

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/05/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 7/10/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

36 03 02 01, .02, .12

3. Name of Promulgating Authority

Maryland State Lottery and Gaming Control Agency

4. Name of Regulations Coordinator Telephone Number

James B Butler 410-230-8781

Mailing Address

1800 Washington Blvd., Ste. 330

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jbutler@maryland.gov

5. Name of Person to Call About this Document Telephone No.

James B. Butler (410) 230-8781

Email Address

jbutler@maryland.gov

6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
Date when existing text was downloaded from COMAR online: June 1, 2015.
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:
:
Md. R
(vol.) (issue) (page nos) (date)
Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

- Yes No

If yes, corresponding proposed text published in:

- same issue
- future issue
 - previous issue; it appeared in
:
Md. R
(vol.) (issue) (page no's) (date)
Under Maryland Register docket no.: --E.

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

- OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.
- OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Robert T. Fontaine, Assistant Attorney General, (telephone #(410) 230-8780) on May 28, 2015. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Gordon Medenica

Title

Director

Telephone No.

(410) 230-8790

Date

June 4, 2015

Title 36
MARYLAND STATE LOTTERY AND GAMING
CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

36.03.02 Investigation and Licensing

Authority: 36.03.02: State Government Article, §§9-1A-04(d), 9-1A-07(c), and 9-1A-14, Annotated Code of Maryland

Notice of Proposed Action

□

The Maryland Lottery and Gaming Control Agency proposes to amend Regulations .01, .02, and .12 under COMAR 36.03.02 Investigation and Licensing.

This action was considered at the Maryland Lottery and Gaming Control Commission open meeting held on May 28, 2015, notice of which was given pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to update the Regulations of the Maryland Lottery and Gaming Control Agency to reflect the requirements for fingerprints for a criminal records check, the establishment of a temporary license, and the licensing fees for specified employees.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

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, Director of Legislative and Policy Affairs, 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, or fax to 410-230-8727. Comments will be accepted through August 10, 2015. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

Special (Gaming Proceeds)

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

To update the Regulations of the Maryland Lottery and Gaming Control Agency to reflect the requirements for fingerprints for a criminal records check, the establishment of a temporary license, and the licensing fees for specified employees.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

To update the Regulations of the Maryland Lottery and Gaming Control Agency to reflect the requirements for fingerprints for a criminal records check, the establishment of a temporary license, and the licensing fees for specified employees.

G. Small Business Worksheet:

Attached Document:

(June 1, 2015)

36.03.02 Investigation and Licensing

Authority: State Government Article, §§9-1A-04(d); 9-1A-07(c); and 9-1A-14, Annotated Code of Maryland

.01 Process.

- A. General Provisions.
- (1) – (2) (text unchanged)
 - (3) An applicant may not submit an application less than 1 year after the Commission has:
 - (a) Taken final action on a license denial of a previous license application involving the applicant; [or]
 - (b) Taken final action on a sanction resulting in revocation of a previous license application involving the applicant; *or*
 - (c) *Provided an individual with written notice of termination of a temporary license.*
- B. (text unchanged)
- C. Changes in Application.
- (1) – (5) (text unchanged)
 - (6) *Except for an application for an operation license, [An] an application for a [video lottery employee] license may be withdrawn if the:*
 - (a) (text unchanged)
 - (b) Written request is submitted before the Commission has:
 - (i) Denied the application; *or*
 - (ii) *Terminated a temporary license.*
- D. – G. (text unchanged)

.02 Personal and Background Information.

- A. (text unchanged)
- B. An individual listed under §A of this regulation shall furnish the following:
- (1) – (5) (text unchanged)
 - (6) Social Security number; [and]
 - (7) Passport or identification photo;
 - (8) *Fingerprints for a criminal records check:*
 - (a) *For a State resident, from an electronic fingerprinting service approved by the Commission; or*
 - (b) *For an out-of-state resident, one FBI and one State fingerprint card, taken within the previous 45 days before submission to the Commission; and*
 - (9) *Any other document or information required by the Commission.*
- C. – F. (text unchanged)

.12 Video Lottery Employee Licenses.

- A. (text unchanged)
- B. License Categories. The Commission may issue a video lottery employee license that is a:
- (1) Principal employee license;
 - (2) Gaming employee license;
 - (3) Nongaming employee license;
 - (4) Sponsored *or temporary* principal employee license; or
 - (5) Sponsored *or temporary* gaming employee license.
- C. Requirements. The Commission may issue a video lottery employee license to an individual who has *or has had on their behalf:*
- (1) – (7) (text unchanged)
 - (8) Demonstrated that within the 365 days before the application is submitted, the applicant has not served as a Commission member or been employed by the Agency; [and]
 - (9) *For an applicant for a nongaming employee license, documented that the applicant has obtained an offer of at least conditional employment from a licensed facility operator, manufacturer or contractor, or a registered or certified vendor, and that the employer has:*
 - (a) *Obtained a bond if required under Regulation .15 of this chapter; and*
 - (b) *Performed, at a minimum, a Social Security database check, criminal check, employment verification, and national database search; and*
- [(9)] (10) Provided the Commission with sufficient information, documentation, and assurances to establish, by clear and convincing evidence, that the individual:
- (a) Has not been disqualified under State Government Article, §9-1A-14(c), Annotated Code of Maryland;
 - (b) Has met the applicable requirements of State Government Article, §9-1A-07(c), Annotated Code of Maryland; and

(c) Is otherwise qualified for a video lottery employee license.

D. (text unchanged)

E. Application and License Fees.

(1) For a principal employee, \$5,287.25, of which the:

(a) – (c) (text unchanged)

(d) Required [fees] *fee* for conducting a criminal history records check [are] specified in Regulation .03B of this chapter is \$37.25.

(2) For a gaming employee, \$437.25, of which the:

(a) – (b) (text unchanged)

(c) Required [fees] *fee* for conducting a criminal history records check [are] specified in Regulation .03B of this chapter is \$37.25.

(3) For a nongaming employee, \$187.25, of which the:

(a) – (b)

(c) Required [fees] *fee* for conducting a criminal history records check [are] specified in Regulation .03B of this chapter is \$37.25.

F. (text unchanged)

G. A licensed video lottery employee, *sponsored gaming employee or temporary licensee* may not play a video lottery terminal or table game at, or receive a jackpot from, a facility:

(1) Where the individual is employed; [or]

(2) That is operated by the individual's employer; *or*

(3) *Where the individual is currently assigned to work.*

H. (text unchanged)

I. Term; Renewal.

(1) – (2) (text unchanged)

(3) Except for a sponsored principal or sponsored gaming employee, *or temporary licensee*, the Commission may renew the license if, before the term of the license expires, the licensee:

(a) – (d) (text unchanged)

[e) Pays a nonrefundable application fee of:

(i) \$750 for a principal employee;

(ii) \$150 for a gaming employee; *or*

(iii) \$100 for a nongaming employee;

(f) Pays the fees required under Regulation .03B of this chapter for conducting a criminal history records check; and

(g) For a principal employee, pays a refundable advance deposit of \$2,000 authorized under Regulation .01E(3) of this chapter for the administrative costs of conducting the applicant's background investigation.]

(e) *Pays the fees described in §I(4) of this regulation.*

(4) *The fee required for processing a licensing renewal is:*

(a) *For a principal employee, \$2,287.25, of which the:*

(i) *License fee is \$750;*

(ii) *Refundable advance deposit for administrative costs of conducting the applicant's background investigation is \$2,000; and*

(iii) *Required fee for conducting a criminal history records check specified in Regulation .03B of this chapter is \$37.25.*

(b) *For a gaming employee, \$187.25, of which the:*

(i) *License fee is \$150; and*

(ii) *Required fee for conducting a criminal history records check specified in Regulation .03B of this chapter is \$37.25.*

(c) *For a nongaming employee, \$97.25, of which the:*

(i) *License fee is \$60; and*

(ii) *Required fee for conducting a criminal history records check specified in Regulation .03B of this chapter is \$37.25.*

[(4)] (5) Except as provided in §H(5) of this regulation, a video lottery employee shall submit an application for renewal to the Commission at least 90 days before the video lottery employee's license expires.

[(5)] (6) A principal employee shall submit an application for renewal to the Commission at least 6 months before the principal employee's license expires.

J. *Sponsored or Temporary License.*

(1) The Commission may issue to a video lottery employee license applicant a *sponsored or temporary* license to permit the individual to work legally as a video lottery employee before the [Commission's] *Commission completes the full* licensing process [is complete].

(2) A licensed facility operator, manufacturer, or contractor may submit an application for a *sponsored or temporary* license on behalf of an individual who is seeking a principal[,] *or gaming[, or nongaming]* employee license.

- (3) An application for a sponsored *or temporary* license shall be in a format designated by the Commission and shall include:
- (a) A completed application for a principal[, or gaming[, or nongaming] employee license;
 - (b) (text unchanged)
 - (c) Documentation to verify that the [sponsor] applicant has obtained an offer of at least conditional employment from a licensed facility operator, manufacturer or contractor, or a registered or certified vendor, and that the employer has:
 - (i) [Offered the individual at least conditional employment;
 - (ii)] Obtained a bond [as] if required under Regulation .15 of this chapter; and
 - [(iii)] (ii) Performed, at a minimum, a Social Security database check, criminal check, employment verification, and national database search[.]; and
 - (d) For a temporary license, documentation that the applicant has acknowledged, in writing, that the State is not financially responsible for any consequences resulting from termination of a temporary license under State Government Article, §9-1A-14(d)(4), Annotated Code of Maryland.
- (4) The Commission may grant a sponsored *or temporary* license after:
- (a) Receiving all items required under §I(3) of this regulation; and
 - (b) Performing on the individual a:
 - (i) Criminal background investigation under Regulation .03 of this chapter; and
 - (ii) [Credit check] *Financial stability investigation*.
- (5) A sponsored license:
- (a) Is valid for one nonrenewable 5-year term;
 - (b) [A sponsored license is] *Is not transferable to employment with a different facility operator, manufacturer, or contractor unless the new employer submits to the Commission a Certificate of Sponsorship for the sponsored licensee before the sponsored licensee commences employment with the new employer; [and]*
 - (c) Automatically converts to a principal, gaming, or nongaming employee license when the Commission notifies the sponsor that the individual meets the license qualification requirements under §C of this regulation; *and*
 - (d) *May not be granted after July 1, 2015.*
- (6) A temporary license:
- (a) *Expires 180 days after the date of issue; and*
 - (b) *May be extended by the Commission for one period of 180 days.*
- (7) A temporary license may not be issued if:
- (a) *An applicant has an immediately known present or prior activity, criminal record, reputation, habit or association that would disqualify the applicant from holding a video lottery employee license under State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or regulations promulgated under that Subtitle;*
 - (b) *An applicant poses a serious imminent risk of harm to the integrity, security, or profitability of the State's video lottery terminal or table game operations; or*
 - (c) *There are reasonable grounds to believe that the applicant will not be able to establish the applicant's qualifications by clear and convincing evidence under State Government, § 9-1A-07, Annotated Code of Maryland.*
- (8) By written notice to a temporary licensee, Commission staff may terminate, without a hearing and without following the denial process under Regulation .16 of this chapter, the temporary license of an applicant for:
- (a) *Failure to pay a required fee;*
 - (b) *Failure to submit required documentation to Commission staff within 30 days of submitting the application;*
 - (c) *Failure to comply with a request of Commission staff;*
 - (d) *Engaging in conduct that obstructs Commission staff from completing the applicant's background investigation; or*
 - (e) *Violating any provision of State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland, or the Commission's regulations.*
- (9) *Commission staff's written notice of termination of a temporary license is the final action of the Commission.*
- (10) *If, during the course of conducting an applicant's background investigation, Commission staff reasonably believes there is a basis for recommending that the application for a video lottery employee license be denied, Commission staff shall:*
- (a) *Notify the temporary licensee; and*
 - (b) *Follow the process for denial of a license under Regulation .16 of this chapter.*