

Adams Testimony Ways and Means 3.30.23.pdf

Uploaded by: Chris Adams

Position: FAV

SB 621

Gaming - Sports Wagering - Independent Evaluation of Sports Wagering Content

Amended SB621 removes the requirement for the sports book, who would no longer be mandated to take any action. Amended SB621 changes a “shall” to a “may” thereby removing impact to the sports books.

SUPPORT

Since it first became legal in 2018, sports betting is now active in over 30 states and DC – with more on the way.

This bill aims to create the guardrails whose absence in other industries caused collapses like SVB, FTX, Theranos, Enron, Lehman Brothers, Housing, etc. For the sports betting industry to stabilize and prosper a separation of the functions of “sports book platform” and “expert-giving-advice about how to bet” needs to be implemented. It is consumer protection and aimed at the root cause/structural flaw in the industry.

My name is Chris Adams and I am the founder of SharpRank. After spending the first part of my career in audit then investment banking, I was struck by a radio ad while driving home. This ad included statistically impossible claims about an ability to predict the outcome of games and a guarantee to win money if the listener was to call and buy the advice. As a licensed investment banker who had to endure months of compliance, background checks, and licensing exams, I was dumbfounded. Had I done anything remotely close to this, my license would have been stripped, I would have been fined, there would be potential jail time, and I would be completely black balled from my industry.

I decided to create a company to audit the kind of advice these expert “sharps” claim to communicate. This idea was born out of my deep understanding of financial markets, passion for sports and concern for vulnerable consumers. We founded the company and headquartered it in Timonium, Maryland. I am a Towson High and UMBC graduate, and SharpRank has hired from within the state as well as brought jobs to it.

The same principles that founded the SEC and the legislation (ie. global research analyst settlement, Sarbanes Oxley, Dodd Frank, etc.) that followed the aforementioned collapses serve as a guide for how to address this new market before it suffers a similar tragic collapse. To be clear, this legislation or SharpRank are in no way anti-enterprise. It provides immense value to the industry as a whole and its participants (*squeezes the black market because they cannot comply, eases affiliate discussions, opens up more hesitant states, sets standards for the entire industry, and more – all while protecting the people that get hurt the most in collapses, the public*).

Other states are discussing similar types of legislation or regulation, either to create an audit requirement and give some amount of oversight to the state’s gaming commissions or to limit the kind of speech that can be used to advertise sports betting. **The problem with glamorizing and perpetuating the “Wild West” is reality was not the movies: life expectancy was extremely low, living conditions were horrible, there were rampant diseases with no cure, violence was the solution to problems, etc.**

I ask that my home state be a leader on this issue and strongly support the passage of Senate Bill 621.

SB621_Zucker_FAV_W&M.pdf

Uploaded by: Senator Craig Zucker

Position: FAV

CRAIG J. ZUCKER
Legislative District 14
Montgomery County

Budget and Taxation Committee
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Chair, Senate Democratic Caucus



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 621 – Sports Wagering – Independent Evaluation of Sports Wagering
Content
House Ways & Means Committee
March 30, 2023
1:00PM
Position: Favorable

Good afternoon, Chair Atterbeary, Vice Chair Wilkins, and distinguished members of the committee. It is my pleasure to testify today in support of **Senate Bill 621 – Sports Wagering – Independent Evaluation of Sports Wagering Content**, which passed unanimously in the Senate.

With the growth of sports wagering around the country, independent, unlicensed/unpartnered sporters wagering “experts” and “influences” have been advertising to consumers regarding sporting event outcomes, including moneylines, against the spread, totals, futures, parlays, and other more without much or any regulations.

Senate Bill 621 is a consumer protection bill that will require the Maryland Lottery and Gaming Control Commission to identify and license independent evaluators to evaluate and rate sports wagering content provided by experts, influences, and content partners – which are all defined in the bill – before being allowed to advertise by, or before, April 1, 2024.

These evaluators may be compensated by a sports wagering licensee or operator that uses their evaluations in marketing materials, but may not have the following:

- 1) a relationship with a licensee or operator;
- 2) have direct or indirect financial interest, ownership, or management of any sports wagering activities;
- 3) directly or indirectly receive proceeds of sports wagering activities; and,
- 4) have any revenue sharing relationships with a licensee or operator.

Senate Bill 621 will help protect consumers from deceptive marketing and advertising around sports wagering. For these reasons, I urge a favorable report on Senate Bill 621. Thank you for your kind consideration.

SB621 LOI - MLGCA updated.pdf

Uploaded by: Sean Ford

Position: INFO



March 30, 2023

Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401

Letter of Information – Senate Bill 621 - Gaming - Sports Wagering - Independent Evaluation of Sports Wagering Content

Dear Chair Atterbeary, Vice Chair Wilkins, and Members of the Ways and Means Committee:

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) submits this letter of information to the Ways and Means Committee (“Committee”) as background information regarding Senate Bill 621 – Gaming - Sports Wagering - Independent Evaluation of Sports Wagering Content.

As SB621 is currently amended, it would require the Maryland Lottery and Gaming Control Commission (“MLGCC” or “Commission”) by December 31, 2023, to license independent evaluators that would evaluate the sports wagering content provided to sports wagering licensees and sports wagering operators by sports wagering experts, sports wagering influencers, and content partners. The bill also would require MLGCC to establish standards of practice governing sports wagering content and by April 1, 2024, authorize sports wagering licensees and sports wagering operators that advertise in the State to contract with an independent evaluator to evaluate and rate the sports wagering licensee’s sports wagering content experts, influencers and partners.

MLGCA appreciates the collaboration with the bill sponsor on amendments for this proposed legislation as originally drafted. The one technical amendment we would still ask for is under 9-1E-17(C): replace “shall establish standards of practice governing sports wagering content” with “may promulgate regulations for the licensure of independent evaluators of sports wagering content”. MLGCC is not sure how it would “establish standards of practice governing sports wagering content” and there could be first amendment issues with proceeding with that particular requirement.

Finally, MLGCA believes an “independent evaluator of sports wagering content” or an entity conducting an “independent evaluation of sports wagering content” that is licensed by MLGCC should not be compensated by sports wagering licensees and/or operators. There seems to be conflicting language concerning this in 9-1E-17(B)(2)(VI) and 9-1E-17(C).

Thank you for your consideration of this information. If you should have any questions or need more information about this subject, please do not hesitate to contact Sean Ford, MLGCA’s Director of Legislation and Policy Development, at 410-230-8988 or sean.ford@maryland.gov.

Sincerely,

John A. Martin
Director

cc: All Committee Members
Senators Zucker and Hettleman