

HB942 Sponsor Testimony .pdf

Uploaded by: Eric Luedtke

Position: FAV

ERIC LUEDTKE
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MAJORITY LEADER

Ways and Means Committee
Chair, Revenues Subcommittee



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

SPONSOR TESTIMONY

House Bill 942 - Horse Racing - Satellite Simulcast Betting Facilities and Permit Holders -
Alterations

Chair Atterbeary, Vice Chair Washington, Members of the Ways and Means Committee,

House Bill 942 intends to update Maryland's antique off-track betting (OTB) laws to better reflect the state of the industry today. Our state now has a thriving network of OTB facilities. These can be found in rural small businesses, racetracks such as Pimlico, and some of Maryland's most popular casinos. The OTB statute, however, has become difficult for businesses to navigate. One example of this is that an OTB employee is prohibited from taking both a sports bet and a parimutuel bet. With the legalization of sports betting in Maryland, this has become problematic for how OTB locations operate.

To address this issue and others with the statute, House Bill 942 updates zoning and personnel requirements to better align with current practices, eliminates outdated references to certain required amenities, and provides additional operating flexibility to the State's seven OTB facilities. This legislation aims to bolster our state's OTB industry by providing them with the flexibility that sites need.

Maryland's OTB network is a vital component of Maryland's thriving racing program which creates jobs, supports those who raise horses, and generates revenue. As a representative from a community with significant horse-related agriculture, I have seen first-hand the impact of this industry. And the key to future success for Maryland's OTBs depends upon their ability to adapt and keep up with an ever changing landscape. House Bill 942 provides an overdue update to the statute to allow for that adaptation to take place. For these reasons, I thank the Committee for your consideration and ask for a favorable report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eric Luedtke".

Delegate Eric Luedtke

HB 942 - Joint Letter of Industry Support.pdf

Uploaded by: Jason Weintraub

Position: FAV



House Bill 942 (Delegate Luedtke)
Horse Racing – Satellite Simulcast Betting Facilities and Permit Holders – Alterations
House Ways and Means Committee

February 23, 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 House Bill 942 which modernizes and update the State's satellite simulcast betting ("OTB") statute. House Bill 942 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, House Bill 942 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. House Bill 942 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: House Bill 942 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. House Bill 942 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).

House Bill 942 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, House Bill 942 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. House Bill 942 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 Ways and Means Committee. We respectfully request a favorable report for House Bill 942.