

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 802

(Delegate Wilkins, *et al.*)

Ways and Means and Appropriations

Education, Energy, and the Environment

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**Institutions of Higher Education – Sports Wagering Contracts – Prohibition**

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This bill prohibits an institution of higher education from entering into a contract with a regulated gaming entity, or an agent thereof, if, under the terms of the contract, the institution of higher education receives a commission, a bonus, or any other incentive payment based on the success of securing student participation in sports wagering or online sports wagering. Further, an institution of higher education may not enter into a contract with a sports marketing entity that enters into a contract with a regulated gaming entity, or an agent thereof, if any of the entities involved receives a commission, a bonus, or any other incentive payments under the conditions described above. However, an existing obligation or contract right may not be impaired in any way by the bill. **The bill takes effect July 1, 2023.**

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**Fiscal Summary**

**State Effect:** None. The bill is not expected to impact gaming revenues or expenditures in the State and does not affect State funding of institutions of higher education.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** Allowable contracts between an institution of higher education and a regulated gaming entity (or agent) or a sports marketing entity are subject to public inspection in accordance with the Maryland Public Information Act (PIA). “Regulated gaming entity” means a mobile sports wagering licensee, an online sports wagering

operator, or a sports wagering licensee. “Agent of a regulated gaming entity” includes a marketing firm or other similar entity contracted to perform gaming-related services for a regulated gaming entity.

**Current Law:** Chapter 492 of 2020 authorized sports and event wagering generally, subject to voter referendum, which was approved by Maryland voters in November 2020. Chapter 356 of 2021 implemented sports and event wagering in the State and provided for regulation of sports wagering by the State Lottery and Gaming Control Commission (SLGCC). The Act also established the Sports Wagering Application Review Commission to review and award applications for sports wagering facility and mobile sports wagering licensure.

Licensing is required for the following who are involved in sports wagering:

- a person that operates sports wagering;
- a person that operates sports wagering on behalf of a sports wagering licensee, including an online sports wagering operator;
- a person that manages, operates, supplies, provides security for, or provides service, maintenance, or repairs for sports wagering equipment and devices; and
- an individual directly employed in the operation of sports wagering by a sports wagering licensee if the individual does not otherwise hold a valid State gaming license.

Additionally, SLGCC may, by regulation, require a person that contracts with a licensee and the person’s employees to be licensed if deemed necessary. Regulated gaming entities, as defined by the bill, are not specifically prohibited from entering into a contract with an institution of higher education.

PIA establishes that all persons are entitled to have access to information about the affairs of government and the official acts of public officials and employees. The Act generally must be construed in favor of allowing inspection of a public record, with the least cost and delay to the person or governmental unit requesting the information, unless an unwarranted invasion of privacy would result, as specified.

**State Fiscal Effect:** The State Lottery and Gaming Control Agency (SLGCA) does not anticipate an effect on State revenues or expenditures, including expenditures for its regulation of gaming, as SLGCA does not regulate marketing and sponsorship agreements unless predatory advertising is involved.

## **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 620 (Senators Hettleman and Zucker) - Education, Energy, and the Environment.

**Information Source(s):** University System of Maryland; Maryland Independent College and University Association; State Lottery and Gaming Control Agency; Department of Legislative Services

**Fiscal Note History:** First Reader - February 20, 2023  
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