



February 5, 2026

Re: Testimony in Opposition to HB0291

Madam Chair and Honorable Members of the House Ways & Means Committee,

On behalf of FanDuel, a leading regulated sports-tech entertainment company, I appreciate the opportunity to submit testimony regarding the policy matter before you.

HB 291 would grant the State Lottery and Gaming Control Commission the ability to unilaterally raise taxes on sports betting operators, jeopardizing the state's growing legal and regulated market, and driving users to the unregulated and untaxed illicit market.

It is important that we are clear about what this proposal would do, and that's give the Commission the ability to raise taxes on sports betting operators by limiting our ability to promote the legal regulated market. When a company gives a customer a free bet or promotion, that is essentially a coupon allowing them to place a wager. If the customer wins, the company pays out the bet and loses money. If the customer doesn't win, the company does not make any money because the customer did not actually wager any money. Under this proposal though, the Commission further treats those coupons as real money, even though they are not.

This is a policy decision that would be detrimental to the continued growth of legalized online sports betting and would negatively impact the state's tax revenue long term. Offering promotions is a critical tool for legal operators to move customers from the illegal, untaxed markets to the legal regulated market.

Currently, unregulated illicit operators are competing everyday with the regulated market by offering their customers promotions and free bets. And not only are they not be taxed on their promotions and free bets, they are not taxed at all. These unregulated operators are bad actors. They advertise with celebrities to appear legitimate and target children and other vulnerable populations through social media advertising. Many do not provide stringent age verifications. Few, if any, provide responsible gaming tools, and if an unregulated operator exploits a customer's personal or financial information, there is no recourse.

On the other hand, the legal sports betting market is among the most highly regulated industries in America, and at the heart of a regulated market is a commitment to responsible gaming. In this regulated market, every transaction takes place through a registered account where customer age, identity, and location are verified. Users can set parameters on their own activity, including deposit, wagering, and time limits. Leading sports betting companies have robust responsible gaming programs. The largest ones employing over 60 full-time staff dedicated to this cause and operators can monitor and intervene if there are responsible gaming concerns.

Maryland's legal regulated sports betting has been a success, generating approximately \$200 million dollars in revenue for the state, while providing a safe and regulated market for its citizens. Just last year, this body raised the sports betting tax. Now, months later, the Commission is seeking the authority to further raise our taxes in perpetuity without future legislative approval. Having just rejected similar efforts last year that related to casinos, I urge you do the same here.

Thank you for your time and consideration,

James Hartmann
State Government Relations Director, FanDuel