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**Maryland Stadium Authority
Testimony in Support with Amendments**

HB 940 – Gaming - Regulation of Fantasy Gaming Competitions and
Implementation of Sports Wagering

BUDGET AND TAXATION COMMITTEE

The Honorable, Senator Guy Guzzone, Chair
The Honorable, Senator Jim Rosapepe, Vice Chair

Written Testimony, Favorable with Amendments

Thomas Kelso, Chairman, Maryland Stadium Authority

Good afternoon Madam Speaker, Chairs Guzzone and Rosapepe and members of the Budget and Taxation Committee, I am Thomas Kelso, Chairman of the Maryland Stadium Authority (MSA) and appreciate the opportunity to testify in support of HB940 with further amendments.

For clarity, I want to be clear that I am speaking on behalf of the Authority and not any of the professional sports teams in Maryland who do an excellent job of speaking for themselves. **The additional amendment the Authority recommends is to allow all professional sports teams in Maryland to have full sports gaming licenses – both bricks and mortar and digital depending on their preferences – and that those licenses not be restricted to actual days/times when professional sports events are conducted at their venues.** In short, the licenses granted to the professional sports teams in Maryland should enable the teams to utilize the licenses for all aspects of legalized sports wagering in our state.

The professional sports teams in Maryland have created, through significant investment, the sports environment locally which will enable successful sports gaming in Maryland. For sports gaming in Maryland to ultimately be a substantial and growing revenue stream the participation of the teams and their respective leagues is critical to protecting the integrity of the games and the betting experience. Major growth of sports wagering revenue can best be achieved through the creation of tie-ins and the promotion of fan awareness. In addition, the Orioles have chosen to affiliate with minor league teams in Maryland that creates a network of fans for the team that goes well beyond Baltimore City and the surrounding counties which will help grow sports gaming revenues statewide.

Sports gaming is a form of entertainment and there is great competition for the entertainment dollar across the entire spectrum of entertainment options. If the professional sports teams in Maryland do not have full sports gaming licenses that allow bets to be made via digital devices, the teams will be at a disadvantage as compared to casinos and racetracks as well as national companies that will likely obtain at least a portion of the mobile licenses granted. The goal should be increase sports fan enthusiasm which is best achieved by having our sports teams involved in all modes of sports wagering –if the fan base declines (or does not grow) it has a direct effect economically on the MSA, the City and the State through decreased ticket tax revenues, decreased rents, decreased parking revenues, and decreased tax collections. If a season ticketholder at home or at the office watching a day game on television or listening on the radio, why should that fan be forced to place a bet with a separate mobile license holder, which will likely be a national company with no other presence in Maryland.

The professional sports teams in Maryland, and by extension the MSA, were significantly damaged by COVID like all other entertainment businesses were since there were no fans allowed to attend games during the 2020 seasons. Post-COVID it will be challenging to bring fans back to the stadiums and the competition for the entertainment dollar will be fiercer than ever. It is critical to Maryland and to Baltimore that our professional sports team recover which can be helped or hurt by the decisions made regarding sports gaming licenses.

It is not beneficial to the MSA if the teams that play at the Camden Yards stadiums are at disadvantage to teams playing in other parts of Maryland and in Washington, D.C. The Nationals already have a sports betting license for their stadium as do the Washington Wizards and the Washington Capitals. The Washington Football Team already has a license in Virginia. Likewise, the teams that play in Maryland should not be disadvantaged over teams that play in cities and states where sports teams will have sports gaming licenses. If the teams in Baltimore do not have licenses that are full gaming licenses that teams in other cities have, it is just one more reason why the teams that play in a smaller sports market like ours cannot compete with teams in larger markets which could certainly affect the long-term viability of the teams that play in the Camden Yards Sports Complex

Professional sports teams having full licenses that permit mobile betting in addition to in-person would help Maryland by growing the total amount of dollars wagered by sports gaming. The current bill is designed to cater primarily to existing gamblers but expanding the number of license holders to include

professional sports teams has the potential to expose hundreds of thousands of sports fans to sports gaming by allowing them to wager while attending games – wagers not just on the outcomes of games but on what are referred to as proposition bets during the game. There is very little likelihood that any other class of licensee can expand the pool of people who gamble on sporting events the way the professional sports teams can.

Allowing professional sports teams to have full sports gaming licenses and not putting restrictions on those licenses is consistent with the plan to evolve the Camden Yards complex into a live, work, play environment very similar to those that exist in Atlanta, St. Louis, Arlington, Texas, Los Angeles, and those planned in Seattle, Boston, Denver, and other cities. Sports gaming is an entertainment option, compatible with sports whether it is live, broadcast on television or radio, or live streamed digitally.

The professional sports teams bear all the risks and costs of building an organization; recruiting, training, and paying players; absorb all the costs of putting on the games; investment in and rental of stadiums; ownership of training facilities and much more. The way the bill is designed now, the professional sports teams would bear all the costs for producing the events but reap little of the benefits of sports gaming. In horse racing any money bet, regardless of where it is bet, goes into the parimutuel pool out of which purses are paid to horseman, who have enormous investments, and to track operators so they can recoup costs and derive return on their investment. Similarly, casinos bear all the costs of investment and operating the casino but that is the only place where a gambler can play slot machines, video poker or table games so the casino owners and operators reap the benefits of what they produce. Under this bill the teams and sports leagues that actually are responsible for putting on the games, who must bear all the costs of producing the games and who must police the integrity of the sport in a widespread gambling environment will receive little of the benefit.

I respectfully request that you amend HB940 to allow all the professional sports teams in Maryland to have both bricks and mortar and digital licenses that are not restricted to the actual days/times when professional sports events are conducted.