

OFFICE OF LOTTERY AND GAMING

NOTICE OF PROPOSED RULEMAKING

(DISTRICT OPERATED RETAIL SPORTS WAGERING PROGRAM)

The Executive Director of the Office of Lottery and Gaming (Office), pursuant to the authority set forth in Section 4 of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code §§ 36-601.06(a), 36-621.02, and 36-621.11 (2016 Repl.)), and Office of the Chief Financial Officer Management Control Order No. 21-08, effective August 30, 2021, hereby gives notice of the intent to amend Chapter 20 (District Operated Sports Wagering) of Title 30 (Lottery and Charitable Games) of the District of Columbia Municipal Regulations (DCMR).

The rulemaking implements the Office’s District of Columbia (District) Operated Retail Sports Wagering Program. Prior emergency rules were adopted to implement District Operated Retail Sports Wagering pilot program. The emergency rules were adopted on July 27, 2021 and are set to expire on November 24, 2021. *See* 68 DCR 007774 (August 6, 2021).

The Executive Director gives notice of the intent to take final rulemaking action to adopt these proposed rules in not less than thirty (30) days from the date of publication of this notice in the *D.C. Register*.

Title 30 DCMR, LOTTERY AND CHARITABLE GAMES, is amended as follows:

Chapter 20, DISTRICT OPERATED SPORTS WAGERING, is amended as follows:

Section 2023, RESERVED, is amended to read as follows:

2023 RETAIL SPORTS WAGERING PROGRAM

- 2023.1 All sports wagering advertising must be pre-approved by the Office.
- 2023.2 The use of sports wagering kiosks is restricted to individuals eighteen (18) years of age and older.
- 2023.3 Sports wagering kiosks shall only accept United States currency.
- 2023.4 The maximum wager amount for a single wager shall be one thousand dollars (\$1,000).
- 2023.5 No more than one thousand dollars (\$1,000) can be inserted into the terminal without placing a wager.
- 2023.6 Winning tickets of six hundred dollars (\$600) or less can be used to place wagers up to the value of the winning ticket at a sports wagering kiosk.

- 2023.7 Winning tickets with a value of six hundred dollars (\$600) or less can be redeemed at any Lottery Sports Wagering Sales Agent location or at the Office's Prize Center.
- 2023.8 All winning tickets over six hundred dollars (\$600) must be claimed at the Office's Prize Center.
- 2023.9 The Office's Prize Center does not issue cash payments. All payments at the Office's Prize Center shall be made by check or electronic transfer.
- 2023.10 To claim a prize at the Office's Prize Center, a player shall present a valid government issued driver's license or non-driver identification card and proof of their tax identification number. A player shall also present any other identification required by the Office.
- 2023.11 Prize claims are subject to the provisions contained in District of Columbia Municipal Regulations Chapters 30-5 and 30-6.

Section 2024, RESERVED, is amended to read as follows:

2024 LOTTERY SPORTS WAGERING SALES AGENT LICENSING REQUIREMENTS

- 2024.1 Businesses that apply to be licensed as Lottery Sports Wagering Sales Agents shall also be licensed as Lottery and Daily Numbers Games Agents.
- 2024.2 Active Lottery Sales Agents, as well as new applicants, shall be required to apply to the Office for a separate Lottery Sports Wagering Sales Agent license.
- 2024.3 In determining whether to approve an application for a Lottery Sports Wagering Sales Agent license, the Office shall consider the following factors:
- (a) Financial responsibility of the business or operation;
 - (b) Accessibility of the place of business or operation to the public;
 - (c) Sufficiency of existing retailer licensees to serve the public; and
 - (d) Volume of expected District-operated sports wagering sales.
- 2024.4 An applicant for a Lottery Sports Wagering Sales Agent license, which shall have a term of two (2) years, shall meet all requirements for licensure and pay an application fee of five thousand dollars (\$5,000).
- 2024.5 Lottery Sports Wagering Sales Agent licenses are subject to the provisions contained in District of Columbia Municipal Regulations Chapters 30-2 through 30-4.

Section 2025, RESERVED, is amended to read as follows:

2025 DUTIES OF LOTTERY SPORTS WAGERING SALES AGENTS

2025.1 Lottery Sports Wagering Sales Agents shall:

- (a) Ensure that all employees responsible for sports wagering activities occurring at the licensed location complete all training required by the Office. Such training shall include the basics of sports wagering, sports wagering equipment use, responsible gaming requirements, anti-money laundering requirements and suspicious activity reporting requirements;
- (b) Ensure that at least one employee of the licensed location, who has completed the Office's required training, be on duty and on premises at all times when sports wagering activities are occurring at the licensed location. The Office shall issue a certificate or badge to individuals who have completed the Office's required training. Such certificate or badge must be presented immediately upon request to any authorized employee of the Office, Metropolitan Police Department or Alcoholic Beverage Regulation Administration;
- (c) Promptly report to the Office the facts or circumstances related to the operation of sports wagering that may constitute a violation of District or federal law, including suspicious sports wagering over any threshold set by the Office. All reports must be made within twenty-four (24) hours after the violation has been identified;
- (d) Operate sports wagering in a facility designed to provide sufficient security and shall include the installation and maintenance of security and surveillance equipment, according to specifications approved by the Office. The Office shall have access to the surveillance equipment and its transmissions;
- (e) Submit a security plan for Office approval prior to being authorized to accept wagers. A surveillance plan must be included as part of the overall security plan. Any changes to the security plan must be approved by the Office.
- (f) Ensure that all sports wagering kiosks located in the licensed facility are monitored by staff and Office-approved surveillance equipment that is operational, regularly maintained, and are capable of storing footage for a minimum of fourteen (14) days unless the footage has been used in the investigation of an incident, in which case the footage shall be stored for a minimum of thirty (30) days. All security footage shall be made available to the Office, the Alcoholic Beverage Regulation Administration and the Metropolitan Police Department upon request;

- (g) Ensure that sports wagering operations are conducted in a manner that does not pose a threat to the public health, safety, and welfare of District residents;
- (h) Ensure that all its employees selling sports wagering products or engaging in any sports wagering related activities are at least eighteen (18) years of age.
- (i) Employ the use of licensed security officers if required to do so by the Office;
- (j) Prevent an individual, group of individuals or entity from tampering with or interfering with the operation of sports wagering or sports wagering equipment;
- (k) Ensure sports wagering equipment remains unmoved from its approved location within the licensed facility. Sports wagering equipment shall only be moved by the Office or its approved contractor;
- (l) Ensure that sports wagering using a sports wagering kiosk is conducted within the sight and control of employees of the licensee and under continuous observation by surveillance equipment, as required by the Office;
- (m) Verify that persons seeking to participate in sports wagering are at least eighteen (18) years of age by requiring that they present, upon request, a valid government-issued identification document, including a driver's license, passport, or military ID, that includes the person's name, date of birth, and photograph of the bearer;
- (n) Prohibit any person under the age of eighteen (18) years to collect winnings from sports wagering;
- (o) Maintain all required licenses and endorsements issued by the Alcoholic Beverage Control Board;
- (p) Prevent intoxicated or impaired persons from participating in sports wagering and, once aware that such persons are on the Premises, immediately remove them from the approved designated areas for sports wagering on the licensed Premises; and
- (q) Immediately notify staff designated in § 2025.1(b) or the licensed location's security personnel if a person who is under the age of eighteen (18) years or is intoxicated or impaired knowingly engages in sports wagering on the licensed Premises.

Section 2026, RESERVED, is amended to read as follows:

**2026 REQUIRED POSTINGS AT LOTTERY SPORTS WAGERING SALES
AGENT LOCATIONS**

2026.1 The following shall be conspicuously posted at the Sports Wagering Facility:

- (a) The Lottery Sports Wagering Sales Agent’s license;
- (b) The name of the sports wagering responsible employee on duty;
- (c) Signage that includes the statement that is similar to “It is unlawful for any individual who is under eighteen (18) years of age or is noticeably intoxicated or impaired to engage in sports wagering.”; and
- (d) Signage that contains information preventing, treating, and monitoring compulsive gambling, procedures for self-exclusion, as well as the National Council on Problem Gambling’s twenty-four 24-hour toll-free confidential National Helpline —1-800-522-4700 (call or text).

Persons desiring to comment on the subject matter of this proposed rulemaking should file comments, in writing, no later than thirty (30) days after the date of publication of this notice in the *D.C. Register*. Comments should be filed with Antar Johnson, Senior Counsel, Office of Lottery and Gaming, 2235 Shannon Place SE, Washington, D.C. 20020, or e-mailed to SWRules@dc.gov. Copies of the proposed rules may be obtained between 8:30 a.m. and 5:00 p.m. at the address stated above. Questions may be directed to (202) 645-8026.