

February 5, 2025

Delegate Vanessa E. Atterbeary Chair, Ways and Means Committee 131 Taylor House Office Building Annapolis, Maryland 21401

Re: House Bill 484- Fantasy Competitions - Alterations and Voluntary Exclusion Requirements- FAVORABLE

Chair Atterbeary and Members of the Committee,

Thank you for the opportunity to provide testimony on the topic of skilled-based fantasy sports contests in support of House Bill 484. I write to you today on behalf of Certamen Ventures, LLC d/b/a Splash Sports ("Splash Sports"), the largest peer-to-peer Daily Fantasy Sports ("DFS") contest operator in the country. Splash Sports operates fantasy contests in 37 states and the District of Columbia. Splash Sports has operated as a registered fantasy competition operator (registration #FCO-012) under the authority of the Maryland Lottery and Gaming Control Agency ("MLGCA") for nearly two years. There are thousands of active Maryland residents who play Splash Sports' fantasy contests every day. However, we project that if Splash Sports and the other similar fantasy operators were able to offer player pick'em games, such as Splash Sports' peer to peer contest QuickPicks in Maryland, the state would generate an additional millions in tax revenue.

On November 15, 2024,the MLGCA published proposed changes to COMAR 36.09 in the Maryland Register¹ that would discourage Splash Sports and similar operators from continuing to operating or entering the Maryland market and offering our popular fantasy games to Marylanders. The proposed rulemaking contains a number of prohibitions on games and features that would have the effect of freezing the fantasy sports landscape and making Maryland a difficult place for innovation in fantasy sports. Instead of these prohibitions, we respectfully submit that the MLGCA should encourage licensed operators to balance innovation with integrity and safe play, with the ultimate goal of increasing revenue to the state while becoming a leader in consumer protection.

On December 23, 2024, Senator J.B. Jennings submitted a letter to The Joint Committee on Administrative, Executive, and Legislative Review (AELR) to hold a hearing on the proposed regulations. On January 20th, Delegate Eric Ebersole filed HB 484, which clarifies the definition

¹ Maryland Register, Volume 51, Issue 23, Pages 1029 - 1074, November 14, 2024



of fantasy sports and contains specific provisions promoting innovation in fantasy sports while maintaining consumer protections and responsible gaming initiatives.

HB 484 explicitly states that fantasy competitions do not constitute "sports wagering" under Maryland law. This is in line with how numerous other states regulate DFS, acknowledging that fantasy competitions are based on the relative skill of participants rather than games of pure chance. A key component of HB 484 is the clarification that participants may compete against other players or statistical benchmarks established by the fantasy competition operator.

HB 484 introduces critical consumer protection measures by requiring the Maryland Lottery and Gaming Control Commission to establish a voluntary self-exclusion list. This program will allow individuals to voluntarily exclude themselves from participation in fantasy competitions, a safeguard that aligns with best practices in responsible gaming and is consistent with similar self-exclusion programs in regulated gaming markets.

Additionally, HB 484 mandates that fantasy competition operators develop and maintain programs to mitigate compulsive play. These initiatives include requiring operators to display responsible gaming messages on their platforms and marketing materials. Importantly, the bill ensures that individuals on the voluntary self-exclusion list cannot create accounts, participate in competitions or collect winnings, with forfeited prizes directed to the Maryland Problem Gambling Fund (also established by the bill).

These responsible gaming provisions reflect Maryland's commitment to ensuring a fair, transparent, and consumer-friendly fantasy sports market while reinforcing the distinction between fantasy sports and gambling. These provisions are in line with some of the best practices Splash Sports has both practiced and promoted in the industry. Indeed, in April 2024, we partnered with Birches Health to provide customized resources to Splash Sports users exhibiting problem gaming behavior and to train Splash Sports employees on responsible gaming best practices, including how to identify and help users exhibiting problematic gaming patterns. Splash Sports has recently joined the Coalition for Fantasy Sports and looks forward to partnering with fellow members PrizePicks, Betr, Underdog and Dabble to strengthen each other's responsible gaming practices while developing common self-exclusion lists (while protecting user privacy) to further combat problem gaming behavior.

As Splash Sports has witnessed firsthand, the demand for fantasy sports in Maryland is growing. HB 484 ensures that Maryland consumers continue to have access to a diverse range of fantasy contest formats. Further, by updating Maryland's regulatory framework to reflect current industry practices, HB 484 promotes fair market competition, prevents regulatory overreach, and



ensures that Marylanders have access to a dynamic and consumer-friendly fantasy sports ecosystem.

For these reasons, Splash Sports respectfully urges the Committee to issue a favorable report on HB 484. We are proud of our history as a fantasy contest operator in Maryland and look forward to many more years of productive partnership with the MLGCA.

Thank you for your time and consideration. Sincerely,

Daniel Portnov

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