

## STAFF AGENDA MEMORANDUM

**DATE OF MEETING:** September 20, 2018

**AGENDA ITEM:** **Updates to Lottery and Gaming Regulations  
Adoption of Fantasy Competition Regulations**

**PRESENTER:** James Nielsen, COO

**ISSUE SUMMARY:** In the course of periodic review of existing Lottery and Gaming regulations, some dating back to 2013, we identified 12 regulations requiring amendment to bring them up to date in terms of definitions, current technology, current practices and new style guides. Summary descriptions of these changes are listed below; full text of the regulations are attached. Additionally, we are proposing a new regulation addressing fantasy sports competitions, as regulatory authority for this activity was moved from the State Comptroller to MLGCA by statute, effective October 1, 2018.

### A. LOTTERY

#### 36.01.01 General

These proposed amendments revise the definition of “final action on a license denial” to include the option of the Commission to delegate a hearing to the OAH. The amendments also consolidate the definition of “state obligations” into one chapter, and update citations pertaining to the Central Collection Unit (CCU). The amendments are also intended to simplify some terms.

#### 36.01.02 Administrative Procedures

These proposed amendments clarify administrative procedures of the Agency and Commission.

#### 36.01.03 Voluntary Exclusion and Responsible Gaming

These proposed amendments add instant bingo facilities with more than 10 machines to

the gaming venues from which an individual may self-exclude. There are updates to the application for voluntary exclusion. Regulation .02D(3) codifies casinos' existing practice of pressing a criminal trespass charge, consistent with COMAR 36.03.06. Regulation .05D reflects the Agency's current practice of sending notices related to the voluntary exclusion list by email as well as mail. The amendments would also update legal references.

### **36.02.01 General**

These proposed amendments clarify definitions (e.g., "on-line game" and "on-line ticket" are changed to "draw ticket" to avoid possible confusion with iLottery; "player" and "ticket" are defined in COMAR 36.01.01.01, so they are deleted here), and other new definitions are added.

### **36.02.02 Retailer Licensing**

These proposed amendments update certain terminology and changes to reflect current practices.

### **36.02.03 Retailer Requirements**

These proposed amendments include changes to reflect current practices, including the use of player activated terminals. They also prohibit the sale of lottery games from other jurisdictions.

### **36.02.04 Lottery Provisions**

These proposed amendments change the term "on-line game" to "draw game" to avoid possible confusion with iLottery. Regulation .03E(3)(a) (iii) is revised based on practices in the new lottery subscription program. Regulation.03E(3)(b) is revised to remove the requirement for an SSN when purchasing a subscription.

### **36.02.05 Specific Game Provisions**

These proposed amendment updated the term "on-line game" and "on-line ticket" to "draw ticket" to avoid possible confusion with iLottery.

### **36.02.06 Claims Procedures**

These proposed amendments removed the definition of state obligation from this regulation since it appears in 36.01.01. The term "on-line game" has been changed to "draw game" in order to avoid possible confusion with iLottery.

### **36.02.07 Unclaimed Lottery Prizes**

These proposed amendments consistently apply the term “bonus”.

### **36.02.08 Voluntary Assignment of Monetary Prizes**

These proposed amendments revise the regulation for simplicity by removing language found in statute that was repeated verbatim. New language is added to require checking whether assignees and subsequent assignees owe State obligations, and to ensure that a corporate assignee or subsequent assignee is in good standing with the Maryland Department of Assessment and Taxation before prize payment.

## **B. GAMING**

### **36.03.01 General**

In Staff’s review of Lottery regulations, the definition of “player” was added to COMAR 36.01.01.01; the definitions in that regulation apply to players of all the activities that the Commission and Agency regulate so there is no need for a separate definition of “player”.

### **36.05.02 Table Game Equipment**

The proposed amendment would allow a facility operator to use non-traditional decks of playing cards for table games, as approved by the Commission.

## **C. FANTASY COMPETITION**

### **36.09.01 Fantasy Competition**

This entirely new subtitle reflects responsibilities that were transferred from the Office of the Comptroller to the Commission. The regulations are substantially similar to the Comptroller’s regulations, with an additional prohibition on kiosks, which was added during the 2018 legislative session.

**COMMISSION ACTION REQUIRED/REQUESTED:** Review and approval of the proposed new and amended regulations.

**Staff Recommendation:** Staff recommends approval.