To: Thomas Brandt, Chair, Sports Wagering Application Review Commission (SWARC)

From: Horseshoe Baltimore

Live! Casino and Hotel

MGM National Harbor

Re: Sports Wagering Application Approval

When HB940 passed in April 2021, it was the culmination of more than four legislative sessions worth of debate in Maryland about whether the State should legalize sports wagering within its boundaries. Since the Maryland legislature first began debating this issue in 2018, Maryland voters passed by a 2-to-1 margin a referendum supporting sports betting legalization, and every jurisdiction surrounding Maryland has passed a sports wagering law and permitted sports wagering to launch. Finally, in 2021, the legislature passed, by an overwhelming margin, a bill that many legislators called “historic” and “ground breaking.” The structure of this bill was very complex but it explicitly mandated that 17 named entities in the State receive “Class A” retail sports wagering licenses as long as they pass the scrutiny of the Maryland Lottery and Gaming Control Commission (MLGCC).

The resulting statute is State Gov't  § 9-1E-15. Its subsection (f), entitled "Duties," states:

“The Sports Wagering Application Review Commission:

(1) Shall review applications for Sports Wagering Licenses submitted in accordance with 9-1E-06 of this subtitle;

(2) Shall award:

(I) A Class A-1 or A-2 facility license to any applicant that meets the requirements for licensure under this subtitle…”

Each of the “Class A” applicants signing this letter has passed the rigorous scrutiny of the MLGCC and satisfied the conditions for licensure established by HB940(F). Yet, the Sports Wagering Application Review Commission (SWARC) has delayed approval of these licenses for several weeks with no clear explanation for the delay.

In preparation for the enactment of this statute, the casino industry has hired hundreds of Marylanders to begin working. However, these new employees have not enjoyed their first day, nor have they been given a starting date for their employment, which includes critical health benefits for themselves and their families during a global pandemic.

While there has been no formal correspondence to the applicants about a justification for these delays, we understand from media reports that the delays are due to a desire to conduct a second disparity study, under the authority of § 9-1E-15(h)(3), to “determine whether there is a compelling interest [to] implement remedial measures…to assist minorities and women in the sports wagering industry .However, the statute is clear that the provisions of § 9-1E-15(h) do not apply to Class A retail sports wagering license applicants: “This subsection [(h)]applies only to Class B-1 or B-2 Sports Wagering Facility Licenses, other than licenses issued to an applicant described under 9-1E-06(A)(2)(I) of this subtitle, and mobile sports wagering licenses.” In other words, while the undersigned acknowledge SWARC's statutory authority under subsection (h) to conduct a second disparity study and to undertake any attendant evaluation for purposes of awarding Class B licenses, SWARC's exercise of that statutory authority is not a valid basis to delay the prompt award of licenses to Class A applicants.

As Maryland casino operators, we are good faith, proven partners with Maryland residents, the State of Maryland, and the Maryland Legislature. We have provided the State of Maryland more than $12.47 billion dollars since beginning operations in 2010. The casino industry has hired thousands of Marylanders and wish to continue to be partners in good faith with the State and stand ready to bring hundreds more Marylanders into our workforces as soon as permitted.

We ask SWARC to give speedy consideration to the applicants who have met the requirements of this statute, and award “Class A licenses” to those applicants found suitable by the MLGCA.

Cc: Governor Lawrence Hogan

Senate President Bill Ferguson

Speaker Adrienne Jones

Rosie Allen-Herring, Member SWARC

Laura Gamble, Member SWARC

Bert Hash, Jr., Member SWARC

E. Randolph Marriner, Member SWARC, Chair, MLGCC

Cassandra Stevenson, Member SWARC

The Honorable Frank Turner, Member SWARC

John Martin, Executive Director, MLGCA