

**STATE OF MARYLAND  
SURVEY REGARDING THE ISSUANCE OF CLASS B-1, B-2 AND  
MOBILE SPORTS WAGERING LICENSES**



**January 19, 2022**

**ISSUED BY MARYLAND'S SPORTS WAGERING  
APPLICATION REVIEW COMMISSION**

## **SECTION 1 GENERAL**

### **A. Background**

On May 18, 2021, the Governor of the State of Maryland (the “**State**”) signed into law HB940 (the “**Act**”), to regulate fantasy gaming competitions and implement sports wagering in the State. The Act, among other things, authorizes license holders to accept wagers on sporting events and requires the State Lottery and Gaming Control Commission (the “**Commission**”) to regulate sports wagering in the State.

The Act also established the Sports Wagering Application Review Commission (“**SWARC**”) to award sports wagering licenses to qualified applicants; 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; evaluate race-neutral programs or other methods that may be used to address the needs of minorities, women, and minority and women-owned businesses seeking to participate in the sports wagering industry; consider whether an applicant for a Class B-1 or B-2 license intends to conduct sports wagering at a facility located in an opportunity or enterprise zone; consider allowing early access to mobile sports wagering to entities with a meaningful partnership with minorities, women, and minority- and women-owned businesses; and adopt regulations that, among other things, seek to achieve racial, ethnic, and gender diversity when awarding sports wagering licenses to the extent permitted by Federal and State law.

The Act creates four classes of licenses for in-person sports wagering (Class A-1, A-2, B-1 and B-2 licenses) and a single class of mobile licenses. The Class A-1 and A-2 licenses and a portion of the Class B-1 and B-2 licenses are issuable to certain applicants designated in the Act; one of up to 30 Class B-1 and B-2 sports wagering facility licenses and/or one of up to 60 mobile licenses are issuable to any applicant who meets the requirements for licensure under the Act. Class B-1 licenses are for entities with more than 25 employees or \$3 million in gross receipts. Class B-2 licenses are for entities with less than 25 employees or \$3 million in gross receipts. The Commission has the responsibility to determine whether an applicant is qualified to hold a sports wagering license, applying the same requirements that the Commission applies in determining whether an applicant is qualified to hold a State video lottery license. SWARC has the responsibility to evaluate a qualified applicant for license award, applying the factors governing the evaluation of applicants in regulations adopted by SWARC.

### **B. Goals**

SWARC’s goals are to create an opportunity to achieve an economically successful sports wagering industry and to fulfill its responsibility under the Act to implement the Act in a manner that, to the extent permitted by Federal and State law, achieves racial, ethnic, and gender diversity when awarding licenses, and encourages applicants who qualify as a minority business enterprise or who are small, minority-owned, or women-owned business entities to apply for sports wagering licenses.

### C. Purpose

Responding to this Survey is not a condition to a sports wagering license applicant participating in the competitive process for selecting an awardee of a sports wagering license and respondents do not need to respond to all questions. Rather, this Survey is a means of information gathering from experienced industry participants. SWARC is seeking feedback, suggestions and comments on the questions set forth in Section 2 below to further its planning process and enable it to take into account the perspective of industry participants on key issues being considered by SWARC. To the extent others have comments but are not experienced industry participants, they too are free to respond with recommendations or suggestions. In addition, it is hoped that the responses to this Survey will provide useful information that will be shared with individuals and organizations who wish to participate in the ownership of a sports wagering license. By providing industry respondents the unique opportunity for input into the planning process SWARC believes it will further its goals as expressed in Section 1 B. above.

### SECTION 2 QUESTIONS

Respondents are invited to respond to any or all of the following questions. This Survey is issued solely for the purpose of obtaining information from experienced industry participants and others submitted on a voluntary basis. Nothing in this Survey should be construed as a commitment on the part of SWARC to award a sports wagering license to any respondent that, in the future, applies for a sports wagering license and responding to this Survey will in no way affect SWARC's consideration of any respondent's application for a sports wagering license. SWARC may, but is not obligated to, include in any future competitive selection process for a sports wagering license any responses obtained through this Survey. Should a respondent to this Survey submit an application for a sports wagering license to SWARC, such application need not incorporate the responses to this Survey submitted by such applicant. Any cost incurred by a respondent in responding to this Survey is the sole responsibility of the respondent. Responses should not include any trade secrets or proprietary or confidential information. All responses submitted in response to this Survey may be considered public records and as such be subject to the Maryland Public Information Act. SWARC reserves the right to amend this Survey prior to the submission deadline. SWARC has the right to contact a respondent after receiving its submission in order to clarify any portion of its response.

1. As indicated in Section 1 A. above, SWARC has the authority to issue up to 30 Class B licenses (whether B-1 or B-2 licenses) authorizing in-person sports wagering to be conducted at a single physical facility located in Maryland and up to 60 mobile licenses authorizing sports wagering to be conducted in Maryland through a single online sports wagering website and/or application on a computer, mobile device or other interactive device. What do you believe to be the minimum and maximum number of mobile licenses that SWARC should consider awarding? Please also indicate your reasons for your response.
2. If permitted by Federal and State law, would you be in favor of SWARC implementing remedial measures to assist minority and women-owned businesses?
3. What obstacles do you believe minorities, women, and minority- and women-owned businesses face in becoming owners of, or having a meaningful ownership interest in,

sports wagering licensees? What steps do you believe the sports wagering industry could take to help these groups overcome such obstacles?

4. Do you believe that established sports wagering organizations or gaming entities (if applying for a Class B-1, B-2 or mobile license) would be willing to seek investors in the entity applying for a Class B-1, B-2 or mobile license from minority and women investors and assist such investors in financing the acquisition of ownership interests in such entity by minority and women investors?
5. If a sports wagering facility license (whether Class B-1 or B-2) or mobile license were awarded to a minority- or women-owned entity, do you believe that established sports wagering organizations would be willing to enter into a partnership/joint venture with such entity in which the established sports wagering organization provides financing and/or operating expertise in exchange for a revenue sharing arrangement?
6. What type of marketing affiliations do you believe that mobile licensees in the State would be interested in establishing?
7. What other feedback, suggestions or comments do you have regarding the factors that SWARC should consider when awarding Class B-1, B-2 and mobile sports wagering licenses?

### **SECTION 3 SUBMISSION REQUIREMENTS**

Please limit your responses to no more than five (5) pages. The preferred response format is to repeat each question in Section 2, followed by the respondent's feedback, suggestions and comments to that question. Responses should take into account SWARC's goals expressed above in Section 1 B. To be considered, responses must be submitted by **February 18, 2022**, no later than 2:00 p.m., Eastern Standard Time. SWARC reserves the right to extend this deadline. Responses may be mailed, e-mailed or faxed to:

Kimberly M. Copp  
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Chicago, IL 60601  
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Respondents may contact: Kimberly M. Copp at (312) 836-4068, Cezar M. Froelich at (312) 836-4002 or Michael J. Schaller at (312) 836-4005, attorneys with Taft Stettinius & Hollister LLP if they have any questions regarding this Survey. Respondents are prohibited from communicating directly with any State employee or member of the Commission or SWARC regarding this Survey and no State employee or member of the Commission or SWARC is authorized to provide any information or respond to any question or inquiry concerning this Survey.