



February 25, 2021

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

Position: Favorable with Amendments

Before the Maryland House Ways and Means Committee

Chair Kaiser, Vice-Chair Washington, and members of the Committee, good afternoon. My name is Jason Tosches, Director, Regulatory Affairs and Market Development for theScore. Thank you for providing me with an opportunity to articulate our full support for establishing a competitive market for regulated sports betting in Maryland. Such authorization will serve as a tool to bring new revenue to the State, expand responsible gaming measures, and combat the black market.

theScore is the 2nd most popular sports media app in North America, with a fully integrated sportsbook, delivering a holistic experience unlike anything else in the market. We have a massively engaged audience on our sports media app, with over 4 million monthly active users each opening the app 130 times a month on average for real-time news and scores. We have an in-house content team that produces hundreds of updates and articles every day, covering everything from the Washington Football Team, to the Ravens, to the Orioles, to the Terrapins, and much more.

In 2007, theScore was the first multisport news and data app launched on the Apple App Store. Since that time, we've steadily grown our userbase, and gotten to know who they are. 85% of our users are male and mostly fall between 21 to 44 years of age - both of which closely mirror the core online sports betting demographic. After the Professional and Amateur Sports Protection Act was overturned by the U.S. Supreme Court in 2018, which allowed sports betting to be authorized on a state-by-state basis, we launched theScore Bet app the following year and are now licensed and operating sports betting in New Jersey, Colorado, Indiana, and Iowa.

We're excited about the potential sports betting opportunity in Maryland and believe that the state has the right combination of population size, media markets, professional and collegiate teams, and an avid fan base to create a successful regulated market.

To fully maximize the sports betting opportunity, we respectfully suggest that HB 940 be amended to increase the number of mobile-only licenses from 10 to 24. We believe authorizing additional mobile-only licenses would offer greater competition among operators, produce maximum market size and State revenue, and an enhanced consumer experience.

In New Jersey, the most mature sports betting market outside of Nevada, 90% of the state's handle, or the total amount of money wagered, is online. In neighboring Pennsylvania, roughly 90% of the state's handle is online, and in Indiana, roughly 85% of the state's handle is online. We believe this clearly indicates a strong customer preference for online wagering.

To put just 10 mobile-only licenses into perspective, West Virginia, a state with less than two million residents, authorized up to 15 online sportsbooks. Colorado, a state of approximately equal population size to Maryland, authorized up to 33 online sportsbooks. Indiana, a state with a slightly larger population size than Maryland, authorized up to 39 online sportsbooks.

One more example highlighting why a competitive market should be established, is Virginia. Last year, the Commonwealth authorized just 12 sports betting licenses and subsequently received 25 applications. The Virginia General Assembly is now contemplating legislation to make more licenses available.

The highly competitive regulatory model in industry-leading New Jersey is demonstrating that a greater number of mobile operators produces the largest possible market size. New Jersey's handle is approaching \$1B each month, which is a national record. The state has set national handle records for the past four consecutive months. Looking on the revenue side, New Jersey and Indiana, with competitive markets, are among the nation's leaders when you compare gross gaming revenue per adult over the trailing twelve months.

Our suggested amendment to increase the number of online-only licenses would also provide Maryland with additional revenue in terms of application and ongoing license fees.

A competitive market also benefits consumers in terms of better product quality and variety, pricing, promotions, and customer support. A positive consumer experience undoubtedly aids in customer acquisition and thereby stamping out the black market.

We're confident a competitive market will position Maryland to achieve its sports wagering objectives and permit Marylanders the opportunity to choose from the widest possible breadth of operators.

Chair Kaiser, Vice-Chair Washington, and members of the Committee, thank you again for providing me with an opportunity to testify. **We respectfully request a favorable with amendment report**, and we hope to serve as a resource for you over the coming weeks and months. With that, I would be happy to answer any questions you may have.

Thank you.