

- 1 (a) To address a deficiency in accordance with a notice sent under §C(2) of this
2 regulation;
- 3 (b) As required by the Commission or Commission staff for clarification of information
4 contained in the application; or
- 5 (c) To address a change in the circumstances surrounding the application that was outside
6 the control of the applicant and that affects the ability of the applicant to comply with the
7 law or the regulations of the Commission.

8 (3) To amend an application under §D(2)(c) of this regulation, an applicant shall file with
9 the Commission a written request to amend the application, stating:

10 (a) The change in the circumstances surrounding the application that necessitates the
11 amendment;

12 (b) The nature of the amendment; and

13 (c) The reason why the amendment is necessary to bring the application into compliance
14 with the law or the regulations of the Commission.

15 (4) The Commission shall grant or deny each request filed under §D(3) of this regulation.

16 (5) A request shall be granted if the applicant demonstrates to the satisfaction of the
17 Commission that:

18 (a) The circumstances requiring the amendment were outside the control of the applicant;

19 (b) Before the change in the circumstances surrounding the application, the application
20 complied with the pertinent provisions of the law or the regulations of the Commission;
21 and

22 (c) The amendment is necessary to bring the application into compliance with the
23 pertinent provisions of the law or the regulations of the Commission.

24 (6) An application for a license may be withdrawn if the:

25 (a) Applicant submits a written request to the Commission to withdraw the application;
26 and

27 (b) Written request is submitted before the Commission has denied the application.

28 E. Payment and collection. Applicants shall pay the administrative costs and fees
29 required under this regulation by:

30 (1) Money order;

1 (2) Certified check made payable to the “State of Maryland”; or

2 (3) Any other manner designated by the Commission.

3 F. Continuing Obligations.

4 (1) Applicants who are awarded a license shall, during the term of their licensures,
5 conform to all of the information contained in their license applications.

6 (2) Failure to conform to the information contained in a license application shall be
7 grounds for the Commission to invoke against the licensee the sanctions described in
8 Regulation .06 of this chapter.

9 **.02 Personal and Background Information.**

10 A. Except as otherwise provided by this regulation, the application documents submitted
11 under Regulation .01 B of this chapter shall include the information under §B of this
12 regulation, for an individual who is key management.

13 B. An individual listed under §A of this regulation shall furnish the following:

14 (1) Full name and any previous names or aliases;

15 (2) Date of birth;

16 (3) Home and facility addresses and telephone numbers;

17 (4) Email address;

18 (5) Driver's license number and state of issuance; and

19 (6) Social Security number.

20 C. If the applicant is a corporation, the application documents shall state the:

21 (1) State in which the applicant is incorporated; and

22 (2) Name and address of the applicant's agent for service of process in Maryland.

23 D. If an applicant is a nonprofit corporation, only an individual who is a director or
24 officer of the applicant shall provide the information required under §B of this regulation.

25 E. Inadvertent, non-substantive errors that might be made in furnishing the information
26 required by this regulation may not be used as a reason by the Commission for
27 disqualifying the applicant.

1 **.03 Electronic Gaming Device Facility License**

2 A. General.

3 Unless key management holds a valid electronic gaming device facility license issued by
4 the Commission, key management may not operate electronic gaming devices.

5 B. Application Fees.

6 Beginning July 1, 2016, the application fee for an electronic gaming device facility
7 license is \$50 for each electronic gaming device that is in operation at the facility, subject
8 to annual adjustments by the Commission.

9 C. The electronic gaming device facility license issued by the Commission shall specify
10 the maximum number of electronic gaming devices that may be operated by key
11 management under the electronic gaming device facility license.

12
13 D. The Commission may issue an electronic gaming device facility license subject to
14 conditions.

15
16 E. The Commission may issue an electronic gaming device facility license after
17 determining that:

18 (1) The applicant has paid the application fee under § B of this regulation;

19 (2) The applicant has furnished the Commission with the information and documentation
20 required under this chapter;

21 (3) The facility complies with the regulations of this title; and

22
23 (4) All electronic gaming devices and associated equipment to be used in the facility have
24 been tested and comply with any standards established by the Commission.

25 F. An electronic gaming device facility licensee has a continuing duty to inform the
26 Commission of an act or omission that the licensee knows or should know constitutes a
27 violation of the Commission's regulations.

28 G. Term; Renewal; License Renewal Fee.

29 (1) The term of an electronic gaming device facility license is 1 year.

30 (2) The Commission may renew the license if, before the term of the license expires, the
31 licensee applies for renewal and

32 (a) Continues to comply with all licensing requirements; and

1 (b) Pays a license application fee in the amount that is required under § B of this
2 regulation.

3 **.04 Electronic Gaming Device Manufacturer/Distributor Licenses.**

4 A. General.

5 (1) Unless a manufacturer or distributor holds a valid electronic gaming device
6 manufacturer/distributor license issued by the Commission, the manufacturer or
7 distributor may not offer electronic gaming devices.

8 (2) The following persons must meet the Commission's electronic gaming device
9 manufacturer/distributor license requirements:

10 (a) A manufacturer or distributor; and

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

13 B. Application Fees.

14 Beginning July 1, 2016, the application fee for a manufacturer or distributor is \$150 for
15 each electronic gaming device provided by the manufacturer or distributor that is in
16 operation in the State, subject to annual adjustments by the Commission.

17 C. The electronic gaming device manufacturer/distributor license issued by the
18 Commission shall specify the maximum number of electronic gaming devices that may
19 be offered by the manufacturer or distributor under the electronic gaming device
20 manufacturer/distributor license.

21
22 D. The Commission may issue an electronic gaming device manufacturer/distributor
23 license subject to conditions.

24
25 E. The Commission may issue an electronic gaming device manufacturer/distributor
26 license after determining that:

27 (1) The applicant has paid the application fee under § B of this regulation;

28 (2) The applicant has furnished the Commission with the information and documentation
29 required under this chapter;

30 (3) The applicant complies with the regulations of this Title; and

31
32 (4) All electronic gaming devices and associated equipment to be offered by the
33 manufacturer or distributor have been tested and comply with any standards established
34 by the Commission.

1 F. A manufacturer/distributor licensee has a continuing duty to inform the Commission of
2 an act or omission that the licensee knows or should know constitutes a violation of the
3 Commission's regulations.

4 G. Term; Renewal; License Renewal Fee.

5 (1) The term of an electronic gaming device manufacturer/distributor license is 1 year.

6 (2) The Commission may renew the license if, before the term of the license expires, the
7 licensee applies for renewal; and

8 (a) Continues to comply with all licensing requirements; and

9 (b) Pays a license application fee in the amount that is required under § B of this
10 regulation.

11 **05. Corrective Action.**

12

13 A. Deficiency.

14

15 If the Director determines that a licensee under this subtitle no longer meets a license
16 requirement of the subtitle, or that there is cause for imposing sanctions under Regulation
17 .06 of this chapter, the Director may:

18

19 (1) Assess the seriousness of the deficiency;

20

21 (2) Require the licensee to develop a corrective action plan;

22

23 (3) Determine whether it is necessary during the pendency of the corrective action
24 process to emergently suspend the license;

25

26 (4) Evaluate and, if acceptable to the Director, approve the corrective action plan;

27

28 (5) Determine appropriate timelines for the completion of corrective action;

29

30 (6) Conduct periodic monitoring of a licensee for which the Director required a corrective
31 action plan to assess the licensee's progress toward remedying the deficiencies; and

32

33 (7) Recommend that the Commission impose a sanction under Regulation .06 of this
34 chapter.

35

36 B. Deficiency Notice.

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38 Upon determining that corrective action is required to remedy a deficiency, the Director
39 shall give written notice to a licensee that includes:

40

- 1 (1) A description of the violation;
2
3 (2) A description of the possible sanctions; and
4
5 (3) The requirement for the licensee to submit a corrective action plan to the Director
6 within a time frame established by the Director.
7

8 C. Corrective Action Plan.
9

- 10 (1) Within 10 days of receipt of a deficiency notice under § B of this regulation, the
11 licensee shall submit a corrective action plan to the Director for the Director's approval.
12
13 (2) The Director shall review the corrective action plan and inform the licensee whether
14 the corrective action plan is acceptable.
15
16 (3) If the licensee fails to submit an acceptable corrective action plan within the time
17 described under § C(1) of this regulation, the Director may:
18
19 (a) Provide the licensee with additional time to submit a revised corrective action plan; or
20
21 (b) Impose a sanction on the licensee under Regulation .06 of this chapter.
22
23 (4) If the Director provided a licensee notice under § B(3) of this regulation and received
24 no timely written response, the Commission may adopt as final the Director's decision to
25 impose a sanction under Regulation .06 of this chapter.

26 D. Corrective Action Outcomes.
27

- 28 (1) If at any time during the corrective action plan period the Director determines that the
29 licensee has failed to fulfill a requirement of the corrective action plan or has made
30 insufficient progress toward remedying a deficiency, the Director may:
31
32 (a) For good cause, extend the time for completion of a corrective action plan; or
33
34 (b) Emergently suspend the licensee's license.
35
36 (2) If at the end of the corrective action plan period the licensee has failed to adequately
37 remedy a deficiency, the Director may impose a sanction under Regulation .06 of this
38 chapter.
39

40 **.06 Sanctions.**
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42 A. The Director may impose sanctions on a licensee for:
43

- 44 (1) Violating or failing to fulfill the licensee's responsibilities or a condition of a license
45 under this subtitle;
46

- 1 (2) Violating:
2
3 (a) A provision of the law;
4
5 (b) A regulation adopted under the law; or
6
7 (c) An order or directive of the Commission;
8
9 (3) Providing the Commission with false or misleading information;
10
11 (4) Failing to cooperate with the Commission;
12
13 (5) Failing to remit, or failing to make timely remittance of, funds owed to the
14 Commission;
15
16 (6) Failing to prepare, submit, or implement an adequate corrective action plan under
17 Regulation .05 C of this chapter;
18
19 (7) Incurring criminal charges related to the conduct of illegal gaming;
20
21 (8) Possessing materials or equipment indicating involvement by the licensee or the
22 licensee's employees in the conduct of illegal gaming; or
23
24 (9) Other activities or action deemed by the Director to require the imposition of a
25 sanction.

26
27 B. Types of Sanctions.

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29 Sanctions may include emergency suspension, suspension, revocation, and placement of
30 conditions on the license.

31
32 C. Suspension, Revocation and Conditions.

33
34 (1) Except as set forth in § D of this regulation, the Director shall give the licensee notice
35 of the intended suspension, revocation, or imposition of a condition at least 15 days
36 before the imposition of the intended sanction.

37
38 (2) A licensee may appeal the Director's imposition of a sanction before the date the
39 sanction is imposed by submitting a request for a hearing before the Commission.

40
41 (3) The final action on a sanction is subject to judicial review as provided in State
42 Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

43
44 D. Emergency Suspension.
45

1 (1) Notwithstanding any other requirement of this chapter, if the Director determines that
2 immediate action is necessary to protect against an imminent, serious threat by a licensee
3 to the security, financial stability, reputation or integrity of the State, the Director may
4 suspend a license without prior notice.

5
6 (2) If the Director emergently suspends a license, the Director shall provide the licensee
7 with written notice that includes:

8
9 (a) A statement of the authority upon which the suspension is based;

10
11 (b) The nature of the violation;

12
13 (c) The duration of suspension;

14
15 (d) Information about the licensee's obligation to submit to the Agency a corrective
16 action plan; and

17
18 (e) A statement of the licensee's right to request a Commission hearing.

19
20 (3) If after a license is emergently suspended, the licensee does not submit a timely
21 written request for a Commission hearing, the Director may move to revoke the license
22 by giving the licensee notice under § C(1) of this regulation.

23
24 **.07 Settlement.**

25
26 A. The Commission may provide a licensee with the opportunity to discuss with staff a
27 means of entering into a settlement agreement between the licensee and the Commission
28 by which the violation is settled without a penalty or sanction.

29
30 B. A settlement agreement:

31
32 (1) Shall be signed by an authorized representative of the licensee and the Director or the
33 Director's designee; and

34
35 (2) May not be considered final and binding until approved by the Commission.

36
37 C. If a licensee violates a term of a settlement agreement, nothing in this regulation shall
38 be construed to prevent the Commission from imposing a penalty or sanction against the
39 licensee for that, or the underlying, violation.

40 **.08 Hearings.**

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

42 (1) Deny a license;

1 (2) Suspend a license; or

2 (3) Revoke a license.

3 B. Denial of a License.

4

5 (1) After reviewing an application submitted under this chapter, the Director may
6 recommend that the Commission deny a license.

7

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

10

11 (a) Recommendation for denial;

12

13 (b) Basis for the recommendation; and

14

15 (c) Applicant's right to request a reconsideration meeting with the Director or the
16 Director's designee.

17

18 (3) An applicant may submit to the Commission a written request for a reconsideration
19 meeting within 15 days of the date of the notice described in § B(2) of this regulation.

20

21 (4) If an applicant fails to timely submit a request under § B(3) of this regulation, the
22 Commission may adopt as final the recommendation of the Director or the Director's
23 designee.

24

25 (5) During a reconsideration meeting, an applicant may:

26

27 (a) Be represented by counsel; and

28

29 (b) Present evidence as to why the license should be granted.

30

31 (6) If after the reconsideration meeting the applicant is dissatisfied with the
32 recommendation of the Director or the Director's designee, the applicant may submit to
33 the Commission, in writing:

34

35 (a) A request for hearing before the Commission on the recommendation of the Director
36 or the Director's designee; and

37

38 (b) The applicant's legal and factual bases for disagreeing with the recommendation of
39 the Director or the Director's designee.

40

41 (7) An applicant may submit a hearing request to the Commission within 15 days of the
42 date of the recommendation of the Director or the Director's designee after the
43 reconsideration meeting.

44

1 (8) If an applicant fails to timely submit a hearing request under § B(6), the Commission
2 may adopt as final the recommendation of the Director or the Director's designee.

3
4 (9) A hearing request that complies with § B (6) of this regulation shall be the subject of a
5 hearing before the Commission, after which the Commission shall:

6
7 (a) Determine that the applicant is qualified and grant the license; or

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9 (b) Determine that the applicant is not qualified or disqualified; and

10
11 (i) Deny the license; and

12
13 (ii) Prepare an order denying the license with a statement of the reasons and specific
14 findings of fact.

15
16 (10) The Commission's decision is final.

17 C. A Commission hearing shall be conducted in the manner specified in:

18 (1) State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland; and

19 (2) COMAR 36.01.02.06.