



January 28, 2026

Chair, Budget and Taxation Committee  
Maryland Senate  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

Chairman Guzzone and Members of the Committee,

On behalf of the Social Gaming Leadership Alliance (SGLA), an alliance of established market leaders and innovators in the Social Plus online gaming industry, we respectfully oppose SB 112.

The Social Plus industry has been operating in Maryland since 2012, growing a steady and loyal customer base of people seeking casual social games for free or low-cost entertainment and fun. Today, it is a thriving industry with an economic impact of nearly \$1.5 billion dollars across the United States. We estimate there are approximately 120,000 adults currently enjoying Social Plus games in Maryland.

Social Plus is a subset of the online social games industry, which includes casual mobile games such as Words with Friends, Candy Crush, and various card, casino, puzzle and bingo games. Social Plus takes the same concept of free-to-play and freemium social games, but enhances it with opportunities to win real prizes of value through well-established and widely used sweepstakes promotions. Social Plus games are always free to play, and include alternative methods of entry (AMOE) so that no purchase is ever necessary, in compliance with Maryland consumer protection laws and following the same model as popular sweepstakes like Publisher's Clearing House and McDonald's Monopoly.

**We rise in opposition to SB 112**, which seeks to define and criminalize "interactive games" that have casino-style gameplay components and award prizes. Certainly, this broad language would implicate entertainment products like Social Plus games that have complied with Maryland state and federal law for over a decade, forcing responsible business operators to vacate the state. Such a blanket ban is not only unwarranted, it is directly counterproductive to the policy objectives of strong consumer protection and revenue generation.

### **Consumer Protections in Social Plus Games**

SGLA member companies have voluntarily established a regime of strong consumer protections including mandatory 21+ age requirements, robust KYC (know your customer) protocols, responsible social gameplay tools, geolocation and many other trust and safety provisions that meet, and in some cases exceed, those of regulated real-money gambling entities.

While each Social Plus platform's protocols differ slightly, the following age and identity verifications take place to ensure a person's age and identity are verified:

- 1) Collection of name, address, date of birth, and last four numbers of Social Security;
- 2) Validation of email address and/or phone number using 2-factor authentication;
- 3) Submitting pictures of government identification, with the customer taking a selfie while holding such ID in some instances;
- 4) Validation of additional information by means of a bank statement, utility statement, and/or picture of the form of payment; and
- 5) Using only trusted third-party KYC vendors that validate and protect customer's personal information.

SGLA partners offer an entertainment product, and therefore go to great lengths to ensure that customers utilize these products as such by offering responsible social gameplay (RSG) tools including:

- 1) Self-exclusion with irrevocable exclusion time frames;
- 2) Customer limits on play time and purchase amounts;
- 3) Prominently displayed messages and links to RSG tools and resources;
- 4) Training customer-facing employees to identify signs of unhealthy behavior and respond to such instances with defined RSG protocols.

To ensure players personal information is protected and financial transactions are always secure, SGLA members undertake the following steps:

- 1) Work exclusively with third-party payment providers that demonstrate adherence to essential industry security standards and certification of controls, including geolocation standards, thorough audit and validation processes, and maintaining an effective, risk-based Anti-Financial Crime (AFC) program to prevent and detect financial crime;
- 2) Limit customers to one account per person;
- 3) Use geolocation technology to ensure that a customer is abiding by the laws of the jurisdiction in which they are located, including properly applying sales tax;

### **The SGLA seeks Regulation, not Banishment, of Social Plus Games**

Illegal online gambling is a real problem, but the broad language of this bill unfairly penalizes established, well-intended and law-abiding online businesses that utilize sweepstakes, but also the third-party providers that provide essential services to this industry including software, KYC validation and data security.

SGLA desires to be an active partner in combating unlawful and exploitative online gaming, which is why we propose legislation to require Social Plus Companies to register with the Attorney General in the interests of transparency and compliance. This proposed legislation would codify and standardize the aforementioned consumer

protections, and many more, across the entire industry, and ensure that all operators in the online interactive games space are paying their fair share of taxes.

We believe this is the pragmatic solution in lieu of a counterproductive ban. If a ban were to be imposed, the long-standing and law-abiding Social Plus companies that have operated in Maryland will leave the state, but the illegal offshore companies are very likely to remain and prey upon unsuspecting consumers, putting 120,000 Maryland adults, who enjoy these platforms for casual free and low-cost entertainment, at risk.

Our proposed legislation will bring industry-wide regulation to Social Plus games and generate upwards of \$20 million in annual revenue from sales taxes and registration fees. This legislation would ensure that ALL operators enforce strict age-verification restrictions to keep people under the age of 21 from participating, protect consumer data and privacy, provide clear and truthful advertising to adults, and provide RSG resources to ensure that customers are interacting with Social Plus games responsibly. Bright-line rules would also give the Maryland Attorney General strong enforcement power against bad actors, resulting in a safer online environment for adults to enjoy Social Plus games responsibly.

Enclosed please find additional information, including a report on the economic impact of regulating and taxing Social Plus games in Maryland, and a one-page outline of the consumer protections implemented for Social Plus games.

In summary, the SGLA stands behind strong regulation and consumer protection, responsible social gameplay for adults only, fair taxation, and enabling economic development here in Maryland. We look forward to working with members of the Senate to achieve these mutually beneficial outcomes.

Sincerely,



Sean Ostrow  
Managing Director  
Social Gaming Leadership Alliance