



House Ways and Means Committee
Testimony in Opposition to HB 291
February 5, 2026

Chairwoman Wilkins and Members of the Committee,

DraftKings Inc. (“DraftKings”) wants to thank the House Ways and Means Committee for the opportunity to provide testimony in opposition to House Bill 291. It is our position that House Bill 291 attempts to delegate policymaking to the State Lottery and Gaming Control Commission that could result in an effective tax increase on licensed sports wagering operators by altering the current treatment of promotions in the state. This change would increase the effective tax rate on sports wagering operators, weaken Maryland’s regulated sports wagering market and undermine the state’s policy goals as laid out when sports wagering was passed. Further, this would be on top of last year’s efforts that resulted in a 33% increase on sports wagering operators.

Sports wagering promotions are not simply marketing tools; they are one of the primary ways regulated sports wagering operators attract and retain customers and, most importantly, move them out of the unregulated and offshore markets. The Super Bowl this weekend, along with other major sporting events like March Madness, provide unregulated operators an opportunity to aggressively offer promotions to people in Maryland, resulting in no additional taxes for the state and having no requirement to comply with any of the state-mandated consumer protections. If licensed operators are taxed on promotions that do not represent actual revenue, they will be significantly less competitive.

This is because promotions are not real revenue. Taxing them as revenue forces operators to pay taxes on money they never actually receive, artificially inflating effective tax rates and discouraging investment in the Maryland market. Over time, this results in fewer promotions, less customer engagement, and reduced wagering activity within the regulated system.

To date, Maryland’s sports wagering framework has been successful because it balances strong regulation with a competitive legal market. House Bill 291 would disrupt that balance and make it harder to keep bettors wagering legally.

For these reasons, I respectfully urge the Committee to oppose House Bill 291. Thank you for your time and consideration.

Respectfully,

DraftKings Inc.