

HOUSE BILL 1140

C7, E1

5lr2689
CF SB 860

By: **Delegate Ebersole**

Introduced and read first time: February 5, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Prohibition of Online Sweepstakes Games and Revenue From Illegal**
3 **Markets**

4 FOR the purpose of prohibiting certain persons from operating, conducting, or promoting
5 certain online sweepstakes games or supporting the operation, conducting, or
6 promotion of certain online sweepstakes games; requiring the State Lottery and
7 Gaming Control Agency to deny certain license applications and revoke certain
8 licenses under certain circumstances; requiring certain license applicants and
9 license holders to submit a certain disclosure under certain circumstances;
10 prohibiting the State Lottery and Gaming Control Commission from issuing a license
11 to certain persons or allowing the person to commence or continue operations if the
12 person or an affiliate of the person knowingly accepts revenue that is directly or
13 indirectly derived from certain jurisdictions; authorizing the Commission to deny
14 certain applications or suspend or revoke certain licenses under certain
15 circumstances; and generally relating to online sweepstakes games and illegal
16 gaming markets.

17 BY adding to
18 Article – Criminal Law
19 Section 12–115
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2024 Supplement)

22 BY adding to
23 Article – State Government
24 Section 9–1A–07(g) and 9–1A–08.1
25 Annotated Code of Maryland
26 (2021 Replacement Volume and 2024 Supplement)

27 BY repealing and reenacting, with amendments,
28 Article – State Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Section 9–1A–07(g) and 9–1E–03(a)(1)
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Criminal Law

12–115.

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.**

**(2) “LICENSE” MEANS A LICENSE ISSUED BY THE STATE LOTTERY
AND GAMING CONTROL COMMISSION UNDER TITLE 9, SUBTITLES 1A THROUGH 1E
OF THE STATE GOVERNMENT ARTICLE.**

**(3) (I) “ONLINE SWEEPSTAKES GAME” MEANS A GAME, CONTEST,
OR PROMOTION THAT:**

**1. IS AVAILABLE ON THE INTERNET OR ACCESSIBLE ON
A MOBILE PHONE, COMPUTER TERMINAL, OR SIMILAR DEVICE;**

**2. UTILIZES A DUAL–CURRENCY SYSTEM OF PAYMENT
ALLOWING THE PLAYER TO EXCHANGE THE CURRENCY FOR ANY PRIZE OR AWARD
OR CASH OR CASH EQUIVALENTS, OR ANY CHANCE TO WIN ANY PRIZE OR AWARD OR
CASH OR CASH EQUIVALENTS; AND**

3. SIMULATES:

**A. CASINO–STYLE GAMING, SUCH AS SLOT MACHINES,
VIDEO POKER, AND TABLE GAMES, INCLUDING BLACKJACK, ROULETTE, CRAPS, AND
POKER;**

**B. LOTTERY GAMES, INCLUDING DRAW GAMES, INSTANT
WIN GAMES, KENO, AND BINGO; AND**

C. SPORTS WAGERING.

**(II) “ONLINE SWEEPSTAKES GAME” DOES NOT INCLUDE A GAME
THAT DOES NOT AWARD CASH PRIZES OR CASH EQUIVALENTS.**

(B) (1) A PERSON MAY NOT OPERATE, CONDUCT, OR PROMOTE AN ONLINE SWEEPSTAKES GAME IN THE STATE.

(2) AN APPLICANT FOR A LICENSE, A PERSON HOLDING A LICENSE, OR A FINANCIAL INSTITUTION, PAYMENT PROCESSOR, GEOLOCATION PROVIDER, GAMING CONTENT SUPPLIER, PLATFORM PROVIDER, OR MEDIA AFFILIATE OF A PERSON HOLDING A LICENSE MAY NOT SUPPORT THE OPERATION, CONDUCTING, OR PROMOTION OF AN ONLINE SWEEPSTAKES GAME IN THE STATE.

(C) (1) A PERSON WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT EXCEEDING 3 YEARS OR A FINE NOT LESS THAN \$10,000 AND NOT EXCEEDING \$100,000 OR BOTH.

(2) IF A PERSON IS FOUND IN VIOLATION OF THIS SECTION, THE STATE LOTTERY AND GAMING CONTROL AGENCY SHALL DENY THE PERSON'S LICENSE APPLICATION OR REVOKE A LICENSE HELD BY THE PERSON.

Article – State Government

9–1A–07.

(G) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “ILLEGAL INTERACTIVE GAMING MARKET” MEANS A JURISDICTION IN WHICH INTERACTIVE GAMING IS PROHIBITED BY THE LAWS OF THAT JURISDICTION.

(III) “INTERACTIVE GAME CONTENT” MEANS HARDWARE, SOFTWARE, APPLICATIONS, AND SERVERS USED TO OPERATE, CONDUCT, OR OFFER INTERACTIVE GAMBLING GAMES.

(2) ON APPLICATION FOR A LICENSE UNDER § 9–1A–06(A)(2) OR (3) OF THIS SUBTITLE AND ANNUALLY FOLLOWING THE ISSUANCE OF THE LICENSE, AN APPLICANT OR A LICENSE HOLDER SHALL SUBMIT A DISCLOSURE STATING, FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, THE JURISDICTIONS IN WHICH THE APPLICANT OR LICENSE HOLDER OR ANY AFFILIATE OF THE APPLICANT OR LICENSE HOLDER DIRECTLY OR INDIRECTLY ACCEPTED REVENUE FROM THE SUPPLY OF INTERACTIVE GAME CONTENT IN AN ILLEGAL INTERACTIVE GAMING MARKET.

(3) A MATERIAL MISREPRESENTATION OR OMISSION ON THE DISCLOSURE REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION MAY, IN THE DISCRETION OF THE COMMISSION, RESULT IN THE DENIAL OF AN APPLICATION FOR

1 A LICENSE UNDER THIS SUBTITLE OR, IN THE CASE OF A LICENSE HOLDER,
2 DISCIPLINARY ACTION, INCLUDING A SUSPENSION OR REVOCATION OF THE LICENSE
3 AND PENALTIES FOR OFFICERS OR BOARD MEMBERS OF THE LICENSE HOLDER.

4 ~~[(g)]~~ (H) (1) An individual may not knowingly give false information or make
5 a material misstatement in an application required for any license under this subtitle or in
6 any supplemental information required by the Commission.

7 (2) An individual who violates this section is guilty of a misdemeanor and
8 on conviction is subject to imprisonment not exceeding 3 years or a fine not exceeding
9 \$5,000 or both.

10 **9-1A-08.1.**

11 (A) THE COMMISSION MAY NOT ISSUE A LICENSE TO A PERSON REQUIRED
12 TO BE LICENSED UNDER § 9-1A-06(A)(2) OR (3) OF THIS SUBTITLE IF THE
13 APPLICANT OR ANY OF THE APPLICANT'S AFFILIATES, INCLUDING AN ENTITY UNDER
14 COMMON CONTROL, KNOWINGLY ACCEPTS REVENUE THAT IS DIRECTLY OR
15 INDIRECTLY DERIVED FROM:

16 (1) A JURISDICTION ON THE BLACK LIST OF MONEY LAUNDERING
17 COUNTRIES ESTABLISHED BY THE FINANCIAL ACTION TASK FORCE;

18 (2) A JURISDICTION DESIGNATED AS A STATE SPONSOR OF
19 TERRORISM BY THE UNITED STATES; OR

20 (3) A JURISDICTION IN WHICH ONLINE CASINO GAMING IS
21 PROHIBITED AND THE REVENUE IS DERIVED FROM ONLINE CASINO GAMING IN THAT
22 JURISDICTION.

23 (B) (1) THE COMMISSION MAY NOT ALLOW A PERSON REQUIRED TO BE
24 LICENSED UNDER § 9-1A-06(A)(2) OR (3) OF THIS SUBTITLE TO COMMENCE OR
25 CONTINUE OPERATIONS IF THE COMMISSION DETERMINES THAT THE PERSON OR
26 ANY OF THE PERSON'S AFFILIATES, INCLUDING ENTITIES UNDER COMMON
27 CONTROL, KNOWINGLY ACCEPTS REVENUE THAT IS DIRECTLY OR INDIRECTLY
28 DERIVED FROM A JURISDICTION DESCRIBED UNDER SUBSECTION (A) OF THIS
29 SECTION.

30 (2) THE COMMISSION MAY REVOKE THE LICENSE OF A LICENSE
31 HOLDER THAT IS REQUIRED TO CEASE OPERATIONS UNDER PARAGRAPH (1) OF THIS
32 SUBSECTION IF, AFTER NOTICE AND OPPORTUNITY FOR A HEARING, THE
33 COMMISSION DETERMINES THAT IT WOULD FURTHER THE PUBLIC INTEREST TO
34 DISCONTINUE THE OPERATION OF THE LICENSE HOLDER IN THE STATE.

1 9-1E-03.

2 (a) (1) Unless the context requires otherwise, the requirements under §§
3 9-1A-04, 9-1A-06, 9-1A-07, 9-1A-08, **9-1A-08.1**, 9-1A-12, 9-1A-14, 9-1A-18,
4 9-1A-19, 9-1A-20, and 9-1A-25 of this title apply to the authority, duties, and
5 responsibilities of the Commission, a sports wagering licensee, and an employee or a
6 contractor of a sports wagering licensee under this subtitle.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2025.