is the player’s purchase or receipt of a ticket;

(ii) Chance to win is determined at random; and

(iii) Proceeds benefit the State.

(b) “Lottery game” does not include [Unless]unless otherwise specified by the Director, a promotion.

[(11)] (18) (text unchanged)

(19) “Online platform” means an interface using the internet that provides an individual the opportunity to engage in an authorized gaming activity, promotion, or loyalty rewards program.

[(12)] (20) “Player” means a person who participates in [lottery or] gaming activity.

[(13)] Person.

(a) (21) (text unchanged)

[(b)] “Person” within COMAR 36.02, may include a group of two or more individuals that are playing or claiming together.]

(22) Prize.

[(14)] (a) “Prize” means:

[(a)] (i) (text unchanged);

[(b)] (ii) Merchandise; [or]

(iii) A ticket; or

[(c)] (iv) [An experiential award, such as:] A experience that is a trip;

[(i)] A trip; or]

[(ii)] (v) (text unchanged)

[(iii)] (vi) A designated activity involving personal participation.

(b) “Prize” may include a combination of § B(22)(a)—(d) of this regulation.

[(15)] (23) “Retailer” or “Lottery retailer” means a [business or] person who has been licensed by the Agency to sell [lottery] tickets.

(24) “Share” or “lottery share” means a ticket in which one or more individuals have an ownership interest.

[(16)] (25) (text unchanged)

[(17)] (26) (text unchanged)

[(18)] “Submit” means to deliver a document:

(a) In a manner that ensures its receipt by the party to whom it is addressed; and

(b) Which is considered complete only upon actual receipt by that party.]

(27) “Sports wagering platform” has the meaning stated in COMAR 36.10.01.02.

[(19)] (28) “State obligation” means [moneys] money owed [pursuant to] under:

(a) (text unchanged)

(b) Family Law Article, §10-113.1(a), Annotated Code of Maryland; [or]

(c) State Finance and Procurement Article, §3-307, Annotated Code of Maryland[.]; or

(d) Any other State law.

(29) “Submit” means to deliver a document:

(a) In a manner that ensures its receipt by the party to whom it is addressed; and

(b) Which is considered complete only upon actual receipt by that party.

[(20)] (30) “Table games” means:

(a) [Roulette, baccarat, blackjack, craps, big six wheel, poker, pai gow, and sic bo shakers, pai gow tiles, any variation and composites of such games, and other games] A game or composite of a game that the Commission has approved for play in a video lottery facility; and

(b) [Gaming tournaments] A gaming tournament in which players compete against one another in [one or more of the games authorized under §B(147(a) of this regulation] a table game event.

[(21)] (31) “Ticket” [or “lottery ticket”] means a ticket authorized by the Agency that a lottery retailer or the Agency makes available for sale.

[(22)] (32) “Video lottery” [means gaming or betting conducted using a video lottery terminal] *has the meaning stated in State Government Article, § 9-1A-01, Annotated Code of Maryland.*

[(23)] (33) “Video lottery facility” [means a facility at which players play video lottery terminals and table games] *has the meaning stated in State Government Article, § 9-1A-01, Annotated Code of Maryland.*

[(24)] (34) Video Lottery Terminal.

(a)—(b) (text unchanged)

(c) “Video [Lottery] lottery terminal” means each single position or seat available for use by a player;

(d) (text unchanged)

[(25)] (35) “Voluntary exclusion program” means the Commission’s Voluntary Exclusion Program established under COMAR 36.01.03.

[(26)] (36) “Winnings” means the amount won from a [sports] wager or play that is not reduced by a loss.

[(27)] (37) “Work day” means a day when [Maryland] State government offices are open for business.

.02 Rules of Construction.

A. Gender and Number. In interpreting and applying this title, the following rules of construction shall apply:

(1) Words denoting one gender *pronoun* include and apply to [the other gender as well] *any other pronoun*; and

(2) (text unchanged)

B. [Time Computations] *Computation of Time.*

[(1)] Computation of time after an act, event, or default applies the following rules:

(a) In computing any period of time prescribed by this title, the day of the act, event, or default after which the designated period of time begins to run is not included;

(b) If the period of time allowed is more than 7 days, intermediate Saturdays, Sundays, and legal holidays are counted;

(c) If the period of time allowed is 7 days or less, intermediate Saturdays, Sundays, and legal holidays are not counted; and

(d) The last day of the period so computed is included unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day that is a work day.

(2) Computation of time before a day, act, or event applies the following rules:

(a) In determining the latest day for performing an act that is required by this title to be performed a prescribed number of days before a certain day, act, or event, all days preceding that day, including intervening Saturdays, Sundays, and legal holidays, are counted in the number of days so prescribed; and

(b) The latest day is included in the determination unless it is a Saturday, Sunday, or legal holiday, in which event the latest day is the first preceding day that is a work day.] *Time is computed as provided in General Provisions Article § 1-302, Annotated Code of Maryland.*

.03 [Lottery and Gaming Control] 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.*

B. Operational Procedures.

(1) Meetings.

(a) The Commission shall:

(i) (text unchanged)

(ii) Set its procedures for frequency, notice, and conduct of meetings; [and]

(iii) Annually elect a chair from among its members[.]; and

(iv) *Act only if at least four members concur.*

(b) (text unchanged)

(c) [The Commission may not act unless at least four members concur.]

(2) (text unchanged)

C. Powers of Commission. The Commission may:

(1) Issue subpoenas to compel attendance of witnesses at any place within the State in the course of any investigation or hearing conducted under the gaming law *and sports wagering law*;

(2) Administer oaths and require testimony under oath before the Commission in the course of any investigation or hearing conducted under the gaming law [and], lottery law, *and sports wagering law*;

(3)—(4) (text unchanged)

.04 [Lottery and Gaming Control] Agency Director.

A. (text unchanged)

B. Powers of Director.

(1) (text unchanged)

(2) The Director may:

(a) (text unchanged)

(b) Determine that a [game] ticket is void and if the [game] ticket shall be paid; and

(c) Establish and announce special purchase options which reduce the purchase price of a lottery game for a specified period.

(3) The Director may [determine,] *establish* and change:

(a)—(b) (text unchanged)

(c) The price of lottery games;

(d) The probability or odds of winning a lottery game; [and]

(e) *The amount of winnings a player may accumulate from a subscription as provided in COMAR 36.02.06.12.D; and*

[(e)] (f) Any other aspect of lottery game play, payment, and implementation.

(4) The Director may:

(a) (text unchanged)

(b) Approve a winner’s request to receive a cash equivalent value or other substitute prize for a merchandise or [experiential prize] *experience.*

[(5)] The Director may determine that a type of ticket shall be cancelled, including an instant ticket, a multi-jurisdictional ticket, and a draw game ticket.]

(c) *Determine that a ticket shall be canceled;*

[(6)] The Director may disqualify a game ticket if a player violates an Agency law or regulation.]

(d) *If a player violates a lottery law or regulation, invalidate a ticket, delay a prize award, or issue a refund; or*

[(7)] The Director may delegate] (e) *Delegate* to another individual the performance of any activity, function, or service in connection with the operation of the Lottery.

.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.*

.06 Code of Conduct.

A. Definitions.

- (1) (text unchanged)
- (2) Terms Defined.

(a) “Agency employee” means an employee of the Agency [who is designated as a public official under State Government Article, §15-103, Annotated Code of Maryland].

(b) “Code of conduct” means the document that identifies activities prohibited for employees of the Agency and Commission members.

[(b)] (c) “Complaint” means the submission of a communication to the Agency or the Commission alleging a violation of a law, regulation, or the code of conduct [established by the Director].

[(c)] (d) “Conflict of interest” means a situation in which a personal interest of a Commission member or an Agency employee [may be contrary to the public interest in an anticipated Commission action or decision] *may compromise the individual’s judgment, decisions or actions.*

[(d)] (e) “Ex parte communication” means a [direct or indirect communication between a Commission member or Agency employee and another person regarding an issue in a matter that is pending before the Commission, if the communication is made outside the presence of an opposing person] *written or oral communication that happens without the knowledge, consent, or presence of all parties involved involving a matter that is pending before the Commission.*

[(e)] (f) “Recusal” means [nonparticipation of] *that a Commission member or an Agency employee does not participate in a specific matter [before the Commission].*

B. Establishment and Compliance.

(1) The Director shall establish a code of conduct [for members of the Commission and Agency employees].

(2) [Members of the Commission] *Commission members* and Agency employees shall comply with the code of conduct.

(3) *A violation of the code of conduct constitutes a violation of this regulation.*

(4) *The Agency or Commission may report a violation to the State Ethics Commission.*

(5) *An Agency employee who violates the code of conduct may be subject to disciplinary action.*

C. Recusal of a Commission [Members] Member.

(1) A Commission member may not participate in a Commission [proceeding in matters] *matter* in which the member:

(a) (text unchanged)

(b) [Cannot] *For any reason, is unable to participate fairly and impartially.*

(2) (text unchanged)

(3) A Commission member who is recused from a matter before the Commission may not:

(a) (text unchanged)

(b) Discuss the matter or the Commission’s review of the matter with [members of the Commission or another person] *a Commission member or any other person.*

(4) A Commission member who is recused *from a hearing, discussion, or voting on a matter* [shall physically leave the room during hearings, discussion, or voting on the matter to ensure nonparticipation.] *shall:*

(a) *If in person, physically leave the meeting; or*

(b) *If remote, disconnect from the virtual meeting.*

(5) (text unchanged)

D. [Complaints] Allegation of a Violation of the Code of Conduct.

(1) A Commission member against whom a complaint is [filed] *made* shall follow §C(3) and (4) of this regulation [for Commission discussion and voting related to the complaint].

(2)—(4) (text unchanged)

E. Confidentiality.

(1) A Commission member or Agency employee may not discuss [confidential matters] *a confidential matter* with a person other than:

(a)—(e) (text unchanged)

(2) (text unchanged)

36.01.03 Voluntary Exclusion and Responsible Gaming

Authority: Criminal Law Article, §§12-301.1 and 12-308; State Government Article, §§9-110, 9-1A-24(e), 9-1D-05, 9-1E-04, and 9-1E-11[;], Annotated Code of Maryland

.01 General.

A. Scope. This chapter establishes a mechanism by which an individual may request to be placed on the Commission’s Voluntary Exclusion List of individuals with gambling problems who have requested to self-exclude themselves from[:] *a gaming activity or a combination of multiple gaming activities.*

[(1)] Video lottery facilities in the State;

(2) Lottery play in the State;

(3) Instant bingo facilities under COMAR 36.07 with more than 10 instant bingo machines;

(4) Participating in fantasy competitions offered by fantasy competition operators registered under COMAR 36.09;

(5) Participating in sports wagering offered by a sports wagering licensee; or

(6) Any combination of the five.]

B. Definitions.

(1) Unless context or [the individual] regulation dictates otherwise, in this chapter the following terms have the meanings indicated.

(2) Terms Defined.

(a) “Affiliated entity” means an entity sharing ownership or management with a licensee of a gaming activity.

[(a)] (b) “Commission’s Voluntary Exclusion List” means the list established by the Commission [as a measure to reduce or mitigate the effects of problem gambling that allows individuals with gambling problems] *that allows an individual* to request to be excluded from participating in certain [lottery and gambling] *gaming* activities for a specified period of time.

[(b)] “Direct exclusion” means the ability of a person to make a request directly to a fantasy sports competition operator or a sports wagering licensee for exclusion from their online services.]

(c) (text unchanged)

C. The Commission shall:

(1) Maintain the Commission’s Voluntary Exclusion List for individuals who have requested to be excluded from *a gaming activity; and* [:

(a) Video lottery facilities;

(b) Lottery play in the State;

(c) Instant bingo facilities with more than 10 instant bingo machines;

(d) Fantasy competitions offered by registered fantasy competition operators; or

(e) Participating in sports wagering offered by sports wagering licensees; and]

(2) (text unchanged)

.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.*

B. Information about [applications] *an application* for placement on the Commission's Voluntary Exclusion List shall be available [through] at:

- (1)—(5) (text unchanged)

C. An individual may request to be excluded from:

(1) [The places and activities described in Regulation .01 of this chapter] *A gaming activity* by submitting a completed application for placement on the Commission's Voluntary Exclusion List to [Commission] *Agency* staff; and

(2) An instant bingo facility with more than 10 instant bingo machines by submitting a completed application [form] to instant bingo facility staff.

D. [An] *A completed* application for placement on the Commission's Voluntary Exclusion List shall include:

(1) Sufficient information *and documentation* to identify [and exclude the individual, including the individual's:] , *exclude, and contact the individual*;

(2) *A signature of the individual, which may include the use of a Commission-approved secure electronic means*; and

(3) *Any other information about the individual that the Commission requires.*

E. *Information on a completed application may include the individual's:*

- [(a)] (1)—[(d)] (4) (text unchanged)

[(e)] (5) Social Security number or other government-issued identification number[, if applicable];

- [(f)] (6) *Gender identity*;

- [(g)] (7) (text unchanged)

- [(h)] (8) *Race or ethnic origin; and*

- (9) *A photograph of the individual.*

[(i)] Signature, which may include the use of a Commission-approved secure electronic means; and

- (j) Signature; and

(k) Any other information about the individual that the Commission requires;]

[(2)] F. [The] *A completed application shall identify the length of time requested for placement on the Commission's Voluntary Exclusion List, which shall be for:*

- [(a)] (1)—[(b)] (2) (text unchanged)

- [(3)] Information pertaining to problem gambling programs;

(4) Acknowledgment that certain problem gambling programs may contact the applicant;

(5) A signed statement by which the individual declares that the individual:]

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*;

[(a)] Has a gambling problem and is unable to gamble responsibly;

- (b)] (3) (text unchanged);

[(c)] (4) [Releases] *That the applicant releases* and holds harmless the State of Maryland, the Commission, the Agency, and their members, employees, and agents from any liability that may arise from the application or the individual's placement on the Commission's Voluntary Exclusion List;

[(d)] (5) [Acknowledges that] *That* the Commission is collecting information from the individual that the:

- [(i)] (a)—[(iii)] (c) (text unchanged)

[(e)] (6) [Authorizes] *That* the release of information to the persons specified in Regulation .07 of this chapter *is permitted*;

[(f)] (7) [Acknowledges that the individual will be, for] *For* the entire term of the requested period of exclusion *the individual will be prohibited from participating in each gaming activity selected*; [:

(i) Prohibited from entering a video lottery facility and playing table games or a video lottery terminal;

(ii) Prohibited from playing a lottery game;

(iii) Prohibited from playing an instant bingo machine at an instant bingo facility with more than 10 instant bingo machines;

(iv) Prohibited from participating in a fantasy competition offered by a fantasy competition operator registered under COMAR 36.09;

(v) Prohibited from participating in sports wagering offered by a sports wagering licensee under COMAR 36.10; or

(vi) Any combination of the five;

(g) Acknowledges that if the requested period of placement on the Commission's Voluntary Exclusion List was 2 years, the individual will not be removed from the Commission's Voluntary Exclusion List unless the Commission grants the individual's request for removal under Regulation .06 of this chapter;]

(8) *That there is no automatic removal from the Commission's Voluntary Exclusion List*;

[(h)] (9) [Acknowledges that] *That* the individual may be subject to criminal charges if, during the period of exclusion, the individual enters a video lottery facility in the State;

[(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*;

[(j)] (12) [Otherwise acknowledges that] *That* the individual understands the individual's responsibilities and possible [consequences] *outcomes* associated with being placed on the Commission's Voluntary Exclusion List; and

[(k)] (13) [Is] *That the individual is voluntarily applying.*

[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.

I. After determining whether to grant or deny an application, Agency staff shall either:

(1) [and place] Place the individual on the Commission's Voluntary Exclusion List; [and] or

(2) Not place the individual on the Commission's Voluntary Exclusion List.

[(3) Deliver to the individual by regular U.S. mail a written notice of:]

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.]

[F.] K. Notice to Individual Placed on the Commission's Voluntary Exclusion List.

[(1)] The Agency's notice to an individual of placement on the Commission's Voluntary Exclusion List for video lottery facilities, shall include:

[(a)] (1)—[(b)] (2) (text unchanged)

[(c)] (3) Notice that the individual may be [banned by a video lottery facility from any of its affiliated facilities in Maryland or other jurisdictions; and] *excluded from gaming activity offered by an affiliated entity in Maryland or another jurisdiction.*

[(d) Notice that the individual may be unable to participate in sports wagering offered by a sports wagering facility operator or online sports wagering operator affiliated with a video lottery facility.

(2) The Agency's notice of an individual's placement on the Commission's Voluntary Exclusion List for exclusion from participating in fantasy competitions in the State shall include notice that the individual may be excluded from participating in fantasy competitions offered by fantasy competition operators in another jurisdiction;

(3) The Agency's notice of an individual's placement on the Commission's Voluntary Exclusion List for exclusion from sports wagering in the State shall include:

(a) Notice that the individual is not permitted in the sports wagering-related areas of a sports wagering facility;

(b) Notice that the individual may be excluded from participating in sports wagering offered by a sports wagering licensee in any of its affiliated facilities or platforms in other jurisdictions; and

[(c)] (4) (text unchanged)

.03 Direct Exclusion by Operator.

A. Registered Fantasy Competition Operator.

(1) A registered fantasy competition operator may, on request of an individual, directly exclude the individual from participating in [fantasy competitions] *a fantasy competition* through its platform.

(2) (text unchanged)

B. Mobile Sports Wagering Licensee.

(1) [A mobile sports wagering licensee through its sports wagering platform or its online sports wagering operator's platform may, on request of an individual, directly exclude the individual from

participating in sports wagering on its platform] *An individual may request direct exclusion from a mobile sports wagering platform.*

(2) A request for direct exclusion from a mobile sports wagering [licensee's platform operated by its online sports wagering operator] *platform:*

(a)—(c) (text unchanged)

(d) Does not prevent the [person] *individual* from using another mobile sports wagering platform in Maryland.

.04 Voluntary Surrender.

A. (text unchanged)

B. Term Defined. "Unredeemed item":

(1) Means a token, voucher, check, ticket, chip, coupon, *points*, or similar item that has monetary value, and that a player has [:

(a) Won by playing a video lottery terminal or table game;

(b) Inserted into a video lottery terminal;

(c) Played at a table game;

(d) Received by converting cash, check or wire transfer at a video lottery facility;

(e) Won by participating in a fantasy competition offered by a fantasy competition operator registered under COMAR 36.09;

(f) Received by converting cash, check, wire transfer, points, tickets, coupons, or similar item or monetary equivalent through a registered fantasy competition operator's system;

(g) Won by participating in sports wagering;

(h) Inserted into sports wagering equipment;

(i) Received by converting cash, check, wire transfer, or points through sports wagers placed with a sports wagering licensee;

(j) Obtained while playing a lottery game in the State; or

(k) Won by playing an instant bingo machine at an instant bingo facility with more than 10 instant bingo machines] *won, obtained, or otherwise received by playing or participating in a gaming activity.*

(2) (text unchanged).

C. An individual who applies to be placed on the Commission's Voluntary Exclusion List contractually agrees to:

(1) (text unchanged)

(2) Designate that the proceeds of the item be redeemed and [contributed] *distributed* to the Problem Gambling Fund established under State Government Article, §9-1A-33(b), Annotated Code of Maryland.

.05 The Commission's Voluntary Exclusion List.

The Commission shall:

A. (text unchanged)

B. Provide the Commission's Voluntary Exclusion List for video lottery facilities to [a video lottery facility, with periodic updates, to assist the video lottery facility in identifying excluded individuals] *all video lottery facilities with periodic updates;*

C. Enter the Commission's Voluntary Exclusion List for lottery play into the [Agency's control system] *Lottery Central System* to ensure that an excluded individual's prizes over \$600 on a ticket will be surrendered under Regulation .04 of this chapter;

D. Provide the Commission's Voluntary Exclusion List for individuals who have self-excluded from instant bingo to an instant bingo facility with more than 10 instant bingo machines, with periodic updates[, to assist the facility in identifying excluded individuals];

E. Provide the Commission's Voluntary Exclusion List for individuals who have self-excluded from participating in fantasy competitions [in the State to a] *to all* registered fantasy competition [operator] *operators*, with periodic updates, [to assist the fantasy competition operator in identifying excluded individuals]; and

F. Provide the Commission's Voluntary Exclusion List for individuals who have self-excluded from participating in sports wagering [in the State] to sports wagering facility licensees and mobile

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sports wagering licensees, with periodic updates, to assist them in identifying excluded individuals.

G. *Provide anonymized information from the Commission's Voluntary Exclusion List to the Department of Health in accordance with Health General Article, §§5-1001—5-1009, Annotated Code of Maryland.*

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

A. (text unchanged)

B. An individual shall submit their request under §A of this regulation in writing to the Commission accompanied by documentation that the individual has:

(1) (text unchanged)

(2) Executed an authorization and release to be removed from the [voluntary exclusion list] *Commission's Voluntary Exclusion List*; and

(3) (text unchanged)

C. (text unchanged).

D. If the Commission:

(1) Grants the request, it shall:

(a) (text unchanged)

(b) Notify the State's video lottery facilities, instant bingo facilities with more than 10 instant bingo machines, registered fantasy competition operators, sports wagering facility licensees, and mobile sports wagering licensees, or update the [Agency's central system] *Lottery Central System* with the individual's removal from the Commission's Voluntary Exclusion List; or

(2) (text unchanged)

.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.*

Subtitle 02 LOTTERY PROVISIONS

36.02.01 General

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, and 9-122, Annotated Code of Maryland

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) "Activate" means:

(a) [to] *To make a book of instant tickets ready for sale in the Lottery Central System[.] ; or*

(b) *To make a ticket ready for sale.*

(2) "Announced end of game" means the date [determined and announced] *set by the Agency after which retailers may not activate instant [ticket game books] tickets for that game.*

(3) ["Bonus drawing"] *Bonus Drawing.*

(a) *"Bonus drawing" means a game the Agency designates as a bonus drawing that may have a claiming period other than 182 days after the drawing in which the prize is won.*

(b) *"Bonus drawing" does not include a daily or weekly lottery drawing.*

(4) ["Bonus game"] *Bonus Game.*

(a) *"Bonus game" means a game the Agency designates as a bonus game [or bonus drawing] that may have a claiming period other than 182 days after the drawing in which the prize is won.*

(b) *"Bonus game" does not include a:*

(i) *Daily or weekly lottery game; or*

(ii) *Specific play features on a ticket.*

[(5)] *Cash.*

(a) "Cash" means coins, U.S. currency, money orders, debit cards, and checks.

(b) "Cash" does not include credit.]

[(6)] (5) (text unchanged).

[(7)] (6) "Coupon" means [an instrument that a player may use to obtain a lottery ticket at reduced or no cost] *a paper or computer-generated code that a player may apply to purchase a ticket.*

[(8)] (7) "Daily game" means a draw game for which the Agency offers a drawing *at least once every day.*

[(9)] (8) (text unchanged)

[(10)] (9) *Draw Game.*

(a) "Draw game" means a lottery game *for which a winning result is determined by a drawing for which a ticket:*

(i) [Sold] *Is sold* and redeemed through a subscription or [a computer network] *through a terminal* at retailer locations; and

(ii) [For which tickets are] *May be* generated by a terminal and [are] *is* a record of a transaction for a draw game.

(b) "Draw game" includes:

(i) A jackpot game *including a multi-jurisdictional jackpot game;*

(ii) A nonjackpot game *including a multi-jurisdictional jackpot game;*

(iii) A monitor game; and

[(iv)] A multi-jurisdictional game played with draw game tickets; and]

[(v)] (iv) Any other [Agency-issued game played as described in this section] *Agency-authorized lottery game designated as a draw game.*

[(11)] (10) "Draw ticket" [or "Draw game ticket"] means a ticket purchased from a terminal or through a subscription *for a draw game.*

[(12)] (11) "Drawing" means a random selection event used for determining winning numbers *game data* of certain lottery games.

[(13)] (12) "Drawing date" means the day, days of the week, or times of day on which the winning [numbers] *game data* [for the lottery games] *a lottery game* are selected.

(13) "Entry" means *a qualifying purchase or action by which a player may participate in a promotion or special activity.*

(14) "ePlayslip" means an [electronically-generated game play selection process using an official web or mobile application issued by the Agency that is used by a player to select the purchaser's playable numbers.] *on-screen display or two-dimensional code, that:*

(a) *Contains player-selected or randomly generated game data; and*

(b) *Is electronically generated by a website or mobile application authorized by the Agency.*

(15) *Fast Play Game.*

(a) "Fast Play game" means a game [produced] *issued by [a lottery terminal] the Lottery Central System* where predetermined game results are obtained from a finite pool of randomly generated results for that [specific game and are printed on a ticket] *game and are available through the terminal.*

(b) "Fast Play game" does not include [games where players select their numbers or symbols and there is a drawing to determine a winning number or symbol].

(16) "Game data" means *any item or symbol used to identify:*

(a) A winner of a lottery game, including:

(i) Numerals;

(ii) Letters;

(iii) Symbols, and

(iv) Icons including branded logos;

(b) The cost of a ticket; and

(c) *Number of draws and which draws on a ticket.*

(17) *“In-lane ticket” means a ticket that:*

(a) *Is purchased by a player;*

(b) *May only be purchased at a retailer that is a commercial establishment; and*

(c) *Is activated for play or produced when it is processed through a third-party point of sale terminal or cash register.*

[(16)] (18) *Instant Game.*

(a) *“Instant game” [or “instant ticket game”] means a lottery game [where tickets have an] for which a ticket has a covered area that the player exposes in accordance with the game instructions, and includes:*

[(a)] (i) (text unchanged)

[(b)] (ii) *Tickets using other methods of revealing a hidden area with pre-determined results.*

(b) *“Instant game” does not include an in-lane ticket for a draw game.*

[(17)] (19) *“Instant ticket” [or “instant game ticket” means an authorized lottery game] means a ticket issued in an instant game.*

[(18)] (20) *“Instant ticket pack” or “instant ticket book” means [a group of sequential instant tickets that are in an individual bundle] group of tickets in sequential order bundled together.*

[(19)] (21) *“Jackpot game” means a lottery game [where] for which the top prize amount varies [depending on amounts wagered and on whether]:*

(a) *Based on sales; and*

(b) *If the top prize was won in the preceding drawing.*

(22) *“Lottery Central System” means an integrated computer service and equipment that the Agency authorizes and procures for the purposes of:*

(a) *Producing lottery tickets at retailer locations;*

(b) *Facilitating lottery ticket transactions;*

(c) *Providing tools and the means by which retailers:*

(i) *Determine sales;*

(ii) *Cash tickets;*

(iii) *Confirm receipt and activate an instant ticket book;*

(iv) *Display of animations of winning numbers;*

(v) *Process a ticket, ePlayslip, or playslip;*

(vi) *Print special reports and tickets;*

(vii) *Order instant tickets;*

(viii) *Order supplies; and*

(ix) *Coordinate the distribution of tickets;*

(d) *Providing random number generating equipment to conduct and offer monitor games, Cash Pop and Fast Play games;*

(e) *Communicating with lottery retailers; and*

(f) *Performing any other function, the Agency identifies as necessary to the operation of the State lottery and accounting for its proceeds.*

(23) *“Lottery Central System contractor” means the person under contract with the Agency to provide all the goods and services required under the contract for the Lottery Central System.*

[(20)] (24) *“Lottery game” means a game, activity, or other enterprise offered by the Agency for consideration to win a prize by random chance and, unless specified by the Director, does not include a promotional game.]*

[(21)] (24) *“Monitor” means a television screen or similar type of screen used to display [draw] monitor game results and other Agency communications.*

[(22)] (25) *“Monitor game” means a draw game [where] for which:*

(a) *Tickets are generated by [an Agency vendor’s computer] a terminal;*

(b) *[An Agency vendor’s computer generates results of the draw game] The Lottery Central System generates the winning result; and*

(c) (text unchanged)

[(23)] (26) *“Multi-jurisdictional game” means a lottery game offered by the Agency and:*

(a)—(b) (text unchanged)

(c) *Both §B26(a) and (b) of this regulation.*

[(24)] (27) *“Nonjackpot game” means a lottery game where the top prize remains [constant] static.*

[(25)] (28) *“Number” means any item or symbol used to play to win a lottery game, including:*

(a) *Numerals;*

(b) *Letters; and*

(c) *Icons.]*

[(26)] (29) *“Odds” means the [long run ratio of the number of times a win does not occur to the number of times a win does occur] likelihood of an outcome to occur or not occur.*

[(27)] (29) *“Pari-mutuel” means[:*

(a) *The total number of winning matches per prize level, divided equally into the dollar value of the prize pool for the specific prize level; or*

(b) *The total number of winning matches in the designated prize levels, divided equally into the dollar value of the prize pool for the designated prize levels] dividing the prize money available for winners of a certain prize level in a lottery game equally among all plays winning the prize in a particular drawing.*

[(28)] (30) *Player-Activated Terminal or PAT.*

(a) *“Player-activated terminal” or “PAT” means a machine through which a player may purchase [Agency tickets] a ticket or claim a prize [without action by a licensed retailer] under an applicable tax reporting or taxable prize threshold without intervention by a retailer.*

(b) (text unchanged)

[(29)] (31) *“Playslip” means a [card] document issued by the Agency and used by a player to select the [purchaser’s playable numbers] player’s game data.*

[(30)] (32) *“Probability” means the long-run ratio of the number of [times a win occurs to the number of times that game’s drawings are held] winning outcomes to the number of all outcomes.*

[(31)] (33) *“Progressive jackpot” means a jackpot offered [by] in a lottery game that may increase [uniformly] in value based on sales of that game.*

[(32)] (34) *Promotion.*

(a) *“Promotion” [or “promotional game”] means:*

(i) *[an] An activity or game offered by the Agency to [advertise] increase awareness of the Agency and its products and services[.];*

(ii) *A contest that uses a second-chance drawing to determine a winner; or*

(iii) *A cooperative marketing project under State Finance and Procurement Article, § 11-203, Annotated Code of Maryland.*

(b) *“Promotion” may include a lottery game if additional consideration is required for a player to participate.*

[(33)] (35) (text unchanged)

(36) *Special Bonus.*

(a) *“Special bonus” means an extra payment to a retailer or its employees that the Agency authorizes;*

(b) *“Special bonus” may not exceed one-half of 1% of the gross receipts from ticket sales for the year for which the bonuses are awarded;*

(c) *“Special bonus” does not include:*

(i) *A bonus drawing; or*

(ii) *Game play features on a ticket.*

(37) “Special license” means a retailer license issued by the Director for a conditional or limited purpose as determined by the Director.

[(34)] (38) “Subscription” means a method of playing a lottery game by which [provides the ability to] a player completes an application to play a specific number of lottery games using the same [numbers] game data for a period of consecutive drawings [as specified on the subscription membership card].

[(35)] (39) Terminal.

(a) “Terminal” means a computerized unit or software program that operates through the Lottery Central System and is specifically designed for [issuing and processing tickets and for printing special reports.] :

(i) Issuing, processing or printing a ticket;

(ii) Processing an ePlayslip;

(iii) Processing a playslip.

(iv) Printing a report;

(v) Confirming and activating a retailer’s receipt of an instant ticket book;

(vi) Accepting payment for a ticket;

(vii) Processing the validation and redemption of a ticket;

(viii) Carrying out functions available to the retailer; and

(ix) Any other process the Agency identifies as necessary for the State lottery and

within the scope of the Lottery Central System contract.

(b) “Terminal” includes:

(i) A player-activated terminal or PAT; and

(ii) A retailer-activated terminal; and

(iii) Associated lottery equipment.

(40) Unusual claim.

(a)—(b) (text unchanged)

[(36)] (41) “Validate” or “validation” means the process of [determining that a ticket is the rightful winner so that the claimant may be paid the prize] verifying through the Lottery Central System, whether a ticket is a valid winning ticket.

[(37)] “Vendor” or “Agency vendor” means a person under contract to the Agency to provide services that support lottery games.]

(42) “Valid winning ticket” means a lottery ticket that has been validated.

(43) Winner.

(a) “Winner” means a person that holds a winning ticket.

(b) “Winner” includes the claimant of a prize.

.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.

36.02.02 Retailer Licensing

Authority: State Government Article, §§9-101, 9-111—9-116, [and] 9-119, and 9-125, Annotated Code of Maryland

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) “Applicant” means a person applying for a [lottery] retailer license and includes the individual completing the application.

(2) “Probationary license” means a retailer license issued by the Director to a new retailer that is valid for a 12-month period, beginning with the first week of sales.

(3) “Regular license” means a retailer license issued by the Director to a retailer who has satisfactorily completed the requirements of a probationary license.

(4) “Special license” means a [lottery] license issued [by the Director] within the Director’s authority for special purposes [as determined by the Director].

(5) “Terminate” or “revoke” [mean] means, with regard to [any Lottery] a retailer license or special license, or removal of the right to sell [Lottery] lottery tickets.

(6) “Total sales” means the [amount of the sale of all lottery products] value of lottery products sold or settled lottery by a retailer, [minus] less the value of [all cancelled] canceled or returned lottery tickets.

.02 License Required.

A. A person who sells a [lottery] ticket shall be licensed by the Agency as a retailer.

B. A person [to be] licensed as a retailer shall be issued a probationary license before being eligible to receive a regular license.

C. No individual younger than 21 years old may be licensed as a [lottery] retailer.

D. A governmental entity that seeks a license as a [lottery] retailer shall demonstrate to the satisfaction of the Director the permission of any other person, board, commission, agent, or instrumentality of the State or its subdivisions that may have controlling authority over the applicant.

.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.

.04 Application Process.

A. To obtain a retailer license, a person shall electronically submit to the Agency:

(1) A completed application on [the forms] a form required by the [Agency] Director; and

(2) Any other information and documentation [requested] required by the Director.

B. The Director shall consider:

(1) (text unchanged)

- (2) *The ownership interests of the applicant;*
- [(2)] (3) *The honesty and integrity of the applicant;*
- [(3)] (4) *The accessibility of the applicant's place of business or activity to the public;*
- [(4)] (6)—[(7)] (9) (text unchanged)
- (8) *The accuracy of the information supplied in the application for a lottery retailer's license; [and]*
- (10) *The status or enforcement actions taken on any licenses related to the applicant's business; and*
- [(9)] (11) *Any other [information deemed relevant by the Director] relevant information.*

.05 Security.

[At the discretion of the Director and in the amount determined by the Director, an applicant or a retailer may be required to post:]

- A. *The Director may require an applicant or retailer to obtain security of at least \$5,000.*
- B. *The security may be:*
 - [A.] (1)—[D.] (4) (text unchanged)
 - [E.] (5) *Any other form of security [deemed acceptable to] approved by the Director.*
- C. *The Agency may require security:*
 - (1) *To protect the financial contributions to the State;*
 - (2) *If a retailer fails to make a payment to the Agency or has insufficient funds for a lottery transfer;*
 - (3) *To ensure the integrity of an applicant or the owner of an applicant and is based on a financial evaluation; and*
 - (4) *To pay for damage, loss or misuse of supplies, equipment, or tickets.*
- D. *The Agency may use the security:*
 - (1) *To offset amounts due from the retailer for the proceeds from the sale of tickets; or*
 - (2) *To pay for the cost of damaged, stolen, lost or misused supplies, equipment, or tickets.*
- E. *The security shall remain in place until such time that the Director determines it may be removed.*

.06 Probationary License.

- A. *New Retailer.*
 - (1) [All licenses] *A license issued by the Director to a new [retailers are probationary licenses] retailer shall be a probationary license.*
 - (2) *The Director may terminate a probationary license without a hearing upon [determination by] the determination of the Director that the retailer has violated [any] a provision in this subtitle.*
- B. *Termination.*
 - (1)—(2) (text unchanged)
 - (3) *A written request to appear before the Director or the Director's designee shall be submitted within 10 days of the date of the notice of termination.*
 - (4) *Failure to timely submit a written request to appear before the Director or the Director's designee shall result in termination of the probationary license.*
 - (5) (text unchanged)

.07 Special License.

- A. *The Director may issue a special license, subject to [such] those conditions or limitations as the Director [deems] considers appropriate.*
- B. *The [limitations or] conditions or limitations for the special [lottery retailers] license may include:*
 - (1) *The type of lottery operation;*
 - [(1)] (2) (text unchanged)
 - [(2)] (3) *The hours or days [of sale] when tickets may be sold;*
 - [(3)] (4) *The location [of sale] where tickets may be sold;*

[(4)] (5) [The specific] *Those persons who are allowed to sell [lottery tickets; and] tickets;*

[(5)] (6) [The specific] *Those sporting, charitable, social, or other special events where [lottery] tickets may be sold[.] ; or*

(7) *Any other condition or limitation the Director considers appropriate.*

C. *The Director may deny or terminate a special license for any reason.*

D. *The decision of the Director to deny or terminate a special license is final and not appealable.*

.08 Denial of a License.

A. *If the Director [denies] recommends the denial of a license, the Director shall promptly provide the applicant with written notice of the:*

- (1) *Basis for the recommended denial; and*
- (2) (text unchanged)
- B. (text unchanged)
- C. *If an applicant fails to timely submit a written request for a reconsideration meeting, the Commission may adopt as final the recommendation of the Director [or the Director's designee].*
- D. (text unchanged)
- E. *If after the reconsideration meeting the applicant is dissatisfied with the [decision] recommendation of the Director or the Director's designee, the applicant may submit to the Commission, in writing:*
 - (1) *A request for a hearing before the Commission to appeal [the decision of the Director or the Director's designee to deny] the recommended denial of the license; and*
 - (2) *The applicant's legal and factual basis for disagreeing with the [denial decision] recommended denial of the license.*

F. *An applicant must submit a hearing request to the Commission within 15 days of the date of the [decision] recommendation of the Director or the Director's designee after the reconsideration meeting.*

G. *If an applicant fails to submit a hearing request that complies with §§E and F of this regulation, the Commission may adopt as final the [decision] recommendation of the Director or the Director's designee to deny the [application] license.*

H.—I. (text unchanged)

J. *Limitation on Reapplication. An applicant may not submit an application or be included in the application of another person for 1 year after the later of:*

- (1) *The final action on [a license denial denying the applicant's application] the denial of a license; or*
- (2) (text unchanged)

.09 Corrective Action.

A. *Deficiency. If the Director determines that a retailer no longer meets a license requirement of this chapter, or that there is cause for imposing sanctions under Regulation .10 of this chapter, the Director shall:*

- (1) (text unchanged)
- [(2)] *Require the retailer to develop a corrective action plan;*
- [(3)] (2) *Determine whether it is necessary [during the pendency of the corrective action process] to emergently suspend the retailer's license;*
- (3) *Determine whether to allow a retailer to submit a corrective action plan.*

B. *If the Agency permits a retailer to submit a corrective action plan:*

- [(4)] (1) *Evaluate the corrective action plan;*
- (2) [and, if] *If acceptable to the Agency, approve the corrective action plan;*
- [(5)] (3) (text unchanged)

[(6)] (4) Conduct periodic monitoring of a retailer [for which the Agency required a corrective action plan] to assess the retailer's progress toward remedying the deficiencies; and

[(7)] (5) Recommend that the Commission impose a sanction under Regulation .10 of this chapter if a deficiency is not remedied [through implementation of corrective action].

C. The Agency may determine whether to permit a retailer to submit a corrective action plan.

[B. Deficiency Notice. Upon determining that corrective action is required to remedy a deficiency, the Director shall give written notice to a retailer that includes:

- (1) A description of the violation;
- (2) A description of the possible sanctions; and
- (3) The requirement for the retailer to submit a corrective action plan to the Director within a time frame established by the Director.]

[C.] D. Corrective Action Plan.

(1) Within 10 days of receipt of a deficiency notice under [§B] §F of this regulation, the retailer shall submit a corrective action plan to the Director for the Director's approval.

(2) (text unchanged)

(3) If the retailer fails to submit an acceptable corrective action plan within the time described under [§C(1)] §D(1) of this regulation, the Director may:

(a)—(b) (text unchanged)

(4) If the Director provided a retailer notice under [§B(3)] §F of this regulation and received no timely written response, the Commission may adopt as final the Director's decision to impose a sanction under Regulation .10 of this chapter.

[D.] E. Corrective Action Outcomes.

(1)—(2) (text unchanged)

F. Deficiency Notice. Upon determining that corrective action is required to remedy a deficiency, the Director shall give written notice to a retailer that includes:

- (1) A description of the violation;
- (2) A description of the possible sanctions; and
- (3) The requirement for the retailer to submit a corrective action plan to the Director within a time frame established by the Director.

.10 Sanctions and Agency Actions on a License.

A. The Director may impose sanctions on a retailer or take action on a license for:

- (1) (text unchanged)
- (2) Violating:
 - (a) A provision of the lottery law or other applicable law;
 - (b)—(c) (text unchanged)
- (3)—(8) (text unchanged)
- (9) Taking tickets, vouchers, or coupons intended for players;
- (10) Failing to provide a player their voucher, coupon, cash or other item of value;
- (11) Discounting lottery prizes;
- (12) Selling lottery tickets by phone or other electronic means;
- (13) Selling lottery tickets over the Internet;
- (14) Selling lottery tickets at a price higher than the price established by the Director;
- (15) Extending credit for the purchase of lottery tickets;
- (16) Facilitating a person other than the owner of the lottery ticket under COMAR 36.02.06.02 to claim a prize;
- (17) Conducting or permitting any illegal activity on the premises;
- (18) Allowing an individual who is not a retailer employee to operate lottery equipment;
- (19) Improperly managing customer data;

[(9)] (20) Damaging or altering, or allowing another person to damage or alter, materials or equipment provided to the retailer by the Agency or a [vendor] contractor of the Agency;

[(10)] (21) Interfering with[, or influencing the outcome of,] a lottery game;

[(11)] (22) Failing to prepare, submit, or implement an adequate corrective plan under Regulation [.09C] .09 of this chapter;

[(12)] (23) Changing ownership of the retailer's [operations] business without prior notice to the Agency;

[(13)] (24) Closing the retailer's operations without prior notice to [and authorization by] the Agency;

[(14)] (25) Engaging in conduct, or permitting an employee to engage in conduct, that impairs the reputation of the lottery [program], or would otherwise bring the State into disrepute;

[(15)] (26) [Incurring criminal charges] *Being the subject of administrative or judicial charges* related to the conduct of:

(a) [illegal] *Illegal* gaming;

(b) *Failing to pay taxes;*

(c) *Defrauding the government, a government program, or government services; or*

(d) *Any other fraudulent activity;*

(27) *Possessing an illegal gaming device;*

[(16)] (28) Possessing materials or equipment indicating involvement by the retailer or the retailer's employees in the conduct of illegal gaming; [or]

(29) *Having a history of thefts or other forms of losses of Lottery tickets or revenue; or*

[(17)] (30) (text unchanged)

B. Types of Sanctions and Agency Actions.

(1) Sanctions or Agency actions may include:

(a) *The Agency temporarily disabling a retailer's terminal;*

(b) *The Agency disabling specific game sales on a retailer's terminal;*

(c) [the emergency suspension,] *Emergency suspension* of a retailer's license[.];

(d) *Suspension of a retailer's license;*

(e) *Termination of a retailer's probationary or special license;*

(f) [revocation,] *Revocation of a retailer's license; or*

(g) [and] *Placing a limitation of the license of a retailer.*

(2) Limitations on a license may include:

(a) Ineligibility for or removal from the [Expanding] Expanded Cashing Authority Program under [COMAR 36.02.03.06] COMAR 36.02.03.08; and

(b) (text unchanged)

C. Disabling a Retailer's Terminal.

(1) *If a retailer fails to timely remit funds or if the required funds are not available for withdrawal, the Agency shall disable the retailer's terminal.*

(2) *If the retailer pays the Agency for any outstanding amount owed, including bank charges, the Agency may re-enable the retailer's terminal.*

[C.] D. Suspension, Revocation, and Limitation.

(1) Except as set forth in [§D] §E of this regulation, the Director shall give the retailer notice of the intended suspension or revocation at least 15 days before the imposition of the intended sanction.

(2)—(3) (text unchanged)

[D.] E. Emergency Suspension.

(1)—(2) (text unchanged)

(3) *A hearing on an emergency suspension of a retailer license shall be conducted in accordance with the hearing requirements in COMAR 36.01.02.06.*

[(3)] (4) (text unchanged)

[E.] F. Agency Action. After the Director terminates a probationary or special license or imposes an emergency suspension or sanction on a retailer with a regular license, the Agency may:

(1) Disable the retailer's [lottery] terminal;

(2) Require the retailer to surrender, or direct [an Agency vendor] the Lottery Central System contractor to remove, any materials or equipment that were provided to the retailer by the Agency or [a vendor of the Agency equipment] the Lottery Central System contractor;

(3) Direct the retailer to immediately:

(a)—(b) (text unchanged)

(c) Pay all funds owed the Agency; [and]

(d) Return all unsold lottery tickets;

(e) Remove or cover any signage advertising lottery products or services; and

(4) (text unchanged)

[F.] G. (text unchanged)

36.02.03 Retailer Requirements

Authority: Criminal Law Article, §12-301.1; State Government Article, §§9-103, 9-104, 9-109—9-113, 9-115, 9-117, 9-118, 9-119, 9-122, [and] 9-124, and 9-125, Annotated Code of Maryland; Ch. 603, §6, Acts of 2012

.01 General Responsibilities.

[A.] Lottery Laws and Regulations. A retailer shall:

[(1)] A.—[(3)] C. (text unchanged)

B.—F. (proposed for repeal)

.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 semi-permanent 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.

B. Care of Terminals. A retailer shall:

(1) Place terminals within the retailer's premises only on a site approved by the Agency;

(2) Provide sufficient space for the proper operation of the terminal;

(3) Before installation of the terminal, provide electrical requirements as prescribed in the Lottery Central System contractor pre-site form;

(4) Participate in training approved by the Agency;

(5) Replace ticket stock when necessary;

(6) Provide reasonable care and security for ticket stock, tickets, and supplies;

(7) As specified in the operating manual and help screens for the terminal and lottery equipment, exercise due diligence in the operation, security, and care of the terminal and lottery equipment;

(8) Except as directed by the Agency or the Lottery Central System operator, not perform mechanical or electrical maintenance on the terminal or lottery equipment;

(9) As directed by the Agency, immediately notify the Lottery Central System contractor's technical support operations center in the event of a terminal malfunction;

(10) As directed by the Agency, make the terminal available for the sale and cashing of tickets;

(11) Except for materials that are provided by the Agency and are specifically authorized to be placed on a terminal, keep the surfaces of the terminal free and clear;

(12) Pay the electrical utility charges in connection with the operation of the terminal; and

(13) Assume the cost of the repairs to the terminal, other lottery equipment, or the retailer's property related to:

(a) Unauthorized attempts to modify or repair the terminal or other lottery equipment;

(b) Unauthorized attempts to move the terminal or other lottery equipment; and

(c) Other damage to the terminal, lottery equipment or the retailer's property including:

(i) Intentional damage;

(ii) Defacement of the property; and

(iii) Negligence resulting in damage to the property.

C. Hold Harmless. A retailer shall hold the Agency and the State of Maryland and their officials and employees, harmless from any liability arising in connection with operating and conducting ticket sales.

.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;

(4) Extend credit in any manner for the sale of a ticket;

(5) Offer customers alcoholic beverages or cannabis to induce them to purchase or redeem a ticket;

(6) Charge a player a fee for any lottery related service or convenience;

(7) Sell an instant ticket prior to activation;

(8) Fail to secure ticket stock, tickets, or lottery equipment;

(9) Resell a ticket;

(10) Exchange terminal game ticket stock with another retailer;

(11) Misuse terminal game ticket stock;

(12) Sell any ticket or lottery-style ticket other than those made available for sale by the Agency; or

(13) Offer a game of chance on the retailer's premises, unless the retailer is:

(a) A video lottery facility;

(b) A special licensee for instant ticket lottery machines;
 (c) A legal operator of an electronic gaming device that is licensed as an amusement game in Baltimore City or Baltimore County under Criminal Law Article, §12-301.1, Annotated Code of Maryland;
 (d) An operator of a device that is subject to regulation by the Comptroller under Criminal Law Article, §12-304, Annotated Code of Maryland;

(e) A legal operator of instant bingo under Criminal Law Article, §12-308, Annotated Code of Maryland; or

(f) Authorized to offer paper tip jar gaming under Criminal Law Article, Title 13, Annotated Code of Maryland.

B. Canceled Ticket. Except as otherwise provided in these regulations or with the approval of the Director, a retailer may not cancel or accept a ticket return for a draw game.

C. Void Ticket.

(1) A ticket may not be sold for a drawing after that drawing has occurred.

(2) A ticket sold for a drawing after that drawing has occurred is void.

.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.

.05 Cessation of Operations.

A. A retailer shall notify the Agency at least 10 work days before the retailer temporarily or permanently ceases the operation of the retailer's business.

B. If a person ceases to be a retailer, the person shall:

(1) Surrender, or allow the Lottery Central System contractor to remove, materials, supplies, unsold tickets, and equipment that were provided by the Agency or the Lottery Central System contractor;

(2) Be financially liable for the repair or replacement of Agency equipment lost or damaged; and

(3) Assume the cost of repairs to the retailer's location arising from the removal of the equipment in §B(1) of this regulation.

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

A.—B. (text unchanged)

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

A. Playslip or ePlayslip Purchase Procedure. If a player wishes to purchase a ticket using a playslip or an ePlayslip:

(1) (text unchanged)

(2) The retailer shall:

(a) Process the playslip or ePlayslip [through] using the [ticket] terminal; and

(b) (text unchanged)

B. Vocalized Purchase Procedure.

(1) Randomly Selected [Numbers] Game Data.

(a) If a player wishes to have playable [numbers] game data randomly generated for a draw game ticket, a retailer shall enter the game type and the dollar amount the player wants to [wager] play.

(b) The retailer shall deliver to the player the ticket issued by the terminal with the randomly generated [numbers] game data for the game printed on the ticket.

(2) Player Selected [Numbers] Game Data.

(a) If the player wishes to provide playable [numbers] game data, a retailer may allow a player to vocalize the [numbers] game data.

(b) The retailer shall enter the information provided by the player, including:

(i) (text unchanged)

(ii) The dollar amount the player wants to [wager] play;

(iii) The [numbers] game data the player selects;

(iv)—(v) (text unchanged)

C. (text unchanged)

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

A. Retailer Assisted Purchase Procedure.

(1) If a player [wishes] wants to purchase a Fast Play game ticket, the player shall indicate to the retailer the name of the Fast Play game [desired] the player wants.

(2) The retailer shall make the selection [and issue] of the ticket through the terminal and [deliver] after the player pays for the ticket, give it to the player.

B. Player-Activated Terminal.

(1) If a player [wishes] wants to purchase a ticket using a PAT, the player may purchase the ticket by selecting the icon for the desired Fast Play game on the terminal screen.

(2) (text unchanged)

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

A. If a ticket is lost, stolen, or missing from a retailer, the Director may [reimburse] offset an amount due from the retailer for the ticket.

B.—F. (text unchanged)

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

A. As soon as practical after each drawing, a retailer [shall] may:

(1) Post in a prominent and conspicuous location within the retailer's business location the winning [number] game data; and

(2) Keep the winning [number] game data posted until the next drawing.

B. A retailer shall display active winning [numbers] game data as requested by the [Director] Agency.

C. The Agency is not responsible for a retailer's failure to post or properly post current official winning [numbers] game data.

[.07] .11 Payment of Prizes.

A. A retailer shall pay the holder of a valid winning lottery ticket up to \$600 [upon submission and validation of the ticket].

B. (text unchanged)

C. Unless the retailer is a participant in the Expanded Cashing Authority Program under Regulation [.06] .08 of this chapter, if the valid winning ticket entitles the holder to a prize that is more than \$600, the retailer shall instruct the ticket holder to seek payment from the Agency or a retailer participating in the Expanded Cashing Authority Program.

[D.] Multiple Claims. A retailer shall:

(1) Except in those cases of multiple claims totaling over \$600 by the same person, pay all claims in cash; and

(2) For multiple claims totaling over \$600, pay a minimum of \$500 in cash toward the claims, and issue checks or money orders for the balance.]

[E.] D. (text unchanged)

[F.] E. Cashing Period. A retailer or Agency claim center may not cash or otherwise process a winning ticket more than 182 days after the:

(1) [Draw] Drawing date;

(2) (text unchanged)

(3) Announced end of [the] game for an instant game.

F. Unusual Claims.

(1) The Agency shall use an analytics tool to identify an unusual claim.

(2) If the Agency identifies an unusual claim, the Agency may:

(a) Require the claimant to claim a prize at the Agency's headquarters;

- (b) Delay payment of the prize;
- (c) Investigate the circumstances surrounding the purchase of the ticket and claiming of the ticket including:
 - (i) Interviewing the claimant; and
 - (ii) Interviewing the retailer that sold the ticket; and
- (d) Require future claims made by the same claimant to be reviewed as an unusual claim.

[.08] .12 Expanded Cashing Authority Program.

- A. (text unchanged)
- B. Participation. Before authorizing a retailer to participate in the Expanded Cashing Authority Program, the Director [shall] may consider:
 - (1)—(7) (text unchanged)
- C. Retailer Requirements. A retailer in the Expanded Cashing Authority Program shall:
 - (1)—(2) (text unchanged)
 - (3) [Report] Collect income tax information relating to [holders of winning lottery tickets] a holder of a winning ticket to the Agency as required by the Internal Revenue Service or the Agency;
 - (4) For prizes over \$600, utilize the [lottery] terminal to determine, whether a holder of a winning [lottery] ticket:
 - (a) (text unchanged)
 - (b) Is on the Commission's Voluntary Exclusion [list] List described in COMAR 36.01.03; and
 - (5) [Deny] If the Agency has notified the retailer that the holder may not be paid, the retailer shall deny payment of a prize to the holder of a winning lottery ticket if the Agency has notified the retailer that the holder may not be paid.
- D.—E. (text unchanged)

[.09] .13 Payments to Agency.

- A. A retailer shall:
 - (1) Be financially responsible to the Agency for all:
 - (a) Revenues derived from the sale of [lottery] tickets based on the ticket price established by the Director;
 - (b) [Lottery tickets] Tickets in the possession of the retailer; and
 - (c) Except for tickets cashed through a PAT, tickets that the retailer cashed or [cancelled] canceled which are later submitted to the Agency for payment;
 - (2) Make regular weekly settlement and payment [remittance] in the manner, in the place, and on the day of the week specified by the Agency;
 - (3)—(6) (text unchanged)
- B.—D. (text unchanged)

[.10] .14 Americans with Disabilities Act.

- A. (text unchanged)
- B. Terms Defined.
 - (1) (text unchanged)
 - (2) "ADA retailer compliance form" means a form prepared by the Agency and used to inspect a retailer's location in connection with this regulation to ensure player accessibility to a retailer.
 - (3) "Applicant" means a person that applies for a new retailer license or a change of ownership of a retailer.
 - (4) "Corrective Action Plan" means a plan that an applicant is required to submit to the Agency describing how the applicant will modify its premises to comply with applicable State and federal law regarding accessible business establishments.
 - [(3)] (5) "Disability" [means the term as defined] has the meaning stated in the ADA.
- C. Compliance.
 - [(1)] A retailer shall, at its expense:

- (a) Comply with federal, State, and local laws prohibiting discrimination against individuals with disabilities.
- (b) Maintain a business location that is accessible to individuals with disabilities; and
- (c) Make available at the retailer's location all lottery-related goods, services, facilities, privileges, advantages, and accommodations to any individual with a disability.]

[(2)] (1) The Agency shall:

- (a) Inspect the site of [a new retailer] an applicant for compliance with [this regulation] the ADA for player accessibility;
- [(b)] Inspect the site of a change of ownership retailer for compliance with this regulation; and]
- [(c)] (b) If necessary, [provide the retailer with a corrective action plan on the ADA retailer compliance form] require an applicant whose business establishment is not accessible to submit a proposed Corrective Action Plan before the Director issues a retailer license; and
- (c) Require a new retailer or change of ownership to certify in the retailer application that their business establishment at issue in the application is accessible to individuals with disabilities who use wheelchairs.

- (2) The Agency may impose a sanction or take an action on a license for failing to comply with this regulation.

D. Waivers.

- (1) A retailer that is unable to comply with §C of this regulation, shall obtain an official waiver from the State to maintain a non-accessible business establishment; or
- (2) If the State no longer provides official waivers under §D(1) of this regulation, a retailer may obtain an official waiver from its local jurisdiction.

[.11] .15 Changes in Ownership.

A. General.

- (1) A retailer license may not be transferred.
- [(1)] (2) A change in ownership of a retailer's business:
 - (a)—(b) (text unchanged)
- (3) A change of ownership includes:
 - (a) A transfer of ownership of the retailer's business;
 - (b) The addition of an owner that was not on the original license application; or
 - (c) Except as provided in §A(4) of this regulation, a change to the retailer's business organization structure.
- (4) A change of ownership does not include a voluntary or involuntary transfer of an interest in the retailer's business to a person identified as an owner on the license.
- [(2)] If a retailer is a corporation, partnership, or LLC, a transfer of ownership includes a:
 - (a) Merger;
 - (b) Consolidation;
 - (c) Share exchange of a majority of stock;
 - (d) Transfer of a majority of assets or transfer of stock of the majority shareholder; and
 - (e) Transfer of a majority partner's interest, or transfer of member's or principal's interest.
- (3) A transfer of interest to a spouse currently identified as an owner on the retailer's license by gift or through operation of law is not a transfer of ownership.]

B. Retailer Responsibilities.

[(4)] (1) A retailer [who] that transfers ownership:

- (a) Is [remains] responsible for all tickets [and], lottery equipment, and receipts from lottery sales [up to the date of final accounting.]; and

(b) *Remains responsible for fulfilling all obligations to the Agency until the change of ownership is approved and the Agency issues a new license.*

[(5) A retailer shall pay all outstanding funds due to the Agency upon change of ownership.]

(6) The purchaser of a business where a lottery terminal is installed shall apply for continuation of the existing license at least 30 days before the transfer of ownership.]

(2) *A new owner of the business may apply for a license under COMAR 36.02.02 or relinquish lottery equipment remaining on the premises.*

[B. Approval Process for Change of Ownership.]

(1) The Director shall:

(a) Require that a new application for a lottery retailer license be completed when a retailer notifies the Agency of a change in ownership; and

(b) Review the existing location and the applications on file for that trading area.

(2) If the application of the proposed new owner meets all lottery requirements to become a licensed retailer, preference will be given to retaining the license at the existing location.

(3) The Director may reasonably determine that circumstances and conditions exist that do not warrant the approval of a license at that location.

(4) The Director's decision to approve or deny the application of the proposed new owner at the existing location shall be in writing and state the reasons for the decision.

(5) The decision to deny the application of the proposed new owner shall:

(a) Be treated in the same manner as a denial of an application for a retailer license; and

(b) Create the same rights of review and appeal as the denial of an application for a retailer license.]

[.12 Prohibited Acts.]

[A. This regulation does not:

(1) Prevent a person from giving a lottery ticket to another as a gift; or

(2) Prohibit the purchase of a ticket for the purpose of making a gift to a person younger than 18 years old.

B. No person other than a licensed lottery retailer or the retailer's employee or the Agency may sell a lottery ticket or a lottery subscription.

C. A retailer shall require all lottery tickets to be paid for by the purchaser at the time of purchase.

D. A retailer may not:

(1) Sell a ticket at any price other than that established by the Director;

(2) Sell to or cash a lottery ticket for a person younger than 18 years old;

(3) Allow an employee younger than 18 years old to sell or cash a lottery ticket or operate lottery equipment;

(4) Extend credit in any manner for the sale of lottery tickets;

(5) Offer customers alcoholic beverages to induce them to purchase or redeem a lottery ticket; or

(6) Except as provided in Criminal Law Article, §§12-301.1, 12-304, and 12-308, Annotated Code of Maryland, have on its premises an illegal gaming device or a slot machine as defined in Criminal Law Article, §12-301, Annotated Code of Maryland.

E. Games of Chance.

(1) This section does not apply to a game of chance offered legally by a retailer that is:

(a) A video lottery facility;

(b) A legal operator of an electronic gaming device that is licensed as an amusement game in Baltimore City or Baltimore County under Criminal Law Article, §12-301.1, Annotated Code of Maryland;

(c) Subject to regulation by the Comptroller under Criminal Law Article, §12-304, Annotated Code of Maryland;

(d) A legal operator of instant bingo under Criminal Law Article, §12-308, Annotated Code of Maryland; or

(e) Authorized to offer paper tip jar gaming under Criminal Law Article, Title 13, Annotated Code of Maryland.

(2) Except for a lottery game or promotion, a retailer may not offer a game of chance on the retailer's premises.

F. Except as otherwise provided in these regulations or with the approval of the Director, a retailer may not cancel or accept ticket returns for draw games.

G. All instant ticket and Fast Play game ticket sales are final and may not be cancelled once sold.

H. Void Ticket.

(1) A ticket may not be sold for a drawing after that drawing has occurred; and

(2) A ticket sold for a drawing after that drawing has occurred is void.]

36.02.04 Common Provisions for All Lottery Games

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, 9-122, and 9-124, Annotated Code of Maryland

.01 Governing Law and Rules.

A. By purchasing a [game] ticket, a player agrees to comply with and abide by all:

(1) Applicable laws and regulations;

(2) Procedures implemented by the Director for conducting a lottery game;

(3) Rules for that lottery game; and

(4) Decisions of the Director.

B. A multi-jurisdictional game shall be governed by:

(1) Applicable law and regulations;

(2) The rules, procedures, and other documents concerning that game as agreed to by the jurisdictions offering that game; and

(3) Agency provisions regarding the purchase and claiming of a ticket.

C. All decisions made by the Director shall be final and binding on [all] players and on [all] persons making claims [with respect to them].

.02 Ticket Purchaser Responsibilities.

A. At the time of purchase *and if applicable*, the purchaser of a [lottery] ticket is responsible for verifying that the information printed on the ticket accurately reflects:

(1) The [numbers, or other symbols by which winning is determined], *game data* that the purchaser wants to play if the purchaser [is permitted to select] *selects* their own [numbers] *game data* [and has chosen to do so]; *and*

(2) The drawing date *and time, if applicable*; and

(3) That the correct ticket was purchased].

B. (text unchanged)

C. To receive a prize, a person holding a winning ticket shall submit to an authorized claiming location the ticket and all necessary documentation for claiming within 182 days after the [date of the] drawing *date*, the date of sale of a Fast Play game ticket, or the announced end of [an instant ticket] game.

.03 Methods of Purchase.

A. *This regulation does not apply to instant ticket lottery machines under COMAR 36.02.09.*

[A.] B. Playslips and ePlayslips.

(1) [The following] *Playslips and ePlayslips* are not valid as a receipt to claim a prize or proof of purchase of a ticket[:

- (a) A playslip; or
- (b) An ePlayslip].

(2) If a playslip or an ePlayslip may be used to play a draw game, the playslip or ePlayslip shall be available at no cost to the purchaser and may be used by the purchaser for selection of [numbers] *game data*.

(3) (text unchanged)

(4) [Except for monitor games, if] *If game play by playslip or ePlayslip is authorized and a playslip or an ePlayslip is unavailable, the retailer [shall] may manually enter into the [ticket] terminal the [numbers] game data selected by the player.*

[(5) For monitor games, a retailer may require players to use a playslip or an ePlayslip.]

[(6)] (5) (text unchanged).

[B.] C. Purchase by Playslip Through Retailer.

(1) If [a game may be played using a playslip and] the player chooses to play by playslip, the [purchaser] *player* shall present a completed playslip to the retailer.

(2)—(3) (text unchanged)

(4) If a player does not mark all necessary areas, the retailer shall return the playslip to the player or the terminal may select [numbers] *game data* necessary to complete the playslip.

(5)—(7) (text unchanged)

[C.] D. Purchase by ePlayslip Through Retailer.

(1) If [a game may be played using an ePlayslip and] the player chooses to play by ePlayslip, the [purchaser] *player* shall present a completed ePlayslip to the retailer.

(2)—(3) (text unchanged)

[(4) If a player does not select all necessary areas, the retailer shall return the ePlayslip to the player.

(5) A ticket produced by an invalid ePlayslip is invalid.]

[D.] E. Purchase Using a Player-activated Terminal. If a game may be played using a player-activated terminal, the player shall:

(1) Enter selections from the choices provided [by the device] *on the player-activated terminal screen; or*

(2) (text unchanged)

[E.] F. Purchase by Subscription.

(1) Subscription Plans.

(a)—(b) (text unchanged)

(c) The Director may reduce the price of a subscription plan for a specified [period under a special purchase option] *number of drawings*.

(d) *The Director may cancel a subscription and issue a refund for the subscription based on:*

(i) *Game changes; or*

(ii) *Ineligibility of a purchaser.*

(2) *Application for a Subscription [Applications].*

(a) A [purchaser of] *player that wants to purchase* a Lottery subscription shall be a resident of Maryland or [use] *have* a Maryland address [for the] subscription [application].

(b) If a game may be purchased by subscription, a subscription application [form] shall:

(i)—(ii) (text unchanged)

[(d)] (c) A subscription application [form] shall allow the purchaser to designate:

(i) (text unchanged)

(ii) If a game allows a player to select [numbers] *game data*, the player's decision to supply particular [numbers] *game data* or to allow the [Agency vendor's computer] *system* to select random [numbers] *game data*.

[(e)] (d) (text unchanged)

(3) Group Subscription Applications.

(a)—(c) (text unchanged)

(d) The application for a group will only be [completed] *accepted* if the application [form] is fully completed and all [requested] *required* information is provided about each group member.

(4) *Confirmation of Subscription [Email].*

[(a)] The Agency shall provide a subscription purchaser or, if a group purchaser, the group's representative, a subscription confirmation email.

[(b) A subscription confirmation email shall include information identifying the subscription, as determined by the Agency.]

(5) Subscription Play and Winning.

(a) (text unchanged)

[(b) The Agency shall monitor each subscription.]

[(c) Payment of] (b) *The Agency shall pay* subscription prizes [shall be made] as provided for in COMAR 36.02.06.

(6) [A subscription may be renewed as allowed by the Agency] *The Agency may allow a subscription to be renewed.*

.04 Cancellation of Tickets.

A. Draw Games.

(1) [Unless cancellation is authorized by this regulation or the rules governing that ticket, a sale of a draw game ticket is final] *Except as provided in §A(2) of this regulation, a draw game ticket may be canceled.*

(2) *A draw game ticket may not be canceled in:*

[(2)] (a) A multi-jurisdictional game [played with a draw game ticket may be cancelled only if authorized by the rules governing that game.] ;

(b) *Cash Pop; and*

(c) *Multi-Match.*

(3) A ticket purchased at a player-activated terminal may not be [cancelled] *canceled* at the PAT, but an eligible ticket may be canceled at a non-PAT terminal at the retailer where the ticket was purchased.

(4) The Director may determine during certain promotions that tickets may not be [cancelled] *canceled*.

(5) A draw game ticket may be cancelled only:

(a)—(c) (text unchanged)

(d) If allowed by the game *rules*.

(6) Canceling a draw game ticket:

(a) (text unchanged)

(b) Removes the ticket from the pool of tickets eligible for the drawing; [and]

(c) *Renders the ticket ineligible for entry into a loyalty platform or program; and*

[(c)] (d) (text unchanged)

(7) (text unchanged)

(8) When a retailer cancels a draw game ticket in accordance with this regulation, the retailer shall:

(a) (text unchanged)

(b) Keep the refund slip; [and]

(c) *Keep the ticket; and*

[(c)] (d) (text unchanged)

(9) The Agency is not obligated to pay a prize to the holder of a [cancelled] *canceled* ticket, even if the ticket was [cancelled] *canceled* in error.

B. Instant Ticket Games. Unless the Director determines otherwise, an instant game ticket may not be [cancelled] *canceled*.

C. Fast Play Games. A Fast Play game ticket may not be [cancelled] *canceled*.

.05 [Game] Liability [Limit] Limits.

A. Scope.

(1) *This regulation applies to a lottery game.*

(2) *This regulation does not apply to:*

- (a) *An instant ticket lottery machine game; or*
- (b) *A promotion.*

[A]. B. [Definition.] Definitions.

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

(2) **Term Defined.** [“Game liability limit” means the dollar amount at which winning tickets, if paid, would exceed the amount the Director deems to be in the Agency’s best interests.]

(a) *“Pick Game” means a Pick 3, Pick 4, and Pick 5 game.*

(b) *“Prize cap” means an upper limit of prize liability beyond which fixed prizes are recalculated on a pari-mutuel basis.*

(c) *“Promotional prize limit” means the maximum payout for a single play during a sales promotion*

(d) *“Sales limit” means the dollar amount established by the Director at which winning tickets, if paid, would not be in the Agency’s best interests.*

C. Pick Games.

(1) *There is a liability limit for a Pick Game.*

(2) *When the liability limit is reached for a number combination in a drawing, sales on the number combination are no longer permitted.*

D. Draw Games Other Than a Pick Game.

(1) *If the fixed prize amount multiplied by the number of winners exceeds the prize cap, prizes shall be calculated on a pari-mutuel basis.*

(2) *A jackpot prize is determined on a pari-mutual basis.*

[B.] E. [The Director may establish a game liability limit for each drawing of a game and for each game.] Except for a multi-jurisdictional game, the Director may establish or modify for each drawing of a game a:

(1) *Promotional prize limit;*

(2) *Prize cap; or*

(3) *Sales limit.*

[C. A lottery ticket may not be issued if the ticket, if won, would exceed the game liability limit established by the Director for that drawing or game.]

.06 Agency Not Liable.

The Agency is not responsible or liable for:

A.—D. (text unchanged)

E. A claim, liability, injury, or property loss of any kind arising out of a player’s, winner’s, guest’s, traveler’s, or any other person’s participation in:

(1) A lottery game [of any kind];

(2)—(4) (text unchanged)

F.—G. (text unchanged)

.07 No Endorsement.

By providing a prize or [any] a portion of a prize from a company or other person, the Agency has not endorsed the company or other person.

36.02.05 Specific Game Provisions

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, 9-122, and 9-124, Annotated Code of Maryland

.01 Draw Games.

A. Drawings.

(1) Except for [multi-jurisdictional games, monitor games, and raffles, draw game drawings shall be open to the public and] *a raffle, drawings shall occur at least once a week.*

[(2) The Agency may use members of the general public as witnesses at a draw game drawing.]

[(3)] (2) Winning [numbers for a draw game] *game data* may be drawn by:

(a)—(c) (text unchanged)

[(4)] (3) The [numbers drawn for a game] *game data selected during a drawing* shall be the winning [numbers] *game data* for that drawing [of that game].

B. Draw Game Tickets.

(1) (text unchanged)

(2) The draw game ticket shall include the:

(a) [Numbers] *Game data* played;

(b) Amount [wagered] *played;*

(c) (text unchanged)

(d) *Additional ticket security codes;*

[(d)] (e) (text unchanged)

[(e)] (f) Drawing date or, if the ticket is for multiple drawings, the range of drawing dates or [draws] *numerical designation for a drawing.*

C. Monitor Games.

(1) (text unchanged)

(2) A retailer may require use of a playslip or an ePlayslip for purchasing a monitor [games] *game ticket.*

D. Consumer Game Information.

(1) The Agency shall provide information about *its games*[:].

[(a) Draw games; and

(b) Multi-jurisdictional games with draw game tickets.]

(2) As determined by the Agency, consumer game information shall explain the:

(a) Game;

(b) Game play; and

(c) [Play of] *Game’s* optional features.

(3) The Agency may provide consumer game information on its website, *mobile app*, or in any other location, as determined by the Agency.

E. To determine if a draw game ticket is a winning ticket, a player may present the ticket to a retailer, a PAT, [or] the Agency, *or an application or platform provided by the Agency.*

.02 Fast Play Games.

A. Fast Play Game Tickets.

(1) (text unchanged)

(2) The Fast Play game ticket shall include the:

(a) Graphic rendering of [symbols or numbers that allow] *game data that allows* for visual inspection to determine if the ticket is [entitled to a prize] *a winning ticket;*

(b)—(c) (text unchanged)

(d) *Additional ticket security codes;*

[(d)] (e)—[(e)] (f) (text unchanged)

B. Consumer Game Information.

(1) (text unchanged)

(2) As determined by the Agency, consumer game information shall explain the:

(a)—(b) (text unchanged)

(c) [Play of any] *Game’s* optional features.

(3) The Agency may provide consumer game information on its website, *mobile app*, or in any other location.

C. To determine if a Fast Play game ticket is a winning ticket, a player may present the ticket to a retailer, a PAT, [or] the Agency, *or an application or platform provided by the Agency.*

.03 Instant Ticket Games.

A. (text unchanged)

B. To determine if an instant ticket is a winning ticket, a player may:

(1) (text unchanged)

(2) Present the ticket to a retailer, PAT, [or] the Agency, *or an application or platform provided by the Agency.*

.04 Bonus and Promotional Games.

A.—C. (text unchanged)

[D. For claiming period purposes, instant ticket games are designated as bonus games or drawings.]

36.02.07 Unclaimed Lottery Prizes

Authority: State Government Article, §§9-103, 9-104, 9-109—9-111, and 9-122, Annotated Code of Maryland

.01 Prize Claiming Period.

A. Unclaimed Monetary Award.

(1) The Director shall retain an unclaimed monetary award for 182 days after [the date of the]:

(a) [Drawing in which the prize was won] *The drawing*;

(b) [Date] *The date* the Fast Play game ticket was sold; or

(c) [Announced] The announced end of game *date* for an instant ticket.

(2) If no claim for a monetary award is made within 182 days, the Director shall transfer the monetary award to [an unclaimed prize fund] *the Unclaimed Prize Fund*.

B. (text unchanged)

C. Unclaimed Prizes Held Other Than 182 Days. The Director may hold a prize in a game or drawing for a period of time other than 182 days if:

(1) The game is not a weekly [or], daily, or *multi jurisdictional* lottery drawing;

(2)—(3) (text unchanged)

.02 Unclaimed Prize Fund.

A. Prize money [on winning tickets that have] *from a winning ticket that has* not been claimed within the claiming period for that game shall accrue to the [unclaimed prize fund] *Unclaimed Prize Fund*.

B. The Director may institute bonus prizes using funds from the [unclaimed prize fund] *Unclaimed Prize Fund*.

C. *Bonus Prizes*.

[C.] (1)—[E.] (3) (text unchanged)

36.02.09 [Special Operation Licenses for] Instant Ticket Lottery Machines

Authority: State Government Article, §9-112, Annotated Code of Maryland

.01 Scope.

A. This chapter applies to a retailer that is a veterans' services organization and applies for and sells tickets [under a special operation license for] *from* instant ticket lottery machines.

B. In addition to the requirements of this chapter, *and State Government Article § 9-112, Annotated Code of Maryland*, a veterans' services organization licensed to sell tickets from an instant ticket lottery machine shall meet the requirements of this subtitle for a retailer licensed by the Agency.

.02 Definitions.

A. (text unchanged).

B. Terms Defined.

(1) "Cashout voucher" means a printed slip of paper with a code indicating the amount of money payable to the individual who presents the ticket to an [operation] *ITLM* licensee.

(2) (text unchanged)

[(3)] "Facility" means the building where an operation licensee places instant ticket lottery machines.

(4) "Instant ticket" means a preprinted ticket purchased from an instant ticket lottery machine.]

[(5)] (3) "Instant ticket lottery machine" or "*ITLM*" means a machine or other device provided to a retailer through the Agency's

contractor as required under State Government Article § 9-112, Annotated Code of Maryland.

[(6)] (4) ["Operation licensee"] "*ITLM Licensee*" means the holder of a special [operation] license *to operate instant ticket lottery machines*.

(5) "*ITLM ticket*" means a preprinted ticket purchased from an instant ticket lottery machine.

[(7)] "Special operation license" or "operation license" means permission granted by the Agency under this chapter to sell instant tickets.]

(6) "*Veterans' facility*" means the building where an *ITLM* licensee places instant ticket lottery machines.

[(8)] (7) (text unchanged)

.03 [Operation] ITLM Licensee Requirements.

A. A veterans' services organization may not operate instant ticket lottery machines without a special [operation] license.

B. A veterans' services organization may apply for a special [operation] license to operate up to 5 instant ticket lottery machines.

[C. An operation licensee may be required by the Agency to qualify for and become authorized to operate under the Expanded Cashing Authority Program as set forth in COMAR 36.02.03.06.]

[D.] C. An [operation] *ITLM* licensee shall locate the [licensed] instant ticket lottery machines in *the veterans' facility within its [primary] principal* meeting hall *in the county in which the veterans' organization is located*.

E. The Agency may restrict the permissible location within a *veterans' facility* [of instant ticket lottery machines].

F. An [operation] *ITLM* licensee shall enter into an agreement with the Agency [regarding the instant ticket lottery machine program] that provides for the:

(1) [Payment of rent] *Reimbursement of rental or lease fees* for the instant ticket lottery machines;

(2) Power, utility, security, and HVAC needs of the instant ticket lottery machines; and

(3) Operation, maintenance, *ITLM* ticket retention, record keeping, and reporting requirements of the instant ticket lottery machines.

.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.]

.05 Payment of Prizes.

A. A cashout voucher may be presented for payment only to:

(1) The [operation] *ITLM* licensee where the voucher was printed; or

(2) (text unchanged)

B. (text unchanged)

C. The provisions of COMAR 36.02.06.15 [and], COMAR 36.02.06.16, and COMAR 36.02.06.17 do not apply to claims for payment of a prize from an instant ticket lottery machine.

D. Except as provided in §§A—C of this regulation, an [operation] *ITLM* licensee shall pay the individual holder of a cashout voucher in accordance with the claims procedures described in COMAR 36.02.06.

JOHN A. MARTIN
Director

Notice of Proposed Action
[24-169-P]