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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

House Bill 132

Sports Wagering Campaign Contributions Parity Act of 2024

Support

As legislators in a democracy, it is incumbent that we maintain a government that consistently performs its duties and obligations on behalf of our fellow Marylanders with transparency and integrity. Of the innumerable tenants in our contract with our constituents is ensuring that they may fully participate in a legislative process with confidence and trust in our process. To that end, when we make arbitrary and capricious rules, we create anxiety in our electorate by casting a shadow over their trust and confidence in our system.

That said – treating gaming license holders and sport betting license holders differently, wherein they do the exact same thing in the eyes of campaign finance is an example of how we lose credibility with the public and we create harm unnecessarily.

Would we allow Coca-Cola to make campaign contributions, but not Pepsi-Cola? Burger King, but not McDonalds? Dunkin, but not Krispy Crème? Coors, but not Budweiser? Owners of Ford trucks, but not Chevrolet trucks? Of course not, but for their names, they are identical in terms of campaign finance.

HB 132 ensures parity between licensed casino owners and operators, who at present happen to be prohibited from making campaign contributions, in any form, and sports wagering entities and owners such as FanDuel and DraftKings that are not so prohibited. These entities and license holders are identical in service and function, they are both casinos, full stop. As a matter of public policy, good governance, and law, there must be parity between the two for the sake of credibility and enforcement. As it stands now, one may participate in the campaign process, the other may not.

More than a decade and a half ago, the law prohibiting licensed casinos was predicated on the antiquated notion that casinos are inherently corrupt, wield too much financial power, and will unduly influence the legislative process. Today, casinos are one of the most highly regulated industries in the world, let alone Maryland. Yet, FanDuel, DraftKings, and other on-line casinos are not required to comply with the regulatory safeguards as Maryland's "licensed" casinos. We all know this from what we see and hear in the media for the past few months.

Casino owners, operators and individuals that own 5% or more of the entity are subject to the prohibition. Notwithstanding the 2012 law, in 2015, a former delegate received a \$500 campaign contribution from a racetrack owned by a casino owner. After receiving the check, the delegate contacted the Maryland Attorney General for guidance. The AG opined there are no legal prohibitions to accepting the contribution, since the contribution was made by the racetrack, not the casino, and further accepted a \$2,000 contribution from a construction company owned by the same casino operator.

The necessity of my legislation is established by the very fact that the delegate questioned the legality of accepting a contribution from a casino operator's business, and clearly uncomfortable with prohibiting donations from specific industries. He asked the same question, I am asking you to consider, why just casinos? Why not banks, lawyers, teachers, CPAs, or unions? I share your concern that political contributions may affect policy and believe such inconsistencies within the same industry, in this case, the casino industry, must be remedied legislatively.

Fundamental fairness and good governance required that all casinos must be held to the same standard. Attempting to parse the two is a distinction without a difference.