

SB 792 - Joint Racing Industry Letter of Support.p

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Senate Bill 792 (Senator Guzzone)

Horse Racing – Satellite Simulcast Betting Facilities and Permit Holders – Alterations

Senate Budget and Tax Committee

March 9, 2022

FAVORABLE

The Maryland Thoroughbred Horsemen's Association ("MTHA"), Maryland Horse Breeders Association ("MHBA"), The Maryland State Fair and Agricultural Society, Inc. (STATE FAIR) and the various OTB facilities, support Senate Bill 792 which modernizes and update the State's satellite simulcast betting ("OTB") statute. Senate Bill 792 updates zoning and personnel requirements to better align with current practices, eliminates outdated references to certain required amenities, and provides additional operating flexibility to the State's existing seven OTB facilities.

Zoning Consistency: Section 9-1E-03 of Maryland's sports betting statute provides that properly zoned casinos, OTBs, and electronic bingo facilities are not subject to an additional set of local zoning hearings and approvals to offer retail sports betting alongside their existing gaming operations. Similarly, Senate Bill 792 provides that a properly zoned casino, sports betting facility, or electronic bingo hall would not be subject to additional local zoning hearings and approvals to allow pari-mutuel wagering at their existing locations.

Licensing Review: Under current law, the Racing Commission is required to adopt regulations that establish strict personal and financial background checks for OTB applicants. The Commission may waive portions that it deems appropriate for an existing racing licensee – but not for holders of other valid gaming licenses. Senate Bill 792 provides additional discretion to the Commission to authorize waivers of certain requirements for OTB applicants that are duly licensed casino or sports wagering licensees by the State's Gaming Commission.

Updated Amenities: Senate Bill 792 removes outdated amenity requirements from current law, specifically references to "sports palace facilities," seating areas generally found "in fine restaurants," and "teletheatre screen capacity" requirements. Moving forward, OTB licenses would be required to offer pari-mutuel betting facilities and amenities that the Commission finds are appropriate for the area where the OTB is located.

Operating Flexibility: Currently, at all OTBs, the racing licensee (i.e. MJC) is required to own or lease all of the OTB betting equipment – which must be operated by the racing licensee's employees. Senate Bill 792 allows, subject to the approvals of both the Racing and Gaming commissions, self-service kiosks at OTBs that accept both sports bets and pari-mutuel bets (rather than requiring duplicative, separate standalone kiosks).

Senate Bill 792 also authorizes a racing licensee and sports betting licensee to enter into an agreement to allow sports betting facility employees to accept pari-mutuel bets at an OTB, which cannot take place under current law. This change would require approvals from both the Racing Commission and the Gaming Commission. Likewise, Senate Bill 792 authorizes the Gaming Commission to allow a sports wagering licensee to allow its employees to accept pari-mutuel wagers at OTBs and operate kiosks that would accept both types of wagers.

Maryland's OTB network are a vital component of the State's thriving racing program. Senate Bill 792 provides an overdue update to the statute to ensure their continued success. The MTHA, MHBA, STATE FAIR and the OTB's support these changes to Maryland's OTB statute and appreciate the consideration of the Committee. We respectfully request a favorable report for Senate Bill 792.