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TESTIMONY OF SENATOR SHELLY HETTLEMAN
SB 1000 GAMING -- SPORTS WAGERING FACILITIES -- REQUEST FOR RELOCATION

Sports betting is a recent yet popular pastime in Maryland. It's also a significant source of tax revenue for the state. This January alone, Marylanders placed over \$600 million in bets on sporting events.¹ In November 2020, Maryland voters approved the legalization of sports betting through a state constitutional amendment. The following year, the Maryland General Assembly created the Sports Wagering Application Review Commission (SWARC), which would grant sports betting licenses to facilities on a non-competitive basis (i.e., without a lottery) and determine licensing requirements. SWARC confers two kinds of licenses: Class A licenses for sports stadiums, casinos, and horse racing licensees, and Class B licenses for specific horse racing tracks, off-track facilities, and specific bingo halls. SWARC can competitively confer (i.e., with a lottery) 30 additional Class B licenses--which are currently held by a handful of local bars and restaurants.

The problem is that, under current law, there are no mechanisms for relocating a *competitively* licensed Class B facility. For instance, if a restaurant with a Class B license were to move to a different location, the restaurant would have to forfeit its license to the State Lottery and Gaming Control Commission. Senate Bill 1000 aims to resolve this regulatory oversight by allowing competitively-conferred Class B license holders to request license relocation from the State Lottery and Gaming Control Commission. However, SB 1000 would not allow for these license holders to relocate their facilities to a different county. Moreover, Class B license holders wishing to relocate must abide by all existing radius conditions in the current law (e.g., no Class B facilities can operate within a 15-mile radius of a Class A-1 or A-2 sports wagering facility located in Allegany, Cecil, or Worcester counties).

As sports betting becomes more popular in Maryland, licensed facilities should be able to operate with the confidence that, if the need arises, they can relocate and continue participating in this fast-growing and lucrative enterprise. Therefore, we must update the licensing framework to foster flexibility and uphold trust in the system. Thank you for considering Senate Bill 1000.

¹ <https://www.betmaryland.com/revenue-report>