

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 465
Ways and Means

(Delegate Palakovich Carr, *et al.*)

Gaming - Problem Gambling and College Athlete Protections

This bill requires the State Lottery and Gaming Control Commission (SLGCC) to adopt regulations to reduce or mitigate the effects of problem gambling, which must include establishing a voluntary exclusion list, as well as means for a sober and informed individual to request placement on the exclusion list, for the following: State lottery, fantasy competitions, and sports wagering. SLGCC must provide contact information for individuals on specified voluntary exclusion lists to the Maryland Center of Excellence on Problem Gambling unless individuals decline to have their information shared. A person under the age of 21 years is prohibited from participating in a fantasy competition. A sports wagering licensee may not offer or accept a wager, and an individual may not place a wager, on a player-specific proposition bet on a participant in a collegiate sports or athletic event. Sports wagering licensees must provide certain safeguards, controls, and mechanisms to assist individuals who may have a gambling problem. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: The bill does not materially affect gaming revenues. The State Lottery and Gaming Control Agency (SLGCA) and the Maryland Department of Health (MDH) can likely implement the bill with existing resources, as discussed below.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: Sports wagering licenses must annually provide transactional data and metrics as specified to Morgan State University, Bowie State University, and the University of Maryland School of Medicine.

A fantasy competition operator may not offer a fantasy competition or related services for which there is a service fee to a person that is under 21 years.

The bill defines a “proposition bet” as a wager on an individual action, statistic, occurrence, or nonoccurrence, whether related to an individual player or team, the outcome of which is not directly connected to the final outcome or final score of a sporting event.

Current Law: SLGCC must adopt regulations to reduce or mitigate effects of problem gambling. The regulations must include establishment of a voluntary list of individuals with gambling problems who request to be excluded from any video lottery operation in the State, as well as means for a sober and informed individual to request placement on the exclusion list for a specified time period. A video lottery operation licensee may not permit an individual on the voluntary exclusion list to enter into the video lottery facility or to play a video lottery terminal. SLGCC may impose sanctions on a licensee for knowingly failing to exclude from the premises an individual on the voluntary exclusion list.

Sports Wagering and Fantasy Competitions

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 implemented sports wagering in the State and provides for regulation of sports wagering and fantasy gaming competitions. Licensees receive 85% of proceeds from sports wagering and fantasy gaming and the State receives 15%, as well as license fee revenues. Any winnings on a sports event not claimed within 182 days after the wager is won revert to the Problem Gambling Fund.

Regulations prohibit a person under the age of 18 from participating in fantasy competitions.

Problem Gambling

Video lottery operation licensees must pay an annual fee of \$425 per video lottery terminal for a Problem Gambling Fund administered by MDH, and SLGCC has established an annual fee of \$500 per table game for the Problem Gambling Fund. The Problem Gambling Fund is used to fund programs to treat and prevent gambling addiction. After satisfying

specified requirements, any unspent funds in the Problem Gambling Fund may be expended by MDH on drug and other addiction treatment services.

The Maryland Center of Excellence on Problem Gambling is a program of the University of Maryland School of Medicine and funded by MDH's Behavioral Health Administration through the Problem Gambling Fund. The primary goal of the center is to minimize the risks and problems associated with gambling in the State.

State Fiscal Effect: SLGCA directed sports wagering operators to stop taking player-specific proposition bets on a participant in a collegiate sports or athletic event as of March 1, 2024, so that provision of the bill codifies existing practice.

Prohibiting a person under the age of 21 from participating in fantasy competitions does not have a material effect on gaming revenues.

SLGCA has an existing responsible gaming program. In 2011, SLGCA instituted a self-help program for individuals who wish to voluntarily exclude themselves from casino or lottery play. The program is also available at SLGCA-regulated bingo halls in Anne Arundel and Calvert counties and for sports wagering and daily fantasy sports. Thus, SLGCA can use existing resources to modify their voluntary exclusion program to have individuals opt out of having their information shared with the center.

MDH anticipates increased demand for services at the Maryland Center of Excellence on Problem Gambling as a result of contact information of individuals on the voluntary exclusion list being shared with the center. MDH can likely handle an increase in demand for services with existing resources, but to the extent that there is a significant influx, MDH may need additional resources.

Additional Information

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

Designated Cross File: None.

Information Source(s): University System of Maryland; Morgan State University; Maryland Department of Health; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

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