



SB 652 – Maryland Illegal Online Gambling Enforcement Act

Committee: Senate Judicial Proceedings Committee

Date: March 11, 2026

Position: Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS SB 652 WITH AMENDMENTS**. This legislation establishes a new enforcement framework in Maryland to address illegal online gambling by expanding state authority and imposing significant new obligations on platform providers and financial transaction providers. MBA is concerned that these requirements are unduly burdensome and would expose financial institutions to penalties for inadvertently processing transactions linked to illegal online gambling, despite having no practical ability to detect such activity.

Maryland banks already comply with the federal Unlawful Internet Gambling Enforcement Act (UIGEA), which mandates the implementation of risk-based policies and procedures reasonably designed to identify and block unlawful internet gambling transactions. This includes screening commercial accounts for illegal gambling activity and coordinating with payment networks under Regulation GG, which provides a clear and uniform federal compliance framework without imposing criminal liability on institutions acting in good faith.

SB 652 introduces several problematic provisions from a compliance standpoint. For instance, the bill would require banks to continuously monitor the Attorney General’s website for updated cease-and-desist orders and imposes penalties if a bank unknowingly processes a related transaction. Additionally, banks that issue credit cards could face liability even though they have no direct visibility into the underlying activity and must rely solely on merchant category codes when processing card transactions.

For these reasons, MBA believes 9-1F-07(B) should be stricken, 9–1F–10 (D)(2) should be stricken, and that language involving financial transaction providers should be thoroughly reviewed for additional amendments that eliminate banks being penalized for unknowingly processing transactions related to illegal online gambling. Accordingly, MBA urges issuance of a **FAVORABLE** report **WITH AMENDMENTS** on SB 652.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.