
Overview of Sports Wagering Legislation

**Presentation to the
Sports Wagering Application Review Committee**



August 16, 2021



Overview

- Current gaming activities impacted by sports wagering
- Overview of the law authorizing sports wagering
 - Types of licenses authorized
 - The role of the Sports Wagering Application Review Commission (SWARC) and the Maryland Lottery and Gaming Control Commission (MLGCC)
 - Exclusion zones
- Timeline of events
- Next steps



Current Gaming Activities

- Casino Gaming
 - Regulated by the State Lottery and Gaming Control Agency (SLGCA) with MLGCC
- Horse Racing/Off-track Betting (OTB)
 - Regulated by the State Racing Commission
- Commercial Bingo
 - Regulated by local governments and SLCGA



Maryland Casinos

Location	Name	VLTs*	Table Games*
Prince George's	MGM	2,207	200
Anne Arundel	Live! Casino	3,249	188
Baltimore City	Horseshoe Casino	1,341	137
Worcester	Ocean Downs Casino	855	18
Cecil	Hollywood Casino	641	16
Allegany	Rocky Gap Casino Resort	650	16

VLT: video lottery terminals

* As of June 2021



Horse Racing and OTBs

Live Racing

- Thoroughbred
 - Laurel Park
 - Pimlico Race Course
 - State Fairgrounds
- Standardbred (Harness)
 - Rosecroft Raceway
 - Ocean Downs
- Steeple Chase
 - Fair Hill

OTB Facilities

- Greenmount Station
 - Carroll County
- Jockey Bar and Grille
 - Washington County
- Long Shot's
 - Frederick County
- Riverboat on the Potomac
 - Charles County



Commercial Bingo

- 13 locations in two counties
 - Anne Arundel County – 9 locations
 - Calvert County – 4 locations
- Only 2 locations authorized to have 200 machines
 - Bingo World – Anne Arundel County
 - Rod ‘N’ Reel – Calvert County



Overview of Chapter 356 of 2021

- Chapter 356 governs the implementation of sports wagering in the State
- An individual at least 21 years old may wager on certain events
- Three types of sports wagering licenses are authorized
 - Class A Sports Wagering Licenses – physical facility
 - Class B Sports Wagering Licenses – physical facility
 - Mobile Sports Wagering Licenses – web/internet based
- All the Class A and 7 Class B licenses are designated/named by law
- Subject to certain restrictions, SWARC is authorized to award up to
 - 30 Class B Sports Wagering Licenses (in addition to the 7 designated by law)
 - 60 Mobile Sports Wagering Licenses



Class A Sports Wagering Licenses

Class A-1 License

- Three casinos with over 1,000 VLTs
 - Horseshoe Casino
 - Live! Casino
 - MGM
- Three stadiums/professional sports teams
 - Oriole Park
 - M&T Bank Stadium
 - FedEx Field
- Application fee is \$2 million

Class A-2 License

- Three casinos with fewer than 1,000 VLTs
 - Hollywood Casino
 - Ocean Downs Casino
 - Rocky Gap Casino Resort
- One Laurel/Pimlico License
- Application fee is \$1 million



Class B Designated Sports Wagering Licenses

- Seven designated Class B licenses
 - State Fairgrounds
 - Four OTB locations
 - Greenmount Station
 - The Jockey Bar and Grille
 - Long Shot's
 - Riverboat on the Potomac
 - Two commercial bingo facilities with at least 200 machines
 - Bingo World
 - Rod 'N' Reel



Class B Sports Wagering Licenses

Class B-1 Licenses

- Any entity applying for a Class B with more than:
 - 25 or more employees; or
 - \$3 million in gross receipts
- Application fee is \$250,000

Class B-2 Licenses

- Any entity applying for a Class B with less than:
 - 25 employees; or
 - \$3 million in gross receipts
- Application fee is \$50,000



Mobile Sports Wagering Licenses

- Subject to certain requirements, SWARC may award up to 60 mobile sports wagering licenses
- Application fee is \$500,000



MLGCC vs. SWARC

MLGCC

- Regulation of the operation of sports wagering
- Licensing of industry participants
- Issuance of the Sports Wagering License
- License Renewal Process

SWARC

- Establishes the license application process
- Awards all sports wagering licenses
 - Determines that awarding an applicant a license is in the public interest
 - MOU with licensee regarding future investors
- Special considerations for Class B and Mobile licenses
- Ensures when awarding each license that the exclusion zone is maintained



SWARC – Class B and Mobile Licenses

- Actively seek to achieve racial, ethnic, and gender diversity when awarding licenses
- Encourage applicants who qualify as a minority business enterprise or who are small, minority-, or women-owned business entities to apply for sports wagering licenses



SWARC – Class B and Mobile Licenses – Activities

- Evaluate a study of the sports wagering industry to determine whether there is a compelling interest to implement remedial measures to assist minorities and women in the sports wagering industry
 - The study will be the subject of a future SWARC meeting
- Evaluate race-neutral programs to address the needs of minorities, women, and minority- and women-owned businesses seeking to participate in the sports wagering industry, including through ownership of licensed sports wagering entities
- If remedial measures are necessary, SWARC must adopt regulations to implement the remedial measures



SWARC – Class B and Mobile Licenses

- Consider as a factor for awarding a license whether an applicant for a Class B license intends to conduct sports wagering at a facility located in an opportunity zone or an enterprise zone
- Consider allowing early access to the mobile sports wagering market to entities with a meaningful partnership with minorities, women, and minority- and women-owned businesses



Exclusion Zones

- A license may not be awarded to a licensee for a location within
 - a 15 mile radius of Hollywood Casino, Ocean Downs Casino, and Rocky Gap Casino
 - a 1.5 mile radius of any other Class A or B licensee

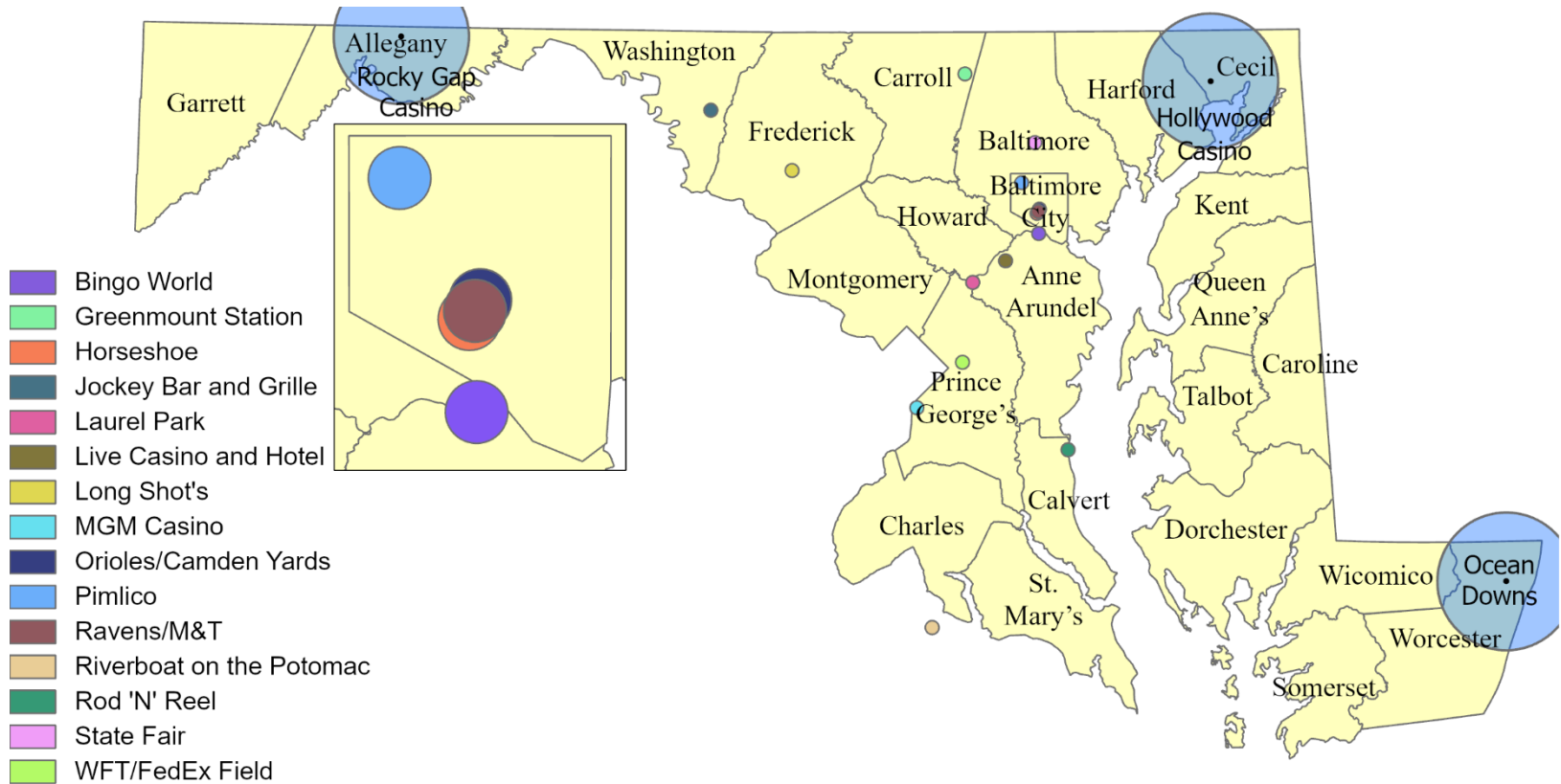


Exclusion Zones

- Horseshoe Casino
- Live Casino
- MGM Casino
- Hollywood Casino -
- Ocean Downs Casino
- Rocky Gap Casino
- Oriole Park
- M&T Bank Stadium
- FedEx Field
- Laurel Park/Pimlico Race Course
- Bingo World
- Rod 'N' Reel
- Md State Fairgrounds
- Greenmount Station
- Jockey Bar and Grille
- Long Shot's
- Riverboat on the Potomac

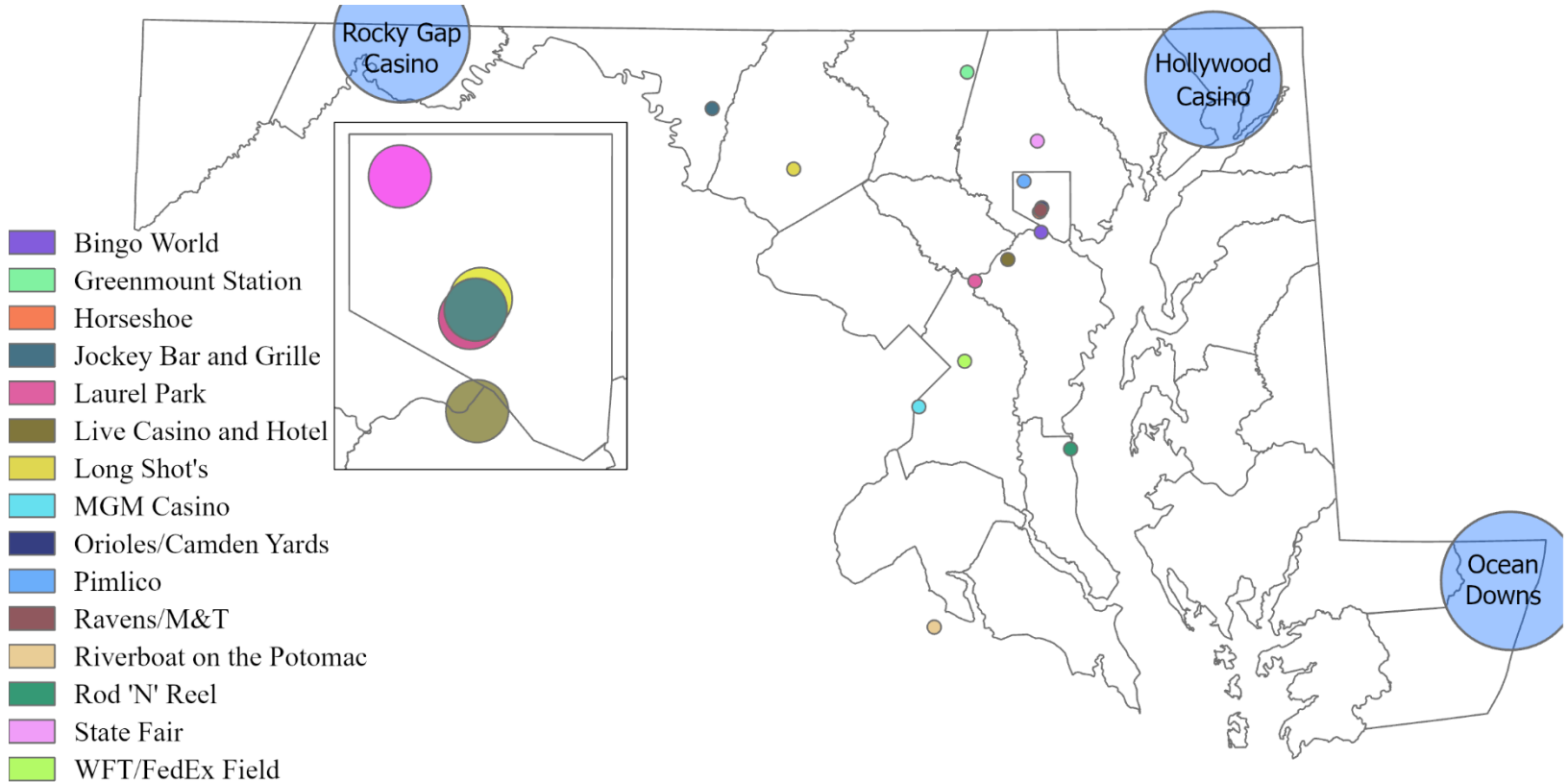


Designated Locations – Map





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Transferability

A Class B and Mobile licensee may not transfer ownership of a license unless the licensee has been actively engaged in operating sports wagering in the State for at least three years



Timeline of Events

- Begin awarding licenses to applicants designated in law and approved by Lottery
- Evaluate a study of the sports wagering industry to determine if there is a compelling interest to implement remedial measures to assist minorities and women
- Adopt regulations providing for a scoring system for competitive licenses
- Competitive Class B license applications submitted
- Competitive Class B licenses awarded
- Competitive Mobile license applications submitted
- Competitive Mobile licenses awarded



Next Steps

- Does SWARC require any information from designated applicants before approving their license?
- Meeting schedule
 - Next meeting week of September 20 to 24?
- Questions?