



SPORTS WAGERING FAQs

Updated 7/29/2019

THE DISTRICT'S SPORTS WAGERING LAW

Q. WHAT IS THE STATUS OF SPORTS WAGERING IN WASHINGTON, D.C.?

- A.** Sports wagering is legal in Washington, D.C. Act 22-594, the Sports Wagering Lottery Amendment Act of 2018, as amended by Act 23-2, was signed into law on January 23, 2019, and transmitted to the U.S. Congress for review on February 7, 2019. This legislation cleared congressional review and became law on May 3, 2019. The Office of Lottery and Gaming (OLG) must adopt rules and regulations before the licensing process and betting can commence.

Q. WHAT ARE THE MAIN LAWS AND REGULATIONS WHICH GOVERN SPORTS WAGERING?

- A.** Act 22-594, the Sports Wagering Lottery Amendment Act of 2018, as amended by Act 23-2, was signed into law on January 23, 2019, and transmitted to the U.S. Congress for review on February 7, 2019. This legislation cleared congressional review and became law on May 3, 2019.

Proposed regulations were published in the D.C. Register on June 14, 2019 and were subject to a required 30-day public comment period that closed on July 15, 2019. OLG is reviewing comments received and incorporating changes where appropriate. When issuing its final rules, the OLG will describe and respond to the public comments received. The OLG must adopt rules and regulations before the licensing process and betting can commence.

Sports wagering in the District is also subject to the Federal Wire Act, a 1961 law which prohibits interstate wagering.

Q. WHAT AGENCY OR BODY REGULATES SPORTS WAGERING?

- A.** The Office of Lottery and Gaming.

Q. WHAT IS THE LEGAL AGE TO PLACE A SPORTS WAGER IN THE DISTRICT OF COLUMBIA?

- A.** The minimum age to place or cash a sports wager in the District is 18 years of age.

Q. WHAT IS THE TAX RATE ON SPORTS WAGERING IN THE DISTRICT OF COLUMBIA?

- A.** Private sports-wagering operators (Class A and Class B) are required to pay a 10 percent tax on gross gaming revenue and any applicable federal tax.



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SPORTS WAGERING LICENSING

Q. IS THERE A LIST OF SPORTS WAGERING LICENSEES (OPERATORS) AVAILABLE?

A. The OLG must first adopt rules before the licensing application process can commence. A list of applicants and status of applications will be posted as received on www.dclottery.com.

Q. WHO CAN APPLY FOR A LICENSE TO OFFER SPORTS WAGERING AND WHERE CAN WAGERING BE OFFERED?

A. There are five categories of licenses associated with sports wagering in the District of Columbia:

- Operator
- Management Services Provider
- Supplier
- Occupational
- Lottery-Operated

There are two classes of Operator Licenses that are available – **Class A Operator** and **Class B Operator**.

The statute legalizing sports wagering in the District dictates that **Class A Operator Licenses** may be issued at four designated stadiums and arenas located in the District – Audi Field, Capital One Arena, Nationals Park and St. Elizabeths East Entertainment and Sports Arena.

A **Class A Operator License** permits physical and mobile wagering within the licensed physical location, as well as mobile wagering within the 2-block radius surrounding the licensed location. No other form of sports wagering may be licensed within a Class A facility or within the 2-block radius surrounding the licensed Class A facility.

A **Class B Operator License** authorizes physical and mobile sports wagering at businesses located within the District. All wagering, including mobile, offered by a **Class B Operator** must be conducted within the physical confines of the licensed location. There is no restriction on the type of business a **Class B Operator** can be (could be a bar, restaurant or hotel setting as just a few examples), though it cannot be in business solely for the purpose of sports wagering. There is no designation where a Class B facility must be located. However, it is important to note that a **Class B Operator License** cannot be issued within the 2-block radius of a Class A facility or within areas of the District where gambling is prohibited (Federal Enclave).

A **Management Services Provider or “MSP” License** permits an independent entity affiliated with a licensed Operator (Class A or Class B) to conduct sports wagering operations on its behalf at its licensed location. If a Class A or Class B Operator chooses to engage an **MSP** to manage its sports book operations, both the Operator and **MSP** must be licensed by the OLG and the applications for licensure should be submitted in tandem for optimal review.



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Q. IS THERE A LIMIT ON THE NUMBER OF LICENSES AVAILABLE?

A. Class A Operator Licenses are limited to four total and are restricted to sports wagering operations at each of the following facilities:

- Audi Field
- Capital One Arena
- Nationals Park
- St. Elizabeths East Entertainment and Sports Arena

There is no limit on the Class B Operator Licenses that the OLG may issue. However, the OLG has the discretion to deny a sports wagering application if it is not in the best economic interest of the District.

There are restrictions on the number of licenses any one entity may hold. An applicant for an Operator License (Class A and Class B) or Management Services Provider (MSP) may apply for up to, but no more than two (2), sports wagering licenses unless the applicant agrees to subcontract with a joint venture or subcontract with a Certified Business Enterprise (CBE) for any additional licenses.

Q. WHAT IS THE INITIAL COST AND TERM OF A SPORTS WAGERING LICENSE?

A. Sports wagering licenses issued by the OLG are non-transferable. All sports wagering-related license fees are set by statute and are as follows:

- Class A Operator License: A Class A Operator License shall be issued for a five (5) year term and requires a non-refundable initial application fee of five hundred thousand dollars (\$500,000), which must be submitted with the application.

If an applicant for a Class A Operator License is a certified joint venture pursuant to the CBE act, where the joint venture has a CBE majority interest, and is also certified as either a Small Business Enterprise (SBE), Disadvantaged Business Entity (DBE), or Resident-Owned Business (ROB), the non-refundable initial application fee is one hundred twenty-five thousand dollars (\$125,000).

A Class A Operator License may be renewed for a five (5)-year period provided that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two-hundred-fifty-thousand-dollar (\$250,000) renewal fee.

- Class B Operator License: A Class B Operator License shall be issued for a five (5) year term and requires a non-refundable application fee of one hundred thousand dollars (\$100,000), which must be submitted with the application.



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If an applicant for a Class B Operator License is a certified joint venture pursuant to the CBE act, where the joint venture has a CBE majority interest, and is also certified as either an SBE, DBE, or ROB, the non-refundable initial application fee is twenty-five thousand dollars (\$25,000).

A Class B Operator License may be renewed for a five (5)-year period provided that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a fifty-thousand-dollar (\$50,000) renewal fee.

- Management Services Provider: A Management Services Provider (MSP) License shall be issued for a one (1)-year period and require a non-refundable application fee of ten thousand dollars (\$10,000), which shall be submitted with the application.

An MSP License may be renewed annually provided that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two-thousand-dollar (\$2,000) renewal fee.

- Supplier License: A Supplier License shall be issued for a one (1)-year period and require a non-refundable application fee of ten thousand dollars (\$10,000), which shall be submitted with the application.

A Supplier License may be renewed annually provided that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two-thousand-dollar (\$2,000) renewal fee.

- Occupational License: An Applicant for an Occupational License shall submit an application, and pay a nonrefundable fee of \$100, which may be paid on behalf of the Applicant by the prospective employer.

An Occupational License holder shall submit a renewal application by September 30 of each year and pay a renewal fee of one hundred dollars (\$100), which may be paid on behalf of the licensed employee by the employer.

Q. HOW DO I APPLY FOR A SPORTS WAGERING LICENSE?

- A.** Applicants in each licensed category will be asked to submit substantial information and documentation that will assist the OLG in determining applicants' suitability in matters related to finance and integrity. Each applicant and its qualifiers will undergo thorough background investigations to ensure they meet high standards for good character, honesty, integrity and financial suitability.

The due diligence investigations for license applicants covers their regulatory history in other jurisdictions, financial stability, compliance plan and history, and recent litigation, among other areas. The investigations for qualifiers – those individuals who are officers, board members or



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key investors of the applicant – cover their employment history, criminal record, education, stock holdings and financial suitability, among other areas.

The OLG is using the International Association of Gaming Regulators' (IAGR) Multi-Jurisdictional Business Form as the basis for information collected from applicants, along with addendums requesting information specific to applicant's proposed sports wagering operations in the District.

The OLG will be launching an online portal through which applicants can apply for an Operator License (Class A or Class B), Management Services Provider License, Supplier License or Occupational License, or access paper versions of the forms for manual submission.

Q. IS ONLINE/MOBILE SPORTS WAGERING PERMITTED?

- A. A Class A Operator may operate online/mobile sports wagering within its licensed facility and within the 2-block radius surrounding the facility. A Class B Operator may operate mobile sports wagering within the confines of its licensed facility.

Mobile applications and online platforms are limited to one skin per licensed location.

The DC Lottery will operate a mobile sports wagering application and online platform that will be available citywide (with the exception of areas of the District where gambling is prohibited).

Q. CAN YOU DEFINE/DEMONSTRATE WHAT THE 2-BLOCK RADIUS SURROUNDING THE CLASS A FACILITIES IS?

- A. For an interactive GIS layer map of the 2-block zone surrounding the designated Class A facilities (Audi Field, 100 Potomac Avenue, S.W.; Capital One Arena, 601 F Street, N.W.; Nationals Park, 1500 South Capitol Street, S.E.; and, St. Elizabeths East Entertainment and Sports Arena, St. Elizabeth's Campus, 1100 Oak Drive, S.E.), please visit:
<https://opendata.dc.gov/datasets/entertainment-sports-gambling-restriction-zones?geometry=-77.375%2C38.836%2C-76.722%2C38.929>

Q. CAN YOU EXPLAIN THE SPORTS WAGERING CBE AND SMALL BUSINESS DEVELOPMENT PROGRAM REQUIREMENTS THAT AN APPLICANT MUST MEET TO BE LICENSED?

- A. A key objective in legalizing sports wagering in the District of Columbia is to create opportunities for local small businesses to participate in and profit from this emerging new industry.

Specifically, the OLG shall only issue an Operator (Class A or Class B) and Management Services Provider License to applicants who meet the following statutory requirements:

- 1) In conjunction with its application for a license, the applicant must submit a plan ("CBE Plan") to the Department of Small and Local Business Development (DSLBD) that demonstrates at least thirty-five percent (35%) of the expenses included in the



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applicant's operating budget will be contracted or subcontracted with one or more Certified Business Enterprises (CBEs) for commercially-useful functions related to sports wagering.

- 2) Is a certified joint venture pursuant to the CBE act, where the joint venture has a CBE majority interest, and is also certified as wither a Small Business Enterprise (SBE), Disadvantaged Business Enterprise (DBE), or Resident-Owned Business (ROB); or
- 3) Obtains a waiver from DSLBD of the contracting or joint-venture requirements.

An applicant that is a CBE or a certified joint venture shall not be required to comply with the CBE minimum thirty-five percent (35%) expenditure requirement, provided the CBE or certified joint venture performs at least fifty percent (50%) of its contracting effort with its own organization and resources.

An applicant's CBE Plan or joint venture must be approved by DSLBD before the OLG can issue an (Initial Standard, Renewal or Provisional) Operator or Management Services Provider License.

For more information on developing a CBE Plan and the submission and review process, contact DSLBD at cbe.info@dc.gov or visit <https://dslbd.dc.gov/>.

Q. WILL OBTAINING A SPORTS WAGERING OPERATOR LICENSE IMPACT MY ABC- ISSUED LICENSE?

- A.** The addition of any sports wagering kiosks or mobile terminals to an Alcoholic Beverage Control (ABC)-licensed establishment may constitute a "substantial change" in operation. Accordingly, it would require advance approval from the ABC Board (Board) in accordance with District Official Code § 25-762.

For more information on alcoholic beverage licensing, contact the Alcoholic Beverage Regulation Administration (ABRA) at 202.442.4423 or visit <https://abra.dc.gov/page/sports-wagering-lottery-amendment-act-2018>.

Q. DO SPORTS WAGERING SUPPLIERS NEED TO OBTAIN A LICENSE?

- A.** An individual, group of individuals or entity that seeks to sell or lease sports wagering equipment, software, systems, data or services relating to the conducting of sports wagering, as determined by the Office, must obtain a Supplier License.

An individual, group of individuals or entity that provides odds on sporting events to Operators or Management Services Providers when such information is not available to the public electronically in real time, must be licensed as a Supplier.



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Q. WHICH SPORTS BOOK EMPLOYEES NEED TO OBTAIN AN OCCUPATIONAL LICENSE?

A. Any employee of a Sports Wagering Operator or Management Services Provider whose work duties are directly related to or involve sports wagering operated under the jurisdiction of the OLG; and any individual who is a Sports Wagering Manager, a general manager or department manager having oversight or operational responsibility for operations of a Sports Wagering Facility licensed in the District.

Q. HOW CAN DC LOTTERY RETAILERS BE LICENSED TO OFFER SPORTS WAGERING?

A. The Office of Lottery and Gaming, through the DC Lottery will also offer a mobile sports wagering application that will be available citywide (with the exception of areas of the District where gambling is prohibited), a web-based wagering platform and will license existing and new DC Lottery retailers to offer the Lottery's sports wagering products via kiosks and terminals installed at their business locations. The DC Lottery-Operated sports wagering offerings are projected to launch in January 2020.

A Lottery-Operated Sports Wagering License shall be issued for a two (2)-year period and require a non-refundable application fee of five thousand dollars (\$5,000).

Lottery-Operated Sports Wagering License may be renewed for a two (2)-year period provided that the Licensee has continued to comply with all statutory and regulatory requirements and pays upon submission of a renewal application a two-thousand-dollar (\$2,000) renewal fee.

There is no limit on the number of Lottery retailers that may be issued licenses to offer the Lottery-operated sports wagering product. However, the OLG has the discretion to deny a sports wagering application if it is not in the best economic interest of the District.

Regulations supporting Lottery-Operated sports wagering will be proposed in late 2019 and the licensing process will launch following the adoption of rules.

PROVISIONAL SPORTS WAGERING LICENSES

Q. WHAT IS A PROVISIONAL SPORTS WAGERING LICENSE?

A. Operator, Management Services Provider and Suppliers licensed in other "Office-approved gaming jurisdictions" may apply to receive a temporary/provisional license while completing the necessary steps for a standard operational license.

The "Office-approved gaming jurisdictions" that will be taken under consideration in the OLG's provisional sports wagering licensing process include Delaware, Mississippi (including Tribal), Nevada, New Jersey, Pennsylvania, Rhode Island, West Virginia, and British Columbia.

Q. I HAVE NEVER BEEN LICENSED AS A SPORTS WAGERING OPERATOR, MANAGEMENT SERVICES PROVIDER OR SUPPLIER. CAN I STILL APPLY FOR A PROVISIONAL SPORTS WAGERING LICENSE?

A. No.



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Q. WHAT IS THE APPLICATION PROCESS FOR A PROVISIONAL SPORTS WAGERING LICENSE? HOW DO I APPLY?

- A.** The OLG will make available a paper-based application on its website for Operators, Management Services Providers (MSPs) and Suppliers to submit for review. At a minimum, the OLG will request the following from applicants seeking a Provisional Sports Wagering License:
- A completed OLG Provisional Sports Wagering License Application form;
 - Proof of current licensure to conduct sports wagering from an Office-approved jurisdiction, along with a copy of the initial application that was submitted to the license-issuing jurisdiction as well as any/all amendments and updates submitted since initial licensure;
 - DC Basic Business License;
 - Citywide Clean Hands (CCH) certification;
 - Key Personnel Release of Information Form(s); and,
 - Information specific to applicant's proposed sports wagering operations in the District.

In conjunction with application for a Provisional Sports Wagering License, Operator and MSP applicants must meet the Sports Wagering CBE and Small Business Development Program Requirements.

The OLG may request additional information considered necessary and appropriate to determine competency, honesty, quality, economic impact and integrity of the proposed operation.

Q. WHAT IS THE COST AND TERM OF A PROVISIONAL SPORTS WAGERING LICENSE?

- A.** An applicant for a Provisional Sports Wagering License must pay the non-refundable application fee associated with a standard operating license in the category for which it is applying. If the applicant is approved for a standard operating license, there will be no additional fees assessed for the initial standard license term; however, the applicant's initial standard license will be reduced by the number of days the applicant held a Provisional Sports Wagering License.
- Class A Operator License: \$500,000
 - Class B Operator License: \$100,000
 - Management Services Provider License: \$10,000
 - Supplier License: \$10,000

A Provisional Sports Wagering License is valid for up to six (6) months. The OLG's Executive Director may extend the Provisional Sports Wagering License period upon a showing of good cause.

A Provisional Sports Wagering License shall expire immediately if the applicant's application for a standard sports wagering license is denied.



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COLLEGE SPORTS WAGERING

Q. IS WAGERING ALLOWED ON COLLEGE GAMES PLAYED IN THE DISTRICT OF COLUMBIA?

- A.** Wagering is allowed on professional sports or athletic events that take place in the District; however, wagering is not allowed on any collegiate sports or athletic event that takes place in the District.

Q. IS WAGERING ON DC COLLEGE AND UNIVERSITY SPORTS ALLOWED?

- A.** Wagering is not allowed on any collegiate sports or athletic event in which any District of Columbia college team participates, regardless of where the event takes place.

Betting on college and university teams that are located outside of the District of Columbia is permitted.

Betting on any high school sports or sporting events is prohibited.

ADDITIONAL QUESTIONS

Q. I HAVE MORE QUESTIONS ABOUT SPORTS WAGERING IN THE DISTRICT. WHO CAN I CONTACT?

- A.** Sports wagering-related questions can be sent to SWinfo@dc.gov or call 202-645-7945.

If you are a reporter or working for a media outlet, contact OLG's Director of Marketing & Communications Nicole Jordan at 202-645-8968 or Nicole.Jordan@dc.gov.