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HOUSE BILL 700 GAMING - Problem Gambling - Prevalence Study and Fund Revenue

STATEMENT OF INFORMATION

DATE: February 13, 2025

COMMITTEE: House Ways and Means Committee

SUMMARY OF BILL: HB 700 requires the Maryland Department of Health to conduct a prevalence study and replication prevalence studies to measure the rate of problem and pathological in person and mobile gambling in the State on or before July 1, 2030. The measure also increases the tax rate on proceeds from sports wagering and fantasy competitions from 15% to 16%, while also modifying the distribution of proceeds to direct 93.75% to the Blueprint for Maryland's Future Fund (which currently receives the full share of the existing tax revenue) and 6.25% to the Problem Gambling Fund. The 1% increase in the tax rate offsets the distribution modification to the Blueprint Fund while directing new revenues to the Problem Gambling Fund. The Secretary of the Department of Health is also required to submit annual reports to the General Assembly on how funds distributed to the Problem Gambling Funds have been expended on problem gambling treatment and other relevant programs.

EXPLANATION: The Department of Budget and Management (DBM) wishes to alert the Committees to a provision within HB 352 (the Budget Reconciliation and Financing Act of 2025) that increases the tax rate on proceeds from sports wagering and fantasy competitions from 15% to 30%. Under this modification, from FY 2025 through 2027 the 15% increase in proceeds retained by the State is directed to the General Fund. Beginning in FY 2028, the total increase in proceeds will be distributed on a monthly basis to the Blueprint for Maryland's Future Fund as specified in 9-1E-12 (b)(2), offsetting the need for general fund backfill given projected shortfalls in that Fund. Should the Legislature approve both measures, there is a risk that the revenue distribution modifications under HB 700 would conflict with the alterations to Sports Wagering and Fantasy Competition revenues established through HB 352.

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