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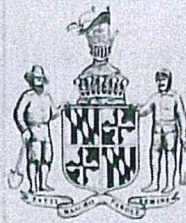
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

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HB0668 Gaming – Problem Gambling Fund – Table Game Fees and Distribution of Sports Wagering Proceeds

Good afternoon, Madam Chairwoman, Madam vice-chair, and members of the Ways & Means committee.

For the record, my name is Delegate Nick Allen and I am here to testify in support of **HB0668**, which deals with the Maryland Problem Gambling Fund.

In Maryland, as we have steadily expanded the ways people can legally gamble, the General Assembly has simultaneously ensured a funding stream to address the problems that arise for people who cannot limit their participation.

In legislation this body passed back in 2007, we ensured funding would go to the Problem Gambling Fund with the allowance of slot machines, or video lottery terminals. In 2012, we ensured funding would go to the Problem Gambling Fund when we expanded to table games.

This legislation neglected, however, to create an effective funding stream with the expansion to sports wagering in the past year. That's what this bill is about. The bill does two main things: First, this bill directs 1% of the proceeds from sports wagering in the State Lottery Fund to the Problem Gambling Fund. When the General Assembly 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 Problem Gambling Fund.

An unforeseen problem we have realized is that more than 90% of people place their sports bets online. Unlike lottery tickets where a winner has to go to retailer to claim their prize, the payout when a person places a bet online goes directly into the account the player established with the sportsbook operator. Again, unlike a small portion of lottery winnings, online prizes never go unclaimed. There are, exactly, zero dollars in unclaimed funds for the vast majority of sports wagering in Maryland.

The 1% proposal in this legislation will correct that unexpected error so that Maryland can be more adequately funded to support those who need help. And we need more resources. The latest gambling prevalence study conducted in Maryland in 2020, showed a substantially higher prevalence than in the surveys conducted in 2017 and 2010. There is little doubt that the

incidence of problem gambling will continue to grow as we make it easier for people gamble in many different ways.

Second, the bill requires each video lottery operation licensee to pay an annual \$500 fee for each table game with the money going into the Problem Gambling Fund. This is important because casinos have removed other table games and VLTs to make room for their sportsbooks. This has resulted in a reduction of funding for the Problem Gambling Fund. 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 Problem Gambling Fund to continue working at their usual capacities.

Let's make sure we're providing the resources to address the problems. Thank you, colleagues. I respectfully request a favorable report on **HB0668** and I look forward to answering any questions you may have.