

HOUSE BILL 940

C7

1lr2168

By: **The Speaker**

Introduced and read first time: February 2, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Regulation of Fantasy Gaming Competitions and Implementation of**
3 **Sports Wagering**

4 FOR the purpose of requiring certain fantasy competition operators to register with the
5 State Lottery and Gaming Control Commission under certain circumstances;
6 requiring a fantasy competition operator to pay certain fees and a certain percentage
7 of the proceeds from fantasy competitions to the State Lottery and Gaming Control
8 Commission; requiring the State Lottery and Gaming Control Commission to
9 distribute the proceeds from fantasy competitions in a certain manner; altering the
10 authorized uses of the Problem Gambling Fund; authorizing certain license holders
11 to accept wagers on certain sporting events from certain individuals and by certain
12 methods at certain locations; requiring the State Lottery and Gaming Control
13 Commission to regulate sports wagering in the State; requiring certain persons to
14 apply to the State Lottery and Gaming Control Commission for certain licenses;
15 requiring certain fees for the issuance and renewal of certain licenses; providing for
16 the terms of certain licenses; providing that certain applicants and licensees are
17 subject to certain minority business participation goals; authorizing the State
18 Lottery and Gaming Control Commission to provide waivers or exemptions from
19 certain licensing requirements under certain circumstances; requiring applicants for
20 certain licenses to pay certain fees set by the State Lottery and Gaming Control
21 Commission; providing for the distribution of certain licensing fees collected by the
22 State Lottery and Gaming Control Commission; providing that certain applicants
23 and licensees have a certain responsibility; requiring certain applicants and
24 licensees to provide certain information, assistance, and cooperation; requiring
25 applicants and licensees to establish certain qualification criteria, including the
26 existence of a certain labor peace agreement; establishing certain procedures and
27 requirements for the issuance of certain licenses; authorizing the State Lottery and
28 Gaming Control Commission to grant or deny certain licenses; authorizing the State
29 Lottery and Gaming Control Commission to deny, suspend, or revoke a license and
30 reprimand or fine a licensee under certain circumstances; authorizing the State
31 Lottery and Gaming Control Commission to impose a certain penalty under certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 circumstances; authorizing certain sports wagering licensees to enter into certain
2 agreements for the operation of online sports wagering; providing that an individual
3 may register for online sports wagering either in person or online; prohibiting certain
4 individuals from making a wager and certain sports wagering licensees from
5 accepting a wager from certain individuals; requiring certain sports wagering
6 licensees to establish certain procedures, provide certain safeguards, and report
7 certain information to the State Lottery and Gaming Control Commission;
8 authorizing the State Lottery and Gaming Control Commission to prohibit certain
9 types or forms of wagering or certain individuals from wagering at the request of
10 certain interested parties under certain circumstances; requiring the State Lottery
11 and Gaming Control Commission to respond to certain requests from certain
12 interested parties by a certain time; providing for the accounting and distribution of
13 certain sports wagering proceeds and certain unclaimed winning wagers; requiring
14 the State Lottery and Gaming Control Commission to adopt certain regulations;
15 requiring the State Lottery and Gaming Control Commission to report annually to
16 the Governor and the General Assembly on certain matters on or before a certain
17 date; establishing a Sports Wagering Application Review Commission, its
18 membership, and certain eligibility requirements for membership; providing for
19 certain reimbursements and staffing; authorizing the Sports Wagering Application
20 Review Commission to award not more than a certain number of certain sports
21 wagering licenses; requiring the State Lottery and Gaming Control Commission and
22 the Sports Wagering Application Review Commission, in consultation with certain
23 entities, to evaluate a certain study of the sports wagering industry, make a certain
24 determination relating to certain business participation in the sports wagering
25 industry, evaluate certain race-neutral programs and other methods, and adopt
26 certain regulations; providing for the termination of the Sports Wagering Application
27 Review Commission; authorizing the Governor to reconstitute the Sports Wagering
28 Application Review Commission under certain circumstances; requiring a certain
29 certification agency, in consultation with the Office of the Attorney General and the
30 Governor's Office of Small, Minority, and Women Business Affairs, to initiate a
31 certain analysis; requiring a certain certification agency to submit a certain report
32 to the Legislative Policy Committee on or before a certain date; declaring the intent
33 of the General Assembly; making conforming changes; defining certain terms; and
34 generally relating to wagering on fantasy competitions and sporting events.

35 BY renumbering

36 Article – State Government
37 Section 9–1D–01(b) and 9–1D–01(c), respectively
38 to be Section 9–1D–02 and 9–1D–05, respectively
39 Annotated Code of Maryland
40 (2014 Replacement Volume and 2020 Supplement)

41 BY repealing and reenacting, without amendments,

42 Article – Education
43 Section 5–219(b)
44 Annotated Code of Maryland
45 (2018 Replacement Volume and 2020 Supplement)

1 BY repealing and reenacting, with amendments,
 2 Article – Education
 3 Section 5–219(f)
 4 Annotated Code of Maryland
 5 (2018 Replacement Volume and 2020 Supplement)

6 BY repealing and reenacting, without amendments,
 7 Article – State Government
 8 Section 9–1A–01(a) and (k)
 9 Annotated Code of Maryland
 10 (2014 Replacement Volume and 2020 Supplement)

11 BY repealing and reenacting, with amendments,
 12 Article – State Government
 13 Section 9–1A–03, 9–1A–33(b), and 9–1D–01(a)
 14 Annotated Code of Maryland
 15 (2014 Replacement Volume and 2020 Supplement)

16 BY repealing and reenacting, with amendments,
 17 Article – State Government
 18 Section 9–1D–02 and 9–1D–05
 19 Annotated Code of Maryland
 20 (2014 Replacement Volume and 2020 Supplement)
 21 (As enacted by Section 1 of this Act)

22 BY adding to
 23 Article – State Government
 24 Section 9–1D–03 and 9–1D–04; and 9–1E–01 through 9–1E–15 to be under the new
 25 subtitle “Subtitle 1E. Sports Wagering”
 26 Annotated Code of Maryland
 27 (2014 Replacement Volume and 2020 Supplement)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 29 That Section(s) 9–1D–01(b) and 9–1D–01(c), respectively, of Article – State Government of
 30 the Annotated Code of Maryland be renumbered to be Section(s) 9–1D–02 and 9–1D–05,
 31 respectively.

32 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 33 as follows:

34 **Article – Education**

35 5–219.

36 (b) There is The Blueprint for Maryland’s Future Fund.

1 (f) The Fund consists of:

2 (1) Revenue distributed to the Fund under **TITLE 9, SUBTITLES 1D AND**
3 **1E OF THE STATE GOVERNMENT ARTICLE AND §§ 2–605.1 and 2–1303** of the Tax –
4 General Article;

5 (2) Money appropriated in the State budget for the Fund; and

6 (3) Any other money from any other source accepted for the benefit of the
7 Fund.

8 Article – State Government

9 9–1A–01.

10 (a) In this subtitle the following words have the meanings indicated.

11 (k) “Commission” means the State Lottery and Gaming Control Commission.

12 9–1A–03.

13 (a) Except as provided in subsection (b) of this section, any additional forms or
14 expansion of commercial gaming other than as expressly provided in this subtitle **AND**
15 **SUBTITLE 1E OF THIS TITLE** are prohibited.

16 (b) This subtitle, including the authority provided to the Commission under this
17 subtitle, does not apply to:

18 (1) lotteries conducted under Subtitle 1 of this title;

19 (2) wagering on horse racing conducted under Title 11 of the Business
20 Regulation Article;

21 (3) the operation of slot machines as provided under Titles 12 and 13 of the
22 Criminal Law Article; or

23 (4) other gaming conducted under Titles 12 and 13 of the Criminal Law
24 Article.

25 9–1A–33.

26 (b) (1) (i) There is a Problem Gambling Fund in the Maryland Department
27 of Health.

28 (ii) The purpose of the Fund is primarily to provide funding for
29 problem gambling treatment and prevention programs, including:

1. inpatient and residential services;
2. outpatient services;
3. intensive outpatient services;
4. continuing care services;
5. educational services;
6. services for victims of domestic violence; and
7. other preventive or rehabilitative services or treatment.

(2) The Problem Gambling Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(3) Money in the Problem Gambling Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall accrue to the Fund.

(4) Except as provided in paragraph (5) of this subsection, expenditures from the Problem Gambling Fund shall be made only by the Maryland Department of Health to:

(i) establish a 24–hour hotline for compulsive and problem gamblers and to provide counseling and other support services for compulsive and problem gamblers;

(ii) establish an outreach program for compulsive and problem gamblers, including individuals who requested placement on the voluntary exclusion list established by the Commission under § 9–1A–24 of this subtitle, for the purpose of participating in problem gambling treatment and prevention programs; [and]

(iii) develop and implement free or reduced cost problem gambling treatment and prevention programs, including the programs established under Title 19, Subtitle 8 of the Health – General Article; AND

(IV) DEVELOP AND IMPLEMENT FREE OR REDUCED COST PROBLEM GAMBLING TREATMENT AND PREVENTION PROGRAMS TARGETED AT INDIVIDUALS WITH PROBLEM GAMBLING ISSUES RELATED TO SPORTS WAGERING.

(5) After satisfying the requirements of paragraph (4) of this subsection, any unspent funds in the Problem Gambling Fund may be expended by the Maryland Department of Health on drug and other addiction treatment services.

(6) Expenditures from the Problem Gambling Fund shall be made in accordance with an appropriation approved by the General Assembly in the annual State

1 budget or by the budget amendment procedure provided for in § 7–209 of the State Finance
2 and Procurement Article.

3 9–1D–01.

4 (a) In this [section, “fantasy] **SUBTITLE THE FOLLOWING WORDS HAVE THE**
5 **MEANINGS INDICATED.**

6 (b) **“COMMISSION” HAS THE MEANING STATED IN § 9–1A–01 OF THIS TITLE.**

7 (c) **“ENTRY FEE” MEANS CASH OR CASH EQUIVALENTS THAT A FANTASY**
8 **COMPETITION PLAYER IS REQUIRED TO PAY TO A FANTASY COMPETITION**
9 **OPERATOR IN ORDER TO PARTICIPATE IN A FANTASY COMPETITION.**

10 (d) **“FANTASY competition”** includes any online fantasy or simulated game or
11 contest such as fantasy sports, in which:

12 (1) participants own, manage, or coach imaginary teams;

13 (2) all prizes and awards offered to winning participants are established
14 and made known to participants in advance of the game or contest;

15 (3) the winning outcome of the game or contest reflects the relative skill of
16 the participants and is determined by statistics generated by actual individuals (players or
17 teams in the case of a professional sport); and

18 (4) no winning outcome is based:

19 (i) solely on the performance of an individual athlete; or

20 (ii) on the score, point spread, or any performances of any single
21 real–world team or any combination of real–world teams.

22 (e) (1) **“FANTASY COMPETITION OPERATOR” MEANS ANY PERSON THAT**
23 **OFFERS SERVICES IN CONNECTION WITH FANTASY COMPETITIONS TO INDIVIDUALS**
24 **BY MEANS OF:**

25 (i) **THE INTERNET;**

26 (ii) **A SMART PHONE APPLICATION; OR**

27 (iii) **ANY OTHER ELECTRONICS, DIGITAL MEDIA,**
28 **COMMUNICATION TECHNOLOGY, OR DEVICE.**

1 **(2) “FANTASY COMPETITION OPERATOR” DOES NOT INCLUDE AN**
2 **INDIVIDUAL WHO:**

3 **(I) ORGANIZES A FANTASY COMPETITION IN WHICH THE**
4 **INDIVIDUAL ALSO PARTICIPATES;**

5 **(II) RECEIVES NO COMPENSATION FOR ORGANIZING THE**
6 **FANTASY COMPETITION; AND**

7 **(III) IS NOT AFFILIATED WITH A FANTASY COMPETITION**
8 **OPERATOR.**

9 **(F) “FANTASY COMPETITION PLAYER” MEANS AN INDIVIDUAL WHO**
10 **PARTICIPATES IN A FANTASY COMPETITION OFFERED BY A FANTASY COMPETITION**
11 **OPERATOR.**

12 **(G) “PROCEEDS” MEANS, FOR A FANTASY COMPETITION, THE AMOUNT OF**
13 **ENTRY FEES COLLECTED BY A FANTASY COMPETITION OPERATOR FROM ALL**
14 **FANTASY COMPETITION PLAYERS ENTERING THE FANTASY COMPETITION, LESS**
15 **WINNINGS PAID TO FANTASY COMPETITION PLAYERS, MULTIPLIED BY THE**
16 **RESIDENT PERCENTAGE.**

17 **(H) “RESIDENT PERCENTAGE” MEANS, FOR A FANTASY COMPETITION, THE**
18 **PERCENTAGE, ROUNDED TO THE NEAREST ONE–HUNDREDTH OF A PERCENT, OF THE**
19 **TOTAL ENTRY FEES COLLECTED BY A FANTASY COMPETITION OPERATOR FROM**
20 **STATE RESIDENTS DIVIDED BY THE TOTAL ENTRY FEES COLLECTED FROM ALL**
21 **PLAYERS, REGARDLESS OF THE PLAYERS’ LOCATIONS, OF THE FANTASY CONTESTS.**

22 9–1D–02.

23 **[(1)] (A)** Notwithstanding the provisions of Title 12 of the Criminal Law
24 Article or any other title, and except as provided under **[paragraph (2)] SUBSECTION (B)**
25 of this **[subsection] SECTION**, the prohibitions against betting, wagering, and gambling do
26 not apply to participation in a fantasy competition.

27 **[(2)] (B)** A person may not operate a kiosk or machine that offers fantasy
28 competition to the public in a place of business physically located in the State.

29 **9–1D–03.**

30 **(A) A FANTASY COMPETITION OPERATOR SHALL REGISTER WITH THE**
31 **COMMISSION AND PAY AN INITIAL REGISTRATION FEE OF \$50,000 BEFORE THE**
32 **FANTASY COMPETITION OPERATOR MAY OFFER A FANTASY COMPETITION OR**
33 **SERVICES IN CONNECTION WITH A FANTASY COMPETITION IN THE STATE.**

1 **(E) “ONLINE SPORTS WAGERING” MEANS SPORTS WAGERING THROUGH AN**
2 **ONLINE GAMING SYSTEM:**

3 **(1) ON A COMPUTER, A MOBILE DEVICE, OR ANY OTHER INTERACTIVE**
4 **DEVICE; AND**

5 **(2) THAT IS ACCEPTED BY A SPORTS WAGERING LICENSEE OR AN**
6 **ONLINE SPORTS WAGERING OPERATOR.**

7 **(F) “ONLINE SPORTS WAGERING OPERATOR” MEANS AN ENTITY THAT**
8 **HOLDS A LICENSE ISSUED BY THE COMMISSION UNDER THIS SUBTITLE TO OPERATE**
9 **ONLINE SPORTS WAGERING ON BEHALF OF A SPORTS WAGERING LICENSEE.**

10 **(G) “PROCEEDS” MEANS THE AMOUNT OF MONEY WAGERED ON A SPORTING**
11 **EVENT THAT IS NOT RETURNED TO SUCCESSFUL BETTORS BUT IS OTHERWISE**
12 **ALLOCATED UNDER THIS SUBTITLE.**

13 **(H) (1) “SPORTING EVENT” MEANS:**

14 **(I) A PROFESSIONAL SPORTS OR ATHLETIC EVENT;**

15 **(II) A COLLEGIATE SPORTS OR ATHLETIC EVENT;**

16 **(III) AN OLYMPIC OR INTERNATIONAL SPORTS OR ATHLETIC**
17 **EVENT;**

18 **(IV) AN ELECTRONIC SPORTS OR VIDEO GAME COMPETITION IN**
19 **WHICH EACH PARTICIPANT IS AT LEAST 18 YEARS OLD;**

20 **(V) A MOTOR RACE EVENT SANCTIONED BY A MOTOR RACING**
21 **GOVERNING ENTITY;**

22 **(VI) EXCEPT AS OTHERWISE PROHIBITED UNDER TITLE 11 OF**
23 **THE BUSINESS REGULATION ARTICLE OR THE FEDERAL INTERSTATE HORSE**
24 **RACING ACT, A HORSE RACE, HELD IN OR OUT OF THE STATE, IF CONSENTED TO AND**
25 **APPROVED BY:**

26 **1. THE HORSE RACING LICENSEE OF THE APPLICABLE**
27 **BREED;**

28 **2. THE ORGANIZATION REPRESENTING THE MAJORITY**
29 **OF THE OWNERS AND TRAINERS OF THE APPLICABLE BREED IN THE STATE;**

1 **3. THE ORGANIZATION REPRESENTING THE MAJORITY**
2 **OF THE APPLICABLE BREEDERS IN THE STATE; AND**

3 **4. THE STATE RACING COMMISSION; OR**

4 **(VII) ANY PORTION OF A SPORTING EVENT, INCLUDING THE**
5 **INDIVIDUAL PERFORMANCE STATISTICS OF ATHLETES OR COMPETITORS IN A**
6 **SPORTING EVENT.**

7 **(2) “SPORTING EVENT” DOES NOT INCLUDE:**

8 **(I) A HIGH SCHOOL SPORTS OR ATHLETIC EVENT; OR**

9 **(II) A FANTASY COMPETITION REGULATED UNDER SUBTITLE**
10 **1D OF THIS TITLE.**

11 **(I) “SPORTS WAGERING” MEANS THE BUSINESS OF ACCEPTING WAGERS ON**
12 **ANY SPORTING EVENT BY ANY SYSTEM OR METHOD OF WAGERING, INCLUDING**
13 **SINGLE-GAME BETS, TEASER BETS, PARLAYS, OVER-UNDER, MONEYLINE, POOLS,**
14 **EXCHANGE WAGERING, IN-GAME WAGERING, IN-PLAY BETS, PROPOSITION BETS,**
15 **AND STRAIGHT BETS.**

16 **(J) “SPORTS WAGERING FACILITY LICENSEE” MEANS A SPORTS WAGERING**
17 **LICENSEE WHO IS AUTHORIZED TO CONDUCT AND OPERATE SPORTS WAGERING AT**
18 **THE SPORTS WAGERING FACILITY OWNED BY THE SPORTS WAGERING LICENSEE.**

19 **(K) “SPORTS WAGERING LICENSE” MEANS A LICENSE ISSUED BY THE**
20 **COMMISSION UNDER THIS SUBTITLE THAT AUTHORIZES THE HOLDER TO ACCEPT**
21 **WAGERS ON SPORTING EVENTS.**

22 **(L) “SPORTS WAGERING LICENSEE” MEANS THE HOLDER OF A SPORTS**
23 **WAGERING LICENSE.**

24 **(M) “VIDEO LOTTERY FACILITY” HAS THE MEANING STATED IN § 9-1A-01**
25 **OF THIS TITLE.**

26 **(N) “VIDEO LOTTERY OPERATION LICENSE” HAS THE MEANING STATED IN §**
27 **9-1A-01 OF THIS TITLE.**

28 **(O) “VIDEO LOTTERY OPERATOR” HAS THE MEANING STATED IN §**
29 **9-1A-01 OF THIS TITLE.**

30 **9-1E-02.**

1 IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THIS SUBTITLE IS TO BE
2 IMPLEMENTED IN A MANNER THAT, TO THE EXTENT PERMITTED BY STATE AND
3 FEDERAL LAW, MAXIMIZES THE ABILITY OF MINORITY AND WOMEN-OWNED
4 BUSINESSES TO PARTICIPATE IN THE SPORTS WAGERING INDUSTRY.

5 **9-1E-03.**

6 (A) UNLESS THE CONTEXT REQUIRES OTHERWISE, THE REQUIREMENTS
7 UNDER §§ 9-1A-04, 9-1A-06, 9-1A-07, 9-1A-08, 9-1A-12, 9-1A-14, 9-1A-18,
8 9-1A-19, 9-1A-20, AND 9-1A-25 OF THIS TITLE APPLY TO THE AUTHORITY, DUTIES,
9 AND RESPONSIBILITIES OF THE COMMISSION, A SPORTS WAGERING LICENSEE, AND
10 AN EMPLOYEE OR A CONTRACTOR OF A SPORTS WAGERING LICENSEE UNDER THIS
11 SUBTITLE.

12 (B) THIS SUBTITLE AUTHORIZES A SPORTS WAGERING LICENSEE TO
13 CONDUCT AND OPERATE SPORTS WAGERING IN THE STATE AS PROVIDED IN THIS
14 SUBTITLE.

15 **9-1E-04.**

16 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, THE COMMISSION
17 SHALL REGULATE SPORTS WAGERING AND THE CONDUCT OF SPORTS WAGERING TO
18 THE SAME EXTENT THAT THE COMMISSION REGULATES THE OPERATION OF VIDEO
19 LOTTERY TERMINALS AND TABLE GAMES UNDER SUBTITLE 1A OF THIS TITLE.

20 (B) IN ACCORDANCE WITH THIS SUBTITLE, THE COMMISSION SHALL ADOPT
21 REGULATIONS THAT ESTABLISH:

22 (1) SUBJECT TO § 9-1E-15(H) OF THIS SUBTITLE, THE FORM AND
23 CONTENT OF AN APPLICATION FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE;

24 (2) THE METHODS, PROCEDURES, AND FORM FOR DELIVERY OF
25 INFORMATION FROM AN APPLICANT OR A LICENSEE CONCERNING ANY PERSON'S
26 FAMILY, HABITS, CHARACTER, ASSOCIATES, CRIMINAL RECORD, BUSINESS
27 ACTIVITIES, AND FINANCIAL AFFAIRS;

28 (3) THE PROCEDURES FOR THE FINGERPRINTING OF AN APPLICANT
29 FOR ANY LICENSE REQUIRED UNDER THIS SUBTITLE OR OTHER METHODS OF
30 IDENTIFICATION THAT MAY BE NECESSARY IN THE JUDGMENT OF THE COMMISSION
31 TO ACCOMPLISH EFFECTIVE ENFORCEMENT OF THE PROVISIONS OF THIS SUBTITLE;

32 (4) THE GROUNDS AND PROCEDURES FOR REPRIMANDS OF
33 LICENSEES OR THE REVOCATION OR SUSPENSION OF LICENSES ISSUED UNDER THIS
34 SUBTITLE;

1 **(5) THE MANNER AND METHOD OF COLLECTION OF TAXES, FEES, AND**
2 **CIVIL PENALTIES;**

3 **(6) STANDARDS, PROCEDURES, AND RULES THAT GOVERN THE**
4 **CONDUCT OF SPORTS WAGERING, INCLUDING:**

5 **(I) THE APPROVAL PROCESS FOR SELF-SERVICE KIOSKS OR**
6 **MACHINES, SECURITY MEASURES FOR THE KIOSKS OR MACHINES, THE AMOUNT OF**
7 **WAGERS AUTHORIZED ON THE KIOSKS OR MACHINES, AND ANY OTHER MATTER**
8 **RELATING TO A SELF-SERVICE KIOSK OR MACHINE NECESSARY TO CARRY OUT THE**
9 **PROVISIONS OF THIS SUBTITLE;**

10 **(II) THE TYPES OF WAGERS ON SPORTING EVENTS THAT MAY BE**
11 **ACCEPTED BY A SPORTS WAGERING LICENSEE;**

12 **(III) THE TYPES AND VALUES OF PROMOTIONAL ITEMS THAT MAY**
13 **BE GIVEN AWAY TO ENCOURAGE SPORTS WAGERING;**

14 **(IV) THE MANNER IN WHICH WAGERS ARE RECEIVED, PAYOUTS**
15 **ARE REMITTED, AND POINT SPREADS, LINES, AND ODDS ARE DETERMINED;**

16 **(V) THE MAXIMUM WAGERS THAT MAY BE ACCEPTED BY A**
17 **SPORTS WAGERING LICENSEE OR ONLINE SPORTS WAGERING OPERATOR FROM A**
18 **SINGLE BETTOR ON A SINGLE SPORTING EVENT;**

19 **(VI) THE AMOUNT OF CASH RESERVES TO BE MAINTAINED BY**
20 **SPORTS WAGERING LICENSEES TO COVER WINNING WAGERS;**

21 **(VII) ACCEPTABLE FORMS OF PAYMENT AND ADVANCE DEPOSIT**
22 **METHODS BY BETTORS;**

23 **(VIII) MINIMUM UNIFORM STANDARDS OF ACCOUNTANCY**
24 **METHODS, PROCEDURES, AND FORMS AS ARE NECESSARY TO ENSURE**
25 **CONSISTENCY, COMPARABILITY, AND EFFECTIVE DISCLOSURE OF ALL FINANCIAL**
26 **INFORMATION, INCLUDING PERCENTAGES OF PROFIT;**

27 **(IX) PERIODIC FINANCIAL REPORTS AND THE FORM OF THE**
28 **REPORTS, INCLUDING AN ANNUAL AUDIT PREPARED BY A CERTIFIED PUBLIC**
29 **ACCOUNTANT LICENSED TO DO BUSINESS IN THE STATE IN ACCORDANCE WITH THE**
30 **STATEMENT ON STANDARDS FOR ATTESTATION ENGAGEMENTS AND GENERALLY**
31 **ACCEPTED ACCOUNTING PRINCIPLES;**

1 (X) REQUIRING LICENSEES UNDER THIS SUBTITLE TO
2 DEMONSTRATE AND MAINTAIN FINANCIAL VIABILITY; AND

3 (XI) ENSURING THAT SPORTS WAGERING IS CONDUCTED
4 LEGALLY; AND

5 (7) ANY OTHER REGULATION NECESSARY TO CARRY OUT THE
6 PROVISIONS OF THIS SUBTITLE.

7 (C) (1) THE COMMISSION, IN CONSULTATION WITH THE CERTIFICATION
8 AGENCY AS DEFINED IN § 14-301 OF THE STATE FINANCE AND PROCUREMENT
9 ARTICLE, THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN BUSINESS
10 AFFAIRS, AND THE OFFICE OF THE ATTORNEY GENERAL, SHALL:

11 (I) EVALUATE A STUDY OF THE SPORTS WAGERING INDUSTRY
12 AND MARKET TO DETERMINE WHETHER THERE IS A COMPELLING INTEREST TO
13 IMPLEMENT REMEDIAL MEASURES, IN ADDITION TO THE APPLICATION OF THE
14 STATE MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3
15 OF THE STATE FINANCE AND PROCUREMENT ARTICLE OR A SIMILAR PROGRAM, TO
16 ASSIST MINORITIES AND WOMEN IN THE SPORTS WAGERING INDUSTRY;

17 (II) EVALUATE RACE-NEUTRAL PROGRAMS OR OTHER
18 METHODS THAT MAY BE USED TO ADDRESS THE NEEDS OF MINORITY AND WOMEN
19 APPLICANTS AND MINORITY AND WOMEN-OWNED BUSINESSES SEEKING TO
20 PARTICIPATE IN THE SPORTS WAGERING INDUSTRY; AND

21 (III) ADOPT REGULATIONS TO IMPLEMENT REMEDIAL
22 MEASURES, IF NECESSARY AND TO THE EXTENT PERMITTED BY STATE AND FEDERAL
23 LAW, BASED ON THE FINDINGS OF THE STUDY EVALUATED UNDER ITEM (I) OF THIS
24 PARAGRAPH.

25 (2) THE COMMISSION MAY REPORT TO THE GENERAL ASSEMBLY, IN
26 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, ANY
27 INFORMATION THAT THE COMMISSION DETERMINES IS NECESSARY TO CONSIDER,
28 DEVELOP, OR IMPLEMENT ANY REMEDIAL MEASURES REQUIRED UNDER THIS
29 SECTION.

30 9-1E-05.

31 (A) THE FOLLOWING PERSONS SHALL BE LICENSED UNDER THIS SUBTITLE:

32 (1) A PERSON THAT OPERATES SPORTS WAGERING;

1 **(2) A PERSON THAT OPERATES SPORTS WAGERING ON BEHALF OF A**
2 **SPORTS WAGERING LICENSEE, INCLUDING AN ONLINE SPORTS WAGERING**
3 **OPERATOR;**

4 **(3) A PERSON NOT LICENSED UNDER ITEM (1) OR (2) OF THIS**
5 **SUBSECTION THAT MANAGES, OPERATES, SUPPLIES, PROVIDES SECURITY FOR, OR**
6 **PROVIDES SERVICE, MAINTENANCE, OR REPAIRS FOR SPORTS WAGERING**
7 **EQUIPMENT AND DEVICES; AND**

8 **(4) AN INDIVIDUAL EMPLOYED IN THE OPERATION OF SPORTS**
9 **WAGERING BY A SPORTS WAGERING LICENSEE IF THE INDIVIDUAL DOES NOT**
10 **OTHERWISE HOLD A VALID LICENSE UNDER SUBTITLE 1A OF THIS TITLE.**

11 **(B) THE COMMISSION MAY BY REGULATION REQUIRE A PERSON THAT**
12 **CONTRACTS WITH A LICENSEE AND THE PERSON'S EMPLOYEES TO OBTAIN A**
13 **LICENSE UNDER THIS SUBTITLE IF THE COMMISSION DETERMINES THAT THE**
14 **LICENSING REQUIREMENTS ARE NECESSARY IN ORDER TO PROTECT THE PUBLIC**
15 **INTEREST AND ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.**

16 **(C) FOR ALL LICENSES REQUIRED UNDER THIS SUBTITLE, IF AN APPLICANT**
17 **HOLDS A VALID LICENSE IN ANOTHER STATE AND THE COMMISSION DETERMINES**
18 **THAT THE LICENSING STANDARDS OF THE OTHER STATE ARE COMPREHENSIVE AND**
19 **THOROUGH AND PROVIDE SIMILAR AND ADEQUATE SAFEGUARDS TO THOSE**
20 **PROVIDED IN THIS SUBTITLE, THE COMMISSION MAY:**

21 **(1) WAIVE SOME OR ALL OF THE REQUIREMENTS OF THIS SUBTITLE;**
22 **AND**

23 **(2) ISSUE A LICENSE TO THAT APPLICANT.**

24 **(D) (1) ON THE REQUEST OF AN APPLICANT, THE COMMISSION MAY**
25 **GRANT AN EXEMPTION OR A WAIVER OF A LICENSING REQUIREMENT OR GROUNDS**
26 **FOR DENIAL OF A LICENSE IF THE COMMISSION DETERMINES THAT THE**
27 **REQUIREMENT OR GROUNDS FOR DENIAL OF A LICENSE AS APPLIED TO THE**
28 **APPLICANT ARE NOT NECESSARY TO PROTECT THE PUBLIC INTEREST OR**
29 **ACCOMPLISH THE POLICIES ESTABLISHED BY THIS SUBTITLE.**

30 **(2) ON GRANTING TO AN APPLICANT AN EXEMPTION OR A WAIVER**
31 **UNDER THIS SUBSECTION, OR AT ANY TIME AFTER AN EXEMPTION OR A WAIVER HAS**
32 **BEEN GRANTED, THE COMMISSION MAY:**

33 **(I) LIMIT OR PLACE RESTRICTIONS ON THE EXEMPTION OR**
34 **WAIVER AS THE COMMISSION CONSIDERS NECESSARY IN THE PUBLIC INTEREST;**
35 **AND**

1 (II) REQUIRE THE PERSON THAT IS GRANTED THE EXEMPTION
2 OR WAIVER TO COOPERATE WITH THE COMMISSION AND TO PROVIDE THE
3 COMMISSION WITH ANY ADDITIONAL INFORMATION REQUIRED BY THE
4 COMMISSION AS A CONDITION OF THE WAIVER OR EXEMPTION.

5 **9-1E-06.**

6 (A) (1) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION
7 ESTABLISHED UNDER § 9-1E-15 OF THIS SUBTITLE MAY:

8 (I) ISSUE A CLASS A SPORTS WAGERING FACILITY LICENSE TO
9 AN APPLICANT WHO IS A VIDEO LOTTERY OPERATOR OR A HORSE RACING LICENSEE;

10 (II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ISSUE
11 NOT MORE THAN FIVE CLASS B SPORTS WAGERING FACILITY LICENSES TO ANY
12 APPLICANT WHO MEETS THE REQUIREMENTS FOR LICENSURE UNDER THIS
13 SUBTITLE; AND

14 (III) ISSUE NOT MORE THAN 10 MOBILE SPORTS WAGERING
15 LICENSES TO ANY APPLICANT WHO MEETS THE REQUIREMENTS FOR LICENSURE
16 UNDER THIS SUBTITLE.

17 (2) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION
18 ESTABLISHED UNDER § 9-1E-15 OF THIS SUBTITLE MAY NOT ISSUE A CLASS B
19 SPORTS WAGERING FACILITY LICENSE TO AN APPLICANT:

20 (I) WHO IS ELIGIBLE TO APPLY FOR A CLASS A SPORTS
21 WAGERING FACILITY LICENSE UNDER PARAGRAPH (1) OF THIS SUBSECTION;

22 (II) WHO HOLDS A CLASS A SPORTS WAGERING FACILITY
23 LICENSE; OR

24 (III) WHOSE SPORTS WAGERING FACILITY WILL BE LOCATED
25 WITHIN A 10-MILE RADIUS OF ANY CLASS A SPORTS WAGERING FACILITY OR ANY
26 OTHER CLASS B SPORTS WAGERING FACILITY.

27 (3) AN APPLICANT FOR A CLASS A SPORTS WAGERING FACILITY
28 LICENSE OR A CLASS B SPORTS WAGERING FACILITY LICENSE MAY APPLY FOR A
29 MOBILE SPORTS WAGERING LICENSE UNDER THIS SUBSECTION.

30 (B) AN APPLICANT FOR A SPORTS WAGERING LICENSE SHALL PAY TO THE
31 COMMISSION AN APPLICATION FEE OF:

1 (1) **\$250,000 FOR A CLASS A SPORTS WAGERING FACILITY LICENSE;**

2 (2) **\$50,000 FOR A CLASS B SPORTS WAGERING FACILITY LICENSE;**

3 **AND**

4 (3) **\$500,000 FOR A MOBILE SPORTS WAGERING LICENSE.**

5 **(C) THE HOLDER OF A SPORTS WAGERING LICENSE SHALL PAY TO THE**
6 **COMMISSION AN ANNUAL LICENSE FEE OF:**

7 (1) **\$50,000 FOR A CLASS A SPORTS WAGERING FACILITY LICENSE;**

8 (2) **\$10,000 FOR A CLASS B SPORTS WAGERING FACILITY LICENSE;**

9 **AND**

10 (3) **\$100,000 FOR A MOBILE SPORTS WAGERING LICENSE.**

11 **(D) (1) THE TERM OF A SPORTS WAGERING LICENSE UNDER THIS**
12 **SECTION IS 5 YEARS.**

13 **(2) ON APPLICATION BY THE SPORTS WAGERING LICENSEE AND**
14 **PAYMENT OF THE LICENSE RENEWAL FEE UNDER PARAGRAPH (3) OF THIS**
15 **SUBSECTION, THE COMMISSION MAY RENEW FOR 5 YEARS A SPORTS WAGERING**
16 **LICENSE IF THE LICENSEE COMPLIES WITH ALL STATUTORY AND REGULATORY**
17 **REQUIREMENTS.**

18 **(3) THE LICENSE RENEWAL FEE IS EQUAL TO 1% OF THE LICENSEE'S**
19 **AVERAGE ANNUAL GROSS SPORTS WAGERING REVENUES FOR THE PRECEDING**
20 **5-YEAR PERIOD LESS ANY PROCEEDS REMITTED BY THE LICENSEE IN ACCORDANCE**
21 **WITH § 9-1E-12 OF THIS SUBTITLE.**

22 **(E) A SPORTS WAGERING LICENSEE MAY NOT BEGIN ACCEPTING WAGERS**
23 **ON SPORTING EVENTS UNTIL THE APPLICATION FEE UNDER SUBSECTION (B) OF**
24 **THIS SECTION IS PAID IN FULL.**

25 **9-1E-07.**

26 **(A) AN APPLICANT FOR A LICENSE UNDER THIS SUBTITLE SHALL SUBMIT TO**
27 **THE COMMISSION AN APPLICATION:**

28 **(1) IN THE FORM THAT THE COMMISSION REQUIRES; AND**

29 **(2) ON OR BEFORE THE DATE SET BY THE COMMISSION.**

1 **(B) (1) A SPORTS WAGERING LICENSEE IS SUBJECT TO:**

2 **(I) THE MINORITY BUSINESS PARTICIPATION GOAL**
3 **ESTABLISHED FOR A UNIT BY THE SPECIAL SECRETARY FOR THE OFFICE OF SMALL,**
4 **MINORITY, AND WOMEN BUSINESS AFFAIRS UNDER § 14-302(A)(1)(II) OF THE**
5 **STATE FINANCE AND PROCUREMENT ARTICLE; AND**

6 **(II) ANY OTHER CORRESPONDING PROVISIONS OF LAW UNDER**
7 **TITLE 14, SUBTITLE 3 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8 **(2) THE MINORITY BUSINESS PARTICIPATION GOAL APPLIES TO:**

9 **(I) CONSTRUCTION RELATED TO SPORTS WAGERING; AND**

10 **(II) PROCUREMENT RELATED TO THE OPERATION OF SPORTS**
11 **WAGERING, INCLUDING PROCUREMENT OF EQUIPMENT AND ONGOING SERVICES.**

12 **(3) ON OR AFTER JULY 1, 2024, THE PROVISIONS OF THIS**
13 **SUBSECTION AND ANY REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL BE**
14 **OF NO EFFECT AND MAY NOT BE ENFORCED.**

15 **(C) (1) THIS SUBSECTION DOES NOT APPLY TO THE APPLICATION OR**
16 **LICENSE RENEWAL FEES FOR A SPORTS WAGERING LICENSE REQUIRED UNDER §**
17 **9-1E-06 OF THIS SUBTITLE.**

18 **(2) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE**
19 **COMMISSION SHALL ADOPT REGULATIONS THAT ESTABLISH AN APPLICATION FEE**
20 **AND LICENSE RENEWAL FEE FOR A LICENSE UNDER THIS SUBTITLE.**

21 **(II) THE APPLICATION FEE FOR AN ONLINE SPORTS WAGERING**
22 **OPERATOR LICENSE MAY NOT BE LESS THAN \$5,000.**

23 **(3) AN APPLICANT SHALL SUBMIT THE APPLICATION FEE WITH THE**
24 **APPLICATION.**

25 **(4) THE TERM OF THE LICENSE IS 5 YEARS.**

26 **(D) ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE**
27 **COMMISSION, THE COMPTROLLER SHALL PAY THE FOLLOWING AMOUNTS FROM**
28 **THE INITIAL LICENSE FEES, ANNUAL LICENSE FEES, AND LICENSE RENEWAL FEES**
29 **COLLECTED BY THE COMMISSION UNDER THIS SECTION AND § 9-1E-06 OF THIS**
30 **SUBTITLE:**

1 **(1) AN AMOUNT TO THE STATE LOTTERY AND GAMING CONTROL**
2 **AGENCY NECESSARY TO REIMBURSE THE AGENCY FOR EXPENSES RELATED TO**
3 **PERFORMING BACKGROUND INVESTIGATIONS AND OTHER ACTIVITIES RELATED TO**
4 **THE ISSUANCE AND RENEWAL OF SPORTS WAGERING LICENSES; AND**

5 **(2) THE REMAINDER TO THE BLUEPRINT FOR MARYLAND'S FUTURE**
6 **FUND ESTABLISHED UNDER § 5-219 OF THE EDUCATION ARTICLE.**

7 **(E) (1) APPLICANTS AND LICENSEES SHALL HAVE THE AFFIRMATIVE**
8 **RESPONSIBILITY TO ESTABLISH BY CLEAR AND CONVINCING EVIDENCE THE**
9 **APPLICANT'S OR LICENSEE'S QUALIFICATIONS.**

10 **(2) APPLICANTS AND LICENSEES SHALL PROVIDE INFORMATION**
11 **REQUIRED BY THIS SUBTITLE AND SATISFY REQUESTS FOR INFORMATION RELATING**
12 **TO QUALIFICATIONS IN THE FORM SPECIFIED BY THE COMMISSION, IF APPLICABLE.**

13 **(3) (I) APPLICANTS AND LICENSEES SHALL:**

14 **1. PROVIDE ASSISTANCE OR INFORMATION REQUIRED**
15 **BY THE COMMISSION; AND**

16 **2. COOPERATE IN AN INQUIRY, AN INVESTIGATION, OR A**
17 **HEARING CONDUCTED BY THE COMMISSION.**

18 **(II) ON ISSUANCE OF A FORMAL REQUEST TO ANSWER OR**
19 **PRODUCE INFORMATION, EVIDENCE, OR TESTIMONY, IF AN APPLICANT OR A**
20 **LICENSEE REFUSES TO COMPLY, THE APPLICATION OR LICENSE MAY BE DENIED,**
21 **SUSPENDED, OR REVOKED BY THE COMMISSION.**

22 **(4) (I) IF THE APPLICANT IS AN INDIVIDUAL, THE APPLICANT**
23 **SHALL BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND**
24 **INVESTIGATION PURPOSES.**

25 **(II) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE**
26 **COMMISSION BY REGULATION MAY ESTABLISH THE CATEGORIES OF INDIVIDUALS**
27 **WHO SHALL BE PHOTOGRAPHED AND FINGERPRINTED FOR IDENTIFICATION AND**
28 **INVESTIGATION PURPOSES.**

29 **(5) (I) APPLICANTS AND LICENSEES SHALL INFORM THE**
30 **COMMISSION OF AN ACT OR OMISSION THAT THE PERSON KNOWS OR SHOULD KNOW**
31 **CONSTITUTES A VIOLATION OF THIS SUBTITLE OR THE REGULATIONS ADOPTED**
32 **UNDER THIS SUBTITLE.**

1 **(II) APPLICANTS AND LICENSEES MAY NOT DISCRIMINATE**
2 **AGAINST A PERSON WHO IN GOOD FAITH INFORMS THE COMMISSION OF AN ACT OR**
3 **OMISSION THAT THE PERSON BELIEVES CONSTITUTES A VIOLATION OF THIS**
4 **SUBTITLE OR THE REGULATIONS ADOPTED UNDER THIS SUBTITLE.**

5 **(6) APPLICANTS AND LICENSEES SHALL PRODUCE INFORMATION,**
6 **DOCUMENTATION, AND ASSURANCES TO ESTABLISH THE FOLLOWING**
7 **QUALIFICATION CRITERIA BY CLEAR AND CONVINCING EVIDENCE:**

8 **(I) THE FINANCIAL STABILITY, INTEGRITY, AND**
9 **RESPONSIBILITY OF THE APPLICANT OR LICENSEE;**

10 **(II) THE INTEGRITY OF ANY FINANCIAL BACKERS, INVESTORS,**
11 **MORTGAGEES, BONDHOLDERS, AND HOLDERS OF OTHER EVIDENCES OF**
12 **INDEBTEDNESS THAT BEAR A RELATION TO THE APPLICATION;**

13 **(III) THE APPLICANT'S OR LICENSEE'S GOOD CHARACTER,**
14 **HONESTY, AND INTEGRITY;**

15 **(IV) SUFFICIENT BUSINESS ABILITY AND EXPERIENCE OF THE**
16 **APPLICANT OR LICENSEE; AND**

17 **(V) THAT:**

18 **1. THE APPLICANT OR LICENSEE HAS ENTERED INTO A**
19 **LABOR PEACE AGREEMENT WITH EACH LABOR ORGANIZATION THAT IS ACTIVELY**
20 **ENGAGED IN REPRESENTING OR ATTEMPTING TO REPRESENT SPORTS WAGERING**
21 **INDUSTRY WORKERS IN THE STATE;**

22 **2. THE LABOR PEACE AGREEMENT IS VALID AND**
23 **ENFORCEABLE UNDER 29 U.S.C. § 158;**

24 **3. THE LABOR PEACE AGREEMENT PROTECTS THE**
25 **STATE'S REVENUES BY PROHIBITING THE LABOR ORGANIZATION AND ITS MEMBERS**
26 **FROM ENGAGING IN PICKETING, WORK STOPPAGES, BOYCOTTS, AND ANY OTHER**
27 **ECONOMIC INTERFERENCE WITH THE OPERATION OF SPORTS WAGERING WITHIN**
28 **THE FIRST 5 YEARS OF THE EFFECTIVE DATE OF A SPORTS WAGERING LICENSE; AND**

29 **4. THE LABOR PEACE AGREEMENT APPLIES TO ALL**
30 **OPERATIONS AT A FACILITY OR LOCATION WHERE SPORTS WAGERING IS**
31 **CONDUCTED.**

32 **(F) (1) ON THE FILING OF AN APPLICATION FOR ANY LICENSE REQUIRED**
33 **UNDER THIS SUBTITLE AND ANY SUPPLEMENTAL INFORMATION REQUIRED BY THE**

1 COMMISSION, THE COMMISSION SHALL CONDUCT A BACKGROUND INVESTIGATION
2 ON THE QUALIFICATIONS OF THE APPLICANT AND ANY PERSON WHO IS REQUIRED
3 TO BE QUALIFIED UNDER THIS SUBTITLE AS A CONDITION OF A LICENSE.

4 (2) THE COMMISSION MAY REFER AN APPLICATION FOR A LICENSE
5 TO AN APPROVED VENDOR UNDER § 9-1A-20 OF THIS TITLE TO CONDUCT THE
6 BACKGROUND INVESTIGATION FOR THE COMMISSION.

7 (G) (1) AFTER RECEIVING THE RESULTS OF THE BACKGROUND
8 INVESTIGATION, THE COMMISSION MAY EITHER GRANT A LICENSE TO AN
9 APPLICANT WHOM THE COMMISSION DETERMINES TO BE QUALIFIED OR DENY THE
10 LICENSE TO AN APPLICANT WHOM THE COMMISSION DETERMINES TO BE NOT
11 QUALIFIED OR DISQUALIFIED.

12 (2) IF AN APPLICATION FOR A LICENSE IS DENIED, THE COMMISSION
13 SHALL PREPARE AND FILE AN ORDER DENYING THE LICENSE WITH A STATEMENT OF
14 THE REASONS FOR THE DENIAL, INCLUDING THE SPECIFIC FINDINGS OF FACT.

15 (H) (1) AN INDIVIDUAL MAY NOT KNOWINGLY GIVE FALSE INFORMATION
16 OR MAKE A MATERIAL MISSTATEMENT IN AN APPLICATION REQUIRED FOR ANY
17 LICENSE UNDER THIS SUBTITLE OR IN ANY SUPPLEMENTAL INFORMATION
18 REQUIRED BY THE COMMISSION.

19 (2) AN INDIVIDUAL WHO VIOLATES THIS SECTION IS GUILTY OF A
20 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT
21 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

22 9-1E-08.

23 (A) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT FOR A
24 LICENSE UNDER § 9-1E-05 OF THIS SUBTITLE, REPRIMAND OR FINE A LICENSEE, OR
25 SUSPEND OR REVOKE A LICENSE FOR A VIOLATION OF:

26 (1) THIS SUBTITLE;

27 (2) A REGULATION ADOPTED UNDER THIS SUBTITLE; OR

28 (3) A CONDITION THAT THE COMMISSION SETS.

29 (B) FOR EACH VIOLATION SPECIFIED IN SUBSECTION (A) OF THIS SECTION,
30 THE COMMISSION MAY IMPOSE A PENALTY NOT EXCEEDING \$5,000.

31 (C) EACH DAY THAT A PERSON IS IN VIOLATION UNDER THIS SECTION
32 SHALL BE CONSIDERED A SEPARATE VIOLATION.

1 **(D) TO DETERMINE THE AMOUNT OF THE PENALTY IMPOSED UNDER**
2 **SUBSECTION (B) OF THIS SECTION, THE COMMISSION SHALL CONSIDER:**

3 **(1) THE SERIOUSNESS OF THE VIOLATION;**

4 **(2) THE HARM CAUSED BY THE VIOLATION; AND**

5 **(3) THE GOOD FAITH OR LACK OF GOOD FAITH OF THE PERSON WHO**
6 **COMMITTED THE VIOLATION.**

7 **(E) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, NOTHING**
8 **CONTAINED IN THIS SUBTITLE ABROGATES OR LIMITS THE CRIMINAL LAWS OF THE**
9 **STATE OR LIMITS THE AUTHORITY OF THE GENERAL ASSEMBLY TO ENACT**
10 **STATUTES ESTABLISHING CRIMINAL OFFENSES AND PENALTIES RELATING TO**
11 **SPORTS WAGERING OPERATIONS.**

12 **9-1E-09.**

13 **(A) A SPORTS WAGERING FACILITY LICENSEE MAY ACCEPT WAGERS ON**
14 **SPORTING EVENTS THAT ARE MADE:**

15 **(1) BY AN INDIVIDUAL PHYSICALLY PRESENT:**

16 **(I) IN A VIDEO LOTTERY FACILITY, IF THE SPORTS WAGERING**
17 **LICENSEE IS A VIDEO LOTTERY OPERATOR;**

18 **(II) AT PIMLICO RACE COURSE, ON LIVE RACING DAYS, OR A**
19 **RACE TRACK LOCATED AT LAUREL PARK OR IN TIMONIUM, IF THE SPORTS**
20 **WAGERING LICENSEE IS A HORSE RACING LICENSEE;**

21 **(III) AT THE FACILITY IDENTIFIED IN THE APPLICATION**
22 **APPROVED BY THE SPORTS WAGERING APPLICATION REVIEW COMMISSION, IF THE**
23 **SPORTS WAGERING LICENSEE IS A HOLDER OF A CLASS B SPORTS WAGERING**
24 **FACILITY LICENSE; OR**

25 **(IV) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AT A**
26 **STADIUM PRIMARILY USED FOR PROFESSIONAL FOOTBALL OR PROFESSIONAL**
27 **BASEBALL IF THE SPORTS WAGERING LICENSEE IS THE OPERATOR OF A VIDEO**
28 **LOTTERY FACILITY LOCATED IN THE SAME COUNTY AS THE STADIUM; OR**

29 **(2) ON A SELF-SERVICE KIOSK OR MACHINE, APPROVED BY THE**
30 **COMMISSION, LOCATED IN A FACILITY OR AT A LOCATION IDENTIFIED UNDER ITEM**
31 **(1) OF THIS SUBSECTION.**

1 **(B) A MOBILE SPORTS WAGERING LICENSEE MAY ACCEPT WAGERS ON**
2 **SPORTING EVENTS THAT ARE MADE THROUGH ONLINE SPORTS WAGERING BY AN**
3 **INDIVIDUAL PHYSICALLY LOCATED IN THE STATE.**

4 **(C) TO PARTICIPATE IN ONLINE SPORTS WAGERING UNDER THIS SECTION,**
5 **AN INDIVIDUAL SHALL REGISTER:**

6 **(1) IF THE MOBILE SPORTS WAGERING LICENSEE IS ALSO A SPORTS**
7 **WAGERING FACILITY LICENSEE, IN PERSON AT A FACILITY OR LOCATION IDENTIFIED**
8 **UNDER SUBSECTION (A)(1) OF THIS SECTION; OR**

9 **(2) ONLINE USING A WEBSITE OR MOBILE APPLICATION APPROVED**
10 **BY THE COMMISSION.**

11 **(D) A SPORTS WAGERING LICENSEE AUTHORIZED TO ACCEPT WAGERS AT A**
12 **STADIUM UNDER SUBSECTION (A)(1)(IV) OF THIS SECTION:**

13 **(1) MAY ACCEPT WAGERS AT THE STADIUM ONLY ON LIVE GAME DAYS;**
14 **AND**

15 **(2) SHALL OWN OR LEASE THE SPORTS WAGERING EQUIPMENT AT**
16 **THE STADIUM AND SHALL, WITH ITS EMPLOYEES, OPERATE THE EQUIPMENT.**

17 **9-1E-10.**

18 **(A) (1) A MOBILE SPORTS WAGERING LICENSEE:**

19 **(I) MAY CONDUCT AND OPERATE ONLINE SPORTS WAGERING;**
20 **OR**

21 **(II) SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION AND**
22 **SUBSECTION (B) OF THIS SECTION, MAY ENTER INTO A CONTRACT WITH AN ONLINE**
23 **SPORTS WAGERING OPERATOR TO CONDUCT ONLINE SPORTS WAGERING ON ITS**
24 **BEHALF.**

25 **(2) A PERSON OTHER THAN THE MOBILE SPORTS WAGERING**
26 **LICENSEE MAY NOT CONDUCT ONLINE SPORTS WAGERING, EXCEPT FOR TESTING**
27 **PURPOSES, UNTIL THE PERSON RECEIVES FROM THE COMMISSION AN ONLINE**
28 **SPORTS WAGERING LICENSE.**

29 **(3) (I) A SPORTS WAGERING LICENSEE MAY NOT CONTRACT WITH**
30 **MORE THAN ONE ONLINE SPORTS WAGERING OPERATOR TO CONDUCT ONLINE**
31 **SPORTS WAGERING ON THE LICENSEE'S BEHALF.**

1 **(II) ALL SPORTS WAGERING LICENSEES THAT ARE RELATED**
2 **ENTITIES ARE TREATED AS A SINGLE SPORTS WAGERING LICENSEE FOR PURPOSES**
3 **OF THE LIMITATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

4 **(B) (1) THE DUTIES AND RESPONSIBILITIES OF AN ONLINE SPORTS**
5 **WAGERING OPERATOR MAY NOT BE ASSIGNED, DELEGATED, SUBCONTRACTED, OR**
6 **TRANSFERRED TO A THIRD PARTY WITHOUT THE PRIOR APPROVAL OF THE**
7 **COMMISSION.**

8 **(2) A THIRD PARTY MUST BE LICENSED AS AN ONLINE SPORTS**
9 **WAGERING OPERATOR BEFORE OFFERING ONLINE SPORTS WAGERING.**

10 **(C) AN ONLINE SPORTS WAGERING OPERATOR MAY CONDUCT ONLINE**
11 **SPORTS WAGERING ON BEHALF OF MORE THAN ONE SPORTS WAGERING LICENSEE.**

12 **9-1E-11.**

13 **(A) AN INDIVIDUAL MAY NOT WAGER ON A SPORTING EVENT AND A SPORTS**
14 **WAGERING LICENSEE MAY NOT ACCEPT A WAGER FROM AN INDIVIDUAL ON A**
15 **SPORTING EVENT IF THE INDIVIDUAL:**

16 **(1) IS UNDER THE AGE OF 21 YEARS;**

17 **(2) IS NOT PHYSICALLY PRESENT IN THE STATE;**

18 **(3) IS AN ATHLETE, A COACH, A REFEREE, OR A DIRECTOR OR AN**
19 **EMPLOYEE OF A SPORTS GOVERNING ENTITY OR ANY OF ITS MEMBER TEAMS;**

20 **(4) IS THE DIRECT OR INDIRECT LEGAL OR BENEFICIAL OWNER OF**
21 **10% OR MORE OF A SPORTS GOVERNING ENTITY OR ANY OF ITS MEMBER TEAMS IF**
22 **ANY MEMBER TEAM OF THAT SPORTS GOVERNING ENTITY PARTICIPATES IN THE**
23 **SPORTING EVENT;**

24 **(5) HAS ACCESS TO CERTAIN TYPES OF EXCLUSIVE INFORMATION ON**
25 **ANY SPORTING EVENT OVERSEEN BY THAT INDIVIDUAL'S SPORTS GOVERNING**
26 **ENTITY;**

27 **(6) HOLDS A POSITION OF AUTHORITY OR INFLUENCE SUFFICIENT TO**
28 **EXERT INFLUENCE OVER THE PARTICIPANTS IN A SPORTING EVENT, INCLUDING**
29 **COACHES, MANAGERS, HANDLERS, OR ATHLETIC TRAINERS;**

30 **(7) IS IDENTIFIED ON A MANDATORY OR VOLUNTARY SPORTS**
31 **WAGERING EXCLUSION LIST MAINTAINED BY THE COMMISSION;**

1 **(8) IS THE OPERATOR, DIRECTOR, OFFICER, OWNER, OR EMPLOYEE**
2 **OF THE SPORTS WAGERING LICENSEE OR ONLINE SPORTS WAGERING OPERATOR OR**
3 **ANY RELATIVE OF THE LICENSEE OR OPERATOR LIVING IN THE SAME HOUSEHOLD**
4 **AS THE LICENSEE OR OPERATOR;**

5 **(9) HAS ACCESS TO NONPUBLIC CONFIDENTIAL INFORMATION HELD**
6 **BY THE SPORTS WAGERING LICENSEE OR ONLINE SPORTS WAGERING OPERATOR; OR**

7 **(10) IS A CATEGORY OF INDIVIDUALS PROHIBITED BY THE**
8 **COMMISSION UNDER SUBSECTION (E) OF THIS SECTION FROM WAGERING ON A**
9 **SPORTING EVENT.**

10 **(B) FOR ONLINE SPORTS WAGERING, A MOBILE SPORTS WAGERING**
11 **LICENSEE SHALL:**

12 **(1) HAVE IN PLACE TECHNICAL AND OPERATIONAL MEASURES TO**
13 **PREVENT ACCESS BY INDIVIDUALS WHO ARE UNDERAGE OR PHYSICALLY LOCATED**
14 **OUTSIDE THE STATE, INCLUDING:**

15 **(I) AGE VERIFICATION PROCEDURES, WHICH MAY REQUIRE**
16 **THE USE OF A REPUTABLE INDEPENDENT THIRD PARTY THAT IS IN THE BUSINESS**
17 **OF VERIFYING AN INDIVIDUAL'S PERSONALLY IDENTIFIABLE INFORMATION; AND**

18 **(II) THE USE OF GEOLOCATION TECHNOLOGY TO VERIFY A**
19 **BETTOR'S GEOGRAPHIC LOCATION;**

20 **(2) INCLUDE ON ITS ONLINE SPORTS WAGERING WEBSITE A**
21 **DESCRIPTION OF THE POSSIBLE REPERCUSSIONS FOR AN UNDERAGE OR**
22 **OUT-OF-STATE BETTOR, WHICH MAY INCLUDE IMMEDIATE STOPPAGE OF PLAY,**
23 **ACCOUNT CLOSURE, AND FORFEITURE AND CONFISCATION OF WINNINGS; AND**

24 **(3) ESTABLISH PROCEDURES TO PREVENT PROHIBITED INDIVIDUALS**
25 **FROM WAGERING ON SPORTING EVENTS.**

26 **(C) A SPORTS WAGERING LICENSEE SHALL:**

27 **(1) PROMPTLY REPORT TO THE COMMISSION:**

28 **(I) ANY CRIMINAL OR DISCIPLINARY PROCEEDINGS AGAINST**
29 **THE LICENSEE OR ITS EMPLOYEES IN CONNECTION WITH THE LICENSEE'S SPORTS**
30 **WAGERING OPERATION;**

1 (II) ANY ABNORMAL BETTING ACTIVITY OR PATTERNS THAT
2 MAY INDICATE A CONCERN ABOUT THE INTEGRITY OF A SPORTING EVENT;

3 (III) ANY OTHER CONDUCT WITH THE POTENTIAL TO CORRUPT
4 THE OUTCOME OF A SPORTING EVENT FOR PURPOSES OF FINANCIAL GAIN,
5 INCLUDING MATCH FIXING; AND

6 (IV) ANY SUSPICIOUS OR ILLEGAL WAGERING ACTIVITIES,
7 INCLUDING THE USE OF FUNDS DERIVED FROM ILLEGAL ACTIVITY, WAGERS TO
8 CONCEAL OR LAUNDER FUNDS DERIVED FROM ILLEGAL ACTIVITY, USE OF AGENTS
9 TO PLACE WAGERS, OR USE OF FALSE IDENTIFICATION; AND

10 (2) MAINTAIN RECORDS OF SPORTS WAGERING OPERATIONS IN
11 ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSION.

12 (D) THE COMMISSION IS AUTHORIZED TO SHARE ANY INFORMATION UNDER
13 THIS SECTION WITH ANY LAW ENFORCEMENT AGENCY, SPORTS TEAM, SPORTS
14 GOVERNING ENTITY, OR REGULATORY AGENCY THE COMMISSION DEEMS
15 APPROPRIATE.

16 (E) (1) IN THIS SUBSECTION, "INTERESTED PARTY" MEANS:

17 (I) A SPORTS WAGERING LICENSEE;

18 (II) A PROFESSIONAL SPORTS TEAM, LEAGUE, ASSOCIATION, OR
19 GOVERNING ENTITY; OR

20 (III) AN INSTITUTION OF HIGHER EDUCATION.

21 (2) IF AN INTERESTED PARTY BELIEVES THAT A TYPE OR FORM OF
22 WAGERING OR A CATEGORY OF INDIVIDUALS WAGERING ON SPORTING EVENTS IS
23 CONTRARY TO PUBLIC POLICY, IS UNFAIR TO CONSUMERS, OR AFFECTS THE
24 INTEGRITY OF A PARTICULAR SPORT OR THE SPORTS WAGERING INDUSTRY, THE
25 INTERESTED PARTY MAY SUBMIT TO THE COMMISSION, IN WRITING, A REQUEST TO
26 PROHIBIT THE TYPE OR FORM OF SPORTS WAGERING OR THE CATEGORY OF
27 INDIVIDUALS FROM WAGERING ON SPORTING EVENTS.

28 (3) THE COMMISSION MAY GRANT A REQUEST SUBMITTED UNDER
29 PARAGRAPH (2) OF THIS SUBSECTION ON A SHOWING OF GOOD CAUSE BY THE
30 INTERESTED PARTY.

31 (4) THE COMMISSION SHALL RESPOND TO A REQUEST UNDER THIS
32 SUBSECTION CONCERNING A PARTICULAR SPORTING EVENT BEFORE THE START OF

1 THE SPORTING EVENT TO THE GREATEST EXTENT FEASIBLE, OR AS SOON AS
2 PRACTICABLE.

3 **9-1E-12.**

4 (A) (1) THE COMMISSION SHALL ACCOUNT TO THE COMPTROLLER FOR
5 ALL OF THE REVENUE UNDER THIS SUBTITLE.

6 (2) THE PROCEEDS FROM SPORTS WAGERING SHALL BE UNDER THE
7 CONTROL OF THE COMPTROLLER AND DISTRIBUTED AS PROVIDED UNDER
8 SUBSECTION (B) OF THIS SECTION.

9 (B) (1) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF
10 THIS PARAGRAPH, ALL PROCEEDS FROM SPORTS WAGERING SHALL BE
11 ELECTRONICALLY TRANSFERRED DAILY INTO THE STATE LOTTERY FUND
12 ESTABLISHED UNDER SUBTITLE 1 OF THIS TITLE.

13 (II) A SPORTS WAGERING FACILITY LICENSEE SHALL RETAIN
14 85% OF THE PROCEEDS FROM SPORTS WAGERING CONDUCTED AT THE LOCATIONS
15 DESCRIBED IN § 9-1E-09(A) OF THIS SUBTITLE.

16 (III) A MOBILE SPORTS WAGERING LICENSEE SHALL RETAIN:

17 1. OF THE FIRST \$5,000,000 OF PROCEEDS FROM
18 ONLINE SPORTS WAGERING RECEIVED BY THE SPORTS WAGERING LICENSEE
19 DURING THE CALENDAR YEAR, 85% OF THE PROCEEDS; AND

20 2. OF ANY PROCEEDS FROM ONLINE SPORTS WAGERING
21 RECEIVED BY THE SPORTS WAGERING LICENSEE DURING THE CALENDAR YEAR
22 EXCEEDING \$5,000,000, 82.5% OF THE PROCEEDS.

23 (2) ALL PROCEEDS FROM SPORTS WAGERING IN THE STATE LOTTERY
24 FUND ESTABLISHED UNDER SUBTITLE 1 OF THIS TITLE SHALL BE DISTRIBUTED ON
25 A MONTHLY BASIS, ON A PROPERLY APPROVED TRANSMITTAL PREPARED BY THE
26 COMMISSION TO THE BLUEPRINT FOR MARYLAND'S FUTURE FUND ESTABLISHED
27 UNDER § 5-219 OF THE EDUCATION ARTICLE.

28 (C) A WINNING WAGER ON A SPORTING EVENT THAT IS NOT CLAIMED BY THE
29 WINNER WITHIN 182 DAYS AFTER THE WAGER IS WON SHALL:

30 (1) BECOME THE PROPERTY OF THE STATE; AND

31 (2) BE DISTRIBUTED TO THE BLUEPRINT FOR MARYLAND'S FUTURE
32 FUND ESTABLISHED UNDER § 5-219 OF THE EDUCATION ARTICLE.

1 (D) IF A SPORTS WAGERING LICENSEE RETURNS TO SUCCESSFUL PLAYERS
2 MORE THAN THE AMOUNT OF MONEY WAGERED ON ANY DAY, THE LICENSEE MAY
3 SUBTRACT THAT AMOUNT FROM THE PROCEEDS OF UP TO 90 FOLLOWING DAYS.

4 9-1E-13.

5 (A) ALL WAGERS ON SPORTING EVENTS AUTHORIZED UNDER THIS
6 SUBTITLE SHALL BE INITIATED, RECEIVED, AND OTHERWISE MADE WITHIN THE
7 STATE UNLESS OTHERWISE DETERMINED BY THE COMMISSION IN ACCORDANCE
8 WITH APPLICABLE FEDERAL AND STATE LAWS.

9 (B) CONSISTENT WITH THE INTENT OF THE UNITED STATES CONGRESS AS
10 ARTICULATED IN THE UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF
11 2006, THE INTERMEDIATE ROUTING OF ELECTRONIC DATA RELATING TO A LAWFUL
12 INTRASTATE WAGER AUTHORIZED UNDER THIS SUBTITLE MAY NOT DETERMINE THE
13 LOCATION IN WHICH THE WAGER IS INITIATED, RECEIVED, OR OTHERWISE MADE.

14 (C) NOTWITHSTANDING THE PROVISIONS OF THIS SUBTITLE, A WAGER ON A
15 SPORTING EVENT MAY BE ACCEPTED OR POOLED WITH A WAGER FROM AN
16 INDIVIDUAL WHO IS NOT PHYSICALLY PRESENT IN THE STATE IF THE COMMISSION
17 DETERMINES THAT ACCEPTING OR POOLING THE WAGER IS NOT INCONSISTENT
18 WITH FEDERAL LAW OR THE LAW OF THE JURISDICTION, INCLUDING ANY FOREIGN
19 NATION, IN WHICH THE INDIVIDUAL IS LOCATED, OR THAT SUCH WAGERING IS
20 CONDUCTED IN ACCORDANCE WITH A RECIPROCAL AGREEMENT TO WHICH THE
21 STATE IS A PARTY THAT IS NOT INCONSISTENT WITH FEDERAL LAW.

22 9-1E-14.

23 ON OR BEFORE DECEMBER 1 EACH YEAR, THE COMMISSION SHALL REPORT
24 TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1257 OF THIS ARTICLE, TO THE
25 GENERAL ASSEMBLY ON:

26 (1) THE OPERATION OF SPORTS WAGERING IN THE STATE; AND

27 (2) SPORTS WAGERING REVENUES FROM THE IMMEDIATELY
28 PRECEDING FISCAL YEAR, INCLUDING THE HANDLE, HOLD, HOLD PERCENTAGE,
29 AND PROCEEDS, BROKEN DOWN BY CATEGORIES DEFINED BY THE COMMISSION.

30 9-1E-15.

31 (A) THERE IS A SPORTS WAGERING APPLICATION REVIEW COMMISSION.

1 **(B) (1) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION**
2 **CONSISTS OF THE FOLLOWING SEVEN MEMBERS:**

3 **(I) THE CHAIR OF THE COMMISSION, OR THE CHAIR'S**
4 **DESIGNEE;**

5 **(II) TWO MEMBERS APPOINTED BY THE GOVERNOR;**

6 **(III) TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE**
7 **SENATE, WHO MAY NOT BE MEMBERS OF THE SENATE; AND**

8 **(IV) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE**
9 **HOUSE, WHO MAY NOT BE MEMBERS OF THE HOUSE OF DELEGATES.**

10 **(2) THE MEMBERSHIP OF THE SPORTS WAGERING APPLICATION**
11 **REVIEW COMMISSION APPOINTED UNDER THIS SUBSECTION SHOULD REFLECT THE**
12 **RACE, GENDER, AND GEOGRAPHIC DIVERSITY OF THE POPULATION OF THE STATE.**

13 **(3) THE GOVERNOR SHALL DESIGNATE A CHAIR OF THE SPORTS**
14 **WAGERING APPLICATION REVIEW COMMISSION FROM AMONG THE MEMBERS**
15 **DESCRIBED UNDER PARAGRAPH (1)(I) AND (II) OF THIS SUBSECTION.**

16 **(4) THE GOVERNOR, IN CONSULTATION WITH THE PRESIDENT OF**
17 **THE SENATE AND THE SPEAKER OF THE HOUSE, MAY REMOVE A MEMBER OF THE**
18 **SPORTS WAGERING APPLICATION REVIEW COMMISSION FOR INEFFICIENCY,**
19 **MISCONDUCT IN OFFICE, OR NEGLECT OF DUTY.**

20 **(C) A MEMBER OF THE SPORTS WAGERING APPLICATION REVIEW**
21 **COMMISSION:**

22 **(1) SHALL BE AT LEAST 21 YEARS OLD;**

23 **(2) SHALL BE A CITIZEN OF THE UNITED STATES;**

24 **(3) SHALL BE A RESIDENT OF THE STATE;**

25 **(4) SHALL BE KNOWLEDGEABLE AND EXPERIENCED IN FISCAL**
26 **MATTERS AND SHALL HAVE AT LEAST 10 YEARS OF SUBSTANTIAL EXPERIENCE:**

27 **(I) AS AN EXECUTIVE WITH FIDUCIARY RESPONSIBILITIES IN**
28 **CHARGE OF A LARGE ORGANIZATION OR FOUNDATION;**

1 (II) IN AN ACADEMIC FIELD RELATING TO FINANCE OR
2 ECONOMICS; OR

3 (III) AS AN ECONOMIST, A FINANCIAL ANALYST, OR AN
4 ACCOUNTANT, OR AS A PROFESSIONAL IN A SIMILAR PROFESSION RELATING TO
5 FISCAL MATTERS OR ECONOMICS;

6 (5) MAY NOT HAVE BEEN CONVICTED OF OR GRANTED PROBATION
7 BEFORE JUDGMENT FOR A SERIOUS CRIME OR A CRIME THAT INVOLVES GAMBLING
8 OR MORAL TURPITUDE;

9 (6) MAY NOT HAVE AN OFFICIAL RELATIONSHIP TO A PERSON THAT
10 HOLDS A LICENSE UNDER THIS SUBTITLE;

11 (7) MAY NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST,
12 OWNERSHIP, OR MANAGEMENT, INCLUDING HOLDING ANY STOCKS, BONDS, OR
13 OTHER SIMILAR FINANCIAL INTERESTS IN ANY GAMING ACTIVITIES, INCLUDING
14 HORSE RACING, VIDEO LOTTERY TERMINALS, OR LOTTERY;

15 (8) MAY NOT RECEIVE OR SHARE IN, DIRECTLY OR INDIRECTLY, THE
16 RECEIPTS OR PROCEEDS OF ANY GAMING ACTIVITIES, INCLUDING HORSE RACING
17 OR LOTTERY;

18 (9) MAY NOT HAVE A BENEFICIAL INTEREST IN ANY CONTRACT FOR
19 THE MANUFACTURE OR SALE OF GAMING DEVICES, THE CONDUCT OF ANY GAMING
20 ACTIVITY, OR THE PROVISION OF ANY INDEPENDENT CONSULTING SERVICES IN
21 CONNECTION WITH ANY GAMING ESTABLISHMENT OR GAMING ACTIVITY;

22 (10) MAY NOT BE AN ELECTED OFFICIAL OF STATE OR LOCAL
23 GOVERNMENT; AND

24 (11) SHALL FILE A FINANCIAL DISCLOSURE STATEMENT WITH THE
25 STATE ETHICS COMMISSION IN ACCORDANCE WITH TITLE 15, SUBTITLE 6 OF THIS
26 ARTICLE.

27 (D) A MEMBER OF THE SPORTS WAGERING APPLICATION REVIEW
28 COMMISSION:

29 (1) MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE SPORTS
30 WAGERING LICENSE REVIEW COMMISSION; BUT

31 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
32 STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

1 **(E) (1) THE COMMISSION AND THE DEPARTMENT OF LEGISLATIVE**
2 **SERVICES SHALL PROVIDE STAFF TO THE SPORTS WAGERING APPLICATION**
3 **REVIEW COMMISSION.**

4 **(2) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL CONTRACT**
5 **WITH AN INDEPENDENT CONSULTANT THAT HAS AT LEAST 10 YEARS OF**
6 **SUBSTANTIAL EXPERIENCE IN CONSULTING ON MATTERS RELATING TO THE GAMING**
7 **INDUSTRY TO ASSIST THE SPORTS WAGERING APPLICATION REVIEW COMMISSION**
8 **IN THE REVIEW AND ANALYSIS OF APPLICATIONS SUBMITTED UNDER THIS SECTION.**

9 **(F) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION:**

10 **(1) SHALL REVIEW APPLICATIONS FOR LICENSURE SUBMITTED IN**
11 **ACCORDANCE WITH § 9-1E-06 OF THIS SUBTITLE; AND**

12 **(2) MAY AWARD NOT MORE THAN FIVE CLASS B SPORTS WAGERING**
13 **FACILITY LICENSES AND 10 MOBILE SPORTS WAGERING LICENSES TO QUALIFIED**
14 **APPLICANTS, THROUGH A COMPETITIVE PROCESS CONSISTENT WITH THE PROCESS**
15 **FOR COMPETITIVE SEALED PROPOSALS UNDER TITLE 13 OF THE STATE FINANCE**
16 **AND PROCUREMENT ARTICLE.**

17 **(G) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO PREEMPT THE**
18 **EXCLUSIVE AUTHORITY OF THE SPORTS WAGERING APPLICATION REVIEW**
19 **COMMISSION TO AWARD SPORTS WAGERING LICENSES IN ACCORDANCE WITH THIS**
20 **SUBTITLE.**

21 **(H) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE SPORTS**
22 **WAGERING APPLICATION REVIEW COMMISSION SHALL ADOPT REGULATIONS**
23 **GOVERNING THE EVALUATION OF APPLICATIONS FOR LICENSURE SUBMITTED IN**
24 **ACCORDANCE WITH § 9-1E-06 OF THIS SUBTITLE.**

25 **(2) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION, IN**
26 **CONSULTATION WITH THE CERTIFICATION AGENCY AS DEFINED IN § 14-301 OF THE**
27 **STATE FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR'S OFFICE OF**
28 **SMALL, MINORITY, AND WOMEN BUSINESS AFFAIRS, AND THE OFFICE OF THE**
29 **ATTORNEY GENERAL, SHALL:**

30 **(I) EVALUATE A STUDY OF THE SPORTS WAGERING INDUSTRY**
31 **AND MARKET TO DETERMINE WHETHER THERE IS A COMPELLING INTEREST TO**
32 **IMPLEMENT REMEDIAL MEASURES, IN ADDITION TO THE APPLICATION OF THE**
33 **STATE MINORITY BUSINESS ENTERPRISE PROGRAM UNDER TITLE 14, SUBTITLE 3**

1 OF THE STATE FINANCE AND PROCUREMENT ARTICLE OR A SIMILAR PROGRAM, TO
2 ASSIST MINORITIES AND WOMEN IN THE SPORTS WAGERING INDUSTRY;

3 (II) EVALUATE RACE-NEUTRAL PROGRAMS OR OTHER
4 METHODS THAT MAY BE USED TO ADDRESS THE NEEDS OF MINORITY AND WOMEN
5 APPLICANTS AND MINORITY AND WOMEN-OWNED BUSINESSES SEEKING TO
6 PARTICIPATE IN THE SPORTS WAGERING INDUSTRY; AND

7 (III) ADOPT REGULATIONS TO IMPLEMENT REMEDIAL
8 MEASURES, IF NECESSARY AND TO THE EXTENT PERMITTED BY STATE AND FEDERAL
9 LAW, BASED ON THE FINDINGS OF THE STUDY EVALUATED UNDER ITEM (I) OF THIS
10 PARAGRAPH.

11 (I) (1) IF AN APPLICANT IS SEEKING INVESTORS IN THE ENTITY
12 APPLYING FOR A SPORTS WAGERING LICENSE, THE APPLICANT SHALL TAKE THE
13 FOLLOWING STEPS BEFORE BEING AWARDED A LICENSE BY THE SPORTS WAGERING
14 APPLICATION REVIEW COMMISSION:

15 (I) MAKE SERIOUS, GOOD-FAITH EFFORTS TO SOLICIT AND
16 INTERVIEW A REASONABLE NUMBER OF MINORITY INVESTORS; AND

17 (II) AS PART OF THE APPLICATION, SUBMIT A STATEMENT THAT
18 LISTS THE NAMES AND ADDRESSES OF ALL MINORITY INVESTORS INTERVIEWED AND
19 WHETHER OR NOT ANY OF THOSE INVESTORS HAVE PURCHASED AN EQUITY SHARE
20 IN THE ENTITY SUBMITTING AN APPLICATION.

21 (2) IF AN APPLICANT IS AWARDED A LICENSE BY THE SPORTS
22 WAGERING APPLICATION REVIEW COMMISSION, THE APPLICANT SHALL SIGN A
23 MEMORANDUM OF UNDERSTANDING WITH THE SPORTS WAGERING APPLICATION
24 REVIEW COMMISSION THAT REQUIRES THE AWARDEE TO AGAIN MAKE SERIOUS,
25 GOOD-FAITH EFFORTS TO INTERVIEW MINORITY INVESTORS IN ANY FUTURE
26 ATTEMPTS TO RAISE VENTURE CAPITAL OR ATTRACT NEW INVESTORS TO THE
27 ENTITY AWARDED THE LICENSE.

28 (3) THE GOVERNOR'S OFFICE OF SMALL, MINORITY, AND WOMEN
29 BUSINESS AFFAIRS, IN CONSULTATION WITH THE OFFICE OF THE ATTORNEY
30 GENERAL, SHALL PROVIDE ASSISTANCE TO ALL POTENTIAL APPLICANTS AND
31 POTENTIAL MINORITY INVESTORS TO SATISFY THE REQUIREMENTS UNDER
32 PARAGRAPHS (1)(I) AND (2) OF THIS SUBSECTION.

33 (J) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION MAY NOT
34 AWARD A SPORTS WAGERING LICENSE TO A PERSON THAT IS NOT QUALIFIED UNDER
35 THIS SECTION OR THIS SUBTITLE.

1 **(K) (1) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION**
2 **SHALL REFER TO THE STATE LOTTERY AND GAMING CONTROL COMMISSION THE**
3 **NAME AND ALL RELEVANT INFORMATION CONCERNING A PERSON THAT MAKES AN**
4 **APPLICATION UNDER THIS SECTION.**

5 **(2) ON RECEIPT OF THE INFORMATION IN PARAGRAPH (1) OF THIS**
6 **SUBSECTION, THE STATE LOTTERY AND GAMING CONTROL COMMISSION SHALL**
7 **EVALUATE WHETHER AN APPLICANT IS QUALIFIED TO HOLD A SPORTS WAGERING**
8 **LICENSE UNDER THIS SUBTITLE.**

9 **(3) ON COMPLETION OF ITS DETERMINATION, THE STATE LOTTERY**
10 **AND GAMING CONTROL COMMISSION SHALL NOTIFY THE SPORTS WAGERING**
11 **APPLICATION REVIEW COMMISSION OF ITS EVALUATION AS TO WHETHER AN**
12 **APPLICANT IS QUALIFIED TO HOLD A SPORTS WAGERING LICENSE UNDER THIS**
13 **SUBTITLE.**

14 **(L) AFTER AN AWARD OF A SPORTS WAGERING LICENSE UNDER THIS**
15 **SECTION, THE SPORTS WAGERING APPLICATION REVIEW COMMISSION SHALL**
16 **NOTIFY THE STATE LOTTERY AND GAMING CONTROL COMMISSION OF THE**
17 **SUCCESSFUL APPLICANTS.**

18 **(M) AFTER AN AWARD OF A SPORTS WAGERING LICENSE UNDER THIS**
19 **SECTION, THE STATE LOTTERY AND GAMING CONTROL COMMISSION SHALL:**

20 **(1) ISSUE THE SPORTS WAGERING LICENSE; AND**

21 **(2) BE RESPONSIBLE FOR ALL MATTERS RELATING TO REGULATION**
22 **OF THE LICENSEE.**

23 **(N) (1) AN UNSUCCESSFUL APPLICANT FOR A SPORTS WAGERING**
24 **LICENSE UNDER THIS SECTION MAY SEEK, UNDER TITLE 15 OF THE STATE FINANCE**
25 **AND PROCUREMENT ARTICLE, REVIEW BY THE STATE BOARD OF CONTRACT**
26 **APPEALS OF THE AWARDED OF THE SPORTS WAGERING LICENSE BY THE SPORTS**
27 **WAGERING APPLICATION REVIEW COMMISSION.**

28 **(2) A PROCEEDING UNDER THIS SUBSECTION SHALL:**

29 **(I) TAKE PRECEDENCE ON THE BOARD'S DOCKET;**

30 **(II) BE HEARD AT THE EARLIEST PRACTICABLE DATE; AND**

31 **(III) BE EXPEDITED IN EVERY WAY.**

1 **(O) (1) NOTHING IN THIS SUBTITLE MAY BE CONSTRUED TO REQUIRE THE**
2 **SPORTS WAGERING APPLICATION REVIEW COMMISSION TO AWARD ALL FIVE**
3 **CLASS B SPORTS WAGERING FACILITY LICENSES OR ALL 10 MOBILE SPORTS**
4 **WAGERING LICENSES AUTHORIZED UNDER THIS SUBTITLE.**

5 **(2) NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SUBTITLE,**
6 **THE SPORTS WAGERING APPLICATION REVIEW COMMISSION MAY NOT AWARD A**
7 **SPORTS WAGERING LICENSE UNDER THIS SUBTITLE UNLESS THE SPORTS**
8 **WAGERING APPLICATION REVIEW COMMISSION DETERMINES AND DECLARES THAT**
9 **AN APPLICANT SELECTED FOR AWARD OF THE LICENSE IS IN THE PUBLIC INTEREST**
10 **AND IS CONSISTENT WITH THE PURPOSES OF THIS SUBTITLE.**

11 **(P) THE SPORTS WAGERING APPLICATION REVIEW COMMISSION MAY**
12 **AWARD A SPORTS WAGERING LICENSE THAT IS REVOKED OR SURRENDERED**
13 **UTILIZING THE CRITERIA ESTABLISHED IN THIS SUBTITLE.**

14 **(Q) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,**
15 **THE SPORTS WAGERING APPLICATION REVIEW COMMISSION SHALL TERMINATE**
16 **ON JANUARY 1, 2028.**

17 **(2) THE GOVERNOR MAY RECONSTITUTE THE SPORTS WAGERING**
18 **APPLICATION REVIEW COMMISSION, WHICH SHALL INCLUDE THE APPOINTMENT OF**
19 **NEW MEMBERS BASED ON THE CRITERIA ESTABLISHED UNDER SUBSECTIONS (B)**
20 **AND (C) OF THIS SECTION:**

21 **(I) 1 YEAR PRIOR TO THE EXPIRATION OF A SPORTS WAGERING**
22 **LICENSE; OR**

23 **(II) FOLLOWING THE REVOCATION OR SURRENDER OF A SPORTS**
24 **WAGERING LICENSE.**

25 SECTION 3. AND BE IT FURTHER ENACTED, That it is the intent of the General
26 Assembly that the Sports Wagering Application Review Commission established under §
27 9–1E–15 of the State Government Article, as enacted by Section 2 of this Act, shall examine
28 the factors examined and remedial measures implemented by the Natalie M. LaPrade
29 Medical Cannabis Commission with respect to the licensure of medical cannabis growers,
30 processors, and dispensaries and determine whether similar factors and remedial measures
31 may be applied to the sports wagering industry.

32 SECTION 4. AND BE IT FURTHER ENACTED, That the certification agency
33 designated by the Board of Public Works under § 14–303(b) of the State Finance and
34 Procurement Article to certify and decertify minority business enterprises, in consultation
35 with the Office of the Attorney General and the Governor’s Office of Small, Minority, and

1 Women Business Affairs, shall initiate an analysis of the Minority Business Enterprise
2 Program requirements of § 10A–404 of the State Finance and Procurement Article and the
3 disparity study submitted pursuant to Chapter 340 of the Acts of the General Assembly of
4 2017 to evaluate compliance with the requirements of any federal and constitutional
5 requirements and submit a report on the analysis to the Legislative Policy Committee of
6 the General Assembly, in accordance with § 2–1257 of the State Government Article, on or
7 before December 1, 2023.

8 SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2021.