



Senate Budget and Taxation Committee

Testimony in Support of SB 112

January 28, 2026

Chair Guzzone, Vice Chair Rosapepe, and members of the committee, thank you for the opportunity to testify today. My name is Jeremy Kudon and I am Chairman of the Sports Betting Alliance (the “SBA”), a coalition of five of the nation’s leading licensed and regulated sports wagering and iGaming operators. Our members—Bet365, BetMGM, DraftKings, Fanatics Betting & Gaming, and FanDuel—are all proud to be licensed sportsbook operators in Maryland.

The SBA strongly supports Senate Bill 112’s prohibition on online sweepstakes casinos. The bill’s request by both the Governor and the Lottery and Gaming Control Agency reflects the urgency and importance of this issue. We commend the Chair for advancing thoughtful, effective legislation that directly addresses and curtails this conduct.

Sweepstakes platforms allow Maryland customers to pay real money and win real money by playing online casino games. Customers purchase “gold coins” used to play so-called “social games” that offer no real-world prizes. However, with each purchase of gold coins, users also receive a “free” allotment of “sweeps coins” (typically on a 1:1 basis to the number of dollars spent) which can be used to play the exact same casino games for the opportunity to win cash prizes.

The “sweepstakes” subterfuge is merely a thin attempt to bypass Maryland’s gambling prohibitions. In short, these casino games offer a prize, awarded by chance, obtained through paid consideration—the hallmark of gambling under Maryland law. This business model is casino gambling in everything but name, and it presents serious risks to Maryland consumers.

Maryland has demonstrated that gambling can and should be offered with appropriate safeguards and subject to rigorous state oversight. Maryland’s land-based casinos and online sports wagering operators must comply with detailed rules and regulations



regarding responsible gaming, integrity, accounting and taxation. In contrast, these offshore “sweepstakes” gambling entities operate real money online casinos without any regulatory oversight. They are not required to implement standard safeguards typically mandated in legal gaming operations, such as responsible gaming measures, protections against underage gambling, or compliance with anti-money laundering laws.

Despite these risks, Maryland residents are estimated to wager \$8.62 billion annually on unregulated online sweepstakes and internet games, up nearly 30% from 2022, losing approximately \$74.4 million each year.¹

SB 112 would modernize Maryland law to make clear that unlicensed, unregulated, untaxed online casino gambling is illegal. It would also provide accountability, such that Maryland’s gaming licensees cannot accept revenue directly or indirectly derived from such conduct.

It is a common-sense step to protect consumers and ensure a fair, regulated marketplace. We respectfully urge your support in banning online sweepstakes games.

Sincerely,

Jeremy Kudon, Chairman

Sports Betting Alliance

¹ American Gaming Association. (2025, August; 2023, August). *Sizing the illegal and unregulated gaming markets in the United States.*