



House Ways and Means Committee

Testimony in Opposition to HB 1291

February 29, 2024

The Sports Betting Alliance (“SBA”) represents four of the premier online gaming operators in the country: BetMGM, DraftKings, Fanatics Betting & Gaming, and FanDuel. All four of our members are proudly operating in Maryland’s highly successful online sports betting market, which generated \$44 million in tax revenue for the state in 2023. We submit this testimony in opposition to HB 1291.

SBA is opposed to this bill for reasons that are both practical and rooted in public policy. From a practical standpoint, legislation passed during last year’s session on this exact topic has not yet been put into practice while we await the promulgation of final regulations and compliance guidance. As such, we believe it is premature for the legislature to pursue a more aggressive framework that will benefit a single company that wishes to apply as an accredited independent evaluator.

From a policy standpoint, the bill purports to provide a check on potentially misleading or false claims made by gaming content creators that could hurt consumers. However, there are several reasons why this bill fails to address that dynamic.

First, all sports wagering licensees’ products and services, including advertisements, are already subject to significant regulation by the Maryland Lottery and Gaming Control Agency (MLGCA). Licensees are prohibited from engaging in false or deceptive advertising and any advertising content disseminated in Maryland is subject to regulatory oversight. Moreover, licensed, legal operators already have significant incentives to avoid partnering with any

affiliates that “guarantee” picks or mislead consumers: such conduct is likely to lose customers and expose operators to potential fines or license revocation/suspension for misleading claims.

Second, this legislation does nothing to protect consumers from content created by sports wagering media who are either (1) not partnered with sports wagering operators, or (2) promoting wagering opportunities in the illegal market. These independent, bad actors pose the highest risk for consumers because there are no checks on their claims, and this bill does not capture this activity because it instead seeks to add additional regulation on legal, mobile operators who are already subject to myriad oversight by MLCGA.

Finally, this type of requirement has not been legislated or regulated in any other jurisdiction in the U.S., which means Maryland would be the first state in the country to enact this type of requirement via legislation or regulation, based solely on guidance from the single company that stands to be the single financial beneficiary. This single company has stated that it is akin to Carfax or Moody’s, though, critically, the difference is that no one is required to use Carfax or Moody’s; these are optional services for people voluntarily seeking additional information to inform their independent decision-making process.

HB 1291 is inconsistent with best practices established in Maryland’s existing gaming industry and those around the country and we respectfully ask the committee to vote no on this bill.