

ColbyFerguson_FAV_SB58

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Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

January 29, 2020

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

Re: Support of SB58 - Expansion of Commercial Gaming - Referendum - Sports Wagering

On behalf of our member families, I submit this written testimony in support of SB 58, legislation establishes that the General Assembly may authorize, by law, that the State Lottery and Gaming Control Commission may issue a license to offer sports wagering in the State to a video lottery operation licensee or a licensee for thoroughbred racing or harness racing. The bill also provides the General Assembly's intent that, if the voter referendum is approved, State revenues generated by sports wagering be used for dedicated purposes, including public education. If this bill is passes it will be sent to a referendum to be voted on during the 2020 general election.

Maryland Farm Bureau Policy: Any expansion into other forms of gambling such as table games and sports book similar to Video Lottery Terminals (VLTs) should benefit the equine industry and agricultural education programs.

MARYLAND FARM BUREAU SUPPORTS SB 58 AND ENCOURAGES A FAVORABLE REPORT.

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

Draftkings_Support _SB 58

Uploaded by: koch, sarah

Position: FAV



THE GAME INSIDE THE GAME.

Testimony Before Maryland Senate – Budget and Taxation Committee
Senate Bills 4 & 58
January 29, 2020

Sarah Koch
Director, Government Affairs
DraftKings Inc.
skoch@draftkings.com

Chairman Guzzone, Members of the Committee:

My name is Sarah Koch I am a Director of Government Affairs at DraftKings Inc. (“DraftKings”). I appreciate the opportunity to testify before this distinguished body today in support of SB 4 and SB 58. DraftKings was founded in 2012 as a daily fantasy sports company with the goal of bringing sports fans closer to the games they love. Since that time, DraftKings has evolved into a global sports entertainment company with more than eleven million customers worldwide

The United States Supreme Court paved the way for states to legalize sports wagering within their borders with a court ruling in May 2018. Since that time DraftKings has processed more than 55 million bets in the eight states in which we’re currently operating. DraftKings’ mobile platform alone has accounted for 30% of the total tax revenue generated by sports betting in New Jersey. As the operator of one of the top mobile sportsbooks in regulated states, we appreciate the opportunity to participate in today’s hearing to discuss the importance of Maryland embracing a competitive, fully mobile sports wagering market.

It is important to recognize that sports wagering is already taking place in Maryland on a massive scale, with an estimated 1.3 million Marylanders betting over \$2 billion in illegal wagers each year.¹ Nearly all the sports wagers in Maryland are placed online through offshore websites in the robust illegal market. Across the country, states are trying to bring this activity into a legal, regulated market. Twenty U.S. states and jurisdictions have already passed sports wagering laws to date including Maryland’s neighbors Delaware, Pennsylvania, West Virginia, and the District of Columbia, while sports betting bills are currently pending before legislatures this year in many other states, including Virginia.

¹ See <https://www.americangaming.org/wp-content/uploads/2018/12/AGA-Oxford-Sports-Betting-Economic-Impact-Report1-1.pdf> (noting that approximately 28% of U.S. adults currently bet on sports).

Only those states which include a competitive mobile component in their legislation are likely to capture the full sports wagering revenue that would otherwise go to the illegal market. Today, more than 85% of the wagers placed in New Jersey and Pennsylvania are made via a mobile device, and states that have not embraced competitive mobile sports wagering simply are not converting consumers away from the illegal market. SB 4 takes the first step to combatting the illegal market by providing for mobile betting.

Creating a truly competitive market will also be crucial to the success of regulated sports wagering in Maryland. That is why we urge the Senate to adopt similar language from the House's sports betting bill, HB 225, which would allow a qualifying racetrack to partner with an experienced online operator in order to offer mobile sports wagering. A marketplace with multiple choices for consumers will lead to a much better consumer experience that forces operators to compete with one another and innovate to offer new and exciting products with competitive pricing. Multiple operators will also increase the overall economic impact that sports wagering has in the state. More operators mean not only better products and customer engagement, it also means more advertising revenue for local TV, radio and print, and more revenue for the state.

Creating artificial barriers for consumers, such as requiring them to register a mobile sports betting account in person, will only deter them from using the legal market. We want to thank the sponsor of SB 4, Senator Zucker, for including language in the legislation that authorizes online registration and look forward to working with the State Lottery and Gaming Control Commission to adopt regulations on secure mobile account funding procedures.

SB 4 provides for consumer protections which DraftKings supports and which are not required in the illegal market today. At DraftKings, we use "know your customer" technology to ensure underage individuals are not able to create an account, deposit, or wager through our website or application. We provide safeguards that allow customers to set their own deposit and play limits and to self-exclude from participation should they choose. By tracking wagers placed through the application or online, mobile operators such as DraftKings can identify and flag potentially problematic betting behavior more quickly and accurately than in-person sports wagering.

If Maryland wants to maximize revenue, best protect consumers, and eliminate the thriving illegal offshore sports betting industry, it can best be achieved through the creation of a competitive, fully mobile sports wagering market.

Thank you for the opportunity to testify today. I am happy to answer any questions.

WEST_FAV_SB58

Uploaded by: Senator West, Senator West

Position: FAV

CHRIS WEST
Legislative District 42
Baltimore County

Judicial Proceedings Committee

Vice Chair, Baltimore County
Senate Delegation



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January 29, 2020

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West Miller Senate Building
11 Bladen Street
Annapolis, Maryland 21401

Re: Senate Bill 58 – Expansion of Commercial Gaming – Referendum – Sports Wagering

Dear Chairman Guzzone and Members of the Committee,

Many of Maryland's surrounding states have already legalized sports betting, including West Virginia, Pennsylvania, Delaware, Washington, D. C. and New Jersey. These states are generating significant revenues from their sports betting franchises while Maryland sits on the sidelines, notwithstanding Maryland's urgent need for more revenues in order to pay for the Kirwan Commission reforms.

Senate Bill 58 is a very simple bill. It enables the General Assembly to authorize the State Lottery and Gaming Control Commission to issue sports wagering licenses to video lottery operation license holders and to thoroughbred racing and harness racing license holders. Senate Bill 58 thus makes it clear that any licensed thoroughbred racing track, no matter its length, may obtain a sports wagering license. Specifically, this will include the thoroughbred racing facility at the Maryland State Fairgrounds, which is in my legislative district.

Senate Bill 58 does three other things. It states that it is the intent of the General Assembly that the State revenues generated by sports wagering shall be used for dedicated purposes, including the funding of public education. Secondly, it requires that before the bill becomes effective, it must be submitted to a referendum in this fall's General Election. Third, the drafter in the Department of Legislative Services advised me that the language in Senate Bill 58 is fully sufficient to authorize the State Lottery and Gaming Commission to promulgate regulations that will authorize sports gaming in Maryland to be conducted via mobile device.

One last word about the language of Senate Bill 58. You will see that the bill is extremely concise. Inasmuch as any laws of this State relating to gambling get included in the State

Constitution, I feel that the bill should be as short as possible. A simple authorization for Maryland to license sports wagering should suffice. There is no need for a lot of detail as to how the sports gambling will be conducted. Frankly, the fewer details that are included in the State Constitution the better. In that way, if the practice of sports gambling should change in future years, there will be no need to conduct another statewide referendum in order to implement the changes.

MSF_support_SB58

Uploaded by: brewster, gerry

Position: FWA

Maryland State Fair Historical Overview

- I am Gerry Brewster, the Chairman of the Board of the MSF and Agricultural Society and along with Donna Myers, the first female President in the 142-year-history of the MSF, we have the honor of leading our Board of Directors.
- On behalf of our entire Board and our dedicated staff, we would like to welcome you to the 139th MY Maryland State Fair !!! Although the MSF was founded 142 years ago, this is only our 139th Fair because the Fairgrounds were used during World War II in our Nation's time of need as a US Army Truck Depot and Maintenance Facility.
- The first Fair recorded here was in 1879 on 37 acres leased from Dr. Grafton Bosley, though historical accounts reflect that horse racing has existed on this site since 1819.
- In the early years, the Maryland State Fair was principally owned by the Maryland Jockey Club.
- In 1950, a buyer came forward and the Maryland Jockey Club planned to sell the Maryland State Fair so that an electric power tool and parts factory could be built.
- To prevent this, hundreds of Marylanders from every part of Maryland came together to form the Committee to Save the Maryland State Fair. This group included farmers, tradesmen, doctors, lawyers, homemakers, and others from every walk of life, and from all jurisdictions of Maryland.
- This group raised the \$500,000 necessary to prevent the sale, saving the Maryland State Fair.
- The Committee to Save the Maryland State Fair then decided that they never wanted to see the Fairgrounds developed for industrial use, so they chartered a new organization called the Maryland State Fair and Agricultural Society, Inc., with a mission to promote Maryland's #1 industry, Agriculture, the preservation of open space, and the education of Marylanders regarding the importance of agriculture in their daily lives.
- The Maryland State Fair exists today for the benefit of all Marylanders as a 501(c)(3) nonprofit corporation.
- Our Angus show alone brings competitors to the Maryland State Fairgrounds from 24 different states. We also have the #1 Hog show in the Nation.
- In partnership with our horse racing industry partners, we have the #1 OTB in the State of Maryland.
- The Maryland State Fair is a critical partner in Maryland's equine industry, which supports 28,000 Maryland jobs and has a \$2.1 Billion economic impact.
- The Maryland State Fair hosts 2 million people per year on our campus.
- The Maryland State Fair generates some 20,000 entries of fruits and vegetables, quilts and crafts, horses and cows, ponies and calves, sheep, swine, goats, llamas, and so much more, entered by thousands of Marylanders from one end of our great State to the other.
- The MSF's impact on the Maryland economy and quality of life is substantial. This includes:
 - 550,000 Fair visitors from all of Maryland's 23 counties, Baltimore City and beyond
 - 2,000,000 annual visitors
 - nearly 500 full- and part-time employees
 - thousands of children who play sports in our infield
 - Our annual Fasig-Tipton horse sales gross in excess of \$40 million with buyers and sellers coming from around the world.

- We are proud to donate free use and reduced admission in excess of \$1 Million annually to various organizations and groups, including:
 - Maryland School for the Blind
 - ARC
 - 4-H and FFA Youth
 - The American Legion and other veterans' organizations
 - Local elementary school children
 - The Boy Scouts
 - The Red Cross
 - The Baltimore County Fire and Police Departments
 - The MD State Police graduation Ceremonies, K-9 Training, Bomb Squad Training, and Emergency Training
 - Maryland State Highway Training
 - Baltimore County Farmer's Market
 - Community Recycling and Earth Day Cleanup
 - BGE Emergency Staging
- We also award four Grove Miller Scholarships and one Marlon Huff scholarship each year to Maryland's outstanding youth.
- We're excited that the Maryland State fair has embarked on the following environmental initiatives:
 - Going Solar – SolarGaines
 - Cow Palace Insulation
 - Stormwater management
 - Tree planting
 - High-efficiency HVAC and new roof
 - Earth Day Cleanup
 - New LED lights
 - Recycling
 - Manure to mushroom farms
 - Oyster shell replanting
 - Crab shell composting
- Each year's MSF emphasizes Maryland's culture that brings us all together. Driving through beautiful Maryland farmland and by the Chesapeake Bay, we can't help but be thankful for those who work so hard to provide food for our tables, clothing for our backs, and so much more.
- Entertainment at the MSF has included:
 - Interactive LEGOs
 - Helicopter rides
 - Glass blowers
 - Live concerts
 - the U-Learn Center with live births
 - the STEM Innovation Station
 - Animal exhibits
 - Maryland Foods Pavilion
 - a milking clinic
 - a goat mountain
 - Not to mention a midway filled with thrilling rides and challenging games!
 - Horse Land
 - Veteran's Exhibits
 - Mounted police
 - the Negro League Baseball Exhibit
 - Bull riding
 - Barrel racing
 - a mechanical bull
 - Swifty Swine pig racing
- We are happy to report that, thanks to the support of our Governor and our State Legislators, our Baltimore County Executive and County Council members, our Board of Directors and our dedicated and hard-working staff, as well as each and every one of you here today, things at the Maryland State Fairgrounds are on the upswing. The MSF is really taking off, not only by showcasing agriculture, but also by creating an economic engine with untapped potential that, with your support, knows no limits. We are all incredibly excited about the myriad of opportunities that could take place on the Maryland State Fairgrounds that would benefit our great County and State economically, environmentally, and culturally. All we need are the necessary resources to do so. We look forward to working with each and every one of you on this exciting path forward. Thank you.

MACo_INFO_SB0058

Uploaded by: Kinnally, Kevin

Position: INFO



Senate Bill 58

Expansion of Commercial Gaming - Referendum - Sports Wagering

MACo POLICY STATEMENT
(Letter of Information)

To: Budget and Taxation Committee

Date: January 29, 2020

From: Kevin Kinnally

Equity with New Revenue Sources

The State's commitment to substantial new education investments has inspired legislation to authorize new activities that carry substantial new revenue potential. The costs of these ambitious school initiatives, as proposed, will also carry a major cost to county governments, many of whom are already straining their current revenue structures.

Only with sufficient funding will county governments be able to work in partnership with the State to advance our schools' competitiveness and outcomes. **As such, any new funding source identified and approved by the State to support new education initiatives should have a commensurate authority or equitable distribution to support county governments statewide as true partners in education investments.**

MACo advocates for adequate, fair, and reasonable funding for all of Maryland's students, and urges State policymakers to sustain a robust level of public education funding without unduly burdening county budgets or slighting other essential local services.

MACo and county governments stand ready to work with State policymakers toward a productive funding partnership to ensure a world-class education system for all Maryland students.