



CONFIDENTIAL
March 23, 2021

**SUBMISSION TO MARYLAND SENATE RE: PROPOSED
AMENDMENTS TO MARYLAND HB 940
An Act Concerning Gaming - Regulation of Fantasy Gaming Competitions
and Implementation of Sports Wagering**

Enclosed is a revised version of Maryland HB 940 which includes amendments proposed by the Orioles Major League Baseball team. The proposed amendments are indicated in the attachment (the “Amended Bill”) by deletions (marked by strike-throughs) and additions (bold, underline).

1. Class A Licenses Should Receive Full Licenses Which Include A Mobile License
 - A mobile license should be included within the primary Class A Licenses so that there is not a need for Class A License holders to separately apply for a mobile license.
 - These mobile licenses should permit state-wide betting---so the requirement that the bettor must place the bet at the applicable facility (e.g. sports stadium)would not apply to the Class A mobile license.
 - Due to the prevalence of mobile and other digital devices, as well as reliable online connections, consumers prefer mobile betting and therefore enabling betting through all technologies will ensure that sports teams and other Class A licensees are able to establish successful sports betting operations and thereby maximize revenue for the State.
 - This is particularly important for the Maryland-based professional sports teams, which need to build their betting operations---there is significant investment involved with starting up a betting operation and we want to be sure that we are given the appropriate tools and incentives. Also, adding a mobile license means more jobs for those

involved in establishing and operating a sports team affiliated betting operation.

2. Current MLB Requirements Prohibit The Orioles From Being A Sports Wagering License Holder---- A Sports Team Should Be Able To Appoint A Designee To Hold Its Allocated Class A License

- Although HB 940 has allocated Class A Licenses for owners of each Maryland-based pro sports team (9-1E-05 (C)), League rules (e.g., MLB) prohibit MLB franchise owners from directly holding a sports wagering license----so the Senate version of the bill should permit sports teams, at their election, to designate a sports betting operator to hold the allotted license---accordingly, in the Amended Bill, we have revised the Class A grant language (9-1E-06(A)(1)(I)(3)(C)) to allocate Class A Licenses to each professional Major League Baseball sports franchise which is a lessee of a stadium “or its designee.” We also amended 9-1E-06(A)(1)(I)(3)(B) to make conforming changes with respect to National Football League franchises.
- Also see 9-1E-10 (A)(1)(II), which allows a mobile licensee to contract with a third-party operator to conduct online wagering on its behalf - we need a similar concept for the sports franchise licensees.

3. Limits On Sports Team Licensees Disadvantages Them Compared To Casinos; Results In Lack Of Parity Among Class A Licenses

- Certain limitations on how and when wagers can be made at sports facilities favor casinos. Most importantly, the Amended Bill eliminates the limitation of wagering only to “game days” and events with anticipated 10,000 attendees (9-1E-09 (D))---and the Amended Bill eliminates the limitation on wagers being placed in ticketed areas only (which also would violate MLB rules as more fully described below).
- These limits would put sports teams at a disadvantage---it will be difficult to establish a successful sports wagering business if subject to these restrictions on access to sports betting. Casinos are not subject to these limits and licenses should be allocated on parity terms.
- Over-all, sports team personnel and owners should not be subject to significantly more stringent restrictions than casino and race track

owners.

4. Revise HB 940 To Remove Conflicts With MLB Rules

- The Amended Bill removes additional limitations imposed by HB 940 which conflict with League (MLB) rules. For example, MLB rules require an in-stadium betting kiosk or window to be in a separate area at the Stadium or adjacent to the Stadium (e.g., outside wall).
- MLB rules expressly require this betting area to be accessible without purchasing a ticket to a game (MLB team sports operators are prohibited from requiring a game ticket in order to place a bet). Accordingly, by removing 9-1E-9(D)(1) in the Amended Bill as per above we have removed the inconsistency with this MLB regulation.
- HB 940 also unduly restricts betting by sports team personnel and owners (see 9-1E-11 (A)(3) and (4) which prohibits betting on various unrelated sports events). Note that MLB and NFL have very specific restrictions as to betting by team owners or personnel. The Amended Bill revises these provisions to reference the League rules---so that the prohibition on wagering extends to “to the extent any such individual is subject to restrictions imposed by a sports governing entity and violates the applicable restrictions”.