

**Maryland General Assembly  
Department of Legislative Services**

**Emergency/Proposed Regulations  
Maryland State Lottery and Gaming Control Agency  
(DLS Control No. 15-106)**

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## **Overview and Legal and Fiscal Impact**

These regulations alter Regulations .01, .02, and .12 of COMAR 36.03.02 relating to the issuance and termination of temporary licenses at video lottery facilities, fingerprints for criminal records checks of applicants, and licensing fees.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

## **Regulations of COMAR Affected**

### **Maryland State Lottery and Gaming Control Agency:**

Gaming Provisions: Investigation and Licensing: COMAR 36.03.02.01, .02, and .12

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## **Legal Analysis**

### **Background**

The State Lottery and Gaming Control Commission issues video lottery employee and operation licenses. Chapter 119 of 2015 authorizes the commission to issue a temporary video lottery employee license to an applicant. The temporary license authorizes an applicant to be employed as a video lottery employee and expires 180 days after being issued unless the commission extends it for an additional 180 days.

### **Summary of Regulations**

COMAR 36.03.02 generally addresses the investigation and licensing requirements pertaining to video lottery licenses. These regulations alter Regulations .01, .02, and .12 of this chapter concerning the issuance and termination of temporary licenses, fingerprints for criminal records checks, and licensing fees.

More specifically, the regulations amend COMAR 36.03.02.01 to prohibit an individual from submitting a license application within one year of being notified that the individual's temporary license was terminated. The regulations also clarify that an application for a video lottery *operation* license may not be withdrawn, but an application for a video lottery *employee* license may be withdrawn if the request is submitted before the commission has terminated a temporary license.

The regulations amend COMAR 36.03.02.02 to expand the requirements associated with the collection of an applicant's background information. The regulation requires an applicant to submit fingerprints for the purpose of conducting a criminal records check and to provide any other document or information required by the commission.

Finally, the regulations amend COMAR 36.03.02.12 to make several changes. The regulations clarify that the commission may issue temporary principal and gaming employee licenses. The regulations also authorize the commission to issue an employee license to a nongaming employee if the applicant has met certain requirements, including demonstrating that the individual received an offer of at least conditional employment, obtained a bond, and was subject to a provisional background investigation. Additionally, the regulations alter the application fee schedule. Finally, the regulations state that sponsored licenses may not be issued after July 1, 2015, and establish a framework for the issuance of temporary licenses. This includes the length of time that a temporary license is valid, applicant background information, and termination of a temporary license.

### **Legal Issue**

The regulations present no legal issues of concern.

### **Statutory Authority and Legislative Intent**

The State Lottery and Gaming Control Agency cites §§ 9-1A-04(d), 9-1A-07(c), and 9-1A-14 of the State Government Article as legal authority for the regulations. Section 9-1A-04(d) generally provide authority to adopt regulations, including those pertaining to applicant licenses. Section 9-1A-07(c) requires applicants and licensees to submit certain information to the commission. Section 9-1A-14 requires applicants to submit certain information and authorizes the commission to deny a license. The agency may wish to also reference § 9-1A-07(b), which authorizes the commission to adopt certain application fees.

Otherwise, as submitted, the authority cited is correct and complete. The regulations comply with the legislative intent of the law.

### **Reason for Emergency Status**

The agency requests emergency status to begin June 25, 2015, and expire December 20, 2015. This period is within normal timeframes approved by the committee.

The agency requests emergency status because these regulations establish the licensing fee structure that is necessary for the issuance of a temporary license. However, as Chapter 119 of 2015 does not take effect until July 1, 2015, these regulations should not take effect before that date.

### **Fiscal Analysis**

There is no fiscal impact on State or local agencies.

## **Agency Estimate of Projected Fiscal Impact**

The regulations implement provisions of Chapter 119 (HB 1115) of 2015 that authorize temporary video lottery employee licenses, which will take the place of sponsored licenses. Additionally, the regulations clarify licensing fees and the fingerprinting requirements for criminal records checks. The agency advises that the regulations have no impact on State or local governments. The Department of Legislative Services concurs as was noted in the fiscal and policy note for HB 1115 of 2015.

### **Impact on Budget**

There is no impact on the State operating or capital budget.

### **Agency Estimate of Projected Small Business Impact**

The agency advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

### **Additional Comments**

As submitted, the regulations contain a typographical error in a fee amount, which the agency advises will be corrected prior to publication. This analysis reflects the agency's stated intent.

### **Contact Information**

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