

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1453 (Delegate Miller)
 Ways and Means

Gaming - Extensions of Credit, Penalties, Player Protections, and Distribution of Proceeds - Alterations

This bill alters the distribution of fantasy competition and online sports wagering proceeds so that 1% of proceeds is distributed to the Problem Gambling Fund, and the bill decreases from 5% to 4% the proceeds that are distributed to the general fund from online sports wagering proceeds. The bill establishes specified safeguards to provide player protections related to gaming. The bill increases the maximum penalties that the State Lottery and Gaming Control Agency (SLGCA) may impose on applicants or licensees for specified gaming violations from \$5,000 to \$50,000. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund revenues decrease by at least \$5.70 million annually beginning in FY 2027. Special fund revenues and expenditures for the Problem Gambling Fund increase by at least \$5.77 million annually beginning in FY 2027. General fund expenditures for SLGCA annually increase, potentially by a significant amount, beginning in FY 2027 to establish a central list of players.

(\$ in millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GF Revenue	(\$5.70)	(\$5.85)	(\$5.95)	(\$6.04)	(\$6.13)
SF Revenue	\$5.77	\$5.93	\$6.03	\$6.11	\$6.21
GF Expenditure	-	-	-	-	-
SF Expenditure	\$5.77	\$5.93	\$6.03	\$6.11	\$6.21
Net Effect	(\$5.70)	(\$5.85)	(\$5.95)	(\$6.04)	(\$6.13)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Fantasy competition operators retain 84%, instead of 85%, of proceeds and the State Lottery and Gaming Control Commission (SLGCC) must distribute 1% of the proceeds from fantasy competitions to the Problem Gambling Fund.

A sports wagering licensee may not accept a wager from an individual on a single sporting event in excess of \$100,000. A mobile sports wagering licensee may not accept a credit card as payment for any online sports wagering-related transactions.

SLGCC must adopt regulations governing the extension of credit to a player by a video lottery operation licensee as specified. SLGCC must also establish a central list of players for whom each video lottery operation licensee has approved an extension of credit or authorized counter check privileges and the amount of credit extended to each player by the licensee. Video lottery operation licensees must submit player information in a timely manner, and each video lottery operation licensee must monitor the list to ensure that licensees cumulatively have not extended a player credit beyond the player's net worth.

Current Law:

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. Chapter 604 of 2025 increased the mobile sports wagering tax rate from 15% to 20%. Mobile sports wagering licensees receive 80% of mobile sports wagering proceeds, while all other licensees receive 85% of proceeds from sports wagering and fantasy gaming. Beginning in fiscal 2026, 5% of mobile sports wagering proceeds (*i.e.*, 25% of State mobile sports wagering revenues) is distributed to the general fund and the remainder is distributed to the Blueprint for Maryland's Future Fund, which supports public education. Any winnings on a sports event not claimed within 182 days after the wager is won revert to the Problem Gambling Fund.

Problem Gambling

Video lottery operation licensees must pay an annual fee of \$425 per video lottery terminal (VLT) for a Problem Gambling Fund administered by the Maryland Department of Health (MDH), and SLGCC has established an annual fee of \$500 per table game for the Problem Gambling Fund. Additionally, any sports wagering winnings on a sports event not claimed within 182 days after the wager is won revert to 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.

State Fiscal Effect: Exhibit 1 shows the estimated revenue impacts of the bill. Based upon December 2025 projections of sports wagering revenues, special fund revenues and expenditures for the Problem Gambling Fund increase by at least \$5.77 million annually and general fund revenues decrease by at least \$5.70 million annually beginning in fiscal 2027. Other provisions in the bill are assumed to not materially affect gaming revenues.

Exhibit 1
Estimated Revenue Distributed to the Problem Gambling Fund Under the Bill
FY 2027-2031
(\$ in Millions)

	<u>FY 2027</u>	<u>FY 2028</u>	<u>FY 2029</u>	<u>FY 2030</u>	<u>FY 2031</u>
Online Sports Wagering	\$5.70	\$5.85	\$5.95	\$6.04	\$6.13
Fantasy Competitions	0.08	0.08	0.08	0.08	0.08
Problem Gambling Fund	\$5.77	\$5.93	\$6.03	\$6.11	\$6.21
General Fund – Online Sports Wagering	(\$5.70)	(\$5.85)	(\$5.95)	(\$6.04)	(\$6.13)

Source: Department of Legislative Services

The bill requires SLGCC to establish a central list of players for whom each video lottery licensee has approved an extension of credit or authorized counter check privileges and the amount of credit extended to each player by the licensee. This would require SLGCC to collect player credit information from each video lottery operation licensee, aggregate and store that data securely, and provide regulated access to State regulators and video lottery operation licensees. SLGCA anticipates needing a new central regulatory database to do so. Although SLGCA is not able to provide an estimate of the cost for the database, it is likely to exceed \$100,000, and may cost significantly more than that.

Additionally, SLGCA notes it needs five auditors to maintain and monitor the central list. As player information is confidential, the Department of Legislative Services is unable to project how many players would be on the central list, and how many additional employees SLGCA may need to maintain and monitor the list. SLGCA receives a portion of VLT revenues for operating expenses but it does not cover all of SLGCA’s gaming operating

expenses. Thus, general fund expenditures for SLGCA increase potentially significantly beginning in fiscal 2027 to procure a central regulatory database and hire additional staff to monitor and maintain the database.

Small Business Effect: Small businesses that are fantasy competition operators must pay an additional percentage point of proceeds to the State.

Additional Information

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

Designated Cross File: None.

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

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caw/jrb

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