

1 **Title 36 STATE LOTTERY AND**
2 **GAMING CONTROL AGENCY**

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4 **Subtitle 03 GAMING PROVISIONS**

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6 **Chapter .01 General**

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

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11 **.01 Scope.**

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13 A. This subtitle applies to the State's Video Lottery Terminal and Table Games
14 Program.
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16 B. Unless the context indicates otherwise, for purposes of the Video Lottery and
17 Table Games Program, "Commission" may include staff of the Agency.
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19 **.02 Definitions.**

20 A. In addition to the terms defined in State Government Article, §9-1A-01, Annotated
21 Code of Maryland, which have the same meanings in this subtitle, in this subtitle the
22 following terms have the meanings indicated.

23 B. Terms Defined.

24 (1) "Contractor" means a person or individual, other than an employee of a video
25 operation licensee, who contracts with a video lottery operation licensee or other
26 person to:

27 (a) Manage or operate a video lottery facility;

28 (b) Provide security for a video lottery facility;

29 (c) Perform service, maintenance or repairs of a video lottery terminal,
30 table game device, central operating system, associated equipment, or
31 software;

32 (d) Own or control a person described in subsections (a) – (c) of this
33 section;

34 (e) Provide junket enterprise services.

(f) Provide any other service that is essential to operation of a video lottery facility.

(2) "Controlling entity" means an entity that possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract, by beneficial ownership, or otherwise.

(3) "Counter check" means a negotiable instrument made available by a facility operator to a player for whom credit has been authorized under COMAR 36.03.10.24 of this chapter to effect:

(a) A short term extension of credit to enable the player to take part in gaming; and

(b) The payment of the credit extended by the transfer of funds from the player's bank account to the facility operator in accordance with a deposit schedule complying with COMAR 36.04.04.29.

(4) "Dealer" means an employee of a facility operator whose primary function is to directly operate and conduct table games.

(5) "Facility" means a video lottery facility.

(6) "Facility operator" means a person who operates or manages the operation of a video lottery facility.

(7) "Fill" means the distribution of gaming chips, coins and plaques to a gaming table to replenish the table inventory.

(8) "Floorperson" means an employee of a facility operator whose primary function is to supervise the conduct of table games at multiple tables on the gaming floor.

(9) "Gaming chip" means a Roulette chip, Poker rake chip, tournament chip or value chip.

(10) "Gaming day" means a period of time determined by a facility operator not to exceed 24 hours marking the beginning and ending times of gaming activities for the purposes of accounting reports and determination by the central monitor and control system of daily proceeds.

(11) "Gaming employee" means an individual who:

1 (a) Is or is seeking to be employed by an applicant for or holder of an
2 operation license, whose duties relate or will relate to the operation of a
3 facility, and who performs or supervises or will perform or supervise the
4 performance of

5 (i) Operating, servicing, or maintaining a video lottery terminal,
6 table game or associated equipment;

7 (ii) Accounting, maintaining, or auditing a facility's financial
8 records;

9 (iii) Counting or processing video lottery terminal or table game
10 revenue;

11 (iv) Conducting security or surveillance in or around a facility; or

12 (v) Operating or maintaining a facility's information systems;

13 (b) Is employed by a contractor or manufacturer, whose duties directly
14 relate to the repair, service or distribution of a video lottery terminal, table
15 game or associated equipment, or is otherwise required to be present on
16 the gaming floor or in a restricted area of the facility;

17 (c) Is employed by a contractor as a junket representative.

18 (d) Is otherwise required by the Commission to be licensed as a gaming
19 employee.

20 (12) "Gaming floor" means that part of a facility where video lottery terminals or
21 table games have been installed for use or play.

22 (13) "Independent certified testing laboratory" means a person engaged in the
23 testing and verification of video lottery terminals and the equipment, systems and
24 software utilized to collect, monitor, interpret, analyze, authorize, issue, redeem,
25 report and audit data with regard to activity at video lottery terminals that:

26 (a) Holds a certificate in good standing for compliance with:

27 (i) International Organization for Standardization # 17025 –
28 General Requirements for the Competence of Testing and
29 Calibration Laboratories; and

30 (ii) International Organization for Standardization # 17020 –
31 General Criteria for the Operation of Various Types of Bodies
32 Performing Inspections;
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(b) Has performed testing and certification of gaming equipment, systems and software on behalf of a state within the United States for a period of five or more years;

(c) Has been approved by the Commission to test and certify equipment, systems and software on its behalf; and

(d) Meets all conditions and requirements enumerated in any Request for Proposals issued by the Commission pertaining to testing, as amended or clarified.

(14) “Jackpot” means any cash, annuity or merchandise to be paid to a player as a result of a specific combination of characters on a video lottery terminal.

(15) “Junket” means an arrangement that is:

(a) Intended to induce an individual who is selected or approved for participation based on the individual’s ability to satisfy financial qualification obligations, willingness to gamble, or any other basis related to propensity to gamble; and

(b) Under which, as consideration for which, any or all of the cost of transportation, food, lodging, and entertainment for an individual is directly or indirectly paid by a facility operator or an employee or agent of a facility operator.

(16) “Junket enterprise” means a person, other than a facility operator, who employs or otherwise engages the services of a junket representative in connection with a junket to a facility, regardless of whether the activity occurs in the State.

(17) “Junket representative” means an individual who negotiates the terms of, or engages in the referral or selection of an individual who may participate in a junket to a facility, regardless of whether the activity occurs in the State.

(18) “License” means a license issued under State Government Article 9-1A, Annotated Code of Maryland, to:

(a) An operator of a facility;

(b) A person that contracts with an operator of a facility to provide any of the services related to operating a facility;

(c) A manufacturer as defined in § 9-1A-01;

- 1 (d) A video lottery employee as defined in § 9-1A-01; or
- 2 (e) Any other person whom the Commission requires to be licensed.
- 3 (19) "Location Commission" means the Video Lottery Facility Location
4 Commission established by State Government Article, §9-1A-36, Annotated Code
5 of Maryland.
- 6 (20) "Non-gaming employee" means an individual who is:
- 7 (a) Employed or is seeking to be employed by an applicant for or holder of
8 an operation license, whose duties are or will be other than the duties of a
9 gaming employee; or
- 10 (b) Is otherwise required by the Commission to be licensed as a gaming
11 employee.
- 12 (21) "Operation license" means a license awarded by the Location Commission to
13 operate a video lottery facility.
- 14 (22) "Plaque" means a rectangular, square or oval marker that can be used instead
15 of value chips.
- 16 (23) "Player" means an individual who plays a video lottery terminal or a table
17 game at a video lottery facility licensed by the Commission.
- 18 (24) "Principal" means:
- 19 (a) An officer, director, or person who directly holds a beneficial interest
20 in, or ownership of, the securities of an applicant or licensee;
- 21 (b) A person who has a controlling interest in an applicant or licensee or
22 has the ability to elect a majority of the board of directors of a licensee or
23 to otherwise control a licensee;
- 24 (c) A lender or other licensed financial institution of an applicant or
25 licensee, other than a bank or lending institution which makes a loan or
26 holds a mortgage or other lien acquired in the ordinary course of business;
- 27 (d) An underwriter of an applicant or licensee; or
- 28 (e) Another person or employee of an applicant or licensee deemed by the
29 Commission to be a principal.
- 30 (25) "Principal Employee":

1 (a) Means a video lottery employee who owns, controls or manages a
2 licensee, or otherwise exercises control over a video lottery or table game
3 function of a licensee;

4 (b) Includes an employee of a contractor who performs any function
5 described in § B(1) of this regulation; and

6 (c) Does not include a gaming employee.

7 (26) "Principal entity" means a person, other than an individual, that is a
8 principal.

9 (27) "Restricted area" means that part of a facility directly related to the operation
10 of the gaming floor where access is specifically designated by the Commission as
11 restricted, including:

12 (a) Cashier's cage, including a satellite cashiers' cage and ancillary
13 offices;

14 (b) Computer space allocated to the central monitor and control system;

15 (c) Count room and trolley storage areas;

16 (d) Areas designated for the storage or repair of equipment of video lottery
17 terminals or table game devices;

18 (e) Information technology department operations centers;

19 (f) Progressive controller locations;

20 (g) Surveillance monitoring rooms;

21 (h) Vault and armored car bay locations; and

22 (i) Any area that the facility operator has designated as restricted in its
23 Commission-approved accounting and internal control systems.

24 (28) "Signature" means, at a minimum, an employee's first initial, last name and
25 Commission license number, written by the employee.

26 (29) "Submit" means to deliver a document:

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

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

(30) "Table game equipment" means equipment that is related to the operation of table games and that is owned or leased by a video lottery facility and located on the video lottery facility's premises, and includes table layouts, cards, dice, chips, shufflers, tiles, wheels or any mechanical, electrical or computerized device, apparatus, or supplies used to conduct a table game or designated by the Commission as table game equipment.

(31) "Terminal" means a computerized unit specifically designed for issuing and processing tickets and for printing of special reports.

(32) "Value chip" means a chip that contains a denomination on each face.

.03 Unclaimed Video Lottery Terminal Jackpots.

A. A video lottery terminal player shall have a maximum of 182 days from the date a jackpot is won to claim the jackpot.

B. After 182 days, an unclaimed jackpot shall become the property of the State.

.04 Waivers.

A. General. A person seeking an exemption from a Commission regulation issued under State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, shall request that the Commission waive the regulation.

B. Process.

(1) A person requesting a waiver of a regulation shall submit a written waiver request in a format specified by the Commission.

(2) A written waiver request shall contain at least the following:

(a) The COMAR regulation for which the waiver is sought;

(b) Detailed facts in support of the waiver request;

(c) An explanation of the unique circumstances justifying the request; and

(d) Any other information requested by the Commission.

(3) Upon receipt of a waiver request that fails to comply with subsections (1) or (2) of this section, Commission staff shall notify the requestor:

1 (a) Of any deficiency in the waiver request;

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3 (b) That the waiver request will not be presented to the Commission unless the
4 identified deficiency is corrected.

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6 (4) Upon receipt of a waiver request that complies with subsections (1) and (2) of this
7 section, Commission staff shall present the waiver request to the Commission as
8 soon as practicable.

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10 C. Decision.

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12 (1) In deciding whether to grant a waiver request, the Commission may consider:

13 (a) The particular facts supporting the waiver request;

14 (b) Whether enforcement of the regulation as to the subject of the waiver
15 request is necessary to protect the public interest or accomplish the
16 policies established by State Government Article, Title 9, Subtitle 1A,
17 Annotated Code of Maryland;

18 (c) Limiting or restricting the relief sought as the Commission considers
19 necessary in the public interest;

20 (d) Granting the waiver request subject to a condition;

21 (e) Requiring the requestor to submit any additional information; and

22 (f) Any other relevant information.

23 (2) The Commission shall provide the requestor with written notification of its
24 decision.

25 D. This regulation does not apply to a request for waiver of a licensing requirement
26 under COMAR 36.03.02.11.