



Sports Wagering Licensing in District of Columbia

Washington, DC Local Business Expo

June 24, 2020



About the Office of Lottery and Gaming

- The Office of Lottery and Gaming (OLG), formerly the Office of Lottery and Charitable Games, is the regulatory body over all licensed gaming in the District of Columbia, including Lottery, Charitable Gaming and Sports Wagering.
- The OLG strives to regulate and operate in a manner that fosters public confidence and trust in the integrity of gaming operations in the District.

- 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 law legalized sports wagering in the District of Columbia and designated the OLG to assume two distinct roles in the District's sports wagering offerings: Regulator and Operator.
- The Office regulates privately-operated sports wagering throughout the District, licensing and monitoring these operations and their gaming-related suppliers for compliance with applicable District and federal laws. In addition to license application fees associated with privately-operated sports wagering, the District collects a 10 percent tax on operators' monthly gross gaming revenue.



Where Are We Now?

The Number of Applicants that have Applied for Each Type of License:

Total applications submitted/completed: 11

License	License Type	Applications Submitted	Applicants/Comments
Provisional	Operator, Class A	1	American Wagering, Inc. d.b.a William Hill, location Capital One Arena
Provisional	Operator, Class A Joint Venture	0	
Provisional	Operator, Class B	0	
Provisional	Operator, Class B Joint Venture	0	
Provisional	MSP	0	
Provisional	Supplier	5	Sportradar, NYX, PayPal, Geocomply, and Global Payments.

License	License Type	Applications Submitted	Applicants/Comments
Standard	Operator, Class A	0	
Standard	Operator, Class A Joint Venture	0	
Standard	Operator, Class B	1	Handle 19
Standard	Operator, Class B Joint Venture	0	
Standard	MSP	0	
Standard	Supplier	1	
Standard	Occupational	3	

Office of Lottery and Gaming (OLG) issues sports wagering licenses:

- License applications are handled by the OLG's Regulation & Oversight Division
- Types of licenses:
 - Class A Operator
 - Class A Management Service Provider
 - Class B Operator
 - Class B Management Service Provider
 - Supplier
 - Occupational
 - Provisional

Provisional versus standard license

- **Provisional License:**
 - Expedited application processing;
 - Available to Operators, Management Service Providers and Suppliers;
 - Applicant must have a current sports wagering license in an “approved jurisdiction” in the same or equivalent category;
 - Valid for six months while standard license is processed.
- **Standard License:**
 - Requires extensive due diligence;
 - Approx. application processing time frame four to six months.

License Type: Class A Operators

SPORTS WAGERING LICENSING TYPES				
License Category		Description	Initial License Fee	License Term
Operator	Class A	Sports wagering facilities located at Capital One Arena, Audi Field, Nationals Park, St. Elizabeths East Entertainment and Sports Arena.	\$500,000	5 Years
	Class A Joint Venture Certified by DSLBD	Sports wagering facilities located at Capital One Arena, Audi Field, Nationals Park, St. Elizabeths East Entertainment and Sports Arena and 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), Disadvantage Business Enterprise (DBE), or Resident-owned Business (ROB).	\$125,000	5 Years

License Type: Class B Operators

SPORTS WAGERING LICENSING TYPES				
License Category		Description	Initial License Fee	License Term
	Class B	Individuals, group of individuals, or entities operating private sports wagering facilities. Sports wagering facility cannot be located within a 2-block radius of any Class A facility.	\$100,000	5 Years
	Class B Joint Venture Certified by DSLBD	Individuals, group of individuals, or entities operating private sports wagering facilities and 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), Disadvantage Business Enterprise (DBE), or Resident-owned Business (ROB). Sports wagering facility cannot be located within a 2-block radius of any Class A facility.	\$25,000	5 Years

License Type: Management Service Providers

SPORTS WAGERING LICENSING TYPES			
License Category	Description	Initial License Fee	License Term
Management Services Provider	Individual, group of individuals or entity that contracts with an operator that manages sport wagering operations.	\$10,000	1 years

License Type: Sports Wagering Suppliers

SPORTS WAGERING LICENSING TYPES			
License Category	Description	Initial License Fee	License Term
Sports Wagering Supplier	Individual, group of individuals, or entity that sells or leases sports wagering equipment, systems, or other gaming items necessary to conduct sports wagering.	\$10,000	1 Year

License Type: Occupational License

SPORTS WAGERING LICENSING TYPES			
License Category	Description	Initial License Fee	License Term
Sports Wagering Occupational License	All individuals employed in sports wagering-related activities.	\$100	1 Year

Certified Business Enterprise & Other Requirements

- Operators & MSPs are required to submit a CBE Plan:
 - CBE Plan ***MUS BE APPROVE BY THE*** District's Director of Small and Local Business Development ("DSLBD"). Among other requirements, CBE plan must:
 - ❖ Demonstrate that at least 35% of operating budget will be contracted or subcontracted with one and more CBEs.
- Joint Venture & Reduced fees:
 - If an Operator (Class A or B) partners (joint venture) with a CBE that will hold majority interest, the application fees are reduced as follows:
 - ❖ Class A \$125,000
 - ❖ Class B \$25,000

Due Diligence (Background Investigation)

- All gaming license applications will require a comprehensive background investigation of ***applicant entity and, if applicable, entity's owners and key officers and directors.*** The background investigation will include the following:
 - DC “Clean Hands Check”;
 - Basic Business License;
 - Credit Review;
 - Financial Stability (including CBE plan);
 - Criminal History check;
 - Civil litigation check;
 - Civil compliance check (e.g., tax liens, delinquent accounts); and
 - Review of other gaming or professional licenses.

Any Questions?



Betting on Small Business Power Hour

- **7/23/20 --How an Idea became the Sportsbook of the Future** - John Lukasic, Director of Race, Sports and Esports for Caesars Entertainment
- **8/27/20 - From Ticket Writer to Bookie, A Life in Sports Betting** - Vinny Magliulo, VSiN's VP of Strategic Partnerships and Marketing & VP of Corporate Relations for Las Vegas Dissemination Company
- **9/24/20 - Sports Betting Insights** - Marc Nelson, Corporate Director of Race and Sports and the Atlantis Casino Resort and Spa and Joe Bertolone, Executive Director, UNLV International Center

All Session will be held from 3:00-4:00pm EST

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