

February 27, 2024

Re: Testimony Opposing Maryland Senate Bill 903

Honorable Members of the Maryland Senate,

I wish to express my opposition to Senate Bill 903, which mandates that a portion of the proceeds from mobile sports wagering, specifically from a licensee associated with an ownership group operating a video lottery terminal facility in Prince George's County, be allocated to the Comptroller for certain local impact grants. While the intention behind the bill may be to support community initiatives through local impact grants, its implications, particularly on minority ownership within the sports wagering industry, are detrimental and counterproductive to the principles of equity and economic opportunity.

The bill adversely affects minority owners who are part of the mobile sports wagering license. These individuals have acquired a small percentage of ownership, an opportunity that was created to rectify historical inequalities within the state's licensing benefits framework. Traditionally, minorities have been the primary consumers yet seldom the benefactors of the licensing system. The establishment of minority ownership in mobile sports wagering was a step towards correcting these disparities by fostering wealth creation and equitable participation in the industry.

However, Senate Bill 903 threatens to undermine this progress by significantly reducing the potential profits for minority owners. The redirection of proceeds to the Comptroller for local impact grants, while noble in aim, inadvertently strips these minority owners of the anticipated benefits, essentially nullifying their stake and contribution. This not only disincentivizes current and future minority participation but also negates the state's efforts towards correcting historical wrongs.

Furthermore, the imposition of this financial obligation could set a precedent that may discourage the inclusion of minority stakeholders in other sectors, thereby perpetuating the cycle of economic disparity. If the state of Maryland is genuinely committed to fostering an inclusive, diverse, and equitable business environment, it must reconsider the ramifications of Senate Bill 903.

The goal of achieving fairness and equity in business should not come at the expense of those it seeks to uplift. Instead, I urge the legislature to explore alternative methods that do not disproportionately impact minority owners, such as incentivizing broader minority participation and ownership across various industries without punitive financial measures.

For these reasons, I strongly oppose Senate Bill 903 and encourage you to vote against its passage. Let us work together to find solutions that advance equity and prosperity for all Marylanders, without undermining the very individuals we aim to support.

Thank you for considering my testimony on this critical issue.

Best Regards,

Vennard Wright

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