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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

House Bill 75

Video Lottery Operations - Prohibitions on Campaign Contributions - Parity Act

Support

I believe that one of the most important goals we have as legislators is to ensure that the citizens of Maryland see a consistent and transparent manner of government so that there is both integrity in our policies and a high degree of confidence in our system. The only way our legislation will be accepted as credible is to provide the public with confidence of integrity. When we make arbitrary and capricious rules, we dilute that confidence and create anxiety about consistency and transparency in government. That said – treating gaming license holders and sport betting license holders differently, wherein they do the exact same thing in the eyes of campaign finance is an example of how we lose credibility with the public and we create harm unnecessarily.

Would we allow Coca-Cola to make campaign contributions, but not Pepsi-Cola? Burger King, but not McDonalds? Dunkin, but not Krispy Crème? Coors, but not Budweiser? Owners of Ford trucks, but not Chevrolet trucks? Of course not, but for their names, they are identical in terms of campaign finance.

HB 75 ensures parity between licensed casino owners and operators, who at present happen to be prohibited from making campaign contributions, in any form, and sports wagering entities and owners such as FanDuel and DraftKings that are not so prohibited. These entities and license holders are identical in service and function, they are both casinos, full stop. As a matter of public policy, good governance, and law, there must be parity between the two for the sake of credibility and enforcement. As it stands now, one may participate in the campaign process, the other may not.

More than a decade and a half ago, the law prohibiting licensed casinos was predicated on the antiquated notion that casinos are inherently corrupt, wield too much financial power, and will unduly influence the legislative process. Today, casinos are one of the most highly regulated industries in the world, let alone Maryland. Yet, FanDuel, DraftKings, and other on-line casinos are not required to comply with the regulatory safeguards as Maryland's "licensed" casinos. I think we all know this from what we see and hear in the media.

Casino owners, operators, and individuals that own 5% or more of the entity are subject to prohibition. Notwithstanding the 2012 law, in 2015, a former delegate and subcommittee chair from this committee received a \$500 campaign contribution from a racetrack owned by a casino owner. After receiving the check, he contacted the Maryland Attorney General for guidance and informed him there was nothing in the law that prohibited him from taking the contribution, since it was from the racetrack and not the casino. Given the OK by the AG's office, the same delegate accepted a \$2,000 contribution from a construction company owned by the same casino operator.

Like many of us, that delegate indicated that he is not comfortable with prohibiting donations from specific industries. He asked the same question, I am asking you to consider, why just casinos? Why not banks, lawyers, teachers, CPAs, or unions? If we are concerned that contributions can affect policy, then we need to have a real discussion and create an inconsistency with one industry in the rut.

All casinos must be held to the same standard. Attempting to parse the two is a distinction without a difference.