



House Judiciary Committee

Testimony in Support of HB 1226

March 5, 2026

Chair Bartlett, Vice Chair Davis, and members of the committee,

The Sports Betting Alliance (the “SBA”) is a coalition of five of the nation’s leading licensed and regulated sports wagering and iGaming operators. Our members—Bet365, BetMGM, DraftKings, Fanatics Betting & Gaming, and FanDuel—are all proud to be licensed sportsbook operators in Maryland.

The SBA strongly supports House Bill 1226’s prohibition on illegal online gambling, including online sweepstakes casinos. We commend the Chair for advancing thoughtful, effective legislation that directly addresses and curtails this conduct.

Sweepstakes platforms allow Maryland customers to pay real money and win real money by playing online casino games. Customers purchase “gold coins” used to play so-called “social games” that offer no real-world prizes. However, with each purchase of gold coins, users also receive a “free” allotment of “sweeps coins” (typically on a 1:1 basis to the number of dollars spent) which can be used to play the exact same casino games for the opportunity to win cash prizes.

The “sweepstakes” subterfuge is merely a thin attempt to bypass Maryland’s gambling prohibitions. In short, these casino games offer a prize, awarded by chance, obtained through paid consideration—the hallmark of gambling under Maryland law. This business model is casino gambling in everything but name, and it presents serious risks to Maryland consumers.

Maryland has demonstrated that gambling can and should be offered with appropriate safeguards and subject to rigorous state oversight. Maryland’s land-based casinos and online sports wagering operators must comply with detailed rules and regulations regarding responsible gaming, integrity, accounting and taxation. In contrast, these



unlicensed illegal gambling entities operate real money online casinos without any regulatory oversight. They are not required to implement standard safeguards typically mandated in legal gaming operations, such as responsible gaming measures, protections against underage gambling, or compliance with anti-money laundering laws.

Despite these risks, Maryland residents are estimated to wager \$8.62 billion annually on unregulated online sweepstakes and internet games, up nearly 30% from 2022, losing approximately \$74.4 million each year.¹

HB 1226 would modernize Maryland law to make clear that unlicensed, unregulated, untaxed online gambling is illegal. It would also provide accountability, prohibiting any person from knowingly supporting illegal online gambling, directly or indirectly, and requiring the Commission to revoke the gaming license of any person found in violation, rendering that person permanently ineligible to hold a gaming license.

It is a common-sense step to protect consumers and ensure a fair, regulated marketplace. We respectfully urge your support in banning illegal online gambling in Maryland.

¹ American Gaming Association. (2025, August; 2023, August). *Sizing the illegal and unregulated gaming markets in the United States*.