

Mobile gambling study testimony SB 706 (2025).pdf

Uploaded by: Mark Stewart

Position: FAV

Testimony of The Cordish Companies and Live! Casino Hotel Maryland

Presented by Mark Stewart, General Counsel

In SUPPORT of SB 706

Budget and Taxation Committee Hearing

February 21, 2025

On behalf of The Cordish Companies and Live! Casino Hotel Maryland, I respectfully submit this written testimony **in support** of SB 706, which calls upon additional forms of gambling authorized by the State (sports betting and fantasy sports) to contribute their share to efforts combatting problem gambling. Even more importantly, SB 706 recognizes the vital need for a comprehensive prevalence study dedicated specifically to mobile gambling in Maryland.

Early in the days of casino gaming in Maryland, the General Assembly showed great foresight in forming the Maryland Alliance for Responsible Gaming (MARG). Through MARG, the House of Delegates, the Senate, the Department of Health, all the State's casinos and other stakeholders have worked collaboratively and consistently to combat problem gambling. Regulations and procedures were put in place to require safeguards against problem and underage gambling at in-person casinos, including prohibitions on gambling with credit cards, prohibitions on gambling while drunk or under the influence, strict ID checking protocols, and more.

Maryland has limited experience with mobile sports betting in terms of duration. Yet, presently, 97% of sports bets in the State are placed online. While the Maryland Center of Excellence has reported that it is already seeing a significant increase in call volumes and problems among young people, the Center has explained that the State does not yet have the data to show, and does not know, the full scope of the problem that may be facing Marylanders.

It takes time for problem gambling behavior to manifest itself, people to accept that they have a problem and, ultimately, to seek help from the Center or a 1-800 Helpline. Indeed, over the past 12-18 months, there has been a growing amount of data and concern over the negative impacts of online gambling, including mobile sports betting:

- A chorus of news agencies have opined or published exposes on online gambling, including The Washington Post, CBS News, The Atlantic, The New Republic, Bloomberg, The Wall Street Journal, 60 Minutes, The Baltimore Sun and more;
- Public health and problem gambling experts, such as Shekhar Saxena, Professor of Global Health at the Harvard T.H. Chan School of Public Health, have explained that “Online gambling can be 10 times more harmful than other forms of gambling;”¹
- Numerous universities, such as Northwestern University, University of Kansas, BYU, UCLA and more, have issued reports detailing the negative financial impacts of online gambling.² These studies found that the negative impacts of online gambling are especially harmful to low-income gamblers and vulnerable households; and
- The National Problem Gambling Council reports a 30% increase in the risk of gambling addiction that coincides with the expansion of online gambling over the past three years.³

Given this, SB 706 rightly calls for a comprehensive mobile gambling prevalence study based upon multiple years’ worth of data to be completed by July 1, 2030. We support public policy being based on strong data analysis and urge the Committee to favorably report out SB 706. Thank you.

¹ *Deseret News*, “Online gambling: the stakes for public health” (Jan. 24, 2025).

² *Gambling Away Stability: Sports Betting’s Impact on Vulnerable Households*, Scott R. Baker, Justin Balthrop, Mark Johnson, Jason Krotter, Kevin Pisciotta (June 30, 2024); *Online Gambling Policy Effects on Tax Revenue and Irresponsible Gaming*, Wayne J. Taylor, Daniel M. McCarthy, Kenneth C. Wilbur (June 6, 2024); *How gambling affects the brain and who is most vulnerable to addiction*, Emily Sohn (July 2023); *The Financial Consequences of Legalized Sports Gambling*, Brett Hollenbeck, Poet Larsen, Daivde Proserpio (July 23, 2024).

³ *See supra* n. 1.

NCADD-MD - 2025 SB 706 FAV - Problem Gambling Fund

Uploaded by: Nancy Rosen-Cohen

Position: FAV



**Senate Budget & Tax Committee
February 26, 2025**

**Senate Bill 706
Gaming – Problem Gambling – Prevalence Study and Fund Revenue
Support**

NCADD-Maryland supports Senate Bill 706. When the State of Maryland expanded legalized gaming to video lottery terminals and casino tables, the General Assembly saw fit to ensure a funding stream to address the problems that accompany gambling. A fee was assessed for slot machines. A fee was also assessed for casino table games. But we neglected to add an *effective* funding stream with the expansion into sports and fantasy wagering.

This has resulted in an expansion of gambling without the accompanying resources to address the problems. The latest [gambling prevalence study](#) conducted in Maryland in 2022 showed that 90.4% of Marylanders reported that they had ever gambled, up from 87% in 2017. There is little doubt that the incidence of problem gambling will continue to grow as we make it easier for people gamble in many different ways. **While this prevalence study reports that 4% of Marylanders met the criteria for disordered gambling, the percentage of disordered gamblers who participated in sports betting was higher compared to other forms of gambling: traditional fantasy sports=12.2%; daily fantasy sports=15.6%; online=20.8%.**

When the General Assembly legalized sports wagering in Maryland, it specified that any funds that were not claimed 182 days after the wager is won would go to the Problem Gambling Fund (PGF). However, with more than 90% of people placing their sports bets online, there are no unclaimed prizes. Unlike lottery tickets where a winner has to go to retailer to claim their prize, the payout when a person places a bet online goes directly into the account the player established with the sportsbook operator. Again, unlike a small portion of lottery winnings, online prizes never go unclaimed. There are zero dollars in unclaimed funds for the vast majority of sports wagering in Maryland.

This bill is estimated to bring in well over \$3 million to the PGF. This money could be used to employ more Certified Peer Recovery Specialists who are crucial to the outreach and support to people experiencing problems. The funds could also be used to expand public awareness and prevention campaigns, research, and treatment.

As gambling becomes easier to access, especially through mobile technology, more people will need support to address the many problems that accompany it. As you did last year, we urge a favorable report on Senate Bill 706.

SB 706- Senator Zucker- Senate.pdf

Uploaded by: Senator Craig Zucker

Position: FAV

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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
**Senate Bill 706- Gaming - Problem Gambling - Prevalence Study and Fund Revenue-
Funding**
February 26th, 2025
2:00pm
Position: Favorable

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Taxation Committee. It is my pleasure to testify today in **support of SB 706 - Gaming - Problem Gambling - Prevalence Study and Fund Revenue**. I would like to thank my co-sponsor, Chair Guzzone, for his support of this important initiative. This bill is a reintroduction of Senate Bill 878, passed by the Senate last year.

Senate Bill 706 would direct 1% of sports wagering revenues to the Problem Gaming Fund. This allocation would not affect the 15% distribution to the Blueprint for Maryland's Future Fund (BMFF). As a result, fantasy competition operators and sports wagering licensees would retain 84% of their revenues instead of the current 85%.

The bill also requires the Department of Health to conduct comprehensive prevalence studies on problem and pathological mobile gambling, with the initial study to be completed by July 1, 2030, and follow-up studies conducted at least every five years thereafter. Furthermore, the Secretary of Health would be required to submit an annual report to the Maryland General Assembly detailing how funds are being utilized by the Problem Gaming Program for treatment and prevention programs, ensuring accountability and efficacy.

Senate Bill 706 will ensure that Maryland takes proactive steps in addressing problem gambling while maintaining responsible gaming industry practices. I respectfully request a **favorable report on Senate Bill 706**. Thank you for your consideration.

SB 706 - MDH - B&T - LOI_final.pdf

Uploaded by: Meghan Lynch

Position: INFO



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 25, 2025

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill (SB) 706 - Gaming – Problem Gambling – Prevalence Study and Fund Revenue – Letter of information

Dear Chair Atterbeary and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for Senate Bill 706 - Gaming – Problem Gambling – Prevalence Study and Fund Revenue. SB 706 proposes expanding the scope of the prevalence study on problem gambling and modifying the allocation of revenues from fantasy competition and sports wagering proceeds. While the bill seeks to enhance the understanding of problem gambling behaviors and increase funding for treatment and prevention, there is also the additional requirement to expand the scope of the current study.

Currently, the Department, in collaboration with the Center of Excellence on Problem Gambling, conducts research to assess the prevalence and impact of problem gambling within the state. The expansion of the study outlined in SB 706 would require additional resources and administrative coordination. Given that the state already has mechanisms in place to evaluate problem gambling trends, the Department recommends that the proposed expansion of the prevalence study be reconsidered or removed to ensure that resources remain efficiently allocated to ongoing efforts.

The Department remains committed to promoting responsible gaming and addressing problem gambling through research, prevention, and treatment programs. However, to preserve the integrity of these initiatives, the proposed study expansion and fund reallocation should be carefully considered.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov or 443-826-1851.

Sincerely,

A handwritten signature in blue ink, appearing to read 'LH Scott', written in a cursive style.

Laura Herrera Scott, M.D., M.P.H.
Secretary