

## **FAV H 484**

Uploaded by: Bartlett Cleland

Position: FAV

**Maryland HB 484: Fantasy Competitions - Alterations  
and Voluntary Exclusion Requirements**

**SUPPORTING TESTIMONY**

February 6, 2025

Maryland General Assembly  
House Ways and Means Committee

Subject: Support for HB 484: Fantasy Competitions

Dear Chair Atterbeary, Vice-Chair Wilkins and members of the Ways and Means Committee:

NetChoice<sup>1</sup> is a trade association of leading e-commerce and online companies promoting the value, convenience, and choice of internet business models. Our mission is to make the internet safe for free enterprise and for free expression.

We work to promote the integrity and availability of the global internet and are significantly engaged in issues in the states, in Washington, DC, and in international internet governance organizations.

I want to thank the Chair, and the committee, for allowing NetChoice to provide our point of view on fantasy competitions and address the current ambiguity in Maryland law. NetChoice supports HB 484 and respectfully asks that you support the legislation, because it:

- Clarifies that daily fantasy sports (DFS) is distinct from sports betting.
- Supports consumer choice.
- Enhances consumer protections.

**Daily fantasy sports (DFS) is not the same as sports betting**

Fantasy sports is an industry that's growing like almost no other. The industry in 2023 was \$28 billion and will grow to more than \$50 billion by 2028. Nearly 20% of Americans aged 18+ currently participate in fantasy sports. That's 1 of every 5 American adults.

As with all growing industries, innovation is vital to continued success. But with innovation and growth comes the concern of misguided regulation. Wise regulation brings certainty while providing

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<sup>1</sup> NetChoice is a trade association of e-Commerce and online businesses, at [www.netchoice.org](http://www.netchoice.org). The views expressed here do not necessarily represent the views of every NetChoice member company.

a means for continued value to consumers. Of course, innovation is the lifeblood of the Maryland and U.S. economy. A thriving state economy depends on a healthy and pervasive innovation ecology across all industries.

Computing and sports gaming have a long history of intertwined innovation, with computers being used beginning in the early 1960s. More recently, fantasy sports have become increasingly mobile as the computing power that used to take up an entire room can now fit in the palm of our hand. The entire industry has evolved to become one oriented around ease of use, intuition, and convenience.

Sports gambling has grown enormously over the last few decades as, again, technology and innovation have made it more accessible and easier to bet on your favorite team or coin toss. Advertisements for these games of chance, depending predominantly on randomness and luck, are ubiquitous. The gamblers have little to do with the outcome. That uncertainty is the thrill and the appeal. In its simplest form, think of betting lunch with a colleague on the outcome of Monday Night Football.

Such gambling at first blush may seem similar, but is inherently different from DFS.

Fantasy sports require skill, insight, assessment, research, knowledge, and strategy on the player's part. The skill of the player directly affects the outcome. Spotting factors that others do not is the thrill of this game, not randomness or luck. The industry's growth, the continuation of innovation, and the build out of new companies with new ideas has led to an explosion of new players in this space who want to get in on the action.

To protect this innovation, and this form of entertainment, the appropriate regulations should apply. This legislation ensures that fantasy sports in Maryland does have the correct oversight, making clear that regulations on other similar sounding or looking products are not incorrectly imposed.

### **Support Single-Player DFS**

The intertwining of sports, entertainment and communications continues on a path begun decades ago. Over that time consumer preferences have changed, with modern players appreciating the freedom of choice and often preferring single player gaming. For example, second screening, watching television while also using a phone or laptop, has become commonplace. Various online platforms now enable a fan to interact with dozens or even hundreds of others during the game, enhancing the experience even while they compete in their own personal contests.

The contests at issue represent a cultural shift in how Americans enjoy sports. The rise of fantasy play and cutting-edge data analytics has transformed passive viewers into engaged fans. Individuals are attracted by its knowledge-based skills and social connections. The model centers on building fan expertise through steady play, not risky bets. Users gain a deeper appreciation of athletes, teams, and sports strategy by picking optimal player lineups over an entire season. In fact, this individual, passion-driven engagement is why major sports leagues once embraced fantasy providers as partners.

House Bill 484, specifically in Section 1(d)(3), meets that growing trend by overtly clarifying that a single participant may compete against a statistical measurement established by a fantasy sports competition operator. Such an option allows those who may not have the time or desire to participate in a season-long, intensely monitored fantasy team setting to play smaller, more individualized games that provide greater entertainment value to them.

### **Enhanced Consumer Protections**

As important as it is for Maryland to allow for innovation to flourish and Marylanders to enjoy their chosen entertainment, consumer protections in this space are also warranted. HB 484 appropriately enhances consumer protections.

The legislation requires the State Lottery and Gaming Control Commission to create a voluntary exclusion list to empower individuals who wish to self-exclude from participating in fantasy competitions. That would mean that operators of fantasy competitions would be prohibited from allowing self-excluded individuals to open accounts, participate in contests, or claim prizes. Fantasy competition operators would also be required to develop programs to mitigate compulsive play and prominently display resources for individuals seeking help with gaming-related issues.

This legislation benefits Maryland by allowing innovation and competition to flourish and customers to enjoy sports in a more modern way, even while providing additional consumer protections. Fantasy competition operators gain needed clarity, responsible gaming programs are supported and Maryland's regulatory framework will align with evolving industry standards.

NetChoice respectfully urges the committee to support this important legislation. Thank you again for the opportunity to share our perspective on this critical issue. We look forward to continuing this important dialogue. As always we offer ourselves as a resource to discuss any of these issues with you in further detail, and we appreciate the opportunity to provide the committee with our thoughts on this important matter.

Sincerely,

Bartlett D. Cleland  
General Counsel and Director of Strategic Initiatives  
NetChoice

## **FAV HB 484**

Uploaded by: Daniel Portnov

Position: FAV



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 Register<sup>1</sup> 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

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<sup>1</sup> *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*

Daniel Portnov

Chief Legal Officer

Certamen Games, LLC d/b/a Splash Sports

DPortnov@SplashSports.com



# **FINAL 2025 MD HB 484 Testimony - Robert Melvin.pdf**

Uploaded by: Robert Melvin

Position: FAV



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*Free Markets. Real Solutions.*  
*[www.rstreet.org](http://www.rstreet.org)*

Testimony from:  
Robert Melvin, Northeast Region Director, R Street Institute

Testimony in Support MD HB 484, “Fantasy Competitions – Alterations and Voluntary Exclusion Requirements.”

February 6, 2025

Maryland House Ways and Means Committee

Chairwoman Atterbeary and members of the committee,

My name is Robert Melvin, and I am the Northeast region director for the R Street Institute. R Street is a nonprofit, nonpartisan, public-policy research organization with a mission to engage in policy research and outreach to promote free markets and limited, effective government including in relation to technology and innovation policy. This is why we have an interest in House Bill 484.

HB 484 will clarify state law related to sports wagering by defining online fantasy sports competitions, such as daily fantasy sports (DFS), as distinct from sports gambling. It also excludes fantasy sports from the definition of a sporting event in the context of sports betting regulations, and creates a robust voluntary exclusion program and safeguards to ensure responsible gaming.

The concept of fantasy sports in the United States dates back to 1871, when a young Woodrow Wilson first conceptualized it, but never effectuated it.<sup>1</sup> The first actual fantasy sports competition occurred in the 1960s when a group of friends formed the “Greater Oakland Professional Pigskin Prognosticators League.”<sup>2</sup> Participants selected National Football League (NFL) players based on the athlete’s previous performance statistics and contests were rooted in the game-day performance of their rosters.<sup>3</sup> These efforts formed the preliminary framework of today’s fantasy sports industry.

Initially, fantasy sports were primarily for “die-hard” sports fans who could commit to assembling detailed player data as well as the season-long tracking, and competed for a cash prize funded by the players or just for bragging rights.<sup>4</sup> As technology advanced, particularly with personal computers and the internet, participation grew easier.<sup>5</sup> Despite the increased ease to participate, the time commitment was still a barrier for many.<sup>6</sup>

The rise of DFS, driven by the digital revolution, allowed for shorter, more flexible contests. Unlike traditional fantasy sports, DFS players compete for cash prizes in a daily or short-term format, thereby reducing the commitment required.<sup>7</sup> While some may conflate online fantasy sports with online gambling due to the potential for financial prizes, the two are separate and distinct. In fact, the 2006 Federal Unlawful Internet Gambling Enforcement Act explicitly classified them as games of skill, not

games of chance like gambling.<sup>8</sup> Research from the Massachusetts Institute of Technology has also demonstrated fantasy football rewards skill.<sup>9</sup> Due in large part to federal law, and increases in internet accessibility, online fantasy sports have grown considerably.

By 2022, the number of fantasy sports players increased to 50.4 million, up from 42 million in 2015.<sup>10</sup> To better serve Maryland participants, HB 484 would allow single-player DFS, where individuals compete against a statistical benchmark formulated by the fantasy competition operator.<sup>11</sup> While expanding consumer choice is important for a healthy and free market, it's equally vital to ensure the public is protected as well.

Safeguarding consumers from potential negative externalities – such as compulsive gaming –is critical. Thankfully, HB 484 includes proactive measures to protect against these issues, including strengthened exclusion protections. Fantasy competition operators would be required to implement programs to curb compulsive play. Moreover, they would be required to conspicuously display responsible gaming information and provide guidance on how to obtain assistance for individuals experiencing compulsive gaming behaviors. This is supported by research indicating that voluntary self-exclusion programs can be an effective intervention for gaming disorders.<sup>12</sup> These enhanced consumer protections will help promote responsible gaming and mitigate the risk of addiction.

House Bill 484 confers numerous benefits for Maryland consumers, including clarifying the distinction between DFS and sports betting. This important difference will ensure that online fantasy sports competitions are appropriately regulated. Moreover, it democratizes single-player DFS, aligning with participant preferences. This bill carefully balances consumer choice and safety through compulsive gambling prevention measures and a voluntary exclusion program. For these reasons, we strongly urge a favorable report for HB 484.

Thank you,

Robert Melvin  
Northeast Region State Government Affairs Director  
R Street Institute  
[rmelvin@rstreet.org](mailto:rmelvin@rstreet.org)

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<sup>1</sup> Dan Wohl, "Young Woodrow Wilson was playing a form of fantasy baseball in 1871," Major League Baseball, February 24, 2014: <https://www.mlb.com/cut4/young-woodrow-wilson-was-playing-fantasy-baseball-in-1871/c-68280614>

<sup>2</sup> Jon Wilner, "Fantasy football was born in Oakland, original league still thriving," *The Mercury News*, August 12, 2016: <https://www.mercurynews.com/2015/09/13/fantasy-football-was-born-in-oakland-original-league-still-thriving/>

<sup>3</sup> Wayne Brough, "Fantasy Sports and Fantasy Regulation," R Street Institute, Real Solutions, June 13, 2024: <https://www.rstreet.org/commentary/fantasy-sports-and-fantasy-regulation/>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Legal Betting USA, "The UIGEA Explained And How It Impacts US Online Betting," December 8, 2024: <https://www.bettingusa.com/laws/uigea/>

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<sup>9</sup> Jennifer Chu, “Study: There’s real skill in fantasy sports,” Massachusetts Institute of Technology, News Office, November 7, 2018: <https://news.mit.edu/2018/hosoi-study-skill-fantasy-sports-1107>

<sup>10</sup> Statista Research Department, “Number of fantasy sports players in the U.S. 2015-2022,” Statista, January 13, 2025: <https://www.statista.com/statistics/820976/fantasy-sports-players-usa/#:~:text=From%202015%20to%202022%2C%20the,of%20all%20North%20American%20players>

<sup>11</sup> Maryland General Assembly, 2025 Legislative Session, House Bill 484, Accessed Feb. 4, 2025: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/HB0484>

<sup>12</sup> Igor Yakovenko and David C. Hodgins, “Effectiveness of a voluntary casino self-exclusion online self-management program,” *Internet Interventions*, Vol. 23, March 2021:

<https://www.sciencedirect.com/science/article/pii/S2214782920301202>

Sally Gainsbury, “Review of Self-exclusion from Gambling Venues as an Intervention for Problem Gambling,” *Journal of Gambling Studies*, Vol 30, pp 229-251, 2014: <https://pmc.ncbi.nlm.nih.gov/articles/PMC4016676/>

# **PDF -- HB 484 Support Testimony - PrizePicks Shane**

Uploaded by: Shane Saum

Position: FAV



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 SidePrize LLC d/b/a PrizePicks ("PrizePicks"), the largest privately-held Daily Fantasy Sports ("DFS") operator in the country. PrizePicks operates fantasy contests in more than 40 states and the District of Columbia. PrizePicks is currently not a fantasy competition operator under the authority of the Maryland Lottery and Gaming Control Agency ("MLGCA"). However, there are tens of thousands of active Maryland residents who play PrizePicks while they are in neighboring jurisdictions, mostly in D.C., and those revenues are being missed out on in Maryland. We project that if PrizePicks and the other similar fantasy operators were able to enter the Maryland market, the state would generate an additional millions in tax revenue.

Currently, Maryland law recognizes fantasy competitions as distinct from sports wagering, provided that they meet statutory requirements. On November 15, 2024, the MLGCA published proposed changes to COMAR 36.09 in the Maryland Register that would further discourage PrizePicks and similar operators from entering the Maryland market and offering our popular fantasy games to Marylanders.<sup>1</sup> The proposed rulemaking contains a number of prohibitions on features of fantasy competitions that would have the effect of freezing the fantasy sports landscape and making Maryland a difficult place for innovation in the fantasy sports category. The policy goal of a fantasy sports regulatory framework should be to encourage innovation and increase revenue to the state while ensuring appropriate consumer protections.

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

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<sup>1</sup> *Maryland Register*, Volume 51, Issue 23, Pages 1029 - 1074, November 14, 2024



provides regulatory certainty to Maryland's growing fantasy sports market, allowing operators to innovate while maintaining consumer protections and responsible gaming initiatives.

HB 484 strengthens this distinction by explicitly stating 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 either 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 Problem Gambling Fund.

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 PrizePicks has been championing in the industry. In fact, in October of 2024, we announced a groundbreaking, first-of-its kind partnership with idPair, a safer gaming firm revolutionizing player health through innovative Responsible Gaming tools. This partnership enables a seamless self-exclusion solution between PrizePicks, Underdog Fantasy, Betr and Dabble - allowing individuals to choose to simultaneously self-exclude across all members' platforms, regardless of their location. Players will have the choice on whether they self-exclude on one platform, or on all member platforms.

Fantasy sports have evolved significantly since their inception, with modern formats offering new and innovative ways for consumers to engage. As of 2023, an estimated 55.7 million Americans participated in fantasy sports, with the industry projected to grow



from \$29 billion in 2024 to \$67 billion by 2033.<sup>2&3</sup> The demand for fantasy sports in Maryland is undeniable, and HB 484 ensures that Maryland consumers continue to have access to a diverse range of fantasy contest formats.

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, I respectfully urge the Committee to issue a favorable report on HB 484.

Thank you for your time and consideration.  
Sincerely,

Shane R. Saum  
Director of Regulatory and Government Affairs  
SidePrize LLC d/b/a PrizePicks  
Shane.Saum@PrizePicks.com

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<sup>2</sup> Fantasy Sports & Gaming Association Winter 2024 Survey.

<sup>3</sup> Research and Markets, "Fantasy Sports Market Report by Sports Type, Platform, Demographics, and Region 2025-2033," January 2025.



## **FanDuel Comments on HB484 - 2.4.25\_.pdf**

Uploaded by: Jason Weintraub

Position: UNF



Cory Fox  
Cory.Fox@fanduel.com

February 4, 2025

Delegate Vanessa E. Atterbeary – Chair  
Maryland House Ways and Means Committee

**Re: FanDuel comments in opposition to House Bill 0484**

Dear Chair Atterbeary and the Members of the House Ways and Means Committee:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding House Bill 484 (“HB 484”), which proposes to alter the definition of “fantasy competition” and establish a voluntary exclusion program for fantasy competitions. Based on our extensive experience as an operator in the fantasy sports and online sports betting industries, we offer these comments in opposition to HB 484 as currently drafted.

FanDuel commends HB 484 for seeking to advance responsible gaming in Maryland, a key requirement for the continued success of online fantasy sports and sports wagering in the state. However, the practical impact of the additions would be very limited given that (1) Maryland regulations already require fantasy operators to implement an RG plan and (2) the major operators who offer both fantasy competitions and sports wagering, which includes FanDuel, already apply robust RG programs to both offerings whether or not required by regulation.

Concerningly, the proposed amendments in HB 484 would also legalize “fantasy competitions” where “a single participant competes against a statistical measurement established by the fantasy competition operator.” These types of “contests” are not fantasy competitions as defined by every other state with a fantasy contest definition and regulations; rather, they are traditional sports wagering proposition bet parlays against the house that are identical to those offered by licensed, regulated sportsbooks in Maryland today. Accordingly, there is already an available path in Maryland for such offerings under an existing regulatory scheme.

Many states have chosen to restrict house-backed proposition wagers offered under the guise of “fantasy contests” from being offered under regulated fantasy competition regimes precisely because they are more akin to sports wagering than traditional fantasy contest offerings. No state has legalized fantasy sports in a manner that explicitly includes such house-backed propositions. The contests sought to be classified as “fantasy contests” in HB 484 consist entirely of individuals’ wagers, directly with an operator, on how real-world athletes will perform during sporting events. This characteristic distinguishes them from peer-to-peer contests, where contestants compete against each other and fantasy operators only have a financial incentive for contests to fill the available number of entries.

Regulated fantasy and sports wagering regimes are structured differently, with the latter including more significant suitability, financial and operational requirements for market participants, commensurate with the offerings each market includes. As a rule, all states to date that have legalized and regulated sports wagering and fantasy sports have subjected prop bets and parlays against the house to the heightened standards and regulatory oversight of their sports wagering laws rather than their fantasy sports laws.



Licensed sports wagering operators are required to offer significantly more RG protections and controls than HB 484 contemplates for fantasy contest operators. For example, sports wagering operators are required to offer readily accessible tools to encourage responsible engagement with regulated platforms (e.g., RG limits that allow individuals to control their deposit and wagering activity, or the time they spend engaging with a sports wagering platform). Sports wagering operators also have enhanced responsibilities requiring comprehensive controls to ensure that wagering advertising is not directed towards excluded individuals. Sports wagering operators are also subject to more rigorous suitability and licensing reviews, required to maintain significant financial reserves, and undergo more comprehensive audits. These features, along with other essential enhanced account security, financial, and operational standards for sports wagering operators, would be absent for sports wagers authorized under the amended definition of “fantasy competition” in HB 484.

Maryland made a deliberate decision to legalize sports wagering and require potential participants in that market to undergo a rigorous and thorough licensing process to earn the privilege of offering these types of wagers to Maryland customers in a safe and responsible manner. If enacted, HB 484 would negate Maryland’s conscious and careful choice to establish this process by providing an avenue for unlicensed sports wagering operators to offer these wagers to Maryland residents. Stated plainly, the path to offer the types of wagers contemplated by HB 484 already exists, and operators seeking to offer them may do so by applying for a sports wagering license.

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We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cory Fox', written over a light blue horizontal line.

Cory Fox

Vice President for Product and New Market Compliance

## **HB 484 - Fantasy Competitions - Alterations and Vo**

Uploaded by: Jennifer Beskid

Position: UNF

# Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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**DATE:** February 6, 2025  
**BILL NO:** House Bill 484  
**BILL TITLE:** Fantasy Competitions - Alterations and Voluntary Exclusion Requirements  
**COMMITTEE:** Ways and Means  
**POSITION:** Opposition

The Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”) provides the following information regarding House Bill 484, Fantasy Competitions - Alterations and Voluntary Exclusion Requirements

## Bill Summary:

HB 484 is sports wagering being presented under the guise of fantasy competition and as such is attempting to bypass licensing requirements, fees, background checks for employees, bond requirements, and applicable tax rates while also allowing 18 year olds to engage in sports wagering.

## Background:

HB 484 proposes changes to the definition of “Fantasy Competition” that would specify that a participant owns, manages, or coaches an imaginary team or teams, where participants compete against other participants (more commonly known as head-to-head), or where a single participant competes against a statistical measurement established by the fantasy competition operator (more commonly known as over/under or wagering against the house). These two new types of “competitions” are nearly identical to two definitions of sports wagers in COMAR 36.10.01.02 - sports wagering regulations.

Allowing a participant to play against a statistical measurement set by the operator changes the current structure of fantasy competitions significantly, blurring the lines between fantasy competitions and sports wagering.

The application fee for a mobile sports wagering license is \$500,000 under State Government (SG) Article §9-1E-06 and the license is valid for five years. The registration fee for fantasy competition is just \$100 annually. The Maryland Lottery and Gaming Control Agency (Agency) has proposed regulations that would increase this to \$1,000.

Sports wagering was an expansion of commercial gaming in the State, so it was subject to approval by referendum. Sports wagering is authorized under SG Title 9, Subtitle 1E and regulated under COMAR 36.10 and 36.11, and is subject to regulatory oversight, licensing requirements, and fee structures that are separate and quite different from the requirements for fantasy competitions authorized under SG Title 9, Subtitle 1D.

Authorizing fantasy competitions to conduct sports wagering under this bill would have both a fiscal and operational impact on the Agency, and on sports wagering licensees, and would cause confusion for both fantasy competition players and sports wagering bettors.

If enacted, fantasy competition would ultimately mirror sports wagering, so it would allow individuals under 21 to actually participate in sports wagering.

HB 484 would remove the provisions of Title 12 of the Criminal Law Article from SG §9-1D-02 and would specify that a fantasy competition would not constitute betting, wagering, or gambling for any purpose provided a person does not operate a kiosk or machine that offers fantasy competition to the public in a place of business physically located in the State. This significantly broadens the types of permissible fantasy competitions.

HB 484 repeals and reenacts with amendments §9-1D-05 of the State Government Article. This section would require each fantasy competition operator to develop and maintain a program to mitigate and curtail compulsive play and provide language about obtaining assistance with real-money gaming problems.

**Rationale:**

As stated, HB 484 is a thinly veiled attempt to create a sports wagering option under the fantasy competition regulations. Allowing this change would result in:

1. Significant financial losses to the State. The cost of a sports wagering license is \$500,000 and the cost of a fantasy competition registration is \$100. The Maryland Lottery and Gaming Control Agency (Agency) has proposed regulations that would increase the registration fee to \$1,000, but this is still de minimis.
2. There are myriad differences between how sports wagering employees are backgrounded and licensed, as opposed to fantasy competitions, which have no employee licensing requirements.
3. Operators of fantasy competitions are simply required to register with the Agency and are subject to a fee as described in State Government Article § 9-1D.
4. Sports wagering licensees are required to pay an application fee, submit to background checks, employ a minimum number of employees, submit to inspection of any system, kiosk or machine, submit audited financial statements, provide bonds, etc. Below is a breakdown of some of the requirements and timelines.

Permit, License, or Certificate Title	License or Registration	Description of the application process	Estimated time to process (approval/denial)	Fees and bond requirements
Fantasy Competition	Under SG, Title 1, Subtitle 1D, before offering services in connection with a fantasy competition to players	Fantasy competition operators register with the Gaming Division and submit required documentation via	2 weeks or longer depending on responsiveness to request for information and	\$100 annual registration fee.  Tax rate - 15%

	physically located in Maryland, a fantasy competition operator shall register with the Commission.	email	number and types of contest being offered.	No bond requirement
Mobile Sports Wagering Licensee	Under SG Title 1, Subtitle 1E, an applicant for a Mobile Sports Wagering License must be found qualified by MLGCC, awarded a license by the Sports Wagering Application Review Commission (SWARC), and then issued the mobile sports wagering license by MLGCC; only then is it authorized to conduct and operate mobile/online sports wagering in conformance with Maryland's Sports Wagering Law and COMAR Title 36, Subtitles 10 and 11.	Must submit 2 separate applications: To MLGCC, for background investigations and licensing requirements for the applicant and all employees involved in sports wagering approval. To SWARC, for review and approval of business plans, ownership interests, etc.	3-6 months	\$500,000 application fee for a mobile sports wagering license..  \$1,500,000 bond.  Tax rate - 15%

Fantasy competition and sports wagering are currently subject to the same tax rate. However, the tax structures for fantasy competition and sports wagering differ significantly in the methods used to calculate and apply taxes on revenue.

- Fantasy competition tax is paid quarterly and calculated by allocating the state's share of total entry fees to the adjusted revenue (entry fees minus prizes) and applying the State's tax rate to that proportion.
- As a result, the State's share is contingent upon the operations and revenue generated in other jurisdictions that authorize a fantasy competition.
- Sports wagering tax is paid monthly and calculated by subtracting total payouts to bettors from total wagers placed in the State, and then applying the State's tax rate to the resulting gross gaming revenue.
- The Agency is not able to project what the change to revenues would be without knowing the number of fantasy competition operators that would take advantage of this change, any fees that may be authorized if the licensing structure were to change, as well as any changes that may be made by sports wagering operators who may choose to focus solely on the hybrid being proposed.

Currently, there are specific delineations between fantasy competitions and sports wagering requirements. Many of the significant controls and regulations on sports wagering licensees are not in place for fantasy competition operators. The controls and regulations that would be avoided by this change include:

- Strict know your customer requirements,

- Stricter controls and monitoring of geolocation tools,
- Advertising restrictions,
- Requirements for RG messaging, and
- Fantasy competitions allow 18 year old players.

For the reasons stated above, the MLGCA asks for an UNFAVORABLE vote on HB 484.



# **DraftKings Testimony - HB 484 - 02-06-2025.pdf**

Uploaded by: Kevin Cochran

Position: UNF



House Ways and Means Committee  
Testimony in Opposition to HB 484  
February 6, 2025

Chairwoman Atterbeary and Members of the Committee,

DraftKings Inc. (“DraftKings”) wants to thank the House Ways and Means Committee for the opportunity to provide testimony on House Bill 484. It is our position that House Bill 484 would create an opportunity for bets already being placed in Maryland currently under the state’s sports wagering statute to instead be offered under the state’s fantasy competition statute. The specific language would authorize contests in which a *“single participant competes against a statistical measurement established by the fantasy contest operator.”* From our perspective, that is indistinguishable from a proposition bet, a very common wager in sports betting, where a sports wagering operator sets a line, oftentimes a statistical measurement on individual player performance, and a bettor places a wager where they are essentially competing against the operator, with either the bettor or operator winning the wager.

For example, whether or not a certain player scores X number of points in a basketball game is a proposition bet that sportsbooks offer in Maryland today. This change to the definition of “fantasy competition” would give fantasy game operators in Maryland the ability to offer that exact scenario, by setting a statistical measurement for points and letting a single participant play the game directly against the operator.<sup>1</sup>

There could be an argument made that it is not sports wagering because you would have to select at least two of these statistical measurements, but that is also a common sports wager – a proposition parlay, which is a bet that has higher payouts for the bettor because the bet only wins if all the individual bets, referred to as legs, making up the parlay win.

As a result, we respectfully request of the committee to not advance this bill, as it could harm revenue to the state, as sports wagering operators pay taxes on sports wagering revenues, and sports wagering operators also restrict wagering to persons twenty-one years of age or older.

If the legislature is looking to clarify the language of Maryland’s fantasy contest statute, we would recommend clarifying that fantasy contests are those contests played between two or more participants, where the operator may not serve as a participant. We believe this to be consistent

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<sup>1</sup> See Exhibit 1 below, which shows the similarities of the two product offerings – sports wagering at the top, fantasy sports at the bottom.



with Maryland’s current law that defines a “fantasy competition” as being reflective of the “relative skill of the game participants” – a term we believe means that there are two or more participants competing in a game of skill because of the statute’s use of the word “relative.” MD State Govt Code § 9-1D-01.

In Maryland, in March 2022, the Maryland Lottery and Gaming Control Agency sent a letter to all registered fantasy sports operators in the state explaining that fantasy competitions in which players compete against the fantasy competition operator instead of other players are not compliant with Maryland law. Other states around the country have also looked at this question in relation to fantasy sports, and as a result fantasy contests where a participant plays directly against the fantasy competition operator have been prohibited in many states.

Thank you for the opportunity to provide written testimony and we would be happy to follow up in writing to provide additional information on what other states have done in relation to clarifying their fantasy sports operations over the past few years if the committee would like more information.

Respectfully,

DraftKings Inc.

