

SENATE BILL 639

C7, C6
SB 982/25 – B&T

6lr0861
CF 6lr0860

By: **Senators Corderman and Lewis Young**
Introduced and read first time: February 5, 2026
Assigned to: Budget and Taxation

A BILL ENTITLED

- 1 AN ACT concerning
- 2 **Sports Wagering – Wagers on Historical Horse Races – Authorization**
- 3 FOR the purpose of altering the definition of “sporting event” for purposes of provisions of
4 law governing sports wagering to include historical horse races; authorizing certain
5 sports wagering facility licensees to accept wagers on historical horse races in a
6 certain manner and subject to certain limitations; providing for the distribution of
7 proceeds from sports wagering on historical horse races; submitting this Act to a
8 referendum of the qualified voters of the State; and generally relating to sports
9 wagering on historical horse races.
- 10 BY repealing and reenacting, without amendments,
11 Article – Economic Development
12 Section 5–1501(b)
13 Annotated Code of Maryland
14 (2024 Replacement Volume and 2025 Supplement)
- 15 BY repealing and reenacting, with amendments,
16 Article – Economic Development
17 Section 5–1501(c)(1)
18 Annotated Code of Maryland
19 (2024 Replacement Volume and 2025 Supplement)
- 20 BY repealing and reenacting, without amendments,
21 Article – State Government
22 Section 9–1A–28(a), 9–1E–01(a), (b), (d), (h), (j) through (n), and (p), and
23 9–1E–06(a)(1) and (2)
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2025 Supplement)
- 26 BY repealing and reenacting, with amendments,
27 Article – State Government

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



Section 9-1A-28(b)(1), 9-1E-01(i), 9-1E-09(a) and (b), and 9-1E-12
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

BY adding to
Article – State Government
Section 9-1E-09(f) and 9-1E-09.1
Annotated Code of Maryland
(2021 Replacement Volume and 2025 Supplement)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
10 That the Laws of Maryland read as follows:

Article – Economic Development

12 5-1501.

13 (b) There is a Small, Minority, and Women–Owned Businesses Account under the
14 authority of the Department.

15 (c) (1) The Account shall receive money as required under [§ 9-1A-27] §§
16 **9-1A-27 AND 9-1E-12** of the State Government Article.

Article – State Government

18 9-1A-28.

19 (a) There is a Purse Dedication Account under the authority of the State Racing
20 Commission.

23 9-1E-01.

24 (a) In this subtitle the following words have the meanings indicated.

25 (b) "Commission" has the meaning stated in § 9-1A-01 of this title.

26 (d) "Horse racing licensee" means the holder of a license issued by the State
27 Racing Commission under § 11-510 of the Business Regulation Article.

28 (h) "Proceeds" means the amount of money wagered on a sporting event, less:

29 (1) the amount returned to successful bettors;

(2) the cash equivalents of any merchandise or thing of value awarded as a prize to successful bettors;

3 (3) free bets and promotional credits redeemed by bettors; and

4 (4) all excise taxes paid by a sports wagering licensee in accordance with
5 federal law.

6 (i) (1) “Sporting event” means:

7 (i) a professional sports or athletic event;

8 (ii) a collegiate sports or athletic event;

9 (iii) an Olympic or international sports or athletic event;

10 (iv) an electronic sports or video game competition in which each
11 participant is at least 18 years old;

12 (v) a motor race event sanctioned by a motor racing governing entity;

13 (vi) except as otherwise prohibited under Title 11 of the Business
14 Regulation Article or the federal Interstate Horse Racing Act, a **LIVE** horse race, held in or
15 out of the State, if consented to and approved by:

16 1. the horse racing licensee of the applicable breed;

21 4. the State Racing Commission;

(VII) A HISTORICAL HORSE RACE;

27 (2) "Sporting event" does not include:

28 (i) a high school sports or athletic event; or

(ii) a fantasy competition regulated under Subtitle 1D of this title.

2 (j) “Sports wagering” means the business of accepting wagers on any sporting
3 event by any system or method of wagering, including single-game bets, teaser bets,
4 parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play
5 bets, proposition bets, and straight bets.

(2) "Sports wagering facility licensee" includes the holder of a Class A-1, A-2, B-1, or B-2 sports wagering facility license issued under § 9-1E-06 of this subtitle.

11 (l) “Sports wagering license” means a license issued by the Commission under
12 this subtitle that authorizes the holder to accept wagers on sporting events.

13 (m) "Sports wagering licensee" means the holder of a sports wagering license.

14 (n) "Video lottery facility" has the meaning stated in § 9-1A-01 of this title.

15 (p) "Video lottery operator" has the meaning stated in § 9-1A-01 of this title.

16 9-1E-06.

23 (ii) issue a Class A-2 sports wagering facility license to an applicant
24 that meets the requirements for licensure under this subtitle who is:

27 2. a horse racing licensee;

(iv) subject to paragraphs (2) and (3) of this subsection, issue a Class B-2 sports wagering facility license to any applicant who is a person with less than:

5 (v) issue not more than 60 mobile sports wagering licenses to any
6 applicant who meets the requirements for licensure under this subtitle.

23 9-1E-09.

24 (a) [A] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A sports
25 wagering facility licensee may accept wagers on sporting events that are made:

26 (1) by an individual physically present:

27 (i) at a video lottery facility, if the sports wagering licensee is a video
28 lottery operator;

29 (ii) at Pimlico Race Course or a race track located at Laurel Park, if
30 the sports wagering licensee is a horse racing licensee;

1 wagering licensee is the owner or a lessee or the designee of the owner or lessee of the
2 stadium;

3 (iv) at the Maryland State Fairgrounds in Timonium, if the sports
4 wagering licensee is the holder of a license issued by the State Racing Commission under §
5 11-524 of the Business Regulation Article, or a subsidiary of the license holder;

6 (v) at a satellite simulcast facility, if the sports wagering licensee is
7 the owner or lessee of a satellite simulcast facility described under § 9-1E-06(a)(2) of this
8 subtitle;

9 (vi) at a commercial bingo facility with at least 200 electronic bingo
10 machines or electronic tip jar machines, if the sports wagering licensee is a commercial
11 bingo operator described under § 9-1E-06(a)(2) of this subtitle; or

12 (vii) subject to subsection (e) of this section, at the facility identified
13 in the application approved by the Sports Wagering Application Review Commission, if the
14 sports wagering licensee is a holder of a Class B-1 or B-2 sports wagering facility license;
15 or

16 (2) on a self-service kiosk, device, or machine, approved by the
17 Commission, located in a facility or at a location identified under item (1) of this subsection.

18 (b) **[A] EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, A mobile**
19 **sports wagering licensee may accept wagers on sporting events that are made through**
20 **online sports wagering by an individual physically located in the State.**

21 (F) (1) **SUBJECT TO § 9-1E-09.1 OF THIS SUBTITLE, A SPORTS WAGERING**
22 **FACILITY LICENSEE MAY ACCEPT WAGERS ON HISTORICAL HORSE RACES THAT ARE**
23 **MADE BY AN INDIVIDUAL PHYSICALLY PRESENT:**

24 (I) **AT A VIDEO LOTTERY FACILITY, IF THE SPORTS WAGERING**
25 **LICENSEE IS THE HOLDER OF A CLASS A-1 OR A-2 SPORTS WAGERING FACILITY**
26 **LICENSE UNDER § 9-1E-06(A)(1)(I) OR (II) OF THIS SUBTITLE;**

27 (II) **AT A THOROUGHBRED OR STANDARDBRED RACE COURSE, IF**
28 **THE SPORTS WAGERING LICENSEE IS THE HOLDER OF A CLASS A-2 SPORTS**
29 **WAGERING FACILITY LICENSE ISSUED UNDER § 9-1E-06(A)(1)(II) OF THIS**
30 **SUBTITLE;**

31 (III) **AT THE MARYLAND STATE FAIRGROUNDS IN TIMONIUM, IF**
32 **THE SPORTS WAGERING LICENSEE IS THE HOLDER OF A LICENSE ISSUED BY THE**
33 **STATE RACING COMMISSION UNDER § 11-524 OF THE BUSINESS REGULATION**
34 **ARTICLE, OR A SUBSIDIARY OF THE LICENSE HOLDER; OR**

7 9-1E-09.1.

8 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
9 INDICATED.

15 (4) "PARI-MUTUEL BETTING" HAS THE MEANING STATED IN § 11–101
16 OF THE BUSINESS REGULATION ARTICLE.

17 (B) THIS SECTION APPLIES ONLY TO A SPORTS WAGERING FACILITY
18 LICENSEE AUTHORIZED TO OFFER SPORTS WAGERING ON HISTORICAL HORSE
19 RACING IN ACCORDANCE WITH § 9-1E-09 OF THIS SUBTITLE.

20 (c) SPORTS WAGERING ON HISTORICAL HORSE RACES:

21 (1) SHALL BE CONDUCTED AS PARI-MUTUEL BETTING; AND

22 (2) MAY BE CONDUCTED ON HISTORICAL HORSE RACES OF ANY
23 BREED.

24 (D) (1) SPORTS WAGERING ON HISTORICAL HORSE RACES MAY BE
25 PERMITTED ONLY IN A DESIGNATED AREA ON THE PREMISES OF THE SPORTS
26 WAGERING FACILITY LICENSEE THAT IS APPROVED BY THE COMMISSION.

7 (F) BEFORE OFFERING WAGERING ON HISTORICAL HORSE RACES, A SPORTS
8 WAGERING FACILITY LICENSEE SHALL FIRST OBTAIN THE COMMISSION'S WRITTEN
9 APPROVAL OF ALL TYPES OF WAGERS OFFERED.

10 (G) (1) (I) AN INDIVIDUAL MAY WAGER ON HISTORICAL HORSE RACES
11 ONLY ON A TERMINAL APPROVED BY THE COMMISSION.

15 (III) THE COMMISSION MAY NOT AUTHORIZE THE OPERATION OF
16 MORE THAN 4,000 TERMINALS UNDER THIS SECTION.

2. DISPLAYED ON THE TERMINAL IN DATA OR GRAPHICAL FORM.

7 (6) (I) AFTER A BETTOR FINALIZES THE BETTOR'S WAGER
8 SELECTIONS, THE TERMINAL SHALL DISPLAY:

9 1. THE BETTOR'S SELECTIONS;

2. THE OFFICIAL RESULTS OF EACH RACE; AND

14 (II) THE IDENTITY OF EACH RACE SHALL BE REVEALED TO THE
15 BETTOR AFTER THE BETTOR HAS PLACED THE BETTOR'S WAGER.

16 (H) (1) A WAGER ON A HISTORICAL HORSE RACE OR ON MULTIPLE
17 HISTORICAL HORSE RACES SHALL BE PLACED IN PARI-MUTUEL POOLS APPROVED
18 BY THE COMMISSION.

28 **(I) (1) A SPORTS WAGERING FACILITY SHALL OPERATE A HISTORICAL**
29 **HORSE RACING PARI-MUTUEL POOL OR POOLS IN A MANNER AND METHOD**
30 **APPROVED BY THE COMMISSION.**

10 (J) (1) THE MINIMUM WAGER THAT A SPORTS WAGERING FACILITY
11 LICENSEE MAY ACCEPT ON A WAGER BASED ON THE OUTCOME OF A HISTORICAL
12 HORSE RACE OR RACES IS 10 CENTS.

15 9-1E-12.

16 (a) [(1)] The Commission shall account to the Comptroller for all of the revenue
17 under this subtitle.

23 **(b) (1) (2) (i)** Except as provided in subparagraphs (ii), (iii), and (iv) of
24 this paragraph, all proceeds from sports wagering shall be electronically transferred
25 monthly into the State Lottery Fund established under Subtitle 1 of this title.

26 (ii) A Class A-1 and A-2 sports wagering facility licensee shall
27 retain 85% of the proceeds from sports wagering conducted at the locations described in §
28 9-1E-09(a) of this subtitle.

29 (iii) A Class B-1 and B-2 sports wagering facility licensee shall
30 retain 85% of the proceeds from sports wagering conducted at the location described in the
31 licensee's application.

32 (iv) A mobile sports wagering licensee shall retain 80% of the
33 proceeds from online sports wagering received by the licensee.

1 **[(2)] (3)** (i) Except as provided in subparagraph (ii) of this paragraph,
2 all proceeds from sports wagering in the State Lottery Fund established under Subtitle 1
3 of this title shall be distributed on a monthly basis, on a properly approved transmittal
4 prepared by the Commission to the Blueprint for Maryland's Future Fund established
5 under § 5-206 of the Education Article.

6 (ii) For fiscal year 2026 and each fiscal year thereafter, 5% of the
7 proceeds attributable to mobile sports wagering shall be deposited in the General Fund.

8 (c) **(1) THE PROCEEDS FROM SPORTS WAGERING ON HISTORICAL HORSE**
9 **RACES, LESS THE AMOUNT RETAINED BY THE LICENSEE UNDER PARAGRAPH (2) OF**
10 **THIS SUBSECTION, SHALL BE UNDER THE CONTROL OF THE COMPTROLLER AND**
11 **DISTRIBUTED AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION.**

12 **(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF**
13 **THIS PARAGRAPH, ALL PROCEEDS FROM SPORTS WAGERING ON HISTORICAL HORSE**
14 **RACES SHALL BE TRANSFERRED ELECTRONICALLY MONTHLY INTO THE STATE**
15 **LOTTERY FUND ESTABLISHED UNDER SUBTITLE 1 OF THIS TITLE.**

16 **(II) IF THE SPORTS WAGERING FACILITY LICENSEE IS A VIDEO**
17 **LOTTERY OPERATOR, THE SPORTS WAGERING FACILITY LICENSEE SHALL RETAIN**
18 **THE SAME PERCENTAGE OF THE PROCEEDS FROM HISTORICAL HORSE RACES THAT**
19 **THE VIDEO LOTTERY OPERATOR RETAINS FROM PROCEEDS FROM VIDEO LOTTERY**
20 **TERMINALS UNDER § 9-1A-27(A)(2), (7), AND (8), (B), AND (C)(1)(II) AND (2) OF THIS**
21 **TITLE.**

22 **(III) A SPORTS WAGERING FACILITY LICENSEE THAT IS NOT A**
23 **VIDEO LOTTERY OPERATOR SHALL RETAIN 60% OF THE PROCEEDS FROM**
24 **HISTORICAL HORSE RACES WAGERS AT THE SPORTS WAGERING FACILITY.**

25 **(3) ON A MONTHLY BASIS, THE COMPTROLLER SHALL DISTRIBUTE**
26 **THE PROCEEDS FROM SPORTS WAGERING ON HISTORICAL HORSE RACES IN THE**
27 **STATE LOTTERY FUND ESTABLISHED UNDER SUBTITLE 1 OF THIS TITLE IN THE**
28 **FOLLOWING MANNER:**

29 **(I) THE SAME PERCENTAGE OF PROCEEDS SHALL BE**
30 **DISTRIBUTED AS LOCAL IMPACT GRANTS AND TO THE STATE LOTTERY AND GAMING**
31 **CONTROL AGENCY, THE PURSE DEDICATION ACCOUNT, AND THE SMALL,**
32 **MINORITY, AND WOMEN-OWNED BUSINESSES ACCOUNT IN THE SAME MANNER AS**
33 **PROCEEDS FROM VIDEO LOTTERY TERMINALS UNDER § 9-1A-27 OF THIS TITLE;**

34 **(II) 5% OF THE PROCEEDS SHALL BE DEPOSITED IN THE**
35 **GENERAL FUND; AND**

4 (D) A winning wager on a sporting event that is not claimed by the winner within
5 182 days after the wager is won shall:

6 (1) become the property of the State; and

(2) be distributed to the Problem Gambling Fund established under § 9–1A–33 of this title.

9 **(d) (E)** If a sports wagering licensee returns to successful players more than
10 the amount of money wagered in any month, the licensee may subtract that amount from
11 the proceeds of up to the three following months.

12 **(e) (F)** The admissions and amusement tax may not be imposed on any
13 proceeds from sports wagering.

14 SECTION 2. AND BE IT FURTHER ENACTED, That before this Act, which
15 authorizes additional forms or expansion of commercial gaming, becomes effective, it first
16 shall be submitted to a referendum of the qualified voters of the State at the general
17 election to be held in November 2026, in accordance with Article XIX, § 1(e) of the Maryland
18 Constitution. The State Board of Elections shall do those things necessary and proper to
19 provide for and hold the referendum required by this section. If a majority of the votes cast
20 on the question are “For the referred law”, this Act shall become effective on January 1,
21 2027, but if a majority of the votes cast on the question are “Against the referred law”, this
22 Act, with no further action required by the General Assembly, shall be null and void.

23 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to Section 2 of this
24 Act and for the sole purpose of providing for the referendum required by Section 2 of this
25 Act, this Act shall take effect July 1, 2026.