

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 297

(Senators Young and Hough)

Budget and Taxation

Ways and Means

Gaming - Sports Wagering Facilities - Locations

This bill generally prohibits the Sports Wagering Application Review Commission (SWARC) from awarding a Class B-1 or B-2 sports wagering facility license to an applicant whose sports wagering facility will be located within a 10-mile radius of certain existing Class B-1 or B-2 sports wagering facilities located in Calvert, Carroll, Charles, or Frederick counties. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: None. Expanding the exclusion mile radius for Class B-1 and B-2 sports wagering facility licenses in Calvert, Carroll, Charles, or Frederick counties has no fiscal effect because SWARC is still expected to issue the maximum number of Class B-1 and B-2 sports wagering facility licenses authorized under current law.

Local Effect: None. Altering where Class B-1 and B-2 sports wagering licenses may be awarded does not affect video lottery terminal and table game revenues in the State because the bill does not alter the exclusion zone for casinos with a sports wagering facility license. Thus, local impact grants are not affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapter 492 of 2020, a constitutional amendment approved by the voters at the November 2020 general election, authorized sports and event wagering, contingent upon implementation legislation passed by the General Assembly. Chapter 356 of 2021

established the operational and regulatory framework for the State’s sports wagering program.

Under Chapter 356, the State Lottery and Gaming Control Commission (SLGCC) is required to generally regulate sports wagering to the same extent that it regulates the operation of video lottery terminals and table games in the State. Sports wagering licenses are awarded by SWARC, the members of which were appointed by the Governor, the President of the Senate, and the Speaker of the House.

On award of a license by SWARC, SLGCC must issue a license to an applicant that meets the requirements for licensure. There are 13 Class A and 7 Class B sports wagering facility licensees designated under the law, all of which are identified in **Exhibit 1**, and can be seen in this [map](#). Class B-2 licenses are reserved for applicants with less than (1) 25 employees or (2) \$3,000,000 in annual gross receipts. A sports wagering facility licensee may accept wagers made by an individual physically present on the licensee’s property, including wagers on a self-service kiosk, device, or machine on the property.

Exhibit 1
Designated Sports Wagering Facility Licensees

<u>License</u>	<u>Application Fee</u>	<u>Designated Licensees</u>
Class A-1	\$2,000,000	<ul style="list-style-type: none"> • Three video lottery facilities – Live! in Anne Arundel County, Horseshoe in Baltimore City, and MGM National Harbor in Prince George’s County • Three professional sports stadiums/teams – M&T Bank Stadium, Oriole Park in Baltimore City, and FedEx Field in Prince George’s County • Owner of a professional hockey, basketball, or soccer franchise that leases a stadium in Maryland
Class A-2	\$1,000,000	<ul style="list-style-type: none"> • Three video lottery facilities – Rocky Gap in Allegany County, Hollywood in Cecil County, and Ocean Downs in Worcester County • Maryland Jockey Club (operator of Laurel Park and Pimlico racecourses)
Class B	B-1: \$250,000 B-2: \$50,000	<ul style="list-style-type: none"> • Maryland State Fairgrounds • Four off-track betting locations – Greenmount Station in Carroll County, Riverboat on the Potomac in Charles County, Long Shot’s in Frederick County, and Jockey Bar and Grille in Washington County • Two commercial bingo facilities with at least 200 machines – Bingo World in Anne Arundel County and Rod ‘N’ Reel in Calvert County

Source: Department of Legislative Services

Applicants may also compete for an additional 30 Class B-1 or B-2 facility licenses and 60 mobile sports wagering licenses. Mobile license applicants must pay a \$500,000 application fee. Mobile wagers are restricted to individuals physically located in the State. SWARC must actively seek to achieve racial, ethnic, and gender diversity when awarding Class B facility and mobile licenses and encourage small, minority, and women-owned businesses to apply.

SWARC may not award a license for a location within (1) a 15-mile radius of a Class A-1 or A-2 sports wagering facility located in Allegany, Cecil, or Worcester counties or (2) a 1.5-mile radius of a Class A or B licensee located outside of Allegany, Cecil, or Worcester counties.

Licensees retain 85% of sports wagering proceeds, with the remainder distributed to the Blueprint for Maryland's Future Fund. Revenues accruing to the Blueprint for Maryland's Future Fund are to be used to provide a world-class education for early childhood and K-12 students so that they are prepared for college and a career in the global economy. Certain other revenues are distributed to the Problem Gambling Fund and the Small, Minority-Owned, and Women-Owned Business Sports Wagering Assistance Fund, the purpose of which is to provide grants or loans to small, minority-owned, and women-owned businesses to facilitate participation in the sports wagering industry.

Small Business Effect: Some small businesses, including minority and women-owned businesses, may be prohibited from obtaining a Class B-1 or B-2 sports wagering facility license if they are located within a 10-mile radius of certain existing Class B-1 or B-2 sports wagering facilities located in Calvert, Carroll, Charles, or Frederick counties. Other small businesses with a Class B-1 or B-2 sports wagering facility license may benefit from reduced potential competition as a result of having a larger buffer zone from competing sports wagering facilities.

Additional Information

Prior Introductions: None.

Designated Cross File: HB 339 (Delegates Kerr and K. Young) - Ways and Means.

Information Source(s): Comptroller's Office; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

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