

SB620_FAV_Hettleman.pdf

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TESTIMONY OF SENATOR SHELLY HETTLEMAN

SB 620 INSTITUTIONS OF HIGHER EDUCATION – SPORTS WAGERING CONTRACTS – PROHIBITION

Since the U.S. Supreme Court made way for collegiate sports betting in 2018, there has been a gold rush for online college sports betting contracts. Now, colleges and universities are entering into contracts with gaming entities in exchange for monetary compensation. SB 620 will prevent predatory practices that have occurred in other states from taking root at Maryland higher educational institutions.

In 2018, the U.S. Supreme Court ruled that the Congress could not prohibit states from legalizing collegiate sports betting. Those opposing this decision (who were also parties in the case) included the NCAA, NBA, NFL, NHL, and the MLB. These sports agencies felt that betting on college sports would corrupt the games, and they wanted to preserve the integrity and sanctity of the sporting matches. Now that this decision is the law of the land, states are free to regulate sports betting as they please – without input from the federal government.

While this ruling is great for states' liberty, the problem of colleges profiting from student gambling remains. In 2021, Michigan State University negotiated a contract with Caesar's Sportsbook worth \$8.4 million over 5 years. Negotiators called this "the largest sportsbook deal in college athletics." The same year, Louisiana State University (LSU) signed a similar deal with Caesars. LSU encouraged students – including those under 21 – to "place your first bet (and earn your first bonus)." In 2020, the University of Colorado Boulder accepted \$1.6 million to promote sports gambling on campus, and a betting company sweetened the deal by offering the school an extra \$30 every time someone downloaded the company's app and used a promotional code to place a bet.

Notwithstanding the monetary aspect of this issue, these college-gaming company partnerships raise important issues. Promoting gambling on campus does not fit the mission of higher education. These partnerships make young people vulnerable to developing gambling addictions, including those underage, and the terms of the arrangements between the gambling firms and the universities are allowed to remain hidden. According to the NYT series (footnoted above) on how online gambling has exploded so quickly, many terms of the arrangements between universities and online gambling companies are shielded because, technically, the contract is between a sports marketing firm hired by the university and the gaming company. Even the American Gaming Association, the premier national trade group for the U.S. casino industry, agrees that sports wagering should not be promoted or advertised in college or university-owned news assets or advertised on college or university campuses.

SB 620 puts students' mental health and academic success first by:

1. Prohibiting institutions of higher education from being paid to secure student participation in gambling; and

2. Making contracts between colleges and gambling companies subject to public inspection under the Maryland Public Information Act.

First and foremost, colleges and universities should be environments conducive to learning and they should not be permitted to profit off of student bet-making. Finally, to ensure accountability, deals made between online gambling companies (or their intermediaries) and public universities should be subject to public review.

I urge a favorable report on SB 620, and I thank you for your consideration.