



Senate Budget and Taxation Committee  
Testimony in Opposition to SB 456  
February 18, 2026

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee,

DraftKings Inc. (“DraftKings”) wants to thank the Senate Budget and Taxation Committee for the opportunity to provide testimony on Senate Bill 456. It is our position that Senate Bill 456 would create an opportunity to muddy the permissible contest types in the state, when currently the Maryland Lottery and Gaming Control Agency (“MLGCA”) has set forth clear guidance. In fact, in March 2022, the MLGCA 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 and also clarified the types of contests that are in scope for the state.

DraftKings generally supports the fantasy contest language as drafted in the Unlawful Internet Gambling Enforcement Act (“UIGEA”) as the appropriate and well-established foundation for defining fantasy competitions in state law. The UIGEA framework provides clear, workable criteria that distinguish fantasy contests from gambling by focusing on skill-based outcomes, predetermined prizes, and results that reflect the relative knowledge and judgment of participants rather than chance or the performance of a single athlete or team. Using this federally recognized language promotes consistency across jurisdictions, offers regulatory clarity for operators and consumers, and reduces unnecessary litigation or ambiguity. Grounding state legislation in the UIGEA standard ensures that lawful, skill-based fantasy competitions can continue to operate responsibly while preserving strong consumer protections and regulatory oversight provided by each state.

Senate Bill 456 amends the definition of “fantasy competition” into something not recognizable compared to most definitions of fantasy contests/competitions around the country in the other states with a regulatory framework where DraftKings operates. It deviates significantly from UIGEA. Particularly, the new subsection (2)(II) related to “bonus payouts” could create a scenario that moves further and further away from the traditional spirit of fantasy competitions.

Further, the new subsection (3) in the definition of “fantasy competition” does not clarify that an operator may not be a participant, and that creates concern that this could be an opportunity for bets already being placed in Maryland under the state’s sports wagering statute to instead be offered under the state’s fantasy competition statute. If that were to be the case, those contests would be 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.

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.