

March 8, 2023

Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB 595 – Gaming – Problem Gambling Fund – Table Game Fees
and Distribution of Sports Wagering Proceeds

Dear Chair Guzzone:

The Maryland Council on Problem Gambling strongly supports *Senate Bill 595 – Gaming – Problem Gambling Fund – Table Game Fees and Distribution of Sports Wagering Proceeds*.

This bill has two parts. First, it requires each video lottery operation licensee to pay an annual \$500 fee for each table game for distribution into the Problem Gambling Fund (PGF). This is important because casinos have removed table games and VLTs to make room for their sportsbooks so the PGF has seen a reduction in its normal funding amount. The reduction has meant Maryland has been investing less in the resources to help Marylanders suffering the harms of this addiction. This fee increase will allow those programs funded by the PGF to continue working at their usual capacities.

Second, this bill directs 1% of the proceeds from sports wagering in the State Lottery Fund to the PGF. When HB 940 (2021) legalized sports wagering in Maryland, it specified that any funds that were not claimed 182 days after the wager is won would go to the PGF. An unforeseen problem is that upwards of 90% of people place their sports bets online therefore, the PGF sees no funding from those mobile sports bets. In retail sports wagering, players receive tickets that they must redeem if they win. Much like a Lottery ticket, players have 182 days after a wager has settled to claim their prizes. If they don't, the money goes to the PGF. Conversely, when someone places an online sports bet and wins, the payout goes directly into the account the player established with the sportsbook operator, so online prizes never go unclaimed. All of this means, the revenue that the General Assembly anticipated going into the PGF is substantially less than expected; \$0 in unclaimed funds for the vast majority of sports wagering in Maryland. This provision will correct that unexpected error so that Maryland can be more adequately funded to support those who need help.

For these reasons, I urge a favorable report on SB 595.

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President, Maryland Council on Problem Gambling