

Chapter 52: LICENSE APPLICATION, FEE AND RENEWAL

SUMMARY: All sports wagering facility operators, mobile sports wagering operators, and all persons participating in offering sports wagering to bettors within a facility or through a mobile operation, or as a management services provider, supplier or as an employee must apply for and be granted the appropriate license as specified by 8 M.R.S.A. § 1204-1210.

1. Sports Wagering Operators, Management Services Providers, Suppliers and Key Personnel

1. A person or entity may not engage in any sports wagering activities in this State that require a license or any activities ancillary to activities for which a person or entity must hold a license under this chapter unless that person or entity has obtained all necessary licenses in accordance with Title 8, chapter 35 and these sports wagering rules.
2. An application for any type of license under these rules shall be submitted on forms issued by the Director and available on the Gambling Control Unit's website, in accordance with the requirements of Maine statute. The version of the application form on the Gambling Control Unit's website is the current form. Any applications submitted on any other version of the form will be deemed incomplete. The most current forms shall be used or returned as incomplete.
3. An eligible person or entity may submit an application provided by the Director for sports wagering activities. In addition to the information required by 8 M.R.S. §§ 1204- 1210, all applicants must provide the following information:
 - A. The physical address of the applicant's principal place of business and the designated contact person for the applicant including an address, telephone number and email address for that contact;
 - B. Disclosure of ownership interests. A disclosure of the true ownership interests of the applicant as follows:
 - (1) The names, addresses, phone numbers, email addresses and dates of birth of the applicant's board of directors, corporate executives, directors, officers, key personnel and managers having the power to exercise influence over decisions concerning any part of the applicant's or operator's sports wagering or related business operations;
 - (2) The percentages of shares of stock, if any, held by each person named in subparagraph (1) above;

- (3) For limited liability companies (hereinafter, "LLC"), including professional LLCs, provide the full name, address, date of birth and telephone number of each member of the LLC having an ownership interest of ten percent (10%) or more of the LLC. If the member is not a natural person, disclose the true ownership of the member (and successive levels of ownership, if necessary) until a natural person or another corporate entity is disclosed. If another corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary);
 - (4) For general, limited, or limited liability partnerships, provide the full name, address, date of birth and telephone number of each partner having an ownership interest of ten percent (10%) or more of the partnership. If the partner is not a natural person, disclose the true ownership of the partner (and successive levels of ownership if necessary) until a natural person, or another corporate entity, is disclosed. If another corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary);
 - (5) For a corporation, provide the full name, address, date of birth and telephone number of any natural person or entity having an ownership interest of ten percent (10%) or more of the outstanding shares of the corporation. If a corporate entity is disclosed, provide a complete disclosure of that corporate entity's ownership in accordance with the specific rules for that entity contained herein (and successive levels of ownership, if necessary);
 - (6) Any institutional investor having a (10%) or more ownership interest in the applicant shall provide to the Director a sworn-to affidavit executed by an institutional officer who can bind the entity that the institutional investor has no influence over the day-to-day sports wagering operations of the applicant; and
 - (7) The names, addresses, employer identification numbers, social security numbers, and dates of birth, as applicable, of each individual, group of individuals, trust or business entity associated with an applicant, including, but not limited to, a holding company, parent company, or subsidiary company of the applicant that has the ability to control the activities of the applicant or elect a majority of the board of directors or select the manager or general partner of the applicant.
- C. A notarized affirmation and consent and authorization to release information about the applicant necessary to complete a background check;

- D. Copies of the applicant's audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year as of the close of the most recent fiscal quarter by a Certified Public Accountant in accordance with generally accepted accounting principles and applicable state and federal law. If an applicant has audited financial statements prepared at the parent company level, the applicant shall include with its audited consolidated financial statements a supplement I schedule (either audited or unaudited) of the operator applicant's sports wagering operations and an attestation from the operator applicant's Certified Public Accountant that the applicant has implemented procedures to accurately report its adjusted sports wagering receipts from sports wagering operations in Maine;
- E. A copy of the Certificate of Authority to do business in the State of Maine, if the applicant is incorporated outside of Maine;
- F. Copies of any trade name registrations filed by or under which the applicant conducts any business activities;
- G. Copies of applicant's State and Federal returns for a period of three (3) fiscal years;
- H. Copies of declaration pages of all insurance policies insuring the applicant and/or premises in Maine;
- I. If the applicant is a corporation, annual reports and SEC filings, if any, for the past three (3) years;
- J. A list of all jurisdictions where the applicant has:
 - (1) Applied for a sports wagering or any other gaming license;
 - (2) Been issued a sports wagering or any other gaming license;
 - (3) Been the subject of a law enforcement or government subpoena, cease and desist letter, attorney general or government legal opinion, or other correspondence regarding any non-routine law enforcement or government investigation concerning conduct related to gambling operations (including casino gaming, horse racing, dog racing, pari-mutuel pools, lottery, sports wagering, fantasy contests, esports, igaming, etc.);
 - (4) Had any sports wagering or gaming license denied, suspended, or revoked; and
 - (5) The current status of any such adverse actions and copies of such documents relating to (3) or (4);
- K. A copy of the final order of all civil judgments rendered against the applicant, any person identified in (B) above, or others individually described by subparagraphs J (2), (3), or (4) above, including those judgments pertaining to antitrust or security regulation laws of the federal government, of the State of Maine or of any other state, jurisdiction, province, or country;
- L. A full copy of the applicant's most recent SOC-2 Type II audit authenticated by the entity that performed the assessment; and verification that a SOC 2 Type II audit shall be completed on an annual basis and results shall be submitted to the Director within 10 days of completion. An assessment must be completed as part of the initial application;

- M. The applicant's minimum internal controls as required under chapter 53 herein for approval by the Director;
 - N. An organizational chart listing all sports wagering employee positions and their job descriptions. Members of the board of directors are not required to be included on the organizational chart;
 - O. A completed Gambling Control Unit form MGCU-8100 with notarized affirmation and consent and authorization to release information to complete a criminal background check on: any officer or director of the applicant; and any partner or shareholder who has the ability to control the activities of the applicant in the sports wagering facility or mobile operator, management services provider or supplier;
 - P. Management services providers provide information, resumes, documentation, references, written testimony and other assurances required to establish that the applicant has sufficient business ability and sports wagering experience to create and maintain a successful and efficient sports wagering operation in Maine; and
 - Q. Any other information the Director requests that is necessary for their determination of the suitability, honesty and integrity of the applicant.
5. The application, and all other documents submitted to the Director or on behalf of the applicant for purposes of determining the qualifications of the applicant, shall be sworn to or affirmed before a notary public. If any form or document is signed by an attorney for the applicant, the signature shall certify that the attorney has read the forms or documents and that, to the best of the attorney's knowledge, information and belief, based on diligent inquiry, the contents of the form or documents so supplied are true.
6. A management services provider may enter into a final contract with an operator only upon meeting the following requirements:
- A. Be licensed by the Director as a management services provider;
 - B. Its proposed contract with the operator has been approved by the Director prior to the conduct of sports wagering;
 - C. If the management services provider contracts with more than one operator, its contracts with those operators must include a method approved by the Director for separately accounting for each sports wagering operator's gross receipts from sports wagering and adjusted gross sports wagering receipts; and
 - D. Its contract with an operator does not authorize the person providing management services to receive more than 30% of the operator's adjusted gross sports wagering receipts; except that the Director may approve a contract under the criteria of chapter 65 authorizing the management services provider to receive up to 40% of the operator's adjusted gross sports wagering receipts.

7. In addition to the requirements of 8 M.R.S. § 1204(4), to the extent the applicant becomes aware that information of a material nature supplied in the application or otherwise supplied to the Director in support of its application by the applicant or on the applicant's behalf, becomes outdated, inaccurate or incomplete, the applicant shall so notify the Director in writing within 30 calendar days and shall at that time supply the information necessary to supplement or correct the inaccuracy or incompleteness of the information.
8. The applicant shall cooperate fully with the Director, the Department, the Gambling Control Unit and any 3rd party contractor under contract with the Department to perform any investigation with respect to the background investigation of the applicant. Failure to cooperate or provide information necessary for licensure may result in denial of the applicant's license application.
9. Mobile operators shall provide the Director with certificates of insurance prior to approval of the license and with each renewal application. The company issuing the insurance shall be financially rated A or better by a nationally recognized rating entity and duly licensed, admitted, and authorized to transact business in the State of Maine. Subject to (1 and 2) below, Mobile operators shall maintain the following types and amounts of insurance while they are an approved operator to conduct sports wagering activities in Maine.
 - A. Mobile operators who anticipate, during the upcoming year of licensure, having less than 100,000 patron accounts and \$15,000,000 in revenue shall maintain the following types and amounts of insurance:
 - 1) Cyber liability insurance in the amount of five million dollars (\$5,000,000); and
 - 2) Errors and Omissions insurance in the amount of five million dollars (\$5,000,000).
 - B. Mobile operators who anticipate, during the upcoming year of licensure, having more than 100,000 patron accounts and \$15,000,000 in revenue, shall maintain the following types of insurance:
 - 1) Cyber liability insurance in the amount of ten million dollars (\$10,000,000); and
 - 2) Errors and Omissions insurance in the amount of ten million dollars (\$10,000,000).
10. Mobile operators that are unable to obtain the coverage amounts specified in 9. A or B above must maintain coverage in the maximum amounts allowable by the issuing insurance company. Such operators must provide a notarized

statement or letter from their insurance agent or broker stating that the operator was unable to obtain required insurance coverage after a diligent effort and the reason for the deficiency. Such operator shall provide the Director with a detailed plan of how it intends to compensate for the deficiency in insurance coverage, which must be approved by the Director prior to licensure.

2. Fees

1. The initial non-refundable fee for background investigation shall be \$5,000.00 for a facility operator license and \$10,000.00 for a mobile operator, management services provider or supplier license. The hourly rate shall be no more than \$250.00. If the cost surpasses the initial deposit amount, the applicant shall be invoiced for the actual remaining balance due which shall be paid before issuance of a license.
2. All applicants for licenses shall pay all costs of investigations into their backgrounds, suitability, and qualifications for licensure which may include, but are not limited to:
 - A. Transportation;
 - B. Lodging;
 - C. Meals;
 - D. Other expenses associated with traveling;
 - E. Significant office expense;
 - F. Document reproduction costs;
 - G. Preparation time;
 - H. 3rd party independent contractors to the Department;
 - I. Time necessary for administration of the investigation (including additional staffing on a temporary basis); and
 - J. Other similar expenses incurred until the conclusion of the investigation.
3. Applications shall include the initial license fee of \$4,000.00 for a facility license, \$200,000.00 for a mobile license, \$40,000.00 for a management services license, \$40,000.00 for a supplier license and \$250.00 for an occupational license.
4. The fee for a criminal history record check is fifty-one dollars \$51.00 for occupational applications only.
5. Each license shall expire (4) years from issuance and a renewal must be submitted 60 days before the expiration date including the same fee as the initial fee stated in 3. Above, except the occupational license.

3. Temporary License

1. Upon receipt of a completed application, internal controls and all fees, the Director shall review the request and may approve a temporary license. A temporary license shall be good for one (1) year from the date of issuance or

until a final determination on the application is made, whichever is sooner.

2. An applicant may be eligible to receive a temporary license to conduct sports wagering activities prior to receiving a permanent license if the applicant has:
 - A. Submitted a complete application;
 - B. Included a SOC II Type 2 audit on the system that will be used to operate all software, hardware and systems which was completed within the 2 years prior to application;
 - C. No adverse actions taken against a gambling or gambling-related license the applicant holds in any other jurisdiction that could call into question suitability in order to be licensed;
 - D. No litigation, past or present involving business practices that could call into question suitability in order to be licensed;
 - E. Any similar gambling or sports wagering license in another U.S. state, such license is in good standing as demonstrated by proof from the licensing state: and
 - F. Paid the initial fees associated with the license and background investigation.
3. Any sports wagering operation or mobile sports wagering operation not permanently licensed within that one year or:
 - A. Whose license application has been denied pursuant to 8 M.R.S. §1205;
 - B. Who has failed to establish its qualifications for licensure; or
 - C. Who failed to submit any materials required by the Director to evaluate an application,

shall immediately cease sports wagering operations upon either the expiration of its temporary license or upon receipt of the Director's written denial of its license application, whichever is sooner.

4. All sports wagering conducted under authority of a temporary license shall comply with all Maine sports wagering laws and rules. A temporary operator, management services provider or supplier shall be subject to all the same disciplinary sanctions as a permanent operator, management services provider or supplier.

4. Occupational License

1. In addition to the requirements of 8 M.R.S. §1202(7)(E), any person whose job description including those persons considered to have control of an applicant or a licensee under section 1204(2).
2. Occupational operators, after a one-year initial license may renew for one year for a fee of \$25.00 or for three years for a fee of \$50.00.

3. An individual who is actively licensed under section 1015 as an employee of a casino that has a facility sports wagering license may apply for and renew a combination “combo” license on Gambling Control Unit form MGPU-8300 without paying a separate initial license fee or a renewal license fee for the sports wagering occupational license.
4. A combo license will be valid for the duration of the employee’s current casino gaming license and after renewal for the same duration as the renewed employee license.
5. Any person or entity seeking to renew its application to be a licensed facility or mobile operator, management services provider, supplier or occupational employee shall submit a renewal application at least 60 days prior to the expiration of their current license.