



Maryland Farm Bureau

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March 11, 2025

To: House Ways and Means Committee

From: Maryland Farm Bureau, Inc.

RE: Support with Amendments – HB1048 – Sports Wagering – Wagers on Historical Horse Races – Authorization

On behalf of the nearly 8,000 member families of the Maryland Farm Bureau, I submit written testimony in support of HB1048 Sports Wagering – Wagers on Historical Horse Races – Authorization. This proposed legislation would modify the definition of "sporting event" in Maryland's sports wagering laws to include historical horse races.

There was a time when pari-mutuel wagering on horse races was the only legal gambling option outside of Las Vegas casinos across the United States. But over the past 40 years, with the rise of lottery systems, tribal and commercial land-based casinos, and most recently, iGaming and sports wagering, the racing industry has been in sharp decline. One possible solution is Historical Horse Racing, an evolution of pari-mutuel wagering that allows patrons to place pari-mutuel wagers on previously conducted horse races. According to Gaming Laboratories International in 2022, Historical Horse Racing accounts for over \$10 billion in wagering annually across five states, and the racing industry has shown a major resurgence in those jurisdictions. Unlike other electronic gaming options, where the outcome is based on random chance, Historical Horse Racing uses combinations of previously conducted horse races, randomly chosen from an extensive database of potential races.

The decline of pari-mutuel wagering on horse races has impacted on the thoroughbred and agricultural communities as well. Currently the *Horse Racing Special Fund*, which takes revenues from pari-mutuel taxes and license fees, as well as other horse racing revenues, many horse racing and agricultural support programs and fairs throughout the State. In recent years, revenues from the horse racing special fund have been insufficient to fulfill the expected local impact aid allocation to each jurisdiction and the other mandated uses, mainly due to a reduction in racing days and the emergence of iGaming.

The bill as drafted has a portion of proceeds from sports wagering will go into the State Lottery Fund, with funds allocated to education and problem gambling programs. Due to the decline of funds in the *Horse Racing Special Fund*, the members of Maryland Farm respectfully ask for a portion of funds from Historical Horse Racing go into the *Horse Racing Special Fund*.

MDFB Policy: We support that a portion of gaming proceeds continue to be utilized to supplement the purse and bred fund accounts. We support licensed video gaming and gambling at racetracks and/or other facilities and that a minimum of 25% of the total net revenue from these sources be used to supplement the purse and Maryland Bred Fund accounts to equal the

average dollar value of the three highest states in the Purse and Breeding bonus accounts. Any expansion into other forms of gambling including but not limited to table games, sports wagering, Video Lottery Terminals (VLTs), Historical Horse Racing (HHR), and iGaming should benefit the equine industry, Maryland Ag Fair Board, MAEF, and agricultural education programs. '24

A handwritten signature in black ink, appearing to read "Tyler Hough", with a horizontal line above it.

Tyler Hough

Director of Government Relations

Please reach out to Tyler Hough, though@marylandfb.org, with any questions