

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 621

(Senators Zucker and Hettleman)

Budget and Taxation

Ways and Means

**Gaming - Sports Wagering - Independent Evaluation of Sports Wagering
Content and Sports Wagering Facility Application Amendments**

This bill requires the State Lottery and Gaming Control Commission (SLGCC) to license independent evaluators to evaluate and rate sports wagering content provided by, as defined by the bill, sports wagering experts, sports wagering influencers, and content partners. The bill specifies criteria for licensing of an independent evaluator. A sports wagering licensee or sports wagering operator that advertises in the State may contract with a licensed independent evaluator. An independent evaluator and its principals and employees may not wager on a sporting event. An independent evaluator may not be compensated by a sports wagering licensee or sports wagering operator that uses the evaluator's evaluation services solely for marketing materials but may be compensated for its evaluation and rating of sports wagering content. SLGCC must also adopt regulations relevant to these provisions. In addition, SLGCC and the Sports Wagering Application Review Commission (SWARC) may consider a request to amend a Class B-2 sports wagering facility license application for the purpose of altering the proposed location of the facility if a sports wagering facility license was awarded to the applicant by February 15, 2023, and a written request to amend the application is received by December 31, 2023. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: State Lottery and Gaming Control Agency (SLGCA) administrative costs may increase beginning in FY 2024. A precise estimate of such costs, and thus of associated SLGCA expenditures, is not available at this time.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Chapter 492 of 2020 authorized sports and event wagering generally, subject to voter referendum, which was approved by Maryland voters in November 2020. Chapter 356 of 2021 implemented sports and event wagering in the State and provided for regulation of sports wagering by SLGCC. The Act also established the Sports Wagering Application Review Commission to review and award applications for sports wagering facility and mobile sports wagering licensure.

Licensing is required for the following who are involved in sports wagering:

- a person that operates sports wagering;
- a person that operates sports wagering on behalf of a sports wagering licensee, including an online sports wagering operator;
- a person that manages, operates, supplies, provides security for, or provides service, maintenance, or repairs for sports wagering equipment and devices; and
- an individual directly employed in the operation of sports wagering by a sports wagering licensee if the individual does not otherwise hold a valid State gaming license.

Additionally, SLGCC may, by regulation, require a person that contracts with a licensee and the person's employees to be licensed if deemed necessary.

A sports wagering licensee may not (1) target advertising to individuals who are prohibited from participating in sports wagering and other at-risk individuals or (2) engage in any false or deceptive advertising. SLGCC may deny a license to an applicant for specified sports wagering licenses, reprimand or fine a licensee, or suspend or revoke a license for a violation of sports wagering law in the State.

SWARC must award Class B-1 and B-2 facility licenses to applicants meeting specified requirements. Qualifying applicants with fewer than 25 full-time equivalent employees or less than \$3.0 million in annual gross receipts are awarded B-2 licenses, while qualifying applicants exceeding either of those thresholds are awarded B-1 licenses. SWARC must award a Class B-1 or B-2 license to specified qualifying horse racing, simulcast betting, and commercial bingo entities and to no more than 30 additional qualifying applicants.

State Expenditures: SLGCA advises its administrative costs may increase beginning in FY 2024 in order to license independent evaluators of sports wagering content. However, SLGCA is unable to estimate staffing or other operational costs at this time.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): State Lottery and Gaming Control Agency; Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2023
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