

Maryland Lottery and Gaming Control Agency



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TO: Chair Jheanelle Wilkins

FROM: Jennifer Beskid, Director Legislation and Policy

DATE: January 19, 2026

SUBJECT: Support - House Bill 291, Sports Wagering Proceeds - Promotional Play Exclusion - Limitation

House Bill 291, *Sports Wagering Proceeds - Promotional Play Exclusion - Limitation*, would clearly authorize the Maryland Lottery and Gaming Control Commission (“Commission”) to establish limits, by regulation, on the amount of promotional play that a sports wagering licensee is able to deduct from sports wagering proceeds under the Sports Wagering Law. Sports wagering proceeds support the Blueprint for Maryland’s Future Fund (Blueprint). The Commission clearly has the ability to set the promotional play limits for Video Lottery facilities under the Gaming Law, but the language in the Sports Wagering Law is inconsistent. Passage of House Bill 291 would eliminate the inconsistency.

In an advice letter from the Office of the Attorney General dated March 6, 2025, counsel advised that provisions in State Government Article (“SG”) §9-1A and §9-1E “appear to provide the Commission with some authority to limit the promotional play deduction for sports wagering licensees, the precise scope of that authority is not entirely clear.” The Commission has authority over video lottery terminals (VLTs) and table games under State Government Article Title 9, Subtitle 1A. The Commission also has authority over sports wagering under State Government Article Title 9, Subtitle 1E, but the definitions of proceeds are inconsistent between the two subtitles. State Government §9-1A(u)(3)(ii) specifically states “After the first fiscal year of operations, the exclusion specified in subparagraph (i) of this paragraph may not exceed a percentage established by the Commission by regulation of the proceeds received from video lottery terminals and table games in the prior fiscal year by the video lottery operation licensee under § 9-1A-27(a)(2), (c)(1)(ii), and (d)(1) of this subtitle.” Whereas, State Government Article §9-1E(h)(3) defines proceeds as the amount of money wagered on sporting events, less free bets and promotional credits redeemed by bettors. Specific language authorizing the Commission to establish a percentage is not stated within the definition.

The Maryland Lottery and the state’s casinos, sportsbooks and daily fantasy sports operators combined to contribute \$1.589 billion to Maryland’s good causes in Fiscal Year 2025 (July 1, 2024 through June 30, 2025). The taxable proceeds from sports wagering support the Blueprint, which supports public education programs. The Commission has a fiduciary responsibility to the State that would be better served by clearly and unambiguously authorizing the Commission to have consistent authority to manage video lottery, table game, and sports wagering proceeds. For the reasons stated above, the Agency requests a FAVORABLE report on House Bill 291.